

**Fourth Supplement dated 20 February 2019**  
**to the Base Prospectus for the issue of unsubordinated Notes dated 5 June 2018**



**BNP Paribas Issuance B.V.**

*(incorporated in The Netherlands)*

*(as Issuer)*

**BNP Paribas**

*(incorporated in France)*

*(as Guarantor)*

**BNP Paribas Fortis Funding**

*(incorporated in Luxembourg)*

*(as Issuer)*

**BNP Paribas Fortis SA/NV**

*(incorporated in Belgium)*

*(as Guarantor)*

**Note, Warrant and Certificate Programme**

This fourth supplement (the "**Fourth Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 5 June 2018 (the "**Base Prospectus**"), the first supplement to the Base Prospectus dated 9 August 2018 (the "**First Supplement**"), the second supplement to the Base Prospectus dated 25 September 2018 (the "**Second Supplement**") and the third supplement to the Base Prospectus dated 22 November 2018 (the "**Third Supplement**" and, together with the First Supplement and the Second Supplement, the "**Previous Supplements**"), in each case in respect of Notes issued under the Note, Warrant and Certificate Programme (the "**Programme**") of BNP Paribas Issuance B.V. ("**BNPP B.V.**"), BNP Paribas ("**BNPP**"), BNP Paribas Fortis Funding ("**BP2F**") and BNP Paribas Fortis SA/NV ("**BNPPF**").

The Base Prospectus and the Previous Supplements together constitute a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. The "**Prospectus Directive**" means Directive 2003/71/EC of 4 November 2003 (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in a relevant Member State of the European Economic Area. The *Autorité des marchés financiers* (the "**AMF**") granted visa no. 18-226 on 5 June 2018 in respect of the Base Prospectus, visa no. 18-379 on 9 August 2018 in respect of the First Supplement, visa no. 18-450 on 25 September 2018 in respect of the Second Supplement and visa no. 18-530 on 22 November 2018 in respect of the Third Supplement. Application has been made to the AMF for approval of this Fourth Supplement in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive in France.

BNPP (in respect of itself and BNPP B.V.), BNPP B.V. (in respect of itself), BP2F (in respect of itself) and BNPPF (in respect of itself and BP2F) accept responsibility for the information contained in this Fourth Supplement, save that BNPP B.V., BP2F and BNPPF accept no responsibility for the information contained in the press release and related presentation dated 6 February 2019 or the press release dated 15 February

2019, the updated disclosure relating to BNPP or the BNPP 2018 Unaudited Financial Statements (as defined below). To the best of the knowledge of BNPP, BNPP B.V., BP2F and BNPPF (who have taken all reasonable care to ensure that such is the case), the information contained herein is, subject as provided in the preceding sentence, in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Base Prospectus, as amended by the Previous Supplements, shall have the same meanings when used in this Fourth Supplement.

To the extent that there is any inconsistency between (i) any statement in this Fourth Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus, as amended by the Previous Supplements, the statement referred to in (i) above will prevail.

References in this Fourth Supplement to paragraphs of the Base Prospectus are to the Base Prospectus as amended by the Previous Supplements. References in this Fourth Supplement to page numbers in the Base Prospectus are to the page numbers in the Base Prospectus without taking into account any amendments made in the Previous Supplements.

Copies of this Fourth Supplement may be obtained free of charge at the specified offices of BNP Paribas Securities Services, Luxembourg Branch, BP2F and BNPPF and will be available on the website of BNP Paribas (<https://rates-globalmarkets.bnpparibas.com/gm/Public/LegalDocs.aspx>), on the website of BNPPF (<https://www.bnpparibasfortis.be>), on the website of BP2F (<https://www.bp2f.lu>) and on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

This Fourth Supplement has been prepared in accordance with Article 16.1 of the Prospectus Directive and pursuant to Article 212-25 of the AMF's *Règlement Général*, for the purposes of giving information which amends or is additional to the information already contained in the Base Prospectus, as amended by the Previous Supplements.

This Fourth Supplement has been prepared for the purposes of:

- (A) giving disclosure in respect of:
  - (i) a press release and related presentation dated 6 February 2019 issued by BNP Paribas; and
  - (ii) a press release dated 15 February 2019 issued by BNP Paribas relating to the notification by the ECB of the 2018 Supervisory Review and Evaluation Process;
- (B) amending the "Programme Summary in relation to this Base Prospectus" and the "Pro Forma Issue Specific Summary of the Programme in relation to this Base Prospectus";
- (C) amending the "Programme Summary in relation to this Base Prospectus (in French)" and the "Pro Forma Issue Specific Summary of the Programme in relation to this Base Prospectus (in French)";
- (D) amending the "Risks" section;
- (E) incorporating by reference BNPP's unaudited consolidated financial statements for the year ended 31 December 2018 (the "**BNPP 2018 Unaudited Financial Statements**"); and
- (F) amending the "General Information" section.

The incorporation of the documents referred to in (A) above has been included to update the BNPP disclosure. The amendments referred to in (B) and (C) above have been made to reflect the updated disclosure in respect of BNPP referred to in (A) and (D) above. The amendments referred to in (D) above have been made to update the risk factors relating to BNPP. The incorporation by reference referred to in (E)

above has been made to reflect the unaudited consolidated financial statements of BNPP for the year ended 31 December 2018. The amendments referred to in (F) above have been made to (i) update the table of Capitalization of BNPP and the BNP Paribas Group and (ii) include a declaration concerning the unaudited annual results of BNP Paribas for the year ending 31 December 2018 and the unaudited fourth quarter results of BNP Paribas for the quarter ended 31 December 2018.

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Securities to the public, investors who, before this Fourth Supplement is published, have already agreed to purchase or subscribe for Securities issued under the Programme which are affected by the amendments made in this Fourth Supplement, have the right, exercisable before the end of the period of two working days beginning with the working day after the date of publication of this Fourth Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 22 February 2019.

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**PRESS RELEASE AND RELATED PRESENTATION DATED 6 FEBRUARY 2019 AND PRESS  
RELEASE DATED 15 FEBRUARY 2019**

BNP Paribas have released the following:

- (a) a press release and presentation dated 6 February 2019 relating to the unaudited financial information of BNP Paribas for the fourth quarter ended 31 December 2018 and the unaudited figures for the year ended 31 December 2018; and
- (b) a press release dated 15 February 2019 relating to the notification by the ECB of the 2018 Supervisory Review and Evaluation Process.

# 2018 FULL YEAR RESULTS

PRESS RELEASE

Paris, 6 February 2019



## BUSINESS INCREASE IN AN ENVIRONMENT OF ECONOMIC GROWTH IN EUROPE

OUTSTANDING LOANS: +3.9% vs. 2017

## REVENUES OF THE DIVISIONS HELD UP WELL DESPITE LOW RATES AND UNFAVOURABLE FINANCIAL MARKET CONTEXT, IN PARTICULAR AT THE END OF THE YEAR

REVENUES OF THE OPERATING DIVISIONS: -0.4%\* vs. 2017

## DEVELOPMENT OF THE SPECIALISED BUSINESSES OF DOMESTIC MARKETS AND INTERNATIONAL FINANCIAL SERVICES

### DECREASE OF COSTS IN THE RETAIL NETWORKS AND CIB

OPERATING EXPENSES OF THE OPERATING DIVISIONS: +1.7%\* vs. 2017

## DECREASE IN THE COST OF RISK

-4.9% vs. 2017 (35 bp\*\*)

## NET INCOME GROUP SHARE HELD UP WELL

NET INCOME GROUP SHARE: €7,526m (-3.0% vs. 2017)

## DIVIDEND PER SHARE

€3.02\*\*\* (stable vs. 2017)

## VERY SOLID BALANCE SHEET

CET1 RATIO\*\*\*\*: 11.8%

## BUSINESS GROWTH

## SIGNIFICANT PROGRESS IN THE DIGITAL TRANSFORMATION

\*AT CONSTANT SCOPE AND EXCHANGE RATES; \*\*COST OF RISK/CUSTOMER LOANS AT THE BEGINNING OF THE PERIOD (IN BP);  
\*\*\*SUBJECT TO THE APPROVAL OF THE ANNUAL GENERAL MEETING ON 23 MAY 2019; \*\*\*\* CRD4 FULLY LOADED



**BNP PARIBAS**

The bank  
for a changing  
world

The Board of Directors of BNP Paribas met on 5 February 2019. The meeting was chaired by Jean Lemierre and the Board examined the Group's results for the fourth quarter and endorsed the 2018 financial statements.

## **GOOD RESILIENCE OF INCOME**

The business of BNP Paribas was up in 2018 with higher outstanding loans in the context of economic growth in Europe. The revenue evolution was however penalised by the still low interest rate environment and an unfavourable financial market context with particularly challenging conditions at the end of the year.

Revenues totalled 42,516 million euros, down by 1.5% compared to 2017 which included exceptional items: +233 million euros in capital gains from the sale of Shinhan and Euronext shares and -175 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA).

In the operating divisions, revenues were down by 0.9% (-0.4% at constant scope and exchange rates): they were down slightly at Domestic Markets<sup>1</sup> (-0.2%) due to the low interest rate environment partly offset by good business development, in particular in the specialised businesses; up at International Financial Services (+3.4%), despite an unfavourable foreign exchange effect (+6.6% at constant scope and exchange rates<sup>2</sup>); but down at CIB (-7.5%) due to a lacklustre market context and very challenging conditions at the end of the year, notwithstanding good development with targeted customers.

At 30,583 million euros, the Group's operating expenses were up by 2.1% compared to 2017. They included the exceptional 1,235 million euro impact of businesses' transformation costs and acquisitions' restructuring costs<sup>3</sup> (957 million euros in 2017). Excluding these exceptional items, they rose by only 1.2%.

The operating expenses of the operating divisions rose by 1.7% compared to 2017 (+1.7% at constant scope and exchange rates): they were up by 0.8% for Domestic Markets<sup>1</sup> with a rise in the specialised businesses due to business development but down in the domestic networks; up by 5.4% for International Financial Services as a result of business growth support and new product development; but down by 1.3% for CIB due to cost saving measures.

The gross operating income of the Group thus totalled 11,933 million euros, down by 9.7%. It was down by 6.0% for the operating divisions (-4.7% at constant scope and exchange rates).

The cost of risk was down at 2,764 million euros (2,907 million euros in 2017). It was 35 basis points of outstanding customer loans. This low level reflects in particular the good control of risk at loan origination, the low interest rate environment and the continued improvement in Italy.

The Group's operating income, at 9,169 million euros (10,310 million euros in 2017), was thus down by 11.1%. It was down by 6.4% for the operating divisions (-5.5% at constant scope and exchange rates).

Non-operating items totalled 1,039 million euros (1,000 million euros in 2017). They included the exceptional +101 million euro impact of the capital gain from the sale of a building and the +286 million euro capital gain from the sale of First Hawaiian Bank shares. Last year, they included a +326 million euro capital gain realised from the initial public offering of SBI Life as well as the full impairment of TEB's goodwill for -172 million euros.

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<sup>1</sup> Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)

<sup>2</sup> Excluding the impact of the drop in markets at the end of the year in Insurance on assets at market value

<sup>3</sup> In particular, LaSer, DAB Bank, GE LLD, ABN Amro Luxembourg and Raiffeisen Bank Polska

Pre-tax income, which came to 10,208 million euros (11,310 million euros in 2017), was thus down by 9.7%. It was down by 8.6% for the operating divisions (-5.3% at constant scope and exchange rates).

The average tax rate was 23.1%, benefitting in particular from a decrease in the corporate tax rate in Belgium and in the United States and from the low tax rate on the long term capital gain from amongst others the sale of First Hawaiian Bank shares.

The Group's net income attributable to equity holders was 7,526 million euros, down by 3.0% compared to 2017 but by only 1.4%, at 8,036 million euros, excluding the effect of exceptional items<sup>1</sup>.

Noteworthy that net income reflected the spot impact, at the closing date, of the sharp fall in the markets on the revaluation of the residual stake in First Hawaiian Bank<sup>2</sup> and on some insurance portfolios (-220 million euros).

The return on equity was thus 8.2% (8.8% excluding exceptional items). The return on tangible equity came to 9.6% (10.2% excluding exceptional items). Earnings per share was €5.73.

As at 31 December 2018, the fully loaded Basel 3 common equity Tier 1 ratio<sup>3</sup> was 11.8% (stable compared to 31 December 2017 despite the -20 bp technical adjustment as at 1<sup>st</sup> January 2018 related to the full application of IFRS 9 and to an amended prudential treatment of irrevocable payment commitments). The fully loaded Basel 3 leverage ratio<sup>4</sup> came to 4.5% and the Liquidity Coverage Ratio to 132%. Lastly, the Group's immediately available liquidity reserve was 308 billion euros, equivalent to over one year of room to manoeuvre in terms of wholesale funding.

The net book value per share reached 74.7 euros, equivalent to a compound annual growth rate of 5.0% since 31 December 2008, illustrating the continuous value creation throughout the cycle.

The Board of Directors will propose to shareholders at the Shareholders' Meeting to pay a €3.02 dividend per share (stable compared to 2017), payable in cash.

The Group is actively implementing its 2020 plan. It is pursuing an ambitious policy of engagement in society with significant initiatives to promote ethical responsibility, social and environmental innovation and a low carbon economy while strengthening its internal control and compliance system. The digital transformation programme is a success with the roll out of new customer experiences, the automation of processes and improved operating efficiency (1,150 million euros in savings since the launch of the programme in early 2017).

The trajectories of Domestic Markets and IFS are in line with the plan but the unfavourable environment requires to intensify the transformation of CIB. The Group has updated the targets of the plan with recurring cost savings increased to 3.3 billion euros starting from 2020, equivalent to an additional 600 million euros vs. the initial plan, of which 350 million at CIB. On these bases, the Group expects a return on equity of 9.5% in 2020 (*i.e.* a return on tangible equity above 10.5%), growth in the earnings per share of over 20% between 2016 and 2020 and a CET1 ratio of at least 12%.

\*  
\* \*

<sup>1</sup> Effect of exceptional items after tax: -510 million euros (-390 million euros in 2017)

<sup>2</sup> Value of the stake in First Hawaiian Bank now revalued at market value

<sup>3</sup> Ratio taking into account all the CRD4 rules with no transitory provisions

<sup>4</sup> Ratio taking into account all the CRD4 rules at 2019 with no transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014



In the fourth quarter 2018, revenues, at 10,160 million euros, were down by 3.5% compared to the fourth quarter 2017 which included an exceptional item: +11 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA).

The revenues of the operating divisions were down by 3.4% reflecting an unfavourable foreign exchange effect (-2.7% at constant scope and exchange rates): they were slightly up at Domestic Markets<sup>1</sup> (+0.1%) due to good business development, in particular in the specialised businesses, offset by the still low interest rate environment; down at International Financial Services (-3.1%) due in particular to a significant scope and foreign exchange effect as well as the impact of the fall in the markets at the end of the year on the assets at market value in Insurance (+4.7% excluding these effects); and down at CIB due to the impact of the extreme market conditions at the end of the year (-9.4%).

At 7,678 million euros, the Group's operating expenses were up by 0.7% compared to the fourth quarter 2017. They included the exceptional 481 million euro impact of the businesses' transformation costs and acquisitions' restructuring costs<sup>2</sup> (456 million euros in the fourth quarter 2017).

The operating expenses of the operating divisions rose by 1.3% compared to the fourth quarter 2017 (+0.9% at constant scope and exchange rates): they were down by 1.9% for Domestic Markets<sup>1</sup> with a significant decrease in the networks and a rise in the specialised businesses related to business development, up by 4.3% for International Financial Services as a result of business growth, and up by 1.9% for CIB (+0.2% at constant scope and exchange rates).

The gross operating income of the Group thus totalled 2,482 million euros, down by 14.7%. It was down by 12.7% for the operating divisions (-9.8% at constant scope and exchange rates).

The cost of risk, at 896 million euros, was down by 9.0% compared to the fourth quarter 2017. At 42 basis points of outstanding customer loans<sup>3</sup>, it was still at a low level.

The Group's operating income, at 1,586 million euros (1,926 million euros in the fourth quarter 2017), was thus down by 17.7%. It was down by 11.2% for the operating divisions (-7.8% at constant scope and exchange rates).

Non-operating items totalled 97 million euros (196 million euros in the fourth quarter 2017). They reflected in particular this quarter the impact of the revaluation at market value, on the date of the closing of the accounts, of the First Hawaiian Bank equity stake (-125 million euros).

Pre-tax income, which came to 1,683 million euros (2,122 million euros in the fourth quarter 2017), was thus down by 20.7%. It was down by 12.2% for the operating divisions (-6.3% at constant scope and exchange rates). Following the fiscal provisions recorded in the previous quarters, the balance of the corporate tax income decreased significantly this quarter compared to the fourth quarter 2017. Net income attributable to equity holders was thus 1,442 million euros, up by 1.1% compared to the fourth quarter 2017 (1,426 million euros). It included the spot impact, at the closing date, of the sharp fall in the markets on the revaluation of the residual stake in First Hawaiian Bank and on part of the insurance portfolios (-220 million euros).

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<sup>1</sup> Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)

<sup>2</sup> In particular, LaSer, DAB Bank, GE LLD, ABN Amro Luxembourg and Raiffeisen Bank Polska

<sup>3</sup> 45 bps including the impact of booking of stage 1 provisions for Raiffeisen Bank Polska's portfolio of non-doubtful loans after the acquisition of its core banking activities

## **RETAIL BANKING & SERVICES**

### **DOMESTIC MARKETS**

For the whole of 2018, the business activity of Domestic Markets was up. Outstanding loans rose by 4.9% compared to 2017 with good growth in loans both in the domestic networks and in the specialised businesses (Arval, Leasing Solutions). Deposits rose by 5.2% compared to 2017 and were up in all countries. There were good net asset inflows at Private Banking (4.4 billion euros).

Domestic Markets continued to develop new customer experiences and digital transformation. Hello bank! reached 3 million customers and exceeded the threshold of 400,000 customers in France thanks to the good level of net client acquisition. For its part, Nickel exceeded 1.1 million accounts opened, or a 44% increase compared to 31 December 2017. The operating division accelerated individual customers' mobile uses and enhanced mobile app features available, ranking as France's leading bank in terms of mobile functionalities according to D-rating<sup>1</sup>, and recorded a significant increase in the number of contacts via mobile app in the networks (+28% compared to December 2017). It continues adapting its offerings to new banking uses with the development of *LyfPay*, a universal mobile payment solution, which has already recorded over 1.3 million downloads since it was launched in May 2017. The operating division also continued the transformation of its operating model by streamlining and digitalising end-to-end its main customer journeys and automating its processes (280 robots in production at the end of 2018).

It is streamlining and optimising the local commercial network in order to enhance customer service and reduce costs (262 branches closed since 2016 in France, Belgium and Italy and removed in 2018 a regional management level in the network in France).

Revenues<sup>2</sup>, at 15,683 million euros, were down by 0.2% compared to 2017, as the impact of low interest rates was not fully offset by increased business and growth in the specialised businesses.

Operating expenses<sup>2</sup> (10,707 million euros) were up by 0.8% compared to 2017, with an increase in the specialised businesses due to their development but a 0.9% decrease in the retail networks' costs.

Gross operating income<sup>2</sup> was down by 2.4%, at 4,977 million euros, compared to last year.

The cost of risk was down by 22.8% compared to 2017. It was down in all the networks and continued to decrease at BNL bc.

Thus, after allocating one-third of Domestic Markets Private Banking's net income to the Wealth Management business (International Financial Services division), the division reported 3,663 million euros in pre-tax income<sup>3</sup>, up by 3.4% compared to 2017.

In the fourth quarter 2018, revenues<sup>2</sup>, at 3,903 million euros, were up by 0.1% compared to the fourth quarter 2017 due to increased business and good growth in the specialised businesses, offset by the low interest rate environment. Operating expenses<sup>2</sup> (2,603 million euros) were down by 1.9% compared to the fourth quarter 2017, the significant decrease in the networks (-3.0%) being offset in part by the effect of the business development of the specialised businesses. The jaws effect was positive this quarter in each of the operating divisions' businesses. Gross operating income<sup>2</sup>, at 1,300 million euros, was up by 4.5% compared to the same quarter last year. The cost of risk was down by 13.2% compared to the fourth quarter 2017, due in particular to the continued decrease at BNL bc. Thus, after allocating one-third of Domestic Markets Private Banking's net

<sup>1</sup> Agency specialised in digital performance analysis

<sup>2</sup> Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg

<sup>3</sup> Excluding PEL/CEL effects of +20 million euros compared to +19 million euros in 2017

income to the Wealth Management business (International Financial Services division), the division reported 917 million euros in pre-tax income<sup>1</sup>, up sharply compared to the fourth quarter 2017 (+12.9%).

### **French Retail Banking (FRB)**

For the whole of 2018, FRB continued its good business drive in the context of economic growth in France. Outstanding loans rose by 5.4% compared to 2017 with sustained growth in loans to both individual and corporate clients and, for mortgage loans, the confirmation of the return to normal of renegotiations and early repayments. Deposits were up by 5.3%, driven by strong growth in current accounts and Private Banking in France reported strong net asset inflows (3.3 billion euros).

The new property and casualty offering launched in May as part of the partnership between BNP Paribas Cardif and Matmut (Cardif IARD) is a success with already 100,000 contracts sold as at 31 December 2018. The goal is to multiply by three by 2020 sales of property and casualty contracts and to grow the customer penetration rate from 8% to 12%.

The business is accelerating individual customers' mobile uses and developing self-care features with, for example, the option for customers to deactivate payment cards or change authorised spending limits online.

Revenues<sup>2</sup> totalled 6,311 million euros, down by 0.7% compared to 2017 with a gradual improvement of the trend during the course of the year and a return to growth in the last quarter. Net interest income<sup>2</sup> was down by 0.6% as the volume growth was more than offset by an unfavourable base effect due to renegotiation and early repayment penalties which were high in 2017. Fees<sup>2</sup> were down by 0.7% with a decrease in particular in financial fees.

At 4,609 million euros, operating expenses<sup>2</sup> were down by 1.0% compared to 2017 as a result of cost saving measures (optimisation of the network and streamlining of the management set-up), thereby generating a positive 0.3 point jaws effect.

Gross operating income<sup>2</sup> thus came to 1,701 million euros, up by 0.4% compared to last year.

The cost of risk<sup>2</sup> was down, at 288 million euros (331 million euros in 2017) and amounts to 16 basis points of outstanding customer loans.

Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 1,263 million euros in pre-tax income<sup>3</sup>, up by 4.2% compared to 2017.

In the fourth quarter 2018, revenues<sup>2</sup> totalled 1,553 million euros, up by 0.8% compared to the fourth quarter 2017. Net interest income<sup>2</sup> was up by 1.3%. Fees<sup>2</sup> were up slightly (+0.1%). At 1,149 million euros, operating expenses<sup>2</sup> were down by 2.2% compared to the fourth quarter 2017, as a result of cost saving measures, which generated a positive jaws effect. Gross operating income<sup>2</sup> thus came to 404 million euros, up by 10.4% compared to the same quarter last year. The cost of risk<sup>2</sup> was down this quarter, at 85 million euros (107 million euros in the fourth quarter 2017). It was still at a low level (19 basis points of outstanding customer loans). Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 284 million euros in pre-tax income<sup>1</sup>, up sharply compared to fourth quarter 2017 (+28.5%).

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<sup>1</sup> Excluding PEL/CEL effects of +15 million euros compared to +13 million euros in the fourth quarter 2017

<sup>2</sup> Including 100% of Private Banking in France (excluding PEL/CEL effects)

<sup>3</sup> Excluding PEL/CEL effects of +20 million euros compared to +19 million euros in 2017

**BNL banca commerciale (BNL bc)**

For the whole of 2018, the outstanding loans of BNL bc grew by 0.6% compared to 2017. Deposits, for their part, grew by 4.7% driven by a rise in current accounts. Life insurance outstandings reported a good performance (+6.8% compared to 31 December 2017).

BNL bc also continued to develop new client journeys and digital transformation with the launch this year of *MyBiz*, a new app for SMEs offering mobile access to a large range of banking services including applying for loans. The business also continued the automation of processes with already 70 robots operational.

Revenues<sup>1</sup> were down 4.0% compared to 2017, at 2,792 million euros. Net interest income<sup>1</sup> was down by 6.6% due to the persistently low interest rate environment and the positioning on clients with a better risk profile. However, margins on the loan origination tended to improve at the end of the year. Fees<sup>1</sup> were up by 0.5% for their part with a rise in banking fees partly offset by the decrease in financial fees.

Operating expenses<sup>1</sup>, at 1,797 million euros, were down by 0.2% (-0.8% excluding the additional contribution to the Italian resolution fund<sup>2</sup>) thanks to the effect of cost saving measures.

Gross operating income<sup>1</sup> thus totalled 995 million euros, down by 10.1% compared to last year.

The cost of risk<sup>1</sup>, at 75 basis points of outstanding customer loans, continued its decrease (-279 million euros compared to 2017).

Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc confirmed its improving profitability and posted 356 million euros in pre-tax income (+164 million euros compared to 2017).

In the fourth quarter 2018, revenues<sup>1</sup> were down by 1.4% compared to the fourth quarter 2017, at 722 million euros. Net interest income<sup>1</sup> was down by 3.4% due to the persistently low interest rate environment and the positioning on clients with a better risk profile, reflecting however a slight improvement of margins on new loan origination. Fees<sup>1</sup> were up by 1.9% as a result of an increase in banking fees. Operating expenses<sup>1</sup>, at 440 million euros, were down by 3.6% thanks to cost saving measures, generating a positive jaws effect. Gross operating income<sup>1</sup> thus totalled 282 million euros, up by 2.3% compared to the same quarter last year. The cost of risk<sup>1</sup> continued its downward trend (-54 million euros compared to the fourth quarter 2017) thanks to the improvement of the quality of the portfolio and came to 82 basis points of outstanding customer loans. Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc posted 105 million euros in pre-tax income, more than two times the level of the fourth quarter 2017 (46 million euros).

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<sup>1</sup> Including 100% of Private Banking in Italy

<sup>2</sup> 11 million euros paid in the second quarter 2018

## **Belgian Retail Banking**

For the whole of 2018, BRB reported sustained business activity. Loans were up by 4.2% compared to 2017 with a sharp rise in corporate loans and growth in mortgage loans. Deposits rose by 4.1% with growth in current and savings accounts.

The business also successfully continued its digital development. Thanks to the continuous enhancement of its features, the *Easy Banking* app recorded a 23% increase in the number of users compared to 31 December 2017, at 1.4 million. The number of companies using *Easy Banking Business* was also up sharply (+20% since 31 December 2017) with in particular the successful launch of the mobile version. The business was also successful in the exclusive launch of Apple Pay in Belgium.

BRB's revenues<sup>1</sup> were down by 2.2%, compared to 2017, at 3,595 million euros: net interest income<sup>1</sup> was down by 1.2% due to the impact of the low interest rate environment partly offset by volume growth. Fees<sup>1</sup> were down by 5.2% with a decrease in financial fees, as a result in particular of the very unfavourable market context in the fourth quarter, and a rise in retrocession fees to independent agents whose network has been expanded.

Operating expenses<sup>1</sup>, at 2,521 million euros, were down by 1.3% compared to 2017 thanks to the effect of cost saving measures (optimisation of the branch network and streamlining of the management set-up).

Gross operating income<sup>1</sup>, at 1,074 million euros, was down by 4.3% compared to last year.

At 43 million euros, the cost of risk<sup>1</sup> was down (65 million euros in 2017) and totalled 4 basis points of outstanding customer loans.

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 980 million euros in pre-tax income, down by 3.3% compared to 2017.

In the fourth quarter 2018, BRB's revenues<sup>1</sup> were down by 4.1%, compared to the fourth quarter 2017, at 857 million euros. Net interest income<sup>1</sup> was down by 1.6% due to the impact of the low interest rate environment partly offset by increased volumes. Fees<sup>1</sup> were down by 11.0% with a significant decrease in financial fees as a result of the market context this quarter, and a rise in retrocession fees to independent agents whose network has been expanded. Operating expenses<sup>1</sup>, at 571 million euros, were down by 5.0% compared to the fourth quarter 2017, thanks to the effect of cost saving measures. Gross operating income<sup>1</sup>, at 286 million euros, was down by 2.3% compared to the same quarter last year. The cost of risk<sup>1</sup> totalled 43 million euros due in particular to a specific file (15 million euros in the fourth quarter 2017). At 16 basis points of outstanding customer loans, it was still very low. After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 238 million euros in pre-tax income, down by 9.1% compared to the fourth quarter 2017.

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<sup>1</sup> Including 100% of Private Banking in Belgium

**Other Domestic Markets business units (Arval, Leasing Solutions, Personal Investors, Nickel and Luxembourg Retail Banking)**

For the whole of 2018, Domestic Markets' specialised businesses continued their strong growth: the financed fleet of Arval grew by 7.7% and the financing outstandings of Leasing Solutions were up by 8.7%<sup>1</sup> compared to 2017; Personal Investors reported increased orders from individual customers (+8.9% compared to 2017) and Nickel continued its very strong growth with already over 1.1 million accounts opened (+347,000 in 2018). Nickel's target is to reach 2 million accounts opened by 2020. To this end, Nickel is growing its point of sales network (4,300 *buralistes* as at 31 December 2018, +48% compared to 31 December 2017) with a target of 10,000 by 2020.

The outstanding loans of Luxembourg Retail Banking (LRB) rose by 7.9% compared to 2017, with good growth in mortgage and corporate loans. Deposits were up by 11.8% with very good inflows in particular in the corporate segment.

The digital development continued with the growing use of e-signature at Leasing Solutions and Arval as well as the rollout by Arval in Europe of an offering to individuals, already operational in the Netherlands, to rent cars online (*Private Lease*).

The revenues<sup>2</sup> of the five businesses, which totalled 2,986 million euros, were up on the whole by 7.3% compared to 2017 due to scope effects and good business development.

Operating expenses<sup>1</sup> rose by 10.6% compared to 2017, to 1,779 million euros, as a result of scope effects and development of the businesses as well as the costs to launch new digital services.

The cost of risk<sup>1</sup>, at 123 million euros, was up by 34 million euros compared to 2017.

Thus, the pre-tax income of these five business units, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was 1,064 million euros (-5.4% compared to 2017).

In the fourth quarter 2018, the revenues<sup>1</sup> of the five businesses, which totalled 771 million euros, were up on the whole by 5.6% compared to the fourth quarter 2017 due to good business development and scope effects. Operating expenses<sup>1</sup> rose by 5.5% compared to the fourth quarter 2017, to 443 million euros as a result of scope effects, business development and the costs to launch new digital services at Arval and Leasing Services. The jaws effect was thus positive by 0.1 point this quarter. The cost of risk<sup>1</sup> was down by 1 million euros compared to the fourth quarter 2017, at 29 million euros. Thus, the pre-tax income of these five business units, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), totalled 289 million euros (+2.3% compared to the fourth quarter 2017).

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<sup>1</sup> At constant scope and exchange rates

<sup>2</sup> Including 100% of Private Banking in Luxembourg

## **INTERNATIONAL FINANCIAL SERVICES**

For the whole of 2018, International Financial Services continued its growth and reported a sustained business activity: outstanding loans were up by 3.8% compared to 2017 (+7.1% at constant scope and exchange rates) and the operating division reported good net asset inflows (13.4 billion euros). The assets under management of the savings and insurance businesses were down slightly, at 1,028 billion euros (-2.2% compared to 31 December 2017), due to the sharp fall in valuations at the end of the year.

The operating division actively implemented digital transformation and new technologies across all its businesses. The e-signature is now widely available with already 50% of contracts signed electronically at Personal Finance and 35 processes that use e-signatures in the international retail networks. It digitalised client journeys at Personal Finance with a completely digital application process for consumer loans already rolled out in 7 countries and put in place in Insurance in France an online questionnaire enabling over 80% of clients to get immediate approval for creditor protection insurance (150,000 contracts as at the end of 2018). It expanded the features available on mobile at Wealth Management with *My Biopass* which allows client identification and validation of transactions using biometrics and continued to expand its digital banks with already 665,000 customers for *Cepteteb* in Turkey and 223,000 customers for *BGZ Optima* in Poland. The operating division is developing new technologies and artificial intelligence with already 130 robots (automation of controls, reporting and data processing) and 17 chatbots already operational.

International Financial Services reported this year an unfavourable foreign exchange effect (depreciation of the Turkish lira and the US dollar) partially offset by several scope effects.

At 16,434 million euros, revenues were up by 3.4% compared to 2017. Excluding the impact of the fall in the markets at the end of the year on assets at market value at Insurance<sup>1</sup>, they rose by 6.6% at constant scope and exchange rates, reflecting the good business drive.

Operating expenses, which totalled 10,242 million euros, were up by 5.4% compared to the same period last year, as a result of business development and new product launches (+5.5% at constant scope and exchange rates and excluding non-recurring items<sup>2</sup>).

Gross operating income came to 6,192 million euros, up by 0.2% compared to 2017 (+4.7% at constant scope and exchange rates).

The cost of risk, at 1,579 million euros, rose by 228 million compared to a weak base in 2017 given provision write-backs. It recorded the effect of the IFRS 9 application at Personal Finance where performing loans, which grow at a sustained level, are now provisioned.

Other non-operating items totalled 208 million euros (433 million euros in 2017). They reflected the exceptional impact of the 151 million euro capital gain<sup>3</sup> from the sale of First Hawaiian Bank shares. They included in the same period last year a 326 million euro capital gain realised from the initial public offering of SBI Life.

International Financial Services' pre-tax income thus totalled 5,310 million euros, down by 8.8% compared to 2017 but up by 3.3% at constant scope and exchange rates and excluding the impact of the fall in the markets at the end of the year at Insurance<sup>4</sup>.

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<sup>1</sup> -180 million euros

<sup>2</sup> Non-recurring items at Asset Management, Real Estate Services and at BancWest (34 million euros in 2018)

<sup>3</sup> In addition, 135 million euro exchange difference booked in the P&L in the Corporate Centre

<sup>4</sup> Excluding non-recurring items : -33 million euros in 2018 (+40 million euros in 2017)

In the fourth quarter 2018, at 3,999 million euros, revenues were down by 3.1% compared to the fourth quarter 2017 given an unfavourable foreign exchange effect (depreciation of the Turkish lira), the scope effect related to the sale of First Hawaiian Bank<sup>1</sup> shares in the previous quarter and the impact of the fall in the markets at the end of the year on assets at market value at Insurance<sup>2</sup>. They rose by 4.7% at constant scope and exchange rates<sup>3</sup>. Operating expenses, which totalled 2,626 million euros, were up by 4.3%, as a result of good development of businesses (+5.4% at constant scope and exchange rates). Gross operating income thus came to 1,373 million euros, down by 14.6% compared to the fourth quarter 2017 (-9.0% at constant scope and exchange rates). The cost of risk, at 401 million euros, was up by 48 million compared to the fourth quarter 2017 due to increased outstanding loans at Personal Finance and a moderate rise in the cost of risk in Turkey. Other non-operating items totalled -3 million euros (54 million euros in the fourth quarter 2017 in which a capital gain was recorded). International Financial Services' pre-tax income thus totalled 1,101 million euros, down by 24.0% compared to the fourth quarter 2017 but virtually stable (-0.6%) at constant scope and exchange rates and excluding the impact of the fall in the markets at the end of the year at Insurance<sup>3</sup>.

## **Personal Finance**

For the whole of 2018, Personal Finance continued its strong organic growth drive while integrating General Motors Europe's financing activities<sup>4</sup>: outstanding loans were up by +12.6% at constant scope and exchange rates compared to 2017, driven by an increase in demand in a favourable context in Europe and the effect of new partnerships. The business signed new commercial agreements with Hyundai and Uber in France, Carrefour in Poland and Dixons Carphone in the United Kingdom. It continued to expand its digital footprint and new technologies with 97 robots already deployed and more than 31 million selfcare transactions done by clients, or 73.9% of the total.

The revenues of Personal Finance were up by 12.4% compared to 2017, at 5,533 million euros. They were up by 9.1% at constant scope and exchange rates as a result of the rise in volumes and the positioning on products with a better risk profile. They were driven in particular by a good drive in Italy, Spain and Germany.

Operating expenses were up by 13.9% compared to 2017, at 2,764 million euros. They were up by 7.9% at constant scope and exchange rates, as a result of business development. The cost income ratio was 50.0%.

Gross operating income thus came to 2,768 million euros, up by 10.9% compared to 2017 (+10.3% at constant scope and exchange rates).

The cost of risk came to 1,186 million euros (1,009 million euros in 2017). At 141 basis points of outstanding customer loans, it was at a low level despite the effect of the IFRS 9 adoption.

Personal Finance's pre-tax income thus came to 1,646 million euros, up by 2.5% compared to 2017 (+5.9% at constant scope and exchange rates and excluding the step effect of the IFRS 9 adoption).

In the fourth quarter 2018, the revenues of Personal Finance were up by 10.3% compared to the fourth quarter 2017, at 1,411 million euros (+9.5% at constant scope and exchange rates), in connection with increased volumes and the positioning on products with a better risk profile. They were driven in particular by a good drive in Italy, Spain and Germany. Operating expenses were up

<sup>1</sup> FHB accounted under the IFRS 5 standard (assets to be sold) as of 30 June 2018 and transferred to the Corporate Centre as of 1 October 2018

<sup>2</sup> -180 million euros

<sup>3</sup> Excluding capital gains from the sale of securities and loans at BancWest in the fourth quarter 2017 (8 million euros)

<sup>4</sup> Acquisition closed on 31 October 2017



by 14.0% compared to the fourth quarter 2017, at 728 million euros (+12.7% at constant scope and exchange rates), as a result of business development. Gross operating income thus came to 682 million euros, up by 6.5% compared to the fourth quarter 2017 (+6.3% at constant scope and exchange rates). The cost of risk totalled 299 million euros (+28 million euros compared to the fourth quarter 2017), reflecting in particular the effect of the IFRS 9 adoption. It was 136 basis points of outstanding customer loans. Personal Finance's pre-tax income thus came to 400 million euros, up by 2.9% compared to the fourth quarter 2017 (+6.3% at constant scope and exchange rates and excluding the step effect of the IFRS 9 adoption).

### **Europe-Mediterranean**

For the whole of 2018, Europe-Mediterranean delivered a good overall performance. Outstanding loans rose by 5.2%<sup>1</sup> compared to 2017. Deposits grew by 8.6%<sup>1</sup>, up in particular in Turkey. The business continued to develop its digital banks (*Cepteteb* in Turkey and *BGZ Optima* in Poland) and to roll out e-signature in Poland, Turkey and Morocco for certain trade finance transactions and consumer loan applications.

The business also acquired this year the core banking activities of Raiffeisen Bank Polska<sup>2</sup>, which strengthened BGZ BNP Paribas as the 6<sup>th</sup> largest bank in Poland (over 6% combined market share in loans and deposits) and is expected to have an above 1% positive impact on Group's net earnings per share in 2020.

At 2,358 million euros, Europe-Mediterranean's revenues<sup>3</sup> were up by 12.5%<sup>1</sup> compared to 2017, as a result of increased volumes and margins as well as the good level of fees. They were up in all regions.

Operating expenses<sup>3</sup>, at 1,605 million euros, were up by 4.8%<sup>1</sup> due to business development with a largely positive jaws effect.

The cost of risk<sup>3</sup>, which totalled 308 million euros, was up by 49 million euros as a result of a moderate rise in the cost of risk in Turkey. It was 82 basis points of outstanding customer loans.

After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean generated 684 million euros in pre-tax income, up significantly compared to the same period last year (+23.6% at constant scope and exchange rates and +10.9% at historical scope and exchange rates given the strong depreciation of the Turkish lira).

In the fourth quarter 2018, Europe-Mediterranean's revenues<sup>3</sup> were, at 600 million euros, up by 9.4%<sup>1</sup> compared to the fourth quarter 2017 as a result of increased volumes and margins as well as a good level of fees. They were up in all the regions. Operating expenses<sup>3</sup>, at 405 million euros, were up by 1.3%<sup>1</sup> compared to the same quarter last year, reflecting good cost containment and generating a largely positive jaws effect. The cost of risk<sup>3</sup> totalled 78 million euros and was up by 16 million euros compared to the fourth quarter 2017 as a result of a moderate rise in Turkey. It was thus 87 basis points of outstanding customer loans. After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean thus generated 176 million euros in pre-tax income, up by 22.7% at constant scope and exchange rates and 11.7% at historical scope and exchange rates given the strong depreciation of the Turkish lira.

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<sup>1</sup> At constant scope and exchange rates

<sup>2</sup> Excluding mortgage loans in foreign currencies and a limited amount of other assets; acquisition closed on 31 October 2018

<sup>3</sup> Including 100% of Private Banking in Turkey

## **BancWest**

For the whole of 2018, BancWest's commercial activity continued to grow. The scope of the business evolved with the sale of 43.6% of First Hawaiian Bank<sup>1</sup>, which is only 18.4% owned and is no more fully consolidated since 1<sup>st</sup> August 2018. Deposits were up by 3.6%<sup>2</sup> and loans by 1.6%<sup>2</sup> compared to 2017 with good growth in loans to individual and corporate customers. Private Banking's assets under management (13.7 billion U.S. dollars as at 31 December 2018) were up by 4.8%<sup>2</sup> compared to 31 December 2017.

The business continued its digital transformation with already 30% account openings done online. It developed cooperation with CIB (over 50 significant transactions done jointly, or a 31% increase compared to 2017) and Personal Finance (car loans).

Revenues<sup>3</sup>, at 2,647 million euros, were up by 1.9%<sup>2</sup> compared to 2017 (+2.4%<sup>2</sup> excluding capital gains from the sale of securities and loans in 2017 for 14 million euros), as a result of volume growth.

At 1,870 million euros, operating expenses<sup>3</sup> rose by 2.6%<sup>2</sup> compared to 2017.

The cost of risk<sup>3</sup> (82 million euros), or 14 basis points of outstanding customer loans, was 29 million euros lower compared to 2017.

Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest posted 819 million euros in pre-tax income, up by 3.3% at constant scope and exchange rates compared to 2017 (-1.4% at historical scope and exchange rates).

In the fourth quarter 2018, revenues<sup>3</sup>, at 599 million euros, were down by 0.8%<sup>2</sup> compared to the fourth quarter 2017 but up by 0.5%<sup>2</sup> excluding capital gains from the sale of securities and loans made the same quarter last year. At 431 million euros, operating expenses<sup>3</sup> were up by 2.3%<sup>2</sup> compared to the fourth quarter 2017. Gross operating income<sup>3</sup>, at 169 million euros, was down by 7.7%<sup>2</sup> compared to the fourth quarter 2017. The cost of risk<sup>3</sup> (22 million euros) was still low and came to 17 basis points of outstanding customer loans (20 million euros in the fourth quarter 2017). Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest posted 139 million euros in pre-tax income, down by 9.6% at constant scope and exchange rates compared to the fourth quarter 2017 (-4.9% excluding capital gains from the sale of securities and loans made in the fourth quarter 2017) and by 39.3% at historical scope and exchange rates.

## **Insurance and Wealth and Asset Management**

For the whole of 2018, Insurance and Wealth and Asset Management's businesses continued their growth. Assets under management<sup>4</sup> reached 1,028 billion euros as at 31 December 2018. They were down by 2.2% compared to 31 December 2017 due in particular to a very negative performance effect (-51.1 billion euros) as a result of the sharp fall in the markets at the end of the year, and despite a good level of net asset inflows at 13.4 billion euros (very good asset inflows at Wealth Management in particular in Asia, France, Italy, Germany and the United States; asset outflows at Asset Management concentrated on a bond mandate following the in-sourcing by a client of its fund management, partly offset by asset inflows into money market funds; good asset inflows in Insurance in particular in unit-linked policies), a +10.7 billion euro scope effect due in

<sup>1</sup> Sale of 13.2% on 8 May 2018, 15.5% on 31<sup>st</sup> July 2018 and 14.9% on 5 September 2018

<sup>2</sup> At constant scope and exchange rates

<sup>3</sup> Including 100% of Private Banking in the United States

<sup>4</sup> Including distributed assets

particular to the integration of ABN Amro's activities in Luxembourg<sup>1</sup> and a +3.9 billion euro foreign exchange effect.

As at 31 December 2018, assets under management<sup>2</sup> broke down as follows: Asset Management (399 billion euros), Wealth Management (361 billion euros), Insurance (239 billion euros) and Real Estate Services (29 billion euros).

Insurance continued its good business development with in particular good performance of protection insurance in Asia. The new property and casualty insurance offering in the FRB network via *Cardif IARD* (joint venture with Matmut) has gotten off to a good start with already 100,000 contracts sold and the new partnership with Orange (cell phone insurance) is a success. The business signed new partnerships with Seloger.com in France, Sumitomo Mitsui in Japan and Sainsbury's in the UK.

Revenues of Insurance, at 2,680 million euros, rose by 6.6% compared to 2017 due to a good business drive but reflected at the end of the year the impact of the fall in the markets due to the booking of part of the assets at market value<sup>3</sup>. Operating expenses, at 1,406 million euros, rose by 12.4%, as a result of good business development. Other non-operating items were negligible but included during the same period last year a +326 million euro capital gain from the sale of a 4.0% stake in SBI Life. After taking into account decreased income of the associated companies, pre-tax income was thus down by 20.8% at historical scope and exchange rates compared to 2017, at 1,479 million euros. It is virtually stable at constant scope and exchange rates (-0.3%), including the spot impact of the fall in the markets at the end of the year.

Wealth and Asset Management continued its business development: Wealth Management integrated ABN Amro's activities in Luxembourg<sup>1</sup> thereby strengthening its positioning on the large entrepreneur segment; Asset Management continued its industrialisation with in particular the roll out of Blackrock's Aladdin IT outsourcing solution; Real Estate Services reported good growth in its business, in particular in real estate fund management in Germany and in advisory business in France, Italy and Germany.

Wealth and Asset Management's revenues (3,286 million euros) grew by 2.9% compared to 2017, driven by Real Estate Services, but were impacted this year by MiFID 2 regulation and the unfavourable movements in the financial markets at the end of the year. Operating expenses totalled 2,636 million euros, up by 10.4% compared to 2017 due to specific transformation projects at Asset Management, costs related to the acquisition of Strutt & Parker at Real Estate Services and continuous business development. The cost of risk was -6 million euros (it was a net write-back of 24 million euro in 2017). At 681 million euros, Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, was down by 24.2% compared to 2017 (-18.1% excluding non-recurring items<sup>4</sup>).

In the fourth quarter 2018, revenues of Insurance, at 542 million euros, were down by 14.8% compared to the fourth quarter 2017 (-15.9% at constant scope and exchange rates) due to the impact at the end of the year of the fall in the markets (booking of part of the assets at market value with a -180 million euro revaluation impact this quarter). Operating expenses, at 346 million euros, rose by 9.0% given scope effects. They were up by 4.9% at constant scope and exchange rates, as a result of business development. Other non-operating items were nil this quarter but included in the same quarter of last year a 49 million euro capital gain related to taking full control

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<sup>1</sup> Closing of the acquisition on 3 September 2018 (+7.7 billion euros in assets under management at Wealth Management and +2.7 billion euros at Insurance)

<sup>2</sup> Including distributed assets

<sup>3</sup> -180 million euros in the fourth quarter

<sup>4</sup> Provision write-back in the 1<sup>st</sup> quarter 2017; capital gain from the sale of a building in the second quarter 2017, specific transformation projects in Asset Management and costs related to the acquisition of Strutt & Parker in Real Estate Services : -56 million euros in 2018 (-2 million euros in 2017)

of Cargears Italy. Pre-tax income was thus down by 43.5% compared to the fourth quarter 2017 at 241 million euros, but it was up by 15.6% at constant scope and exchange rates and excluding the impact of the fall in the markets at the end of the year.

Wealth and Asset Management's revenues (866 million euros) were down by 4.6% compared to a high base in the fourth quarter 2017 (which recorded a good level of fees in Real Estate Services) due to an unfavourable market context this quarter for Wealth Management and Asset Management. Operating expenses totalled 728 million euros and rose by 7.9% compared to the fourth quarter 2017 due to business development, costs related to the implementation of Aladdin at Asset Management and the impact of the first consolidation of Gambit (whose revenues are still low). At 146 million euros, Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, was down by 41.2% compared to a high base in the fourth quarter 2017 which had recorded a rise of a similar magnitude (+40.8%) compared to the fourth quarter 2016.

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## **CORPORATE AND INSTITUTIONAL BANKING (CIB)**

For the whole of 2018, CIB maintained its leading positions in Europe where it ranked joint number 3 and maintained its global market share after an increase in 2017. The operating division continued its good development on targeted clientele bases, onboarding over 300 new groups globally over the past two years.

CIB operated however in an unfavourable market environment and revenues, at 10,829 million euros, were down by 7.5% compared to 2017 with contrasting evolutions between the businesses.

At 4,727 million euros, Global Markets' revenues were down by 15.4% compared to 2017 given the lacklustre context for FICC<sup>1</sup> in Europe and particularly challenging conditions for Equity and Prime Services at the end of the year. The VaR, which measures the level of market risks, was still at a low level (25 million euros) but rose slightly at the end of the year given increased volatility.

The revenues of FICC<sup>1</sup>, at 2,719 million euros, were down by 21.2% compared to last year. Client business in rates and credit was still weak in Europe due to monetary policy which resulted in low volatility and very low interest rates. The business also reported poor performance in forex, in particular in emerging markets. It did, however, deliver good performances on the primary market and on structured products. It confirmed its strong positions on bond issues (ranked number 1 for all bond issues in euros and number 9 for all international bond issues) and made significant progress on certain segments (ranked number 3 in the high-yield segment in Europe and number 3 for international green bond issues). The business continued its digital transformation with good development on multi dealer platforms where it ranked number 1 by volume for interest rate swaps in euros and number 5 for foreign exchange.

Revenues of Equity and Prime Services, at 2,008 million euros, were down for their part by 6% with in particular the impact of extreme market movements at the end of the year on inventories valuation and a loss on index derivative hedging in the United States. The business, however, reported increased client business in equity derivatives and prime brokerage.

Securities Services' revenues, at 2,152 million euros, rose by 10.1% compared to 2017. Excluding the transfer this quarter of the correspondent banking business from Corporate Banking, they were up by 8.7% as a result of increased transactions as well as assets under custody and administration (+4.3% on average compared to 2017), benefitting additionally from the positive

<sup>1</sup> Fixed Income, Currencies and Commodities

impact of the revaluation of an equity stake. The business continued its excellent drive with gains of significant mandates (Carmignac, Intermediate Capital Group), the finalisation of the strategic partnership with Janus Henderson in the United States and the acquisition of the depository bank business of Banco BPM<sup>1</sup>. The business is implementing its digital transformation with already over 40 automated processes delivered and 30 in development. Its expertise was recognised with the Custodian of the Year Award at the 2018 CustodyRisk Global Awards.

Corporate Banking's revenues, at 3,951 million euros, were down by 5.1% compared to 2017 but rose by 0.3% excluding capital gains realised in the second quarter 2017, the transfer of the correspondent banking business to Securities Services and the impact of the environmental responsibility policy<sup>2</sup>. The business continued the development of the transaction businesses (cash management, trade finance) where it reinforced its number 1 position in Europe and reported good business development in Asia. It confirmed its leading position on syndicated loans (ranked number 1 in the EMEA region<sup>3</sup>). Loans, at 132 billion euros, were up by 1.0% compared to 2017 and deposits, at 126 billion euros, were down by 3.5%. The business continued to implement its digital transformation, and Centric, its online platform for corporates, has already 10,000 clients as at 31 December 2018 (+1,500 compared to the end of 2017).

At 8,163 million euros, CIB's operating expenses were down by 1.3 % compared to 2017 thanks to cost saving measures (221 million euros in savings in 2018) with in particular the ramping up of shared platforms, the implementation of digitalised end-to-end processes of transactions and the automation of operations (over 180 processes in production).

The gross operating income of CIB was thus down by 22.3%, at 2,666 million euros.

The cost of risk was still low, at 43 million euros (81 million euros in 2017), as the provisions were partly offset by write-backs. It broke down between Global Markets (19 million euros compared to 15 million euros in 2017), Corporate Banking (31 million euros compared to 70 million euros in 2017) and Securities Services (net write-back of 7 million euros compared to a net write-back of 3 million euros in 2017).

CIB thus generated 2,681 million euros in pre-tax income, down by 21.0% compared to 2017, as the impact of the unfavourable market context was attenuated by the decrease in costs and good control of risks.

In the fourth quarter 2018, the operating division's revenues, at 2,379 million euros, were down by 9.4% compared to the fourth quarter 2017 (-9.7% at constant scope and exchange rates). At 650 million euros, Global Markets' revenues were down by 39.5% compared to the fourth quarter 2017 due to a particularly challenging market context. Equity and Prime Services' revenues, at 145 million euros, were down by 69.9% compared to the same quarter last year with the impact of extreme market movements at the end of the year on the valuation of inventories and a loss on index derivative hedging in the United States. Client business was also low in structured products. The revenues of FICC<sup>4</sup>, at 505 million euros, were down for their part by 14.7% compared to the fourth quarter 2017 with a market context still lacklustre in particular on rates and credit. Securities Services revenues, at 627 million euros, rose by 24.6% compared to the fourth quarter 2017 (+20.1% at constant scope and exchange rates) due to the growth in the business and positive impact of the revaluation of an equity stake. Corporate Banking's revenues, at 1,102 million euros, were up by 5.0% compared to the fourth quarter 2017 (+7.5% at constant scope and exchange rates and excluding the impact of the environmental responsibility policy<sup>2</sup>) with a rise in all regions and good growth in the transaction businesses.

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<sup>1</sup> Closing of the acquisition on 28 September 2018

<sup>2</sup> Stopped financing gas and oil from shale and tobacco companies

<sup>3</sup> Europe, Middle East and Africa

<sup>4</sup> Fixed Income, Currencies and Commodities

At 1,919 million euros, CIB's operating expenses were up by 1.9% compared to the fourth quarter 2017 but by only 0.2% at constant scope and exchange rates. The gross operating income of CIB was thus down by 38.2%, at 460 million euros. CIB's cost of risk was 100 million euros, down sharply compared to the same quarter last year which had recorded the impact of two specific files (264 million euros in the fourth quarter 2017). It was 13 million euros at Global Markets (57 million euros in the fourth quarter 2017), 91 million euros at Corporate Banking (209 million euros in the fourth quarter 2017) and a net write-back of 4 million at Securities Services (net write-back of 2 million in the fourth quarter 2017). CIB thus generated 393 million euros in pre-tax income, down by 20.0% compared to the fourth quarter 2017.

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## **CORPORATE CENTRE**

For the whole of 2018, Corporate Centre revenues totalled 120 million euros compared to 394 million euros in 2017 which recorded the exceptional impact of capital gains from the sale of Shinhan and Euronext shares for a total of +233 million euros as well as -175 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA). Revenues included a lesser contribution by Principal Investments compared to a high level in 2017.

Operating expenses totalled 1,776 million euros compared to 1,627 million euros in 2017. They included the exceptional impact of 1,106 million euros in transformation costs (856 million euros in 2017) and 129 million euros in acquisitions' restructuring costs<sup>1</sup> (101 million euros in 2017).

The cost of risk totalled 97 million euros (121 million euros in 2017). It included the booking of stage 1 provisions on the portfolio of non-doubtful loans of Raiffeisen Bank Polska following the acquisition of its core banking activities (60 million euros).

The share of income of the associated companies totalled 84 million euros (68 million euros in 2017).

Non-operating items totalled 204 million euros (-177 million euros in 2017). They included the exceptional impact of a +101 million euro capital gain on the sale of a building, a +135 million euro exchange difference from a sale of First Hawaiian Bank<sup>2</sup> shares, the impact of the revaluation at market value as at 31 December 2018 of the residual stake in First Hawaiian Bank<sup>3</sup> for -125 million euros and the booking of a badwill related to the acquisition of Raiffeisen Bank Polska for +68 million euros. They included last year the exceptional impact of the full impairment of TEB's goodwill for -172 million euros.

The Corporate Centre's pre-tax income was thus -1,466 million euros compared to -1,464 million euros in 2017.

In the fourth quarter 2018, Corporate Centre revenues totalled -1 million euros compared to 12 million euros in the fourth quarter 2017. They included in the fourth quarter of last year the exceptional impact of a +11 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA). Operating expenses totalled 605 million euros compared to 637 million euros in the fourth quarter 2017. They included the exceptional impact of 385 million euros in transformation costs (408 million euros in the fourth quarter 2017) and 97 million euros in acquisitions' restructuring costs<sup>1</sup> (48 million euros in the fourth quarter 2017). The cost of risk totalled 74 million euros (negligible in the fourth quarter 2017). It included this year the booking of

<sup>1</sup> In particular, LaSer, DAB Bank GE LLD, ABN Amro Luxembourg and Raiffeisen Bank Polska

<sup>2</sup> In addition, +151 million euro capital gain booked in BancWest

<sup>3</sup> First Hawaiian Bank accounted under the IFRS 5 standard as of 30.06.18

stage 1 provisions on the portfolio of non-doubtful loans of Raiffeisen Bank Polska following the acquisition of its core banking activities (60 million euros). Non-operating items totalled -87 million euros (-33 million euros in the fourth quarter 2017). They included the impact of the revaluation at market value as at 31 December 2018 of the residual stake in First Hawaiian Bank<sup>1</sup> for -125 million euros and the booking of a badwill related to the acquisition of Raiffeisen Bank Polska for +68 million euros. The Corporate Centre's pre-tax income was thus -743 million euros compared to -642 million euros in the fourth quarter 2017.

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\* \*

## **FINANCIAL STRUCTURE**

The Group's balance sheet is very solid.

The impacts of the first time application of the new IFRS 9 accounting standard were fully taken into account as of 1<sup>st</sup> January 2018: -2.5 billion euro impact on revaluated shareholders' equity<sup>2</sup> and -10 bp on the fully loaded Basel 3 common equity Tier 1 ratio<sup>3</sup>. This ratio also recorded as at 1<sup>st</sup> January 2018 the impact of -10 bp of the supervisor's new general requirement to deduct irrevocable payment commitments from the prudential capital and thus came to 11.6% pro forma as at 1<sup>st</sup> January 2018.

It rose back to 11.8% as at 31 December 2018, or an increase of 20 bp compared to 1<sup>st</sup> January 2018 which breaks down between:

- the net income for the year (excluding capital gain on the sale of 43.6% of First Hawaiian Bank) after taking into account dividend payment (+50 bp),
- the increase in risk weighted assets, in particular in Domestic Markets and Personal Finance, excluding foreign exchange effect and operational risk (-20 bp),
- the risk-weighted assets related to operational risk brought to the standard method level (-10 bp)
- the other effects which have a negligible impact on the ratio overall (including the effects of the acquisitions and sales of the year).

The Basel 3 fully loaded leverage ratio<sup>4</sup>, calculated on total Tier 1 capital, totalled 4.5% as at 31 December 2018.

The Liquidity Coverage Ratio stood at 132% as at 31 December 2018.

The Group's liquid and asset reserve immediately available totalled 308 billion euros, which is equivalent to more than one year of room to manoeuvre in terms of wholesale funding.

The evolution of these ratios illustrates the Group's ability to generate capital regularly and manage its balance sheet in a disciplined manner within a more demanding regulatory framework.

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<sup>1</sup> First Hawaiian Bank accounted under the IFRS 5 standard as of 30.06.18

<sup>2</sup> Shareholders' equity including valuation reserves

<sup>3</sup> Taking into account all the rules of the CRD4 directives with no transitory provisions. Subject to the provisions of Article 26.2 of Regulation (EU) No 575/2013

<sup>4</sup> Taking into account all the rules of the CRD4 directives in 2019 with no transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014

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\* \*

## **A CONFIRMED 2020 AMBITION**

The Group is actively implementing its 2017-2020 development plan in a contrasted environment (economic growth still favourable but which is expected to slow down, low interest rate environment in Europe which is expected to improve only gradually and uncertain evolution of foreign exchange parities).

Leveraging on its integrated and diversified business model, the Group is successfully implementing its digital transformation and pursues differentiated business development strategies in Domestic Markets, International Financial Services (IFS) and CIB, all the while resolutely committing for a positive impact on society.

## **A trajectory in line with the plan for Domestic Markets and IFS but need to accelerate transformation at CIB**

In line with its mid-term plan objectives, Domestic Markets confirms its 2020 ambitions. In an interest rate environment that is expected to improve only gradually and with new expectations from customers influenced by digital uses, the operating division will continue to strengthen its sales and marketing drive while improving the customer experience and offering new services. It will intensify its cost reduction measures with an additional savings programme of 150 million euros compared to the initial objective. It will continue adapting its branch network, creating omni-channel customer service centres and rolling out end-to-end digitalised processes. It will continue its rigorous risk management policy with in particular the continued improvement of the risk profile of BNL bc for which it confirms the cost of risk target of 50 basis points in 2020.

The operating division thus confirms its 2020 trajectory with a revenue evolution slightly above initial expectations, an upcoming significant improvement of the operating efficiency generating a positive jaws effect (decrease in the cost income ratio in the networks and virtually stable in the specialised businesses) and a confirmation of the plan's RONE<sup>1</sup> target.

Despite an unfavourable foreign exchange effect, IFS likewise presents a 2020 trajectory in line with the plan and confirms its role as a growth engine for the Group. The operating division will thus continue its sustained growth, consolidating its leading positions in the businesses thanks to the quality of its product offering, pursuing its digital transformation, continuing the selective development of retail banking outside the Eurozone, strengthening cooperation with the Group and executing the integration of acquisitions made recently. It will intensify cost saving measures with a programme of an additional 120 million euros in savings compared to the initial objective, continuing the industrialisation and pooling of processes, the streamlining of certain product offerings and the implementation of digital initiatives.

IFS thus confirms its 2020 trajectory with a revenue growth in line with the plan, thanks to a good business drive and acquisitions made, and a significant improvement of the operating efficiency (leading to a positive jaws effect as early as 2019) but less however than expected initially due mainly to the unfavourable foreign exchange effect. The RONE<sup>1</sup> will reach a level close to the target.

In the face of an unfavourable environment, CIB is intensifying its transformation. Despite the successes recorded both in terms of gains of new clients and cost savings (down for the third year in a row) and of containment of allocated capital (-6.3% since 2016), the operating division is

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<sup>1</sup> Pre-tax return on notional equity



confronted with a decrease of the global revenue pool in the CIB industry and a decrease in its profitability with a 12.9% RONE<sup>1</sup> this year (-3.2 points compared to 2017).

CIB thus announces three-pronged structural actions to improve a profitability that deviated from the 2020 trajectory.

(1) review of non-strategic, subscale or unprofitable business segments (e.g. stopped Opera Trading Capital's proprietary business and commodity derivatives in the United States); analysis of certain peripheral locations and rationalisation of the relationship with clients who are sub-profitable. The preliminary scope of potential exits could represent revenues in the range of 200 to 300 million euros for a cost income ratio above 100% and 5 billion euros in risk-weighted assets.

(2) intensification of the industrialisation to reduce costs with in particular the adaptation of the flow businesses to the fast electronisation of the financial markets at Global Markets, the development of shared platforms at Corporate Banking, the industrialisation of the multi-local operations model at Securities Services and the streamlining and mutualising of IT and back offices. CIB thus increases its recurring savings programme by 350 million euros to bring it to 850 million euros<sup>2</sup> over 2019 and 2020.

(3) Priority given to even more selective and profitable growth with in particular reinforced cooperation between the businesses (e.g. expansion of the joint Corporate Banking and Global Markets platform to develop the Originate & Distribute policy), the implementation of targeted measures at Global Markets to turn around the performances of the forex and the equity derivatives businesses, the continuation of development at Corporate Banking in targeted countries in Europe and the selective growth in America and Asia, and the integration of the acquisitions made at Securities Services.

The operating division thus focuses on profitable growth to be the preferred European partner of its clients by continuing to strengthen its leading positions in Europe and selective development in the United States and Asia, and deepening the integrated model between the businesses and the regions ("One Bank").

CIB is thereby adjusting its 2020 trajectory, with a downward revision of its revenue target (expected to be up however compared to a weak 2018 base), a significant improvement of operating efficiency enabling to generate a positive jaws effect thanks to additional cost saving efforts, stable risk-weighted assets in 2020 compared to 2016 (compared to a 2% increase per year<sup>3</sup> in the initial plan) and a rise in the RONE<sup>1</sup> to a level close to the initial objective.

### **Significant progress in the digital transformation**

The Group is successfully implementing in all the operating divisions its ambitious transformation programme designed to implement new customer experiences, accelerate digitalisation and improve operating efficiency.

Digital is strongly growing in all the businesses. Domestic Markets already has over 8 million digital clients in retail banking (of which 3 million at Hello bank! and 1.1 million at Nickel) and accelerates mobile uses of individual customers thanks to expanded features available, ranking as first bank in France in terms of mobile features according to D-rating<sup>4</sup>. IFS has 0.9 million clients in its digital banks (*Cepteteb* in Turkey and *BZG Optima* in Poland) and makes electronic signature widely available (accounting already for 50% of contracts signed at Personal Finance). At CIB, the Centric digital platform is growing rapidly with close to 10,000 customers using it.

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<sup>1</sup> Pre-tax return on notional equity

<sup>2</sup> Excluding savings related to businesses exits

<sup>3</sup> 2016-2020 compound annual growth rate

<sup>4</sup> Agency specialised in digital performance analysis

Robotics and artificial intelligence are developing rapidly with already over 500 robots operational (chatbots, automation of controls, reportings, data processing). Processes are industrialised and optimised everywhere and new end-to-end digitalised customer journeys implemented. Lastly, new digital products are being launched, such as LyfPay, a value-added mobile payment solution, with already 1.3 million downloadings.

The Group is thus successfully implementing its five transformation levers (implement new customer journeys, make better use of data, upgrade the operational model, adapt and mutualise information systems and develop more digital work practices).

The costs associated with this transformation totalled 2 billion euros since last year, in line with the plan. For 2019, the envelope of transformation costs is revised downward by 300 million euros, to 700 million euros versus 1 billion euros initially planned (-10% compared to the 3 billion euro envelope originally planned for the whole plan).

The recurring cost savings generated by the end of 2018 totalled 1.15 billion euros, in line with the objective. Given the higher rise than expected of certain regulatory costs totalling 200 million euros by 2020 and the needed intensification of transformation at CIB, the Group updated its programme with an additional 600 million euros in savings (55% at CIB, 25% at Domestic Markets, 20% at IFS). These additional savings will be achieved in particular thanks to the streamlining of the IT organisation and the use of the cloud, the reinforcement of the industrialisation of the functions with increased use of artificial intelligence, the streamlining of structures through international mutualized competency centers and the optimisation of real estate costs (stepping-up of flex offices, etc.). The 2020 recurring cost savings target is thus raised from 2.7 billion euros to 3.3 billion euros.

### **Commitment for a positive impact on society**

The Group is pursuing out an ambitious corporate social and environmental responsibility (CSR) policy and is committed to making a positive impact on society with concrete impacts.

It thus stopped in 2018 financing companies whose primary business is gas / oil from shale, oil from tar sands or gas / oil production in the Arctic as well as financing tobacco companies. It ranks number 3 for green bonds and was involved in 15.6 billion euros in financing renewable energies and 1.6 billion euros dedicated to social entrepreneurship.

The Group aims in particular to finance the economy in an ethical way, promote the development of its employees, support initiatives with a social impact and play a major role in the transition toward a low carbon economy. It thereby wants to be a major contributor to the UN Sustainable Development Goals and targets 185 billion euros in 2020 in financing to sectors that contribute to these goals (166 billion euros by the end of 2018).

This policy of engagement to make a positive impact on society is recognised through the bank's very good rankings in major specialised indices (World's Best Bank for sustainable finance at the Euromoney Awards for Excellence 2018).

The Group is also a very significant tax payer with a total amount of taxes and levies of 5.6 billion euros in 2018, of which 2.5 billion euros in France.

## **2020 Targets Updated**

The Group is updating the plan's targets with revenue growth during the period 2016-2020 reviewed at 1.5% per year (2.5% per year in the initial plan) and a recurring cost savings target of 3.3 billion euros (2.7 billion euros in the initial plan) from 2020. It expects about 2.5%<sup>1</sup> growth of risk-weighted assets per year by 2020 with active management of the balance sheet (sales of non-core equity stakes or assets). The Group thus expects an organic capital generation of at least 30 basis points per year after dividend distribution.

On these bases, the return on equity is expected at 9.5% in 2020 (or a return on tangible equity above 10.5%) with a CET1 ratio equal or above 12%.

The Group thus expects more than 20% growth in the earnings per share between 2016 and 2020 leading to, with a 50% pay-out ratio, an increase of the dividend of 35% during the same period.

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Commenting on these results, Chief Executive Officer Jean-Laurent Bonnafé stated:

*“Thanks to its diversified and integrated model, the Group delivered in 2018 7.5 billion euros in net income. The fully loaded Basel 3 common equity Tier 1 ratio is 11.8%, attesting the high robustness of the balance sheet.*

*BNP Paribas’ digital transformation plan is being successfully implemented, illustrated by the roll out of numerous new customer experiences. The Group is actively executing its ambitious policy of engagement in society.*

*The Group is committed to its 2020 ambition and implements further savings to significantly improve operating efficiency in all the operating divisions as early as 2019.”*

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<sup>1</sup> 2018-2020 Compound Annual Growth Rate

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
<b>Revenues</b>	<b>10,160</b>	<b>10,532</b>	<b>-3.5%</b>	<b>10,352</b>	<b>-1.9%</b>	<b>42,516</b>	<b>43,161</b>	<b>-1.5%</b>
Operating Expenses and Dep.	-7,678	-7,621	+0.7%	-7,277	+5.5%	-30,583	-29,944	+2.1%
<b>Gross Operating Income</b>	<b>2,482</b>	<b>2,911</b>	<b>-14.7%</b>	<b>3,075</b>	<b>-19.3%</b>	<b>11,933</b>	<b>13,217</b>	<b>-9.7%</b>
Cost of Risk	-896	-985	-9.0%	-686	+30.6%	-2,764	-2,907	-4.9%
<b>Operating Income</b>	<b>1,586</b>	<b>1,926</b>	<b>-17.7%</b>	<b>2,389</b>	<b>-33.6%</b>	<b>9,169</b>	<b>10,310</b>	<b>-11.1%</b>
Share of Earnings of Equity-Method Entities	195	175	+11.4%	139	+40.3%	628	713	-11.9%
Other Non Operating Items	-98	21	n.s.	288	n.s.	411	287	+43.2%
<b>Non Operating Items</b>	<b>97</b>	<b>196</b>	<b>-50.5%</b>	<b>427</b>	<b>-77.3%</b>	<b>1,039</b>	<b>1,000</b>	<b>+3.9%</b>
<b>Pre-Tax Income</b>	<b>1,683</b>	<b>2,122</b>	<b>-20.7%</b>	<b>2,816</b>	<b>-40.2%</b>	<b>10,208</b>	<b>11,310</b>	<b>-9.7%</b>
Corporate Income Tax	-144	-580	-75.2%	-583	-75.3%	-2,203	-3,103	-29.0%
Net Income Attributable to Minority Interests	-97	-116	-16.4%	-109	-11.0%	-479	-448	+6.9%
<b>Net Income Attributable to Equity Holders</b>	<b>1,442</b>	<b>1,426</b>	<b>+1.1%</b>	<b>2,124</b>	<b>-32.1%</b>	<b>7,526</b>	<b>7,759</b>	<b>-3.0%</b>
<b>Cost/Income</b>	<b>75.6%</b>	<b>72.4%</b>	<b>+3.2 pt</b>	<b>70.3%</b>	<b>+5.3 pt</b>	<b>71.9%</b>	<b>69.4%</b>	<b>+2.5 pt</b>

*BNP Paribas' financial disclosures for the fourth quarter 2018 and for the year 2018 are contained in this press release and in the presentation attached herewith.*

*All legally required disclosures, including the Registration document, are available online at <http://invest.bnpparibas.com> in the "Results" section and are made public by BNP Paribas pursuant to the requirements under Article L.451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the Autorité des Marchés Financiers' general rules.*

## 4Q18 – RESULTS BY CORE BUSINESSES

	Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group	
<i>€m</i>							
<b>Revenues</b>	<b>3,783</b>	<b>3,999</b>	<b>2,379</b>	<b>10,161</b>	<b>-1</b>	<b>10,160</b>	
	%Change/4Q17	+0.4%	-3.1%	-9.4%	-3.4%	n.s.	-3.5%
	%Change/3Q18	+12%	-2.4%	-7.3%	-2.3%	-98.1%	-19%
Operating Expenses and Dep.	-2,528	-2,626	-1,919	-7,073	-605	-7,678	
	%Change/4Q17	-2.1%	+4.3%	+19%	+1.3%	-5.1%	+0.7%
	%Change/3Q18	-0.1%	+6.2%	+1.8%	+2.7%	+55.9%	+5.5%
<b>Gross Operating Income</b>	<b>1,255</b>	<b>1,373</b>	<b>460</b>	<b>3,088</b>	<b>-606</b>	<b>2,482</b>	
	%Change/4Q17	+5.9%	-14.6%	-38.2%	-12.7%	-3.2%	-14.7%
	%Change/3Q18	+4.2%	-15.4%	-32.5%	-12.0%	+39.5%	-19.3%
Cost of Risk	-320	-401	-100	-822	-74	-896	
	%Change/4Q17	-13.0%	+13.5%	-61.9%	-16.6%	n.s.	-9.0%
	%Change/3Q18	+27.9%	-17.5%	n.s.	+19.5%	n.s.	+30.6%
<b>Operating Income</b>	<b>935</b>	<b>972</b>	<b>359</b>	<b>2,266</b>	<b>-680</b>	<b>1,586</b>	
	%Change/4Q17	+14.4%	-22.5%	-25.1%	-11.2%	+8.8%	-17.7%
	%Change/3Q18	-2.1%	-14.5%	-50.8%	-19.7%	+57.1%	-33.6%
Share of Earnings of Equity -Method Entities	0	132	39	171	24	195	
Other Non Operating Items	-2	-3	-6	-11	-87	-98	
<b>Pre-Tax Income</b>	<b>932</b>	<b>1,101</b>	<b>393</b>	<b>2,426</b>	<b>-743</b>	<b>1,683</b>	
	%Change/4Q17	+13.0%	-24.0%	-20.0%	-12.2%	+15.7%	-20.7%
	%Change/3Q18	-2.9%	-21.4%	-46.5%	-21.6%	n.s.	-40.2%

	Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group	
<i>€m</i>							
<b>Revenues</b>	<b>3,783</b>	<b>3,999</b>	<b>2,379</b>	<b>10,161</b>	<b>-1</b>	<b>10,160</b>	
	4Q17	3,768	4,126	2,626	10,520	12	10,532
	3Q18	3,737	4,097	2,565	10,398	-46	10,352
Operating Expenses and Dep.	-2,528	-2,626	-1,919	-7,073	-605	-7,678	
	4Q17	-2,582	-2,519	-1,883	-6,984	-637	-7,621
	3Q18	-2,531	-2,473	-1,884	-6,889	-388	-7,277
<b>Gross Operating Income</b>	<b>1,255</b>	<b>1,373</b>	<b>460</b>	<b>3,088</b>	<b>-606</b>	<b>2,482</b>	
	4Q17	1,185	1,608	744	3,536	-625	2,911
	3Q18	1,205	1,624	680	3,509	-434	3,075
Cost of Risk	-320	-401	-100	-822	-74	-896	
	4Q17	-369	-353	-264	-986	1	-985
	3Q18	-251	-486	49	-688	2	-686
<b>Operating Income</b>	<b>935</b>	<b>972</b>	<b>359</b>	<b>2,266</b>	<b>-680</b>	<b>1,586</b>	
	4Q17	817	1,254	480	2,551	-625	1,926
	3Q18	955	1,137	730	2,822	-433	2,389
Share of Earnings of Equity -Method Entities	0	132	39	171	24	195	
	4Q17	7	141	13	160	15	175
	3Q18	5	111	4	120	19	139
Other Non Operating Items	-2	-3	-6	-11	-87	-98	
	4Q17	1	54	-1	54	-33	21
	3Q18	0	153	0	154	134	288
<b>Pre-Tax Income</b>	<b>932</b>	<b>1,101</b>	<b>393</b>	<b>2,426</b>	<b>-743</b>	<b>1,683</b>	
	4Q17	825	1,449	491	2,764	-642	2,122
	3Q18	960	1,401	734	3,095	-279	2,816
Corporate Income Tax							-144
Net Income Attributable to Minority Interests							-97
<b>Net Income Attributable to Equity Holders</b>							<b>1,442</b>

**2018 – RESULTS BY CORE BUSINESSES**

		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
<i>€m</i>							
<b>Revenues</b>		<b>15,132</b>	<b>16,434</b>	<b>10,829</b>	<b>42,396</b>	<b>120</b>	<b>42,516</b>
	%Change/2017	-0.2%	+3.4%	-7.5%	-0.9%	-69.5%	-15%
Operating Expenses and Dep.		-10,401	-10,242	-8,163	-28,807	-1,776	-30,583
	%Change/2017	+0.8%	+5.4%	-1.3%	+1.7%	+9.1%	+2.1%
<b>Gross Operating Income</b>		<b>4,731</b>	<b>6,192</b>	<b>2,666</b>	<b>13,589</b>	<b>-1,656</b>	<b>11,933</b>
	%Change/2017	-2.3%	+0.2%	-22.3%	-6.0%	+34.2%	-9.7%
Cost of Risk		-1,045	-1,579	-43	-2,667	-97	-2,764
	%Change/2017	-22.8%	+16.9%	-47.1%	-4.3%	-19.6%	-4.9%
<b>Operating Income</b>		<b>3,686</b>	<b>4,613</b>	<b>2,623</b>	<b>10,922</b>	<b>-1,753</b>	<b>9,169</b>
	%Change/2017	+5.7%	-4.4%	-21.7%	-6.4%	+29.4%	-11.1%
Share of Earnings of Equity-Method Entities		-3	489	59	544	84	628
Other Non Operating Items		0	208	0	207	204	411
<b>Pre-Tax Income</b>		<b>3,683</b>	<b>5,310</b>	<b>2,681</b>	<b>11,674</b>	<b>-1,466</b>	<b>10,208</b>
	%Change/2017	+3.5%	-8.8%	-21.0%	-8.6%	+0.1%	-9.7%
Corporate Income Tax							-2,203
Net Income Attributable to Minority Interests							-479
<b>Net Income Attributable to Equity Holders</b>							<b>7,526</b>

**QUARTERLY SERIES**

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
<b>GROUP</b>								
<b>Revenues</b>	<b>10,160</b>	<b>10,352</b>	<b>11,206</b>	<b>10,798</b>	<b>10,532</b>	<b>10,394</b>	<b>10,938</b>	<b>11,297</b>
Operating Expenses and Dep.	-7,678	-7,277	-7,368	-8,260	-7,621	-7,133	-7,071	-8,119
<b>Gross Operating Income</b>	<b>2,482</b>	<b>3,075</b>	<b>3,838</b>	<b>2,538</b>	<b>2,911</b>	<b>3,261</b>	<b>3,867</b>	<b>3,178</b>
Cost of Risk	-896	-686	-567	-615	-985	-668	-662	-592
<b>Operating Income</b>	<b>1,586</b>	<b>2,389</b>	<b>3,271</b>	<b>1,923</b>	<b>1,926</b>	<b>2,593</b>	<b>3,205</b>	<b>2,586</b>
Share of Earnings of Equity-Method Entities	195	139	132	162	175	150	223	165
Other Non Operating Items	-98	288	50	171	21	230	33	3
<b>Pre-Tax Income</b>	<b>1,683</b>	<b>2,816</b>	<b>3,453</b>	<b>2,256</b>	<b>2,122</b>	<b>2,973</b>	<b>3,461</b>	<b>2,754</b>
Corporate Income Tax	-144	-583	-918	-558	-580	-828	-943	-752
Net Income Attributable to Minority Interests	-97	-109	-142	-131	-116	-102	-122	-108
<b>Net Income Attributable to Equity Holders</b>	<b>1,442</b>	<b>2,124</b>	<b>2,393</b>	<b>1,567</b>	<b>1,426</b>	<b>2,043</b>	<b>2,396</b>	<b>1,894</b>
<b>Cost/Income</b>	<b>75.6%</b>	<b>70.3%</b>	<b>65.8%</b>	<b>76.5%</b>	<b>72.4%</b>	<b>68.6%</b>	<b>64.6%</b>	<b>71.9%</b>



€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
<b>RETAIL BANKING &amp; SERVICES Excluding PEL/CEL Effects</b>								
Revenues	7,767	7,829	8,071	7,879	7,881	7,707	7,737	7,719
Operating Expenses and Dep.	-5,154	-5,005	-4,988	-5,497	-5,101	-4,854	-4,784	-5,305
<b>Gross Operating Income</b>	<b>2,613</b>	<b>2,825</b>	<b>3,082</b>	<b>2,383</b>	<b>2,780</b>	<b>2,853</b>	<b>2,953</b>	<b>2,414</b>
Cost of Risk	-722	-737	-531	-634	-722	-662	-686	-634
<b>Operating Income</b>	<b>1,891</b>	<b>2,088</b>	<b>2,551</b>	<b>1,748</b>	<b>2,058</b>	<b>2,191</b>	<b>2,267</b>	<b>1,780</b>
Share of Earnings of Equity-Method Entities	132	116	107	132	147	162	174	139
Other Non Operating Items	-5	153	0	59	55	361	16	11
<b>Pre-Tax Income</b>	<b>2,018</b>	<b>2,357</b>	<b>2,658</b>	<b>1,939</b>	<b>2,261</b>	<b>2,714</b>	<b>2,457</b>	<b>1,930</b>
Allocated Equity (€bn, year to date)	53.3	53.2	53.0	52.8	51.4	50.9	50.7	50.6
<b>RETAIL BANKING &amp; SERVICES</b>								
Revenues	7,782	7,833	8,071	7,880	7,894	7,714	7,738	7,717
Operating Expenses and Dep.	-5,154	-5,005	-4,988	-5,497	-5,101	-4,854	-4,784	-5,305
<b>Gross Operating Income</b>	<b>2,628</b>	<b>2,829</b>	<b>3,083</b>	<b>2,384</b>	<b>2,793</b>	<b>2,860</b>	<b>2,955</b>	<b>2,412</b>
Cost of Risk	-722	-737	-531	-634	-722	-662	-686	-634
<b>Operating Income</b>	<b>1,907</b>	<b>2,092</b>	<b>2,552</b>	<b>1,749</b>	<b>2,071</b>	<b>2,198</b>	<b>2,268</b>	<b>1,778</b>
Share of Earnings of Equity-Method Entities	132	116	107	132	147	162	174	139
Other Non Operating Items	-5	153	0	59	55	361	16	11
<b>Pre-Tax Income</b>	<b>2,033</b>	<b>2,361</b>	<b>2,659</b>	<b>1,940</b>	<b>2,273</b>	<b>2,721</b>	<b>2,458</b>	<b>1,927</b>
Allocated Equity (€bn, year to date)	53.3	53.2	53.0	52.8	51.4	50.9	50.7	50.6
<b>DOMESTIC MARKETS (including 100% of Private Banking in France, Italy, Belgium and Luxembourg)* Excluding PEL/CEL Effects</b>								
Revenues	3,903	3,874	3,938	3,969	3,897	3,918	3,951	3,952
Operating Expenses and Dep.	-2,603	-2,605	-2,528	-2,971	-2,653	-2,599	-2,488	-2,880
<b>Gross Operating Income</b>	<b>1,300</b>	<b>1,269</b>	<b>1,411</b>	<b>998</b>	<b>1,244</b>	<b>1,319</b>	<b>1,463</b>	<b>1,072</b>
Cost of Risk	-322	-251	-204	-270	-370	-311	-355	-319
<b>Operating Income</b>	<b>978</b>	<b>1,018</b>	<b>1,206</b>	<b>727</b>	<b>874</b>	<b>1,008</b>	<b>1,108</b>	<b>753</b>
Share of Earnings of Equity-Method Entities	0	5	-3	-6	7	23	21	11
Other Non Operating Items	-2	0	1	1	1	3	1	5
<b>Pre-Tax Income</b>	<b>975</b>	<b>1,024</b>	<b>1,205</b>	<b>723</b>	<b>882</b>	<b>1,034</b>	<b>1,130</b>	<b>769</b>
Income Attributable to Wealth and Asset Management	-59	-67	-73	-65	-70	-64	-78	-61
<b>Pre-Tax Income of Domestic Markets</b>	<b>917</b>	<b>956</b>	<b>1,132</b>	<b>658</b>	<b>812</b>	<b>970</b>	<b>1,052</b>	<b>707</b>
Allocated Equity (€bn, year to date)	25.2	25.0	24.7	24.4	24.6	24.3	24.1	23.8
<b>DOMESTIC MARKETS (including 2/3 of Private Banking in France, Italy, Belgium and Luxembourg)</b>								
Revenues	3,783	3,737	3,792	3,820	3,768	3,786	3,803	3,807
Operating Expenses and Dep.	-2,528	-2,531	-2,454	-2,888	-2,582	-2,524	-2,417	-2,799
<b>Gross Operating Income</b>	<b>1,255</b>	<b>1,205</b>	<b>1,338</b>	<b>933</b>	<b>1,185</b>	<b>1,262</b>	<b>1,387</b>	<b>1,008</b>
Cost of Risk	-320	-251	-205	-269	-369	-310	-356	-319
<b>Operating Income</b>	<b>935</b>	<b>955</b>	<b>1,133</b>	<b>664</b>	<b>817</b>	<b>952</b>	<b>1,031</b>	<b>689</b>
Share of Earnings of Equity-Method Entities	0	5	-3	-6	7	22	21	11
Other Non Operating Items	-2	0	1	1	1	3	1	5
<b>Pre-Tax Income</b>	<b>932</b>	<b>960</b>	<b>1,132</b>	<b>659</b>	<b>825</b>	<b>977</b>	<b>1,053</b>	<b>705</b>
Allocated Equity (€bn, year to date)	25.2	25.0	24.7	24.4	24.6	24.3	24.1	23.8

\* Including 100% of Private Banking for the Revenues to Pre-tax income items



€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
FRENCH RETAIL BANKING (including 100% of Private Banking in France)*								
<b>Revenues</b>	<b>1,568</b>	<b>1,575</b>	<b>1,593</b>	<b>1,595</b>	<b>1,554</b>	<b>1,592</b>	<b>1,607</b>	<b>1,618</b>
<i>Incl. Net Interest Income</i>	902	900	875	891	888	904	886	909
<i>Incl. Commissions</i>	666	676	718	704	665	688	721	708
Operating Expenses and Dep.	-1,149	-1,168	-1,104	-1,189	-1,175	-1,183	-1,116	-1,184
<b>Gross Operating Income</b>	<b>419</b>	<b>407</b>	<b>489</b>	<b>406</b>	<b>379</b>	<b>409</b>	<b>492</b>	<b>434</b>
Cost of Risk	-85	-90	-54	-59	-107	-65	-80	-79
<b>Operating Income</b>	<b>334</b>	<b>317</b>	<b>435</b>	<b>347</b>	<b>272</b>	<b>344</b>	<b>412</b>	<b>355</b>
Non Operating Items	-3	0	1	0	0	1	0	0
<b>Pre-Tax Income</b>	<b>332</b>	<b>318</b>	<b>437</b>	<b>346</b>	<b>272</b>	<b>344</b>	<b>412</b>	<b>356</b>
Income Attributable to Wealth and Asset Management	-32	-38	-39	-39	-38	-36	-40	-39
<b>Pre-Tax Income of French Retail Banking</b>	<b>299</b>	<b>280</b>	<b>397</b>	<b>307</b>	<b>234</b>	<b>309</b>	<b>372</b>	<b>316</b>
Allocated Equity (€bn, year to date)	9.6	9.5	9.3	9.2	9.4	9.4	9.3	9.2

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
FRENCH RETAIL BANKING (including 100% of Private Banking in France)* Excluding PEL/CEL Effects								
<b>Revenues</b>	<b>1,553</b>	<b>1,571</b>	<b>1,593</b>	<b>1,594</b>	<b>1,541</b>	<b>1,585</b>	<b>1,606</b>	<b>1,620</b>
<i>Incl. Net Interest Income</i>	887	896	875	890	876	897	885	912
<i>Incl. Commissions</i>	666	676	718	704	665	688	721	708
Operating Expenses and Dep.	-1,149	-1,168	-1,104	-1,189	-1,175	-1,183	-1,116	-1,184
<b>Gross Operating Income</b>	<b>404</b>	<b>403</b>	<b>489</b>	<b>405</b>	<b>366</b>	<b>402</b>	<b>490</b>	<b>436</b>
Cost of Risk	-85	-90	-54	-59	-107	-65	-80	-79
<b>Operating Income</b>	<b>319</b>	<b>313</b>	<b>435</b>	<b>346</b>	<b>259</b>	<b>337</b>	<b>411</b>	<b>358</b>
Non Operating Items	-3	0	1	0	0	1	0	0
<b>Pre-Tax Income</b>	<b>317</b>	<b>314</b>	<b>436</b>	<b>345</b>	<b>259</b>	<b>337</b>	<b>411</b>	<b>358</b>
Income Attributable to Wealth and Asset Management	-32	-38	-39	-39	-38	-36	-40	-39
<b>Pre-Tax Income of French Retail Banking</b>	<b>284</b>	<b>276</b>	<b>397</b>	<b>306</b>	<b>221</b>	<b>302</b>	<b>371</b>	<b>319</b>
Allocated Equity (€bn, year to date)	9.6	9.5	9.3	9.2	9.4	9.4	9.3	9.2

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)								
<b>Revenues</b>	<b>1,498</b>	<b>1,502</b>	<b>1,517</b>	<b>1,517</b>	<b>1,481</b>	<b>1,518</b>	<b>1,531</b>	<b>1,541</b>
Operating Expenses and Dep.	-1,112	-1,133	-1,068	-1,151	-1,140	-1,145	-1,079	-1,146
<b>Gross Operating Income</b>	<b>386</b>	<b>369</b>	<b>449</b>	<b>367</b>	<b>341</b>	<b>374</b>	<b>452</b>	<b>395</b>
Cost of Risk	-84	-90	-53	-59	-107	-65	-80	-79
<b>Operating Income</b>	<b>302</b>	<b>280</b>	<b>396</b>	<b>307</b>	<b>234</b>	<b>308</b>	<b>372</b>	<b>316</b>
Non Operating Items	-3	0	1	0	0	0	0	0
<b>Pre-Tax Income</b>	<b>299</b>	<b>280</b>	<b>397</b>	<b>307</b>	<b>234</b>	<b>309</b>	<b>372</b>	<b>316</b>
Allocated Equity (€bn, year to date)	9.6	9.5	9.3	9.2	9.4	9.4	9.3	9.2

\* Including 100% of Private Banking for the Revenues to Pre-tax income items

\*\* Reminder on PEL/CEL provision: this provision, accounted in the French Retail Banking's revenues, takes into account the risk generated by Plans Epargne Logement (PEL) and Comptes Epargne Logement (CEL) during their whole lifetime.

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
PEL/CEL effects	15	4	0	1	13	7	1	-2



€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BNL banca commerciale (Including 100% of Private Banking in Italy)*								
<b>Revenues</b>	722	660	698	713	732	719	729	727
Operating Expenses and Dep.	-440	-439	-438	-480	-457	-445	-430	-469
<b>Gross Operating Income</b>	282	221	259	233	275	274	299	258
Cost of Risk	-164	-131	-127	-169	-218	-203	-222	-228
<b>Operating Income</b>	117	90	132	63	57	71	77	30
Non Operating Items	-2	0	-1	0	0	0	0	0
<b>Pre-Tax Income</b>	116	89	130	63	57	71	77	30
Income Attributable to Wealth and Asset Management	-11	-10	-10	-12	-11	-9	-12	-12
<b>Pre-Tax Income of BNL bc</b>	105	80	120	51	46	63	65	18
Allocated Equity (€bn, year to date)	5.5	5.5	5.5	5.4	5.8	5.8	5.7	5.7

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BNL banca commerciale (Including 2/3 of Private Banking in Italy)								
<b>Revenues</b>	700	638	675	691	710	699	707	706
Operating Expenses and Dep.	-429	-427	-427	-470	-447	-434	-420	-460
<b>Gross Operating Income</b>	272	211	248	221	263	265	287	247
Cost of Risk	-165	-131	-127	-170	-217	-203	-222	-228
<b>Operating Income</b>	107	80	122	51	46	62	65	18
Non Operating Items	-2	0	-1	0	0	0	0	0
<b>Pre-Tax Income</b>	105	80	120	51	46	63	65	18
Allocated Equity (€bn, year to date)	5.5	5.5	5.5	5.4	5.8	5.8	5.7	5.7

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium)*								
<b>Revenues</b>	857	887	917	934	894	921	930	931
Operating Expenses and Dep.	-571	-563	-552	-835	-601	-570	-560	-823
<b>Gross Operating Income</b>	286	324	365	99	293	351	370	108
Cost of Risk	-43	4	2	-6	-15	-23	-28	1
<b>Operating Income</b>	243	328	367	93	278	328	343	109
Share of Earnings of Equity-Method Entities	4	8	1	-3	2	17	6	-4
Other Non Operating Items	7	0	0	1	1	3	2	0
<b>Pre-Tax Income</b>	253	336	368	92	281	347	351	106
Income Attributable to Wealth and Asset Management	-15	-19	-23	-13	-19	-18	-25	-10
<b>Pre-Tax Income of Belgian Retail Banking</b>	238	317	345	79	262	329	325	96
Allocated Equity (€bn, year to date)	5.7	5.7	5.6	5.6	5.3	5.2	5.2	5.1

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)								
<b>Revenues</b>	817	845	872	887	849	879	882	889
Operating Expenses and Dep.	-547	-539	-529	-803	-577	-547	-537	-790
<b>Gross Operating Income</b>	270	305	344	85	272	332	346	99
Cost of Risk	-42	4	0	-4	-14	-23	-28	1
<b>Operating Income</b>	228	309	344	80	259	309	317	99
Share of Earnings of Equity-Method Entities	4	8	1	-3	2	17	6	-4
Other Non Operating Items	7	0	0	1	1	3	2	0
<b>Pre-Tax Income</b>	238	317	345	79	262	329	325	96
Allocated Equity (€bn, year to date)	5.7	5.7	5.6	5.6	5.3	5.2	5.2	5.1

\* Including 100% of Private Banking for the Revenues to Pre-tax income items



€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)*								
<b>Revenues</b>	771	755	731	728	730	692	686	674
Operating Expenses and Dep.	-443	-435	-433	-467	-420	-400	-382	-405
<b>Gross Operating Income</b>	328	320	298	261	310	292	304	269
Cost of Risk	-29	-33	-25	-36	-30	-19	-26	-14
<b>Operating Income</b>	299	287	273	225	279	273	278	256
Share of Earnings of Equity-Method Entities	-4	-3	-3	-2	5	5	14	14
Other Non Operating Items	-5	0	0	-1	0	0	0	5
<b>Pre-Tax Income</b>	290	284	271	223	284	277	292	274
Income Attributable to Wealth and Asset Management	-1	-1	-1	-1	-1	-1	-1	-1
<b>Pre-Tax Income of Other Domestic Markets</b>	289	283	270	222	283	277	291	274
Allocated Equity (€bn, year to date)	4.4	4.3	4.3	4.2	4.0	3.9	3.9	3.9
€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)								
<b>Revenues</b>	767	752	728	725	727	690	683	671
Operating Expenses and Dep.	-440	-433	-431	-464	-419	-399	-381	-403
<b>Gross Operating Income</b>	327	319	297	260	309	291	303	269
Cost of Risk	-29	-33	-25	-36	-30	-19	-26	-14
<b>Operating Income</b>	298	286	272	225	278	272	277	255
Share of Earnings of Equity-Method Entities	-4	-3	-3	-2	5	5	14	14
Other Non Operating Items	-5	0	0	-1	0	0	0	5
<b>Pre-Tax Income</b>	289	283	270	222	283	277	291	274
Allocated Equity (€bn, year to date)	4.4	4.3	4.3	4.2	4.0	3.9	3.9	3.9

\* Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
<b>INTERNATIONAL FINANCIAL SERVICES</b>								
<b>Revenues</b>	<b>3,999</b>	<b>4,097</b>	<b>4,279</b>	<b>4,060</b>	<b>4,126</b>	<b>3,928</b>	<b>3,935</b>	<b>3,909</b>
Operating Expenses and Dep.	-2,626	-2,473	-2,534	-2,609	-2,519	-2,330	-2,367	-2,506
<b>Gross Operating Income</b>	<b>1,373</b>	<b>1,624</b>	<b>1,745</b>	<b>1,451</b>	<b>1,608</b>	<b>1,598</b>	<b>1,568</b>	<b>1,404</b>
Cost of Risk	-401	-486	-326	-365	-353	-352	-331	-315
<b>Operating Income</b>	<b>972</b>	<b>1,137</b>	<b>1,418</b>	<b>1,086</b>	<b>1,254</b>	<b>1,246</b>	<b>1,237</b>	<b>1,089</b>
Share of Earnings of Equity-Method Entities	132	111	109	137	141	140	153	128
Other Non Operating Items	-3	153	-1	58	54	358	14	6
<b>Pre-Tax Income</b>	<b>1,101</b>	<b>1,401</b>	<b>1,526</b>	<b>1,281</b>	<b>1,449</b>	<b>1,744</b>	<b>1,405</b>	<b>1,222</b>
Allocated Equity (€bn, year to date)	28.1	28.2	28.3	28.3	26.8	26.5	26.6	26.7
<b>PERSONAL FINANCE</b>								
<b>Revenues</b>	<b>1,411</b>	<b>1,387</b>	<b>1,381</b>	<b>1,354</b>	<b>1,280</b>	<b>1,222</b>	<b>1,219</b>	<b>1,201</b>
Operating Expenses and Dep.	-728	-639	-672	-725	-639	-575	-579	-634
<b>Gross Operating Income</b>	<b>682</b>	<b>748</b>	<b>709</b>	<b>629</b>	<b>641</b>	<b>647</b>	<b>640</b>	<b>568</b>
Cost of Risk	-299	-345	-265	-276	-271	-273	-225	-240
<b>Operating Income</b>	<b>383</b>	<b>403</b>	<b>443</b>	<b>353</b>	<b>369</b>	<b>375</b>	<b>415</b>	<b>328</b>
Share of Earnings of Equity-Method Entities	17	21	8	15	19	21	30	20
Other Non Operating Items	-1	0	-2	4	0	24	0	5
<b>Pre-Tax Income</b>	<b>400</b>	<b>424</b>	<b>450</b>	<b>373</b>	<b>389</b>	<b>420</b>	<b>445</b>	<b>353</b>
Allocated Equity (€bn, year to date)	7.3	7.2	7.1	7.0	5.8	5.5	5.4	5.3
<b>EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey)*</b>								
<b>Revenues</b>	<b>600</b>	<b>562</b>	<b>614</b>	<b>581</b>	<b>581</b>	<b>573</b>	<b>590</b>	<b>592</b>
Operating Expenses and Dep.	-405	-381	-402	-416	-414	-403	-420	-424
<b>Gross Operating Income</b>	<b>195</b>	<b>181</b>	<b>212</b>	<b>165</b>	<b>167</b>	<b>170</b>	<b>170</b>	<b>168</b>
Cost of Risk	-78	-105	-55	-70	-62	-60	-70	-67
<b>Operating Income</b>	<b>117</b>	<b>76</b>	<b>157</b>	<b>96</b>	<b>105</b>	<b>110</b>	<b>100</b>	<b>101</b>
Share of Earnings of Equity-Method Entities	60	43	43	41	49	47	53	48
Other Non Operating Items	-1	0	-1	54	3	1	-1	0
<b>Pre-Tax Income</b>	<b>176</b>	<b>119</b>	<b>199</b>	<b>191</b>	<b>158</b>	<b>159</b>	<b>152</b>	<b>150</b>
Income Attributable to Wealth and Asset Management	0	-1	-1	-1	-1	0	-1	-1
<b>Pre-Tax Income of EUROPE-MEDITERRANEAN</b>	<b>176</b>	<b>118</b>	<b>199</b>	<b>191</b>	<b>157</b>	<b>158</b>	<b>151</b>	<b>149</b>
Allocated Equity (€bn, year to date)	4.8	4.8	4.8	4.8	4.9	5.0	5.0	5.0
<b>EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey)</b>								
<b>Revenues</b>	<b>599</b>	<b>561</b>	<b>612</b>	<b>579</b>	<b>579</b>	<b>571</b>	<b>588</b>	<b>590</b>
Operating Expenses and Dep.	-404	-380	-401	-415	-413	-401	-419	-423
<b>Gross Operating Income</b>	<b>195</b>	<b>180</b>	<b>211</b>	<b>164</b>	<b>167</b>	<b>170</b>	<b>169</b>	<b>167</b>
Cost of Risk	-78	-105	-55	-70	-62	-60	-70	-67
<b>Operating Income</b>	<b>117</b>	<b>75</b>	<b>156</b>	<b>95</b>	<b>105</b>	<b>110</b>	<b>99</b>	<b>100</b>
Share of Earnings of Equity-Method Entities	60	43	43	41	49	47	53	48
Other Non Operating Items	-1	0	-1	54	3	1	-1	0
<b>Pre-Tax Income</b>	<b>176</b>	<b>118</b>	<b>199</b>	<b>191</b>	<b>157</b>	<b>158</b>	<b>151</b>	<b>149</b>
Allocated Equity (€bn, year to date)	4.8	4.8	4.8	4.8	4.9	5.0	5.0	5.0

\* Including 100% of Private Banking for the Revenues to Pre-tax income items



€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BANCWEST (Including 100% of Private Banking in United States)*								
<b>Revenues</b>	599	634	731	683	738	734	762	761
Operating Expenses and Dep.	-431	-457	-488	-495	-483	-482	-513	-556
<b>Gross Operating Income</b>	169	177	243	188	255	251	249	205
Cost of Risk	-22	-35	-5	-20	-20	-32	-38	-22
<b>Operating Income</b>	146	141	239	168	235	219	211	183
Share of Earnings of Equity-Method Entities	1	-1	0	0	0	0	0	0
Other Non Operating Items	-1	153	0	0	1	3	1	-1
<b>Pre-Tax Income</b>	146	294	239	168	236	222	212	182
Income Attributable to Wealth and Asset Management	-7	-8	-7	-6	-6	-5	-5	-5
<b>Pre-Tax Income of BANCWEST</b>	139	286	232	162	230	217	206	177
Allocated Equity (€bn, year to date)	5.7	5.8	6.0	5.9	6.4	6.4	6.6	6.7
€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BANCWEST (Including 2/3 of Private Banking in United States)								
<b>Revenues</b>	581	618	716	669	724	720	748	748
Operating Expenses and Dep.	-420	-449	-480	-487	-475	-474	-505	-548
<b>Gross Operating Income</b>	162	169	236	182	249	246	243	200
Cost of Risk	-22	-35	-5	-20	-20	-32	-38	-22
<b>Operating Income</b>	139	134	232	162	229	214	206	178
Non Operating Items	0	152	0	0	1	3	1	-1
<b>Pre-Tax Income</b>	139	286	232	162	230	217	206	177
Allocated Equity (€bn, year to date)	5.7	5.8	6.0	5.9	6.4	6.4	6.6	6.7
€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
INSURANCE								
<b>Revenues</b>	542	741	735	661	636	662	619	597
Operating Expenses and Dep.	-346	-351	-342	-367	-317	-311	-297	-326
<b>Gross Operating Income</b>	196	390	393	294	319	351	322	271
Cost of Risk	2	0	1	0	5	1	-1	-1
<b>Operating Income</b>	198	390	394	294	324	352	321	271
Share of Earnings of Equity-Method Entities	43	38	46	75	53	63	55	54
Other Non Operating Items	0	1	0	0	49	325	0	1
<b>Pre-Tax Income</b>	241	429	440	369	425	740	376	326
Allocated Equity (€bn, year to date)	8.4	8.4	8.5	8.7	7.8	7.7	7.7	7.8
€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
WEALTH AND ASSET MANAGEMENT								
<b>Revenues</b>	866	791	834	795	907	753	760	773
Operating Expenses and Dep.	-728	-654	-639	-614	-675	-569	-567	-576
<b>Gross Operating Income</b>	138	137	195	181	233	183	193	198
Cost of Risk	-3	-1	-2	0	-5	12	4	14
<b>Operating Income</b>	134	136	193	181	228	195	197	212
Share of Earnings of Equity-Method Entities	11	8	12	5	19	8	15	5
Other Non Operating Items	0	-1	1	0	1	5	14	0
<b>Pre-Tax Income</b>	146	143	206	187	248	208	226	217
Allocated Equity (€bn, year to date)	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9

\* Including 100% of Private Banking for the Revenues to Pre-tax income items



€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
<b>CORPORATE AND INSTITUTIONAL BANKING</b>								
Revenues	2,379	2,565	2,979	2,906	2,626	2,658	3,197	3,223
Operating Expenses and Dep.	-1,919	-1,884	-1,970	-2,389	-1,883	-1,897	-1,988	-2,506
<b>Gross Operating Income</b>	<b>460</b>	<b>680</b>	<b>1,009</b>	<b>517</b>	<b>744</b>	<b>761</b>	<b>1,209</b>	<b>717</b>
Cost of Risk	-100	49	-23	31	-264	10	118	54
<b>Operating Income</b>	<b>359</b>	<b>730</b>	<b>986</b>	<b>548</b>	<b>480</b>	<b>772</b>	<b>1,328</b>	<b>770</b>
Share of Earnings of Equity-Method Entities	39	4	7	9	13	-2	5	8
Other Non Operating Items	-6	0	3	2	-1	8	15	0
<b>Pre-Tax Income</b>	<b>393</b>	<b>734</b>	<b>996</b>	<b>558</b>	<b>491</b>	<b>778</b>	<b>1,349</b>	<b>778</b>
Allocated Equity (€bn, year to date)	20.8	20.7	20.3	19.9	21.1	21.4	21.9	22.1
<b>CORPORATE BANKING</b>								
Revenues	1,102	930	1,015	904	1,050	948	1,176	991
Operating Expenses and Dep.	-623	-597	-596	-691	-603	-546	-590	-691
<b>Gross Operating Income</b>	<b>479</b>	<b>334</b>	<b>418</b>	<b>213</b>	<b>447</b>	<b>402</b>	<b>586</b>	<b>299</b>
Cost of Risk	-91	46	13	1	-209	4	78	57
<b>Operating Income</b>	<b>388</b>	<b>380</b>	<b>431</b>	<b>214</b>	<b>238</b>	<b>407</b>	<b>664</b>	<b>356</b>
Non Operating Items	36	5	7	9	5	6	19	7
<b>Pre-Tax Income</b>	<b>424</b>	<b>385</b>	<b>438</b>	<b>223</b>	<b>243</b>	<b>413</b>	<b>683</b>	<b>364</b>
Allocated Equity (€bn, year to date)	12.2	12.1	12.0	11.9	12.4	12.5	12.7	12.6
<b>GLOBAL MARKETS</b>								
Revenues	650	1,132	1,447	1,498	1,073	1,234	1,523	1,754
<i>incl. FCC</i>	505	680	729	805	592	801	883	1,174
<i>incl. Equity &amp; Prime Services</i>	145	452	718	692	482	433	640	580
Operating Expenses and Dep.	-859	-848	-955	-1,275	-875	-958	-997	-1,424
<b>Gross Operating Income</b>	<b>-209</b>	<b>284</b>	<b>492</b>	<b>223</b>	<b>198</b>	<b>276</b>	<b>526</b>	<b>330</b>
Cost of Risk	-13	3	-37	28	-57	6	39	-3
<b>Operating Income</b>	<b>-222</b>	<b>287</b>	<b>455</b>	<b>251</b>	<b>142</b>	<b>281</b>	<b>565</b>	<b>327</b>
Share of Earnings of Equity-Method Entities	1	0	1	1	5	-6	-1	0
Other Non Operating Items	-3	0	1	0	1	6	3	0
<b>Pre-Tax Income</b>	<b>-225</b>	<b>287</b>	<b>457</b>	<b>252</b>	<b>147</b>	<b>281</b>	<b>567</b>	<b>326</b>
Allocated Equity (€bn, year to date)	7.8	7.7	7.4	7.1	7.8	8.0	8.4	8.7
<b>SECURITIES SERVICES</b>								
Revenues	627	503	517	505	503	476	498	478
Operating Expenses and Dep.	-437	-440	-419	-423	-405	-392	-400	-390
<b>Gross Operating Income</b>	<b>190</b>	<b>63</b>	<b>98</b>	<b>82</b>	<b>98</b>	<b>84</b>	<b>97</b>	<b>87</b>
Cost of Risk	4	0	2	1	2	0	1	0
<b>Operating Income</b>	<b>193</b>	<b>63</b>	<b>100</b>	<b>83</b>	<b>100</b>	<b>84</b>	<b>99</b>	<b>87</b>
Non Operating Items	0	0	1	0	0	0	0	0
<b>Pre-Tax Income</b>	<b>194</b>	<b>62</b>	<b>101</b>	<b>83</b>	<b>100</b>	<b>84</b>	<b>99</b>	<b>88</b>
Allocated Equity (€bn, year to date)	0.9	0.9	0.9	0.8	0.9	0.9	0.9	0.8



€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
<b>CORPORATE CENTRE</b>								
<b>Revenues</b>	-1	-46	156	11	12	22	3	358
Operating Expenses and Dep.	-605	-388	-409	-374	-637	-382	-300	-308
<i>Incl. Restructuring and Transformation Costs</i>	-481	-267	-275	-211	-456	-222	-168	-110
<b>Gross Operating Income</b>	<b>-606</b>	<b>-434</b>	<b>-253</b>	<b>-363</b>	<b>-625</b>	<b>-361</b>	<b>-297</b>	<b>49</b>
Cost of Risk	-74	2	-13	-11	1	-16	-94	-11
<b>Operating Income</b>	<b>-680</b>	<b>-433</b>	<b>-267</b>	<b>-374</b>	<b>-625</b>	<b>-377</b>	<b>-391</b>	<b>38</b>
Share of Earnings of Equity-Method Entities	24	19	19	22	15	-10	44	19
Other Non Operating Items	-87	134	46	110	-33	-139	2	-8
<b>Pre-Tax Income</b>	<b>-743</b>	<b>-279</b>	<b>-201</b>	<b>-242</b>	<b>-642</b>	<b>-525</b>	<b>-346</b>	<b>49</b>

**ALTERNATIVE PERFORMANCE MEASURES (APM) - ARTICLE 223-1 OF THE AMF'S GENERAL REGULATION**

<b>Alternative Performance Measures</b>	<b>Definition</b>	<b>Reason for use</b>
<b>Profit &amp; Loss (P&amp;L) aggregates of the operating divisions (revenues, operating expenses, gross operating income, operating income, pre-tax income)</b>	<p>Sum of the P&amp;L aggregates of Domestic Markets (with P&amp;L aggregates of Domestic Markets including 2/3 of Private Banking in France, Italy, Belgium, Luxembourg), IFS and CIB</p> <p>P&amp;L aggregates for BNP Paribas Group = P&amp;L aggregates of the operating divisions + P&amp;L aggregate of Corporate Centre</p> <p>Reconciliation with the P&amp;L aggregates of the Group is provided in the table "Results by core businesses"</p>	Representative measure of the BNP Paribas Group's operating performance
<b>Profit &amp; Loss (P&amp;L) aggregates excluding PEL/CEL effects (revenues, gross operating income, operating income, pre-tax income)</b>	<p>P&amp;L aggregates excluding PEL/CEL effects</p> <p>Reconciliation with the P&amp;L aggregates of the Group is provided in the table "Quarterly series"</p>	Representative measure of the P&L aggregates of the period excluding changes in the provision that accounts for the risk generated by PEL and CEL accounts during their lifetime
<b>Profit &amp; Loss account (P&amp;L) aggregates of a retail banking activity with 100% of Private Banking</b>	<p>Profit &amp; Loss account aggregates of a retail banking activity including the whole Profit &amp; Loss account of private banking</p> <p>Reconciliation with the P&amp;L aggregates of the Group is provided in the table "Quarterly series"</p>	Representative measure of the performance of retail banking activity including the total performance of private banking (before sharing the profit & loss account with the Wealth Management business, private banking being under a joint responsibility of retail banking (2/3) and Wealth Management business (1/3))
<b>Cost of risk/Customer loans at the beginning of the period (in basis points)</b>	<p>Cost of risk (in €m) divided by customer loans at the beginning of the period. Details of the calculation are disclosed in the Appendix "Cost of risk on Outstandings" of the results' presentation</p>	Measure of the risk level by business in percentage of the volume of outstanding loans
<b>Net income Group share excluding exceptional items</b>	<p>Net income attributable to equity holders excluding exceptional items. Details of exceptional items are disclosed in the slide "Main Exceptional Items" of the results' presentation</p>	Measure of BNP Paribas Group's net income excluding non-recurring items of a significant amount or items that do not reflect the underlying operating performance, notably transformation and restructuring costs
<b>Return on Equity (ROE)</b>	<p>Details of the calculation of ROE are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation</p>	Measure of the BNP Paribas Group's return on equity
<b>Return on Tangible Equity (ROTE)</b>	<p>Details of the calculation of ROTTE are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation</p>	Measure of the BNP Paribas Group's return on tangible equity



**Methodology – Comparative analysis at constant scope and exchange rates**

The method used to determine the effect of changes in scope of consolidation depends on the type of transaction (acquisition, sale, etc.). The underlying purpose of the calculation is to facilitate period-on-period comparisons.

In case of acquired or created entity, the results of the new entity are eliminated from the constant scope results of current-year periods corresponding to the periods when the entity was not owned in the prior-year.

In case of divested entities, the entity's results are excluded symmetrically for the prior year for quarters when the entity was not owned.

In case of change of consolidation method, the policy is to use the lowest consolidation percentage over the two years (current and prior) for results of quarters adjusted on a like-for-like basis.

Comparative analysis at constant exchange rates are prepared by restating results for the prior-year quarter (reference quarter) at the current quarter exchange rate (analysed quarter). All of these calculations are performed by reference to the entity's reporting currency.

**Reminder**

**Operating expenses:** sum of salary and employee benefit expenses, other operating expenses and depreciation, amortisation and impairment of property, plant and equipment. In the whole document, the terms operating expenses or costs can be used indifferently.

**Operating divisions:** they consist of 3 divisions:

- Domestic Markets including: French Retail Banking (FRB), BNL banca commerciale (BNL bc), Belgium Retail Banking (BRB), Other Domestic Markets activities including Arval, Leasing Solutions, Personal Investors, Nickel and Luxembourg Retail Banking (LRB);
- International Financial Services (IFS) including: Europe-Mediterranean, BancWest, Personal Finance, Insurance, Wealth & Asset Management (WAM) that includes Asset Management, Wealth Management and Real Estate Services;
- Corporate and Institutional Banking (CIB) including: Corporate Banking, Global Markets, Securities Services.

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*The figures included in this presentation are unaudited. For 2018 they are based on the new accounting standard IFRS 9 Financial Instruments whereas the Group has opted not to restate the previous years, as envisaged under the new standard.*

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*The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding.*

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**BNP PARIBAS**

The bank  
for a changing  
world

# BNP PARIBAS 2018 FULL YEAR RESULTS

6 FEBRUARY 2019



**BNP PARIBAS**



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# Disclaimer

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# 2018 Key Messages

<b>Business increase in an environment of economic growth in Europe</b>	<b>Outstanding loans: +3.9% vs. 2017</b>
<b>Revenues of the divisions held up well despite low rates and unfavourable market context, in particular at the end of the year</b>	<b>Revenues of the operating divisions: -0.4%* vs. 2017</b>
<b>Development of the specialised businesses of DM and IFS Decrease of costs in the retail networks and CIB</b>	<b>Operating expenses of the operating divisions: +1.7%* vs. 2017</b>
<b>Decrease in the cost of risk</b>	<b>-4.9% vs. 2017 (35 bp**)</b>
<b>Net income Group share held up well Dividend per share</b>	<b>Net income Group share: €7,526m (-3.0% vs. 2017) €3.02*** (stable vs. 2017)</b>
<b>Very solid balance sheet</b>	<b>CET 1 ratio****: 11.8%</b>

**Business growth  
Significant progress in the digital transformation**

\* At constant scope and exchange rates; \*\* Cost of risk/Customer loans at the beginning of the period (in bp); \*\*\* Subject to the approval of the Annual General Meeting on 23 May 2019; \*\*\*\* CRD 4 fully loaded



# Group Results

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Division Results

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2020 Plan

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4Q18 Detailed Results

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Appendix

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# Main Exceptional Items - 2018

## Exceptional items

### Revenues

- Own credit adjustment and DVA (*Corporate Centre*)
- Capital gain on the sale of 1.8% stake in Shinhan (*Corporate Centre*)
- Capital gain on the sale of 4.78% stake in Euronext (*Corporate Centre*)

*Total exceptional revenues*

### Operating expenses

- Restructuring costs of acquisitions\* (*Corporate Centre*)
- Transformation costs of Businesses (*Corporate Centre*)

*Total exceptional operating expenses*

### Other non operating items

- Capital gain on the sale of a building (*Corporate Centre*)
- Capital gain on the sale of First Hawaiian Bank shares (*BancWest & Corporate Centre*)\*\*
- Capital gain on the sale of 4% stake in SBI Life (*Insurance*)
- Full impairment of TEB's goodwill (*Corporate Centre*)

*Total other non operating items*

### Total exceptional items (pre-tax)

### Total exceptional items (after tax)\*\*\*

	2018	2017
		-€175m
		+€148m
		+€85m
		<b>+€58m</b>
	-€129m	-€101m
	-€1,106m	-€856m
	<b>-€1,235m</b>	<b>-€957m</b>
	+€101m	
	+€286m	
		+€326m
		-€172m
	<b>+€387m</b>	<b>+€154m</b>
	<b>-€848m</b>	<b>-€745m</b>
	<b>-€510m</b>	<b>-€390m</b>

\* Restructuring costs in particular of LaSer, DAB Bank, GE LLD, ABN Amro Luxembourg and Raiffeisen Bank Polska;  
 \*\* BancWest (capital gain: €151m); Corporate Centre (exchange difference: €135m); \*\*\* Group share





# Consolidated Group - 2018

	> 2018	> 2017	> 2018 vs. 2017	% Operating divisions	
				Historical scope & exchange rates	Constant scope & exchange rates
<b>Revenues</b>	<b>€42,516m</b>	<b>€43,161m</b>	<b>-1.5%</b>	<b>-0.9%</b>	<b>-0.4%</b>
Operating expenses	-€30,583m	-€29,944m	+2.1%	+1.7%	+1.7%
<b>Gross Operating income</b>	<b>€11,933m</b>	<b>€13,217m</b>	<b>-9.7%</b>	<b>-6.0%</b>	<b>-4.7%</b>
Cost of risk	-€2,764m	-€2,907m	-4.9%	-4.3%	-1.1%
<b>Operating income</b>	<b>€9,169m</b>	<b>€10,310m</b>	<b>-11.1%</b>	<b>-6.4%</b>	<b>-5.5%</b>
Non operating items	€1,039m	€1,000m	+3.9%	n.a	n.a
<b>Pre-tax income</b>	<b>€10,208m</b>	<b>€11,310m</b>	<b>-9.7%</b>	<b>-8.6%</b>	<b>-5.3%</b>
<b>Net income Group share</b>	<b>€7,526m</b>	<b>€7,759m</b>	<b>-3.0%</b>	<ul style="list-style-type: none"> <li>Impact on net income at the end of the year of the sharp fall in markets on the revaluation of FHB** and on some insurance portfolios: -€220m</li> </ul>	
<b>Net income Group share excluding exceptional items *</b>	<b>€8,036m</b>	<b>€8,149m</b>	<b>-1.4%</b>		
Return on equity (ROE):	8.2% (8.8% excluding exceptional items*)				
Return on tangible equity (ROTE):	9.6% (10.2% excluding exceptional items*)				

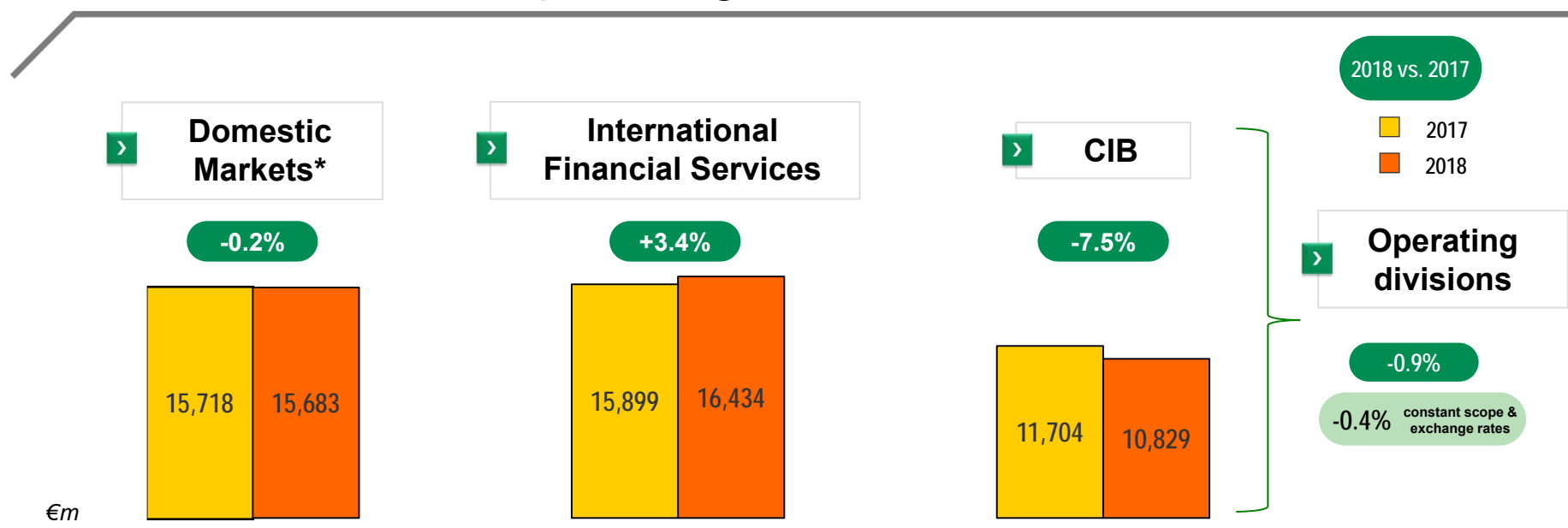


**Good resilience in a lacklustre market context**

\* See slide 5; \*\* Value of the stake in First Hawaiian Bank now accounted on a mark-to-market basis (Corporate Centre)



# Revenues of the Operating Divisions - 2018



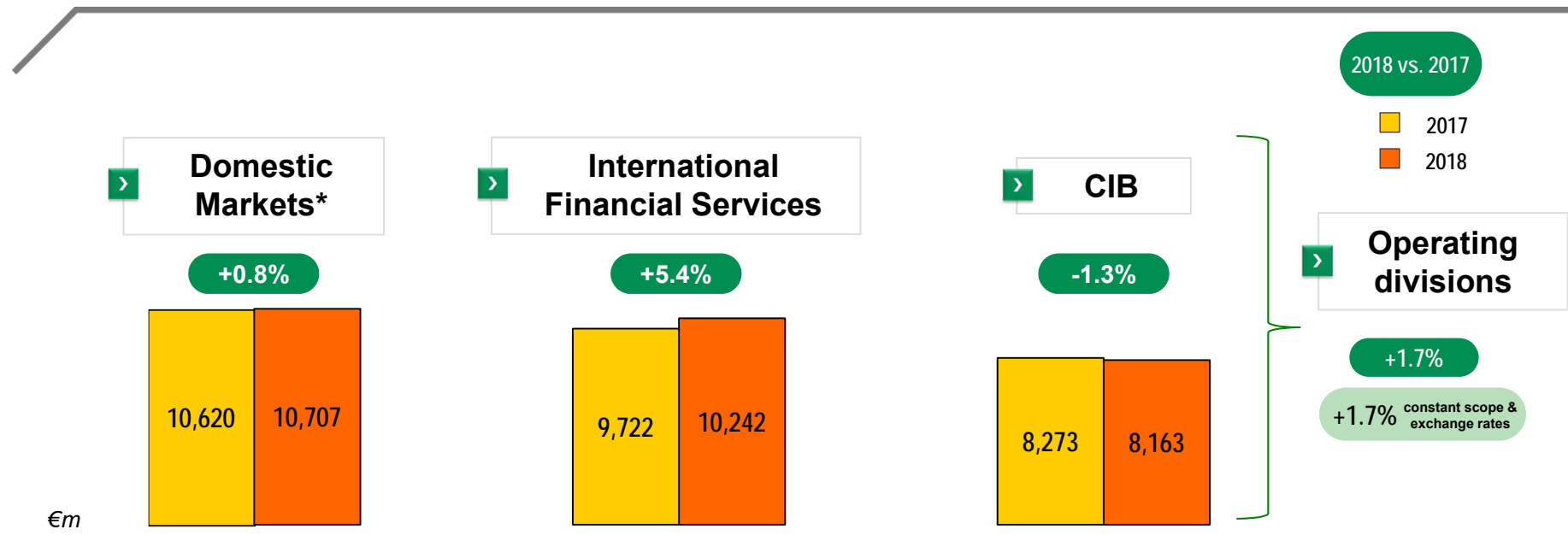
- Domestic Markets: slight decrease in revenues of the networks due to the still low interest rate environment but growth of the revenues of the specialised businesses
- IFS: good growth despite an unfavourable foreign exchange effect (+6.6% at constant scope and exchange rates\*\*)
- CIB: lacklustre market context (particularly challenging conditions at the end of the year), but good development in the targeted customer segments

**Revenues of the operating divisions held up well despite unfavourable market context**

\* Including 100% of Private Banking in France (excluding PEL/CEL effects), in Italy, Belgium and Luxembourg; \*\* Excluding the impact of the fall in markets on assets accounted at market value in Insurance



# Operating expenses of the Operating Divisions - 2018



- Domestic Markets: operating expenses down in the networks (-0.9%\*\*)  
but increase in the specialised businesses on the back of the development of the activity
- IFS: support of the increase in business and development of new products (+5.9% at constant scope and exchange rates)
- CIB: significant decrease in costs at Global Markets (-7.5%) but increase at Securities Services and Corporate Banking as a result of business development

**Development of the specialised businesses of DM and IFS**  
**Decrease in the costs of the networks and at CIB**

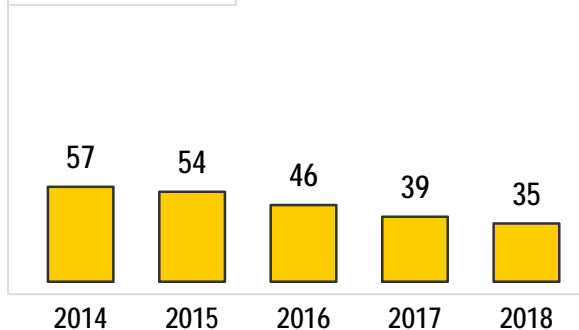
\* Including 100% of Private Banking in France, Italy, Belgium and Luxembourg; \*\* FRB, BRB, BNL bc and LRB



# Cost of risk - 2018 (1/2)

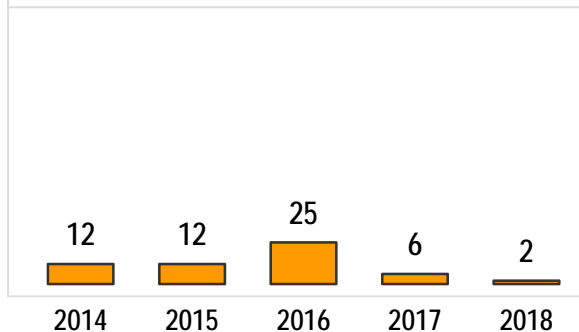
Cost of risk/Customer loans at the beginning of the period (in bp)

## > Group



- Cost of risk: €2,764m (-€143m vs. 2017)
- Decrease in the cost of risk

## > CIB – Corporate Banking



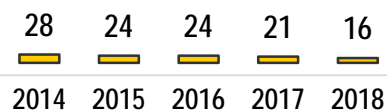
- €31m (-€39m vs. 2017)
- Provisions offset by write-backs
- Reminder: positive effect of provision write-backs since 2014



# Cost of risk - 2018 (2/2)

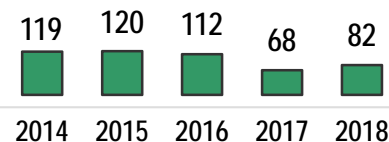
Cost of risk/Customer loans at the beginning of the period (in bp)

## > FRB



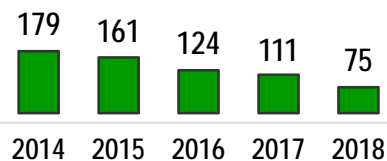
- €288m (-€42m vs. 2017)
- Cost of risk still low

## > Europe-Mediterranean



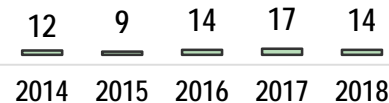
- €308m (+€49m vs. 2017)
- Reminder: positive impact of provision write-backs in 2017
- Moderate increase in the cost of risk in Turkey

## > BNL bc



- €592m (-€279m vs. 2017)
- Confirmation of the decrease in the cost of risk

## > BancWest



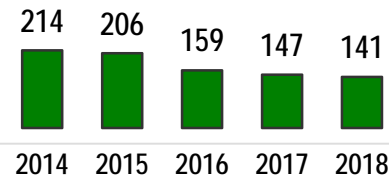
- €82m (-€29m vs. 2017)
- Cost of risk still low

## > BRB



- €43m (-€22m vs. 2017)
- Very low cost of risk

## > Personal Finance



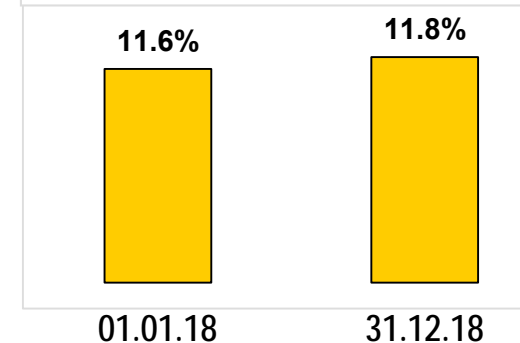
- €1,186m (+€177m vs. 2017)
- Effect of the rise in loan outstandings
- Cost of risk at a low level



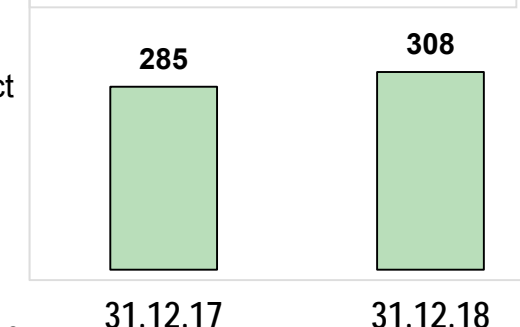
# Financial Structure

- **Reminder CET1 as at 01.01.18: impact of 2 technical effects**
  - CET1 ratio as at 31.12.17: 11.8%
  - 1st time application of IFRS 9 (-10 bp, fully loaded) and deduction of irrevocable payment commitments from prudential capital (-10 bp)
  - ⇒ Pro forma\* CET1 ratio as at 01.01.18: 11.6%
- **Fully loaded Basel 3 CET1 ratio\*: 11.8% as at 31.12.18 (+20 bp vs. 01.01.18)**
  - 2018 results (excluding capital gain on the sale of 43.6% of FHB) after taking into account dividend payment (+50 bp)
  - Increase in risk-weighted assets excluding scope & foreign exchange effect and operational risk (-20 bp)
  - Risk-weighted assets related to operational risk brought to the standard method level (-10 bp)
  - Other effects including effects of acquisitions and sales: overall negligible impact
- **Fully loaded Basel 3 leverage ratio\*\*: 4.5% as at 31.12.18**
- **Liquidity Coverage Ratio: 132% as at 31.12.18**
- **Immediately available liquidity reserve: €308bn\*\*\* (€285bn as at 31.12.17): room to manoeuvre > 1 year in terms of wholesale funding**

## > Fully loaded Basel 3 CET1 ratio\*



## > Liquidity reserve (€bn)\*\*\*

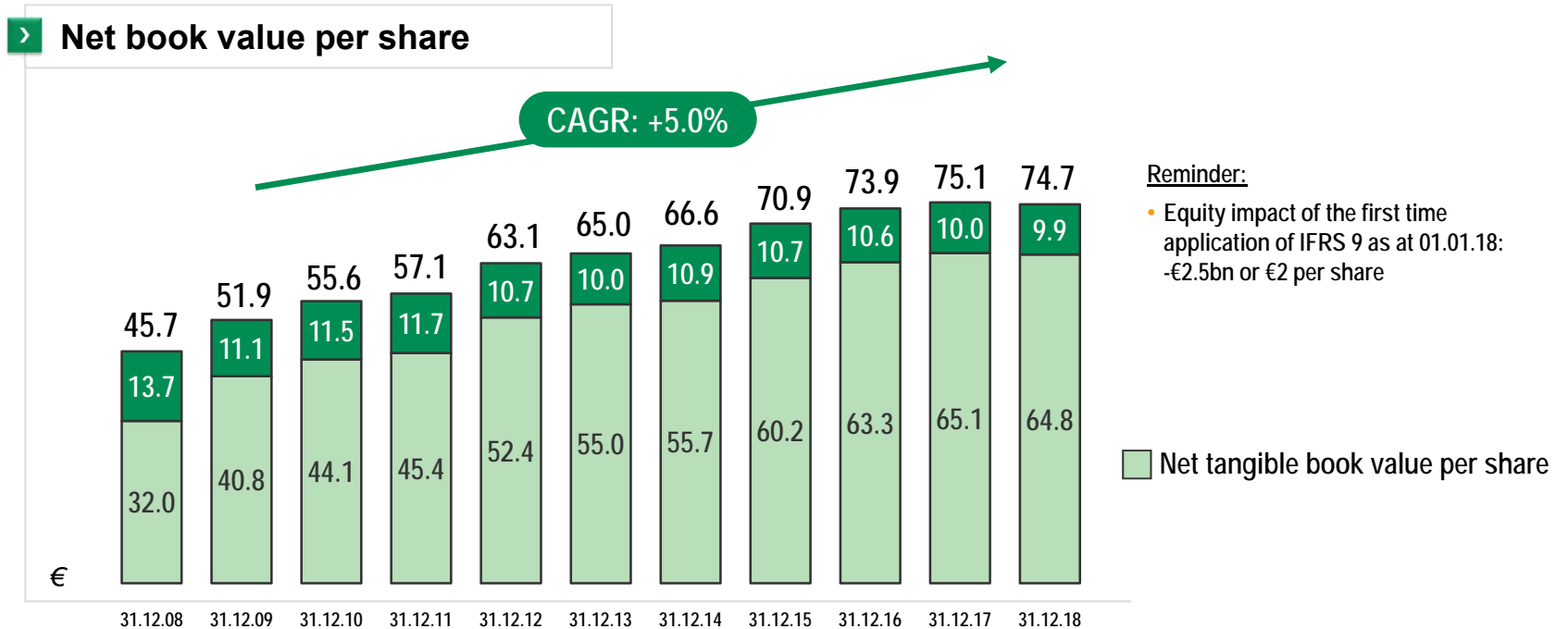


> **Very solid financial structure**

\* CRD4 « fully loaded 2019 »; \*\* 2019 CRD4 fully loaded, calculated according to the delegated act of the EC dated 10.10.2014 on total Tier 1 Capital; \*\*\* Liquid market assets or eligible to central banks (counterbalancing capacity) taking into account prudential standards, notably US standards, minus intra-day payment system needs



# Net book value per share

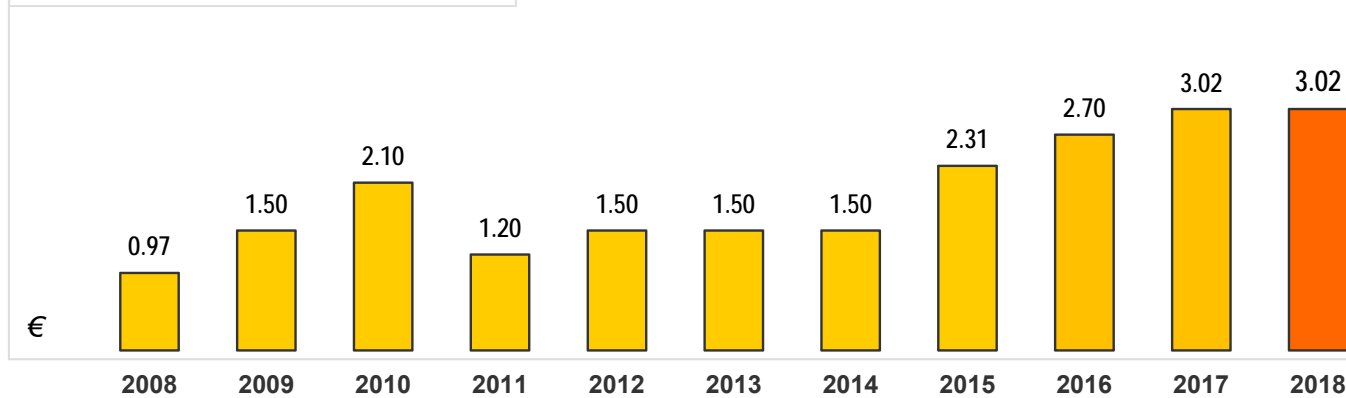


> Continued growth in the net book value per share throughout the cycle

# Dividend

- Dividend\*: €3.02 per share (stable vs. 2017)
  - Paid in cash
  - Dividend yield: 7.4%\*\*

## > Dividend per share



> **2018 dividend: €3.02 per share**




*\* Subject to the approval of the Annual General Meeting on 23 May 2019, shares will go ex-dividend on 29 May 2019, payment on 3 June 2019; \*\* Based on the closing price on 31 January 2019 (€40.97)*





# An Ambitious Policy of Engagement in our Society

## Concrete Impacts in 2018

<p><b>A leader in projects that have a positive impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>World's Best Bank</b> for sustainable finance (<b>Euromoney Awards for Excellence 2018</b>)</li> <li>▪ <b>Ranked number 3 for green bonds*</b> and 2<sup>nd</sup> largest bond issue in the world carried out by BNPP Fortis for Belgium (€4.5bn)</li> </ul> <div style="text-align: right;">  <p>- BNP PARIBAS HAS BEEN NAMED - <b>WORLD'S BEST BANK FOR SUSTAINABLE FINANCE</b></p> </div>
<p><b>Strong commitments against shale gas and tobacco</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Stop financing</b> shale gas / oil, oil from tar sands and gas / oil in the Arctic</li> <li>▪ <b>Stop financing the tobacco sector</b></li> <li>▪ <b>€15.6bn in financing</b> dedicated to <b>renewable energies</b></li> <li>▪ <b>€6.6bn</b> in green funds under management</li> </ul>
<p><b>Support for social entrepreneurship</b></p>	<ul style="list-style-type: none"> <li>▪ <b>€1.6bn in financing</b> at the end of 2018</li> <li>▪ <b>Act for Impact:</b> training for FRB relationship managers to cover social entrepreneurship in France</li> </ul> <div style="text-align: right;">  </div>
<p><b>Strong commitments</b></p>	<ul style="list-style-type: none"> <li>▪ <b>He4She:</b> commitments made at the UN to <b>promote gender equality</b></li> <li>▪ <b>Sustainable Future Forums:</b> creation of a <b>community of clients</b> around sustainable finance</li> </ul> <div style="text-align: right;">  </div>

\* Source: Bloomberg 2018 (bookrunner by volume)



# Reinforced Internal Control System

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- Ever more solid compliance and control procedures
  - An ethics alert mechanism updated to provide stronger whistleblower protections
  - Continued to implement measures to strengthen the compliance and control systems in foreign exchange activities
  - Highly centralised transaction filtering set-up, facilitating the roll-out of the control system
  - Continued the missions of the General Inspection dedicated to ensuring Financial Security: 3rd round of audits of the entities whose USD flows are centralised at BNP Paribas New York under way (started at the beginning of 2018 for 18 months, 2nd round completed at the end of 2017)
- Continued operational implementation of a stronger culture of compliance
  - New round of compulsory e-learning training programmes launched in 2H18 for all employees (Sanctions & Embargoes, Combatting Money Laundering & Terrorism Financing) which includes this year practical case studies for the most exposed employees
  - New training programme on combatting corruption, including in particular a compulsory e-learning module to raise the awareness of exposed employees, launched in 3Q18
  - Online training programme on professional Ethics made compulsory for all new employees
- Remediation plan agreed as part of the June 2014 comprehensive settlement with the U.S. authorities mostly completed



Group Results

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**Division Results**

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2020 Plan

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4Q18 Detailed Results

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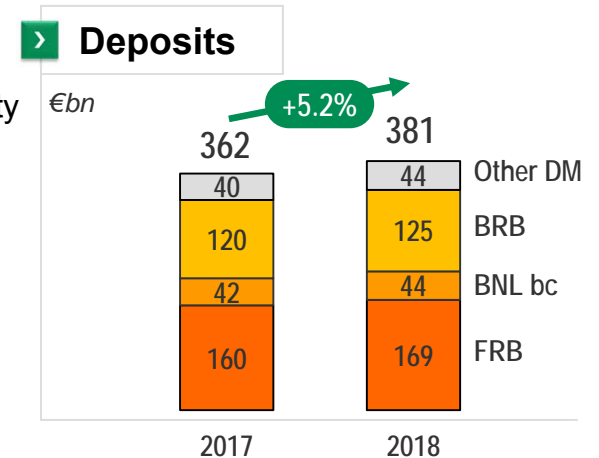
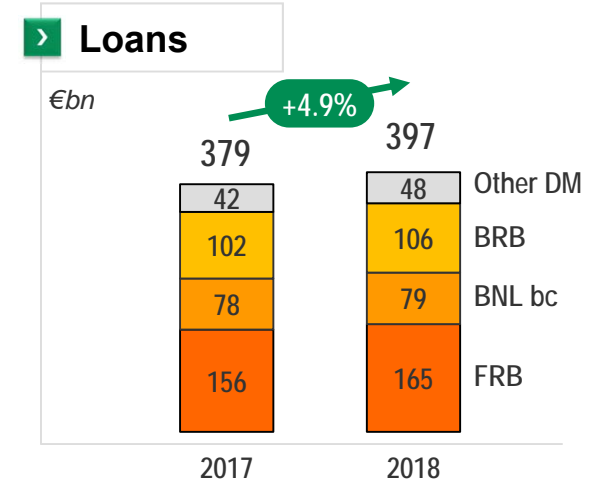
Appendix

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# Domestic Markets - 2018

- Growth in business activity
  - Loans: +4.9% vs. 2017, good loan growth in retail networks and in the specialised businesses (Arval, Leasing Solutions)
  - Deposits: +5.2% vs. 2017, growth in all countries
  - Private banking: good net asset inflows (€4.4bn)
  - Hello bank!: 3 million customers at year-end 2018 (+3.4% vs. 31.12.2017)
  - Nickel: > 1.1 million accounts opened (+44% vs. 31.12.2017)
- New customer experiences & continued digital transformation
  - Implementation of new digital services in all businesses
- Revenues\*: €15,683m (-0.2% vs. 2017)
  - Impact of the low interest rate environment partly offset by increased activity
  - Good growth in the specialised businesses
- Operating expenses\*: €10,707m (+0.8% vs. 2017)
  - Rise in the specialised businesses due to the development of the activity
  - Decrease in the networks (-0.9%)
- Pre-tax income\*\*: €3,663m (+3.4% vs. 2017)
  - Significant decrease in the cost of risk, in particular at BNL bc



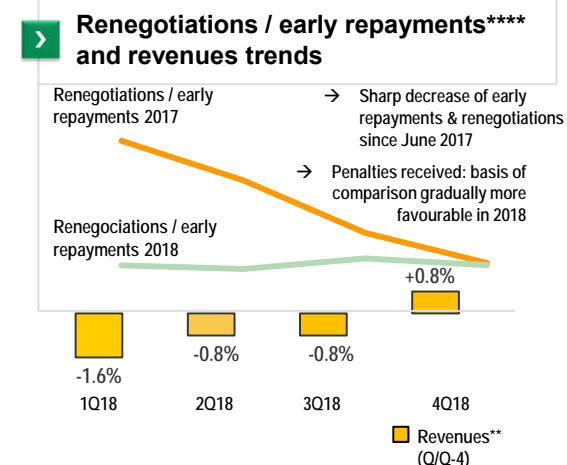
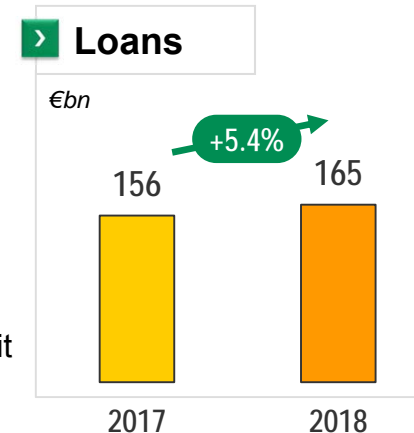
**> Good business drive and rise in income**

\* Including 100% of Private Banking, excluding PEL/CEL; \*\* Including 2/3 of Private Banking, excluding PEL/CEL

# Domestic Markets

## French Retail Banking - 2018

- Good business drive in the context of economic growth
  - Loans: +5.4%, good growth; confirmation of the return to normal of renegotiations & early repayments on mortgage loans
  - Deposits: +5.3% vs. 2017, strong growth in current accounts
  - Private banking: strong net asset inflows (€3.3bn)
- Acceleration of mobile usages & development of self-care features
  - E.g. online deactivation of payment card or change of the authorised spending limit
- Success of the new Cardif IARD\* property & casualty insurance offering
  - > 100,000 contracts sold since the launch in May
- Revenues\*\*: -0.7% vs. 2017
  - Net interest income: -0.6%, return to growth at the end of the year
  - Fees: -0.7%, decrease in particular in financial fees
- Operating expenses\*\*: -1.0% vs. 2017
  - Impact of cost saving measures (optimisation of the network and streamlining of the management set-up)
  - Positive jaws effect
- Pre-tax income\*\*\*: €1,263m, +4.2% vs. 2017



**> Good sales and marketing drive & revenues up at the end of the year**  
**Increased income**

\*\* Including 100% of Private Banking excluding PEL/CEL effects; \*\*\* Including 2/3 of Private Banking in France excluding PEL/CEL effects; \*\*\*\* Outstanding mortgage loans renegotiated or repaid in advance



# Domestic Markets

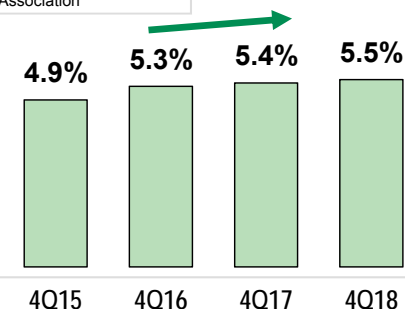
## BNL banca commerciale - 2018

- Growth in business activity
  - Loans: +0.6% vs. 2017, regular market share gains on the corporate segment
  - Deposits: +4.7% vs. 2017, increase in current accounts
  - Life insurance: good performance (outstandings: +6.8% vs. 31.12.17)
- Implementation of digital transformation
  - 70 robots already operational (chatbots, automated controls, etc.)
  - New app *MyBiz* for SMEs offering mobile access to a range of banking services including applying for loans
- Revenues\*: -4.0% vs. 2017
  - Net interest income: -6.6% vs. 2017, impact of the low interest rate environment and the positioning on clients with a better risk profile; slight improvement of margins on new production towards the end of the year
  - Fees: +0.5% vs. 2017, slight increase in banking and financial fees
- Operating expenses\*: -0.2% vs. 2017
  - -0.8% excluding the additional contribution to the Italian resolution fund\*\*
  - Effect of cost reduction measures
- Pre-tax income\*\*\*: €356m (+€164m vs. 2017)
  - Decrease in the cost of risk

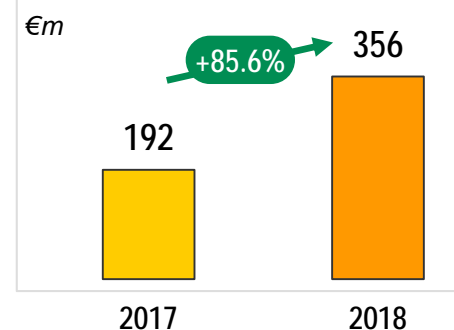


### Market share on the corporate segment (loans)

Source: Italian Banking Association



### Pre-tax income\*\*\*



**Impact of low rates but continued decrease in the cost of risk**  
**Strong rise in income**

\* Including 100% of Italian Private Banking; \*\* Contribution of €11m paid in 2018; \*\*\* Including 2/3 of Italian Private Banking



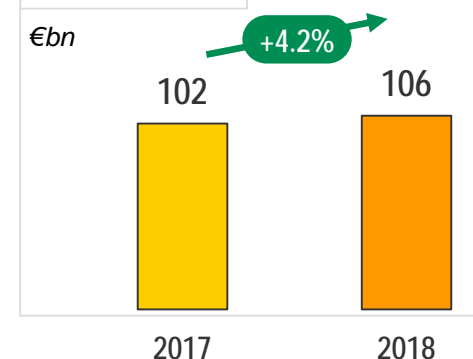
# Domestic Markets

## Belgian Retail Banking - 2018

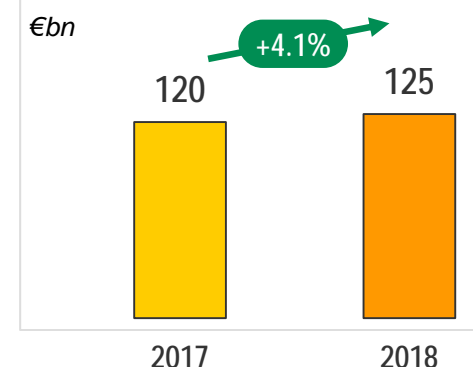
- Sustained business activity
  - Loans: +4.2% vs. 2017, strong growth in loans to corporate customers, increase in mortgage loans
  - Deposits: +4.1% vs. 2017, growth in current accounts and savings accounts
- Continued digital banking development
  - Mobile payment solutions: exclusive launch of Apple Pay in Belgium
  - > 1.4 million active mobile users\* of the *Easy Banking* app (+23% vs. 31.12.17); continuous features enhancement
  - Good development of *Easy Banking Business* for corporate customers (+20% users vs. 31.12.17) & successful launch of the mobile version
- Revenues\*\*: -2.2% vs. 2017
  - Net interest income: -1.2% vs. 2017, impact of the low interest rate environment partly offset by increased volumes
  - Fees: -5.2% vs. 2017, decrease in financial fees (in particular very unfavourable market context in 4Q) and rise in retrocession fees to independent agents whose network has been expanded
- Operating expenses\*\*: -1.3% vs. 2017
  - Effect of cost saving measures (optimisation of the branch network and streamlining of the management set-up)
- Pre-tax income\*\*\*: €980m (-3.3% vs. 2017)



### > Loans



### > Deposits



**Good business drive but impact of low interest rates**

\* Customers who have used digital services at least three times in the past twelve months; \*\* Including 100% of Belgian Private Banking; \*\*\* Including 2/3 of Belgian Private Banking

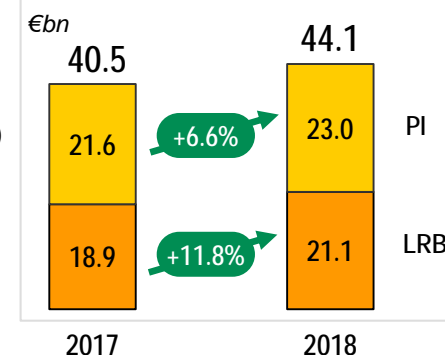


# Domestic Markets Other Activities - 2018

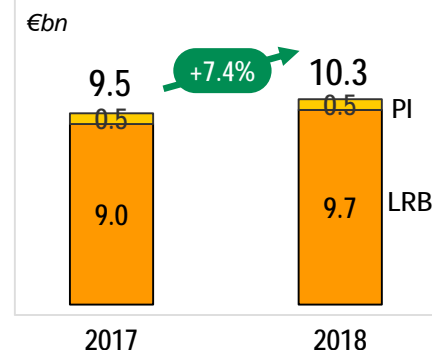
- Strong overall drive of the specialised businesses
  - Arval: +7.7% growth in the financed fleet vs. 2017
  - Leasing Solutions: rise in outstandings of +8.7% vs. 2017\*
  - Personal Investors (PI): rise in transactions by individual customers (+8.9% vs. 2017)
  - Nickel: very strong growth (+347,000 accounts in 2018); already >1.1 million accounts opened and Nickel distributed at 4,300 points of sale (+48% vs. 31.12.17)
- Luxembourg Retail Banking (LRB)
  - Good deposit inflows, growth in mortgage and corporate loans
- Continued digital transformation
  - Implementation of e-signature at Leasing Solutions and Arval
  - Roll out by Arval in Europe of an offering for individuals to rent cars online (*Private Lease*); already operational in the Netherlands
- Revenues\*\*: +7.3% vs. 2017
  - Scope effects and good development of the businesses' activity
- Operating expenses\*\*: +10.6% vs. 2017
  - Scope effects and development costs of the businesses
  - Expenses related to the launch of new digital services
- Pre-tax income\*\*\*: €1,064m (-5.4% vs. 2017)



## > Deposits



## > Loans



**Good business drive**

\* At constant scope and exchange rates; \*\* Including 100% of Private Banking in Luxembourg; \*\*\* Including 2/3 of Private Banking in Luxembourg; \*\*\*\* €14m in 1Q18





# Domestic Markets - 2018

## New Customer Experiences and Digital Transformation

### Accelerate mobile uses

- ▶ **> 8 million digital clients\***
  - More day-to-day autonomy for clients: increase in usual transactions via apps (e.g. > 75% of changes of card payment limits at FRB done through selfcare)
  - Sharp rise in the number of contacts via mobile app in the networks\*\* (66m visits in December 2018: +28% vs. December 2017)
- ▶ **France's leading bank in terms of mobile fonctionnalités (D-Rating ranking)**



### Transform the operating model to improve efficiency and customer service

- ▶ **Simplification and end-to-end digitalisation of the main customer journeys**
  - An improved client experience (e.g. BNL in Italy: digital mortgage application with an approval time of 5 days)
  - Streamlined costs (e.g. significant decrease in FRB's onboarding costs)
- ▶ **Automation of processes:**
  - 280 robots operational at year-end 2018



### Continue adapting our offerings to new banking uses

- ▶ **Success of LyfPay** (universal mobile payment solution combining payment, loyalty programmes & discount offers)
  - 1.3 million downloads of the app
  - Upcoming launch in Belgium
- ▶ **Arval for me** (1st online platform for individuals allowing them to service their cars through the car repair garages under contract with Arval)
  - Operational in Italy and Spain with already 12,000 clients



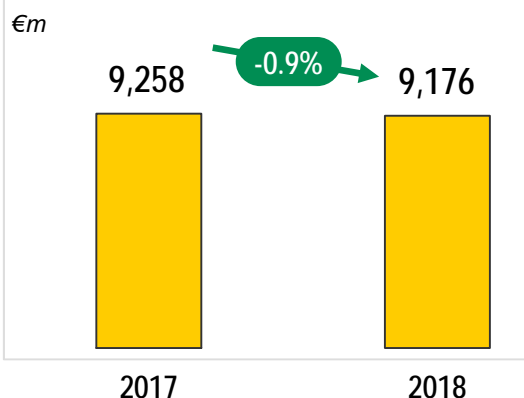
\* Customers of the digital banks or customers who use digital banking services at least once a month; \*\* FRB, BNL bc and BRB



# Domestic Markets - 2018

## Costs' Reduction in the Retail Networks

### Retail networks' operating costs\*

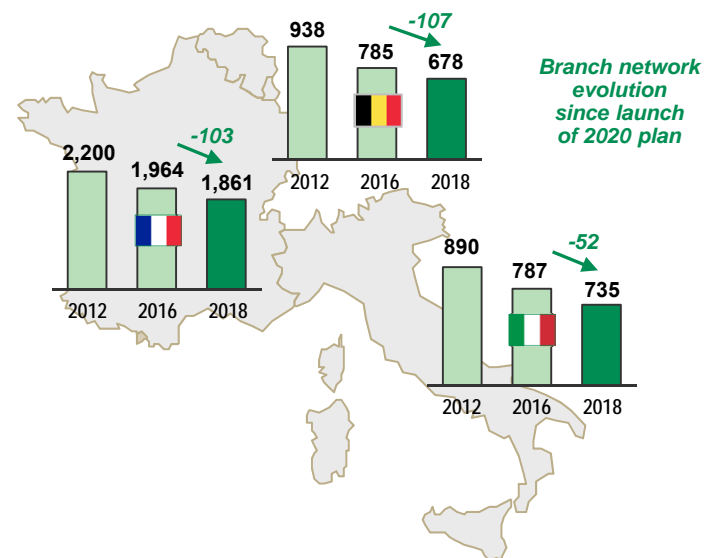


▶ **Actively deploying digital transformation and new operational model**

- Further cost reduction planned in the networks thanks to the ongoing implementation of the 2020 plan

▶ **Continuing branch network optimisation**

- 262 branches closed since 31.12.2016



▶ **Simplification and adaptation of the branch network management**

- Implemented in the 3 networks

### Ongoing cost reduction in the networks

### Digital transformation & branch network optimisation

\* FRB, BNL bc, BRB and LRB, including 100% of Private Banking



# Domestic Markets 2020: in Line With Objectives 2020 Action Plan and Ambitions Confirmed

## Strengthen the sales & marketing drive and grow revenues

- Continue **digital transformation** to enhance customer experience, offer new services, acquire new customers
  - ✓ A better segmented and more customised commercial approach
  - ✓ Simplified and digitalised end-to-end customer journeys
- Leverage on **leading positions** (private banking, corporates)
- Continue to **grow the specialised businesses** in growing markets (Arval, Leasing Solutions, Personal Investors & Nickel)

## Improve operating efficiency

- Intensify **cost reduction measures** (> €0.15bn in additional savings vs. initial plan) and generate a **positive jaws effect**
- Continue **adapting the branch network** and support the growth of the specialised businesses
- Create omni-channel customer **service centres** and **roll out** end-to-end **digitalised processes**
- **Streamline the organisation** of the businesses (simplification, standardisation) and **adapt the information systems**

## Continue the rigorous risk management policy

- Continue to **improve the risk profile of BNL bc**: target of a cost of risk at 50 bp in 2020 confirmed
- Low interest rate environment still favourable for cost of risk

## 2020 Trajectory

- **Confirmation of the 2020 trajectory**
- **Revenue trend slightly above** initial expectations
- **Significant improvement of the operating efficiency** (decrease in the cost income ratio in the networks and ~stability in the specialised businesses)
- **RONE\* target confirmed**

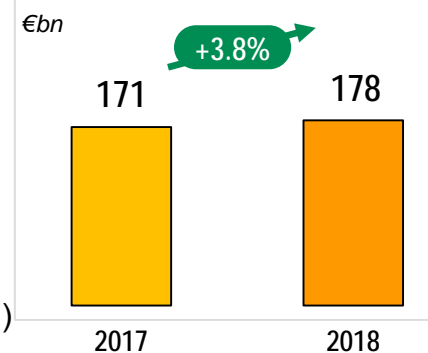
\* Pre-tax return on notional equity



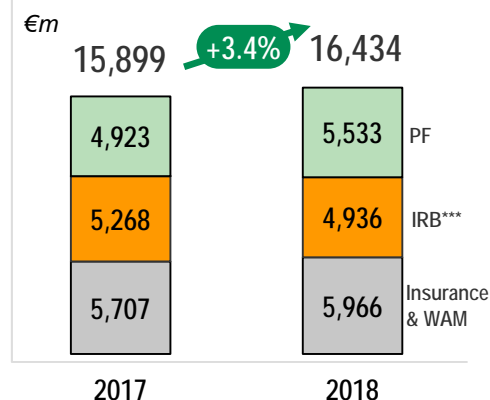
# International Financial Services - 2018

- Unfavourable foreign exchange effects (depreciation of the Turkish lira and the US dollar) and scope effects
- Sustained business activity
  - Outstanding loans: +3.8% vs. 2017 (+7.1% at constant scope and exchange rates)
  - Good level of net asset inflows: +€13.4bn (assets under management: -2.2% vs. 31.12.17 due to the significant drop in markets at the end of the year)
- Revenues: €16,434m; +3.4% vs. 2017
  - +6.6% at constant scope and exchange rates and excluding the impact of the fall in markets at the end of the year on the market value of assets in Insurance (-€180m)
- Operating expenses: €10,242m; +5.4% vs. 2017
  - +5.5% at constant scope and exchange rates and excluding non-recurring items\*
  - As a result of business development and new product launches
- Other non-operating items: €208m (€433m in 2017)
  - Sale of First Hawaiian Bank shares (no more fully consolidated from 01.08.18): €151m capital gain\*\*
  - 2017 reminder: sale of a 4% stake in SBI Life (€326m capital gain)
- Pre-tax income: €5,310m (-8.8% vs. 2017)
  - +3.3% at constant scope and exchange rates and excluding the impact of the fall in markets at the end of the year in Insurance & non-recurring items\*

## Outstanding loans



## Revenues



**Good business growth**

\* BancWest, Asset Management, Real Estate Services; \*\* €135m exchange difference booked in the Corporate Centre, FHB accounted under the IFRS 5 standard (assets to be sold) as of 30.06.18 and transferred to the Corporate Centre as of 1 October 2018; \*\*\* Including 2/3 of Private Banking in Turkey and in the United States



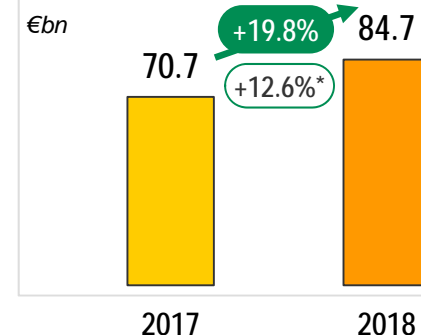
# International Financial Services Personal Finance - 2018



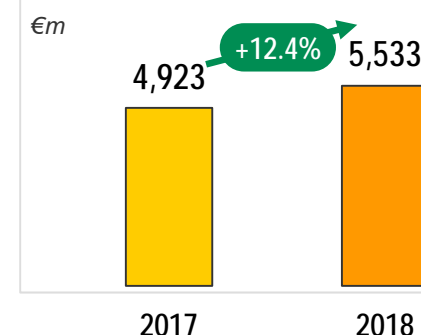
- Continued the very good sales and marketing drive
  - Outstanding loans: +12.6%\*, increase in demand in a favourable context in Europe and effect of new partnerships
  - New commercial agreements: Hyundai and Uber in France, Carrefour in Poland, Dixons Carphone in United Kingdom
  - Launch with Yoigo in Spain of an innovative credit card: *Yoicard*
  - Reminder: General Motors Europe's financing businesses acquired on 31.10.17
- Implementation of digital transformation and new technologies
  - 97 robots already deployed
  - >31 million selfcare transactions done by clients (73.9% of the total)
- Revenues: €5,533m (+12.4 % vs. 2017)
  - +9.1% at constant scope and exchange rates: in connection with the rise in volumes and the positioning on products with a better risk profile
  - Revenue growth in particular in Italy, Spain and Germany
- Operating expenses: €2,764m (+13.9% vs. 2017)
  - +7.9% at constant scope and exchange rates (positive jaws effect of 1.2 pt)
  - Cost income ratio: 50.0%
- Pre-tax income: €1,646m (+2.5% vs. 2017)
  - +5.9% at constant scope and exchange rates and excluding the step effect of IFRS 9 adoption



## Consolidated outstandings



## Revenues



**Continued very good business drive and rise in income**

\* At constant scope and exchange rates

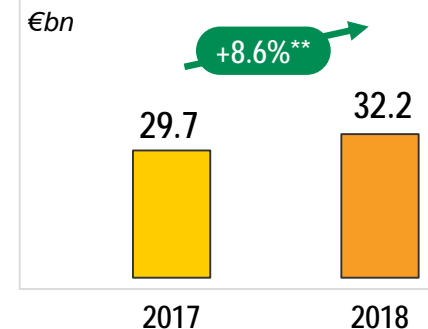


# International Financial Services Europe-Mediterranean - 2018

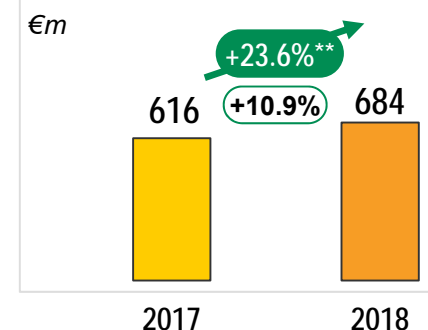
- Acquisition of the core banking activities of Raiffeisen Bank Polska\*
  - Strengthening of BGZ BNP Paribas as the 6<sup>th</sup> largest bank in Poland with > 6% combined market share in loans and deposits
  - >1% positive impact on the Group's net earnings per share in 2020
- Business activity
  - Loans: +5.2%\*\* vs. 2017
  - Deposits: +8.6%\*\* vs. 2017, increase in particular in Turkey
  - Good development of the digital banks: 665,000 clients for *Cepteteb* in Turkey and 223,000 customers for *BGZ Optima* in Poland
- Revenues\*\*\*: +12.5%\*\* vs. 2017
  - Up in all regions
- Operating expenses\*\*\*: +4.8%\*\* vs. 2017
  - As a result of business development
  - Largely positive jaws effect
- Pre-tax income\*\*\*\*: €684m (+23.6%\*\*)  
 ■ +10.9% at historical scope and exchange rates (significant depreciation of the Turkish lira)



## > Deposits\*\*



## > Pre-tax income\*\*\*\*



**Strong income growth**

\* Activities acquired: business of Raiffeisen Bank Polska excluding the foreign currency retail mortgage loan portfolio and excluding a limited amount of other assets, integration as of 31 October 2018;  
 \*\* At constant scope and exchange rates (see data at historical scope and exchange rates in the appendix); \*\*\* Including 100% of Turkish Private Banking; \*\*\*\* Including 2/3 of Turkish Private Banking

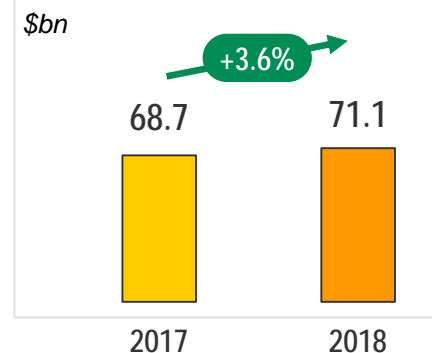


# International Financial Services BancWest - 2018

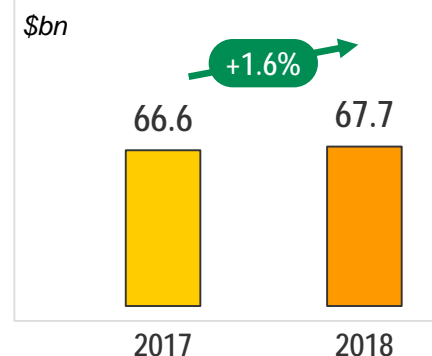
- Sale of 43.6%\* of First Hawaiian Bank (FHB)
  - FHB 18.4% owned and no more fully consolidated from 01.08.18
- Continued good business drive
  - Deposits: +3.6%\*\* vs. 2017, significant growth in deposits
  - Loans: +1.6%\*\* vs. 2017, good growth in individual and corporate loans
  - Private Banking: \$13.7bn of assets under management as at 31.12.18 (+4.8%\*\* vs. 31.12.17)
  - Digital: 30% of new accounts opened online (+10% vs. 2017)
  - > 50 deals made jointly with CIB (+31% vs. 2017), development of cooperations with Personal Finance (auto loans)
- Revenues\*\*\*: +1.9%\*\* vs. 2017
  - +2.4%\*\* excluding capital gains on securities and loan sales in 2017
  - As a result of volume growth
- Operating expenses\*\*\*: +2.6%\*\* vs. 2017
  - +2.3% excluding non recurring items
- Pre-tax income\*\*\*\*: €819m (+3.3%\*\* vs. 2017)
  - -1.4% at historical scope and exchange rates



## > Deposits\*\*



## > Loans\*\*



## Good operating performance

\* Reminder: sale of 13.2% stake on 8 May 2018, 15.5% on 31 July 2018 and 14.9% on 5 September 2018; FHB accounted under the IFRS 5 standard (assets to be sold) as of 30.06.18 and transferred to the Corporate Centre as of 1 October 2018;  
 \*\* At constant scope and exchange rates (USD vs. EUR average rates -4.3% vs. 2017; figures at historical scope and exchange rates in the appendix); \*\*\* Including 100% of Private Banking in the United States; \*\*\*\* Including 2/3 of Private Banking in the United States



# International Financial Services Insurance & WAM - Asset Flows and AuM - 2018

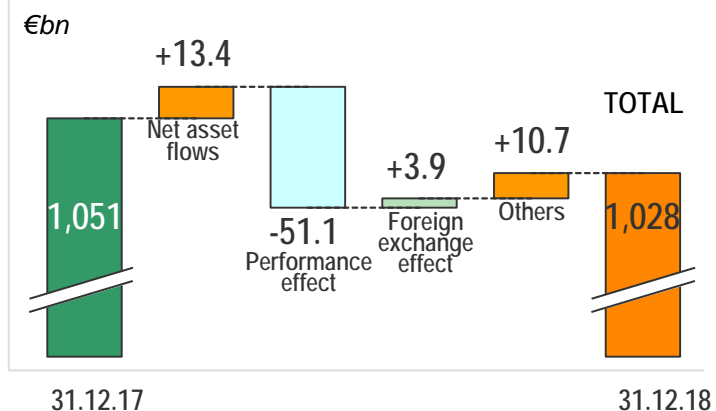
- Assets under management\*: €1,028bn as at 31.12.18

- -2.2% vs. 31.12.17
- Good level of net asset inflows (+€13.4bn)
- Significantly negative performance effect (-€51.1bn) due to the sharp fall of the markets at the end of the year
- Others (+€10.7bn): scope effect related in particular to the acquisition of ABN Amro's activities in Luxembourg in 3Q18

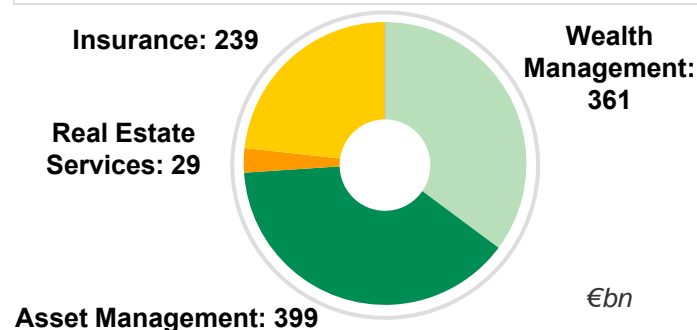
- Net asset inflows: +€13.4bn in 2018

- Wealth Management: very good net asset inflows in Asia, France, Italy, Germany and the United States
- Asset Management: asset outflows concentrated on a bond mandate (in-sourcing by a client of its fund management), asset inflows into money market funds
- Insurance: good asset inflows, in particular in unit-linked policies

## > Evolution of assets under management\*



## > Assets under management\* as at 31.12.18



**Good level of net asset inflows**  
**Very unfavourable trend in the markets at the end of the year**

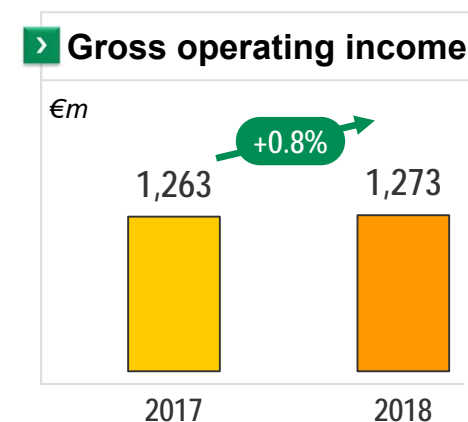
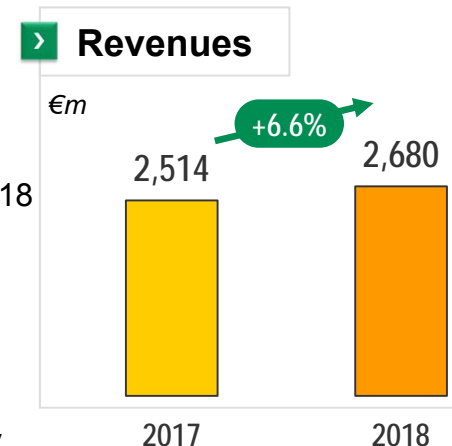
\* Including distributed assets





# International Financial Services Insurance - 2018

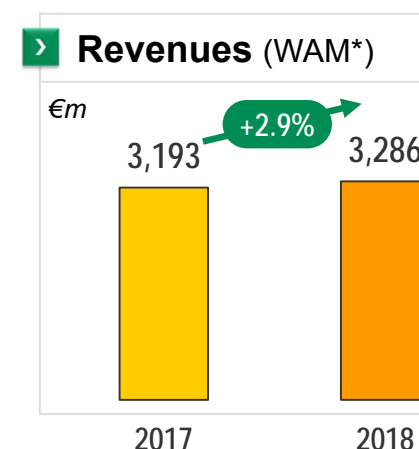
- Good business development
  - Strong asset inflows in savings in France and Italy
  - Good performance of protection insurance in Asia
  - Success of the property & casualty insurance offering in the FRB network via Cardif IARD (joint venture with Matmut): already > 100 000 contracts at year-end 2018
  - Signing of new partnerships (Seloger.com in France, Sumitomo Mitsui in Japan, Sainsbury's in the UK)
  - Success of the new partnership with Orange (telephone insurance)
- Implementation of the digital transformation and new technologies
  - Creditor protection insurance: subscribed online and real-time, insurance immediately granted to 80% of clients (France, Japan)
- Revenues: €2,680m; +6.6% vs. 2017
  - Good business drive but impact of the drop in the markets at the end of the year (booking of part of the assets at market value)
- Operating expenses: €1,406m; +12.4% vs. 2017
  - As a result of business development
- Pre-tax income: €1,479m; -20.8% vs. 2017
  - Reminder: capital gain from the sale of a 4% stake in SBI Life in 3Q17 (€326m)
  - -0.3% at constant scope and exchange rates



> **Good business growth**  
**Spot impact of the fall in markets at the end of the year**

# International Financial Services Wealth and Asset Management\* - 2018

- **Wealth Management: continued business development**
  - Acquisition of ABN Amro's activities in Luxembourg\*\* (Assets under Management: €7.7bn)
  - "Best European Private Banking" for the 2<sup>nd</sup> year in a row (WealthBriefing Awards)
- **Asset Management: continued industrialisation**
  - Roll out of the Aladdin IT outsourcing solution (partnership with BlackRock)
  - Artificial intelligence: already 95 fund reports generated automatically every month
- **Real Estate Services: good business drive**
  - Good contribution of the real estate fund management in Germany and rise in advisory business in Germany, France and Italy
- **Revenues: €3,286m; +2.9% vs. 2017**
  - Revenue growth driven by Real Estate Services but impact of the unfavourable evolution in the financial markets at the end of the year
  - Effect this year of the MiFID 2 regulation
- **Operating expenses: €2,636m; +10.4% vs. 2017**
  - +9.3% excluding transformation projects (Asset Management) and costs related to the acquisition of Strutt & Parker (Real Estate Services); continued business development
- **Pre-tax income: €681m; -24.2% vs. 2017**
  - -18.1% excluding non recurring items\*\*\*



**Continued business development**  
**Impact of the unfavorable trend of the markets at the end of the year**

\* Asset Management, Wealth Management, Real Estate Services; \*\* 3 September 2018; \*\*\*Provision write-back in 1Q17, capital gain from the sale of a building in 2017, transformation projects (Asset Management) and costs related to the acquisition of Strutt & Parker (Real Estate Services)



# International Financial Services - 2018

## New Customer Experiences and Digital Transformation

### Optimise client experience

- ▶ Roll-out of **e-signature** in the various IFS businesses
  - Personal Finance: **~50% of contracts** signed electronically, > 25 millions monthly electronic account statements (>72% of statements)
  - **35 processes** using e-signature in the international retail networks (Poland, Turkey and Morocco): trade finance, consumer lending, etc.
- ▶ **Personal Finance: digitalisation of customer journeys** (completely digital application process for consumer loans already rolled out in 7 countries)
- ▶ **Insurance: online questionnaire** allowing > 80% of customers to get an immediate agreement for creditor protection insurance in France (150,000 policies at the end of 2018)
- ▶ **New features** of the *MyWealth* app available for Wealth Management clients: biometric identification, online advisory and transactions, etc.
- ▶ **Development of digital banks:** 665,000 clients for *Cepteteb* in Turkey and 223,000 clients for *BGZ Optima* in Poland



### New technologies and innovative business models

- ▶ **Partnerships with start-ups/fintechs**
  - Renewal of the partnership with *Plug & Play*, world's largest start-up accelerator located at Station F: **35 projects** in partnership with start-ups
- ▶ **Development of robotics and artificial intelligence**
  - > **130 robots** already operational (controls, reporting, data processing) and **17 chatbots** deployed in the businesses (virtual assistants)
  - Deployment, after the **acquisition of Gambit**, of *Birdee*, a digital advisory and management solution for individuals (robo-advisory)



# IFS: 2020 Trajectory in Line with the Plan despite an Unfavourable Foreign Exchange Effect

## Pursue the growth of the businesses

- **Consolidate leading positions** in the business units by leveraging best in class offers
- **Continue digital transformation:** new client experiences, end-to-end digitalisation of processes and optimisation of data to further improve the offering
- Continue **the selective development of retail banking** outside the Eurozone and strengthen intra-Group cooperations
- **Execute the integration** of acquisitions made

## Improve operating efficiency (positive jaws effect)

- **Industrialise & pool** the processes in all the businesses
- **Streamline** the product offering (Asset Management, Insurance)
- **Implement digital initiatives** specific to each of the businesses (distribution and client acquisition, management of product life cycles, new full digital products, etc.)
- **Intensify cost reduction measures** (> €0.12bn in additional savings vs. initial plan)

## 2020 trajectory\*

- **Revenue growth in line with the plan**
  - On the back of good business drive and the acquisitions made
  - Despite the negative impact of the foreign exchange effect (USD and TRY)
- **Significant improvement in the cost/income ratio** but less than expected given the negative impact of the foreign exchange effect and of costs related to development initiatives (**positive jaws effect expected starting in 2019**)
- **Increase of the RONE\*\*** to a level close to the target



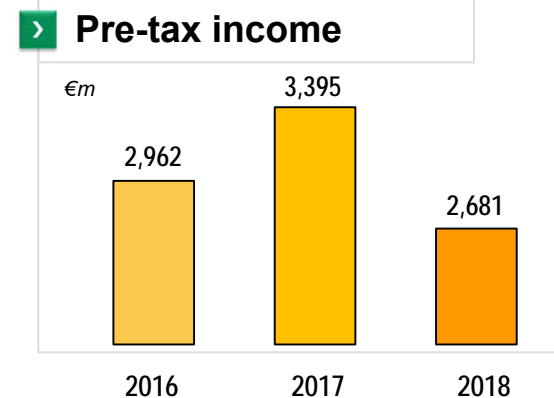
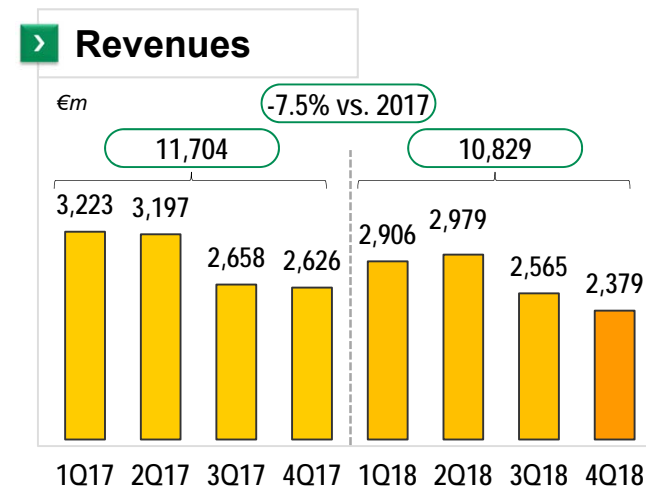
**Continued sustained growth in revenues and income**

*\* Excluding FHB; \*\* Pre-tax return on notional equity*



# Corporate and Institutional Banking - 2018 Summary

- Leading positions in Europe
  - Ranked # 3 (tied) in EMEA\* with strong positions (bond issues in euros: #1; syndicated loans: #1; securities business: #1)\*
  - Market share worldwide stable this year after a gain in 2017 (2.1% in 9M18 vs 2.0% in 2016)\*\*; continued decrease of small and medium-sized players
- Revenues: €10,829m (-7.5% vs. 2017)
  - Global Markets (-15.4%): unfavourable context for FICC in 2018 in Europe and impact of exceptionally negative market movements for Equity & Prime Services at the end of the year
  - Corporate Banking (-4.6%\*\*\*): +0.3%\*\*\* excluding capital gains realised in 2Q17 and impact of the sectorial policies (stopped financing of gas/oil from shale and tobacco companies)\*\*\*\*
  - Securities Services (+8.7%\*\*\*): continued growth
- Operating expenses: €8,163m (-1.3% vs. 2017)
  - Effect of cost-saving measures (€221m in 2018) and implementation of digital transformation (automation, end-to-end processes)
- Pre-tax income: €2,681m (-21.0% vs. 2017)
  - Decrease in the cost of risk



**> Very unfavourable market context this year  
Impact on income attenuated by the decrease in costs**

\* Source: ranking EMEA (9M18 revenues); Dealogic rankings by volume; securities business: assets under custody as at 31.10.18; \*\* Source: Coalition \*\*\* Excluding the transfer as of 3Q18 of correspondent banking business from Corporate Banking to Securities Services (Revenues: -€25m in 2H18); \*\*\*\* Capital gains realised in 2Q17 in Corporate Banking (€102m), stopped the financing to gas & oil from shale and tobacco companies (-€100m)

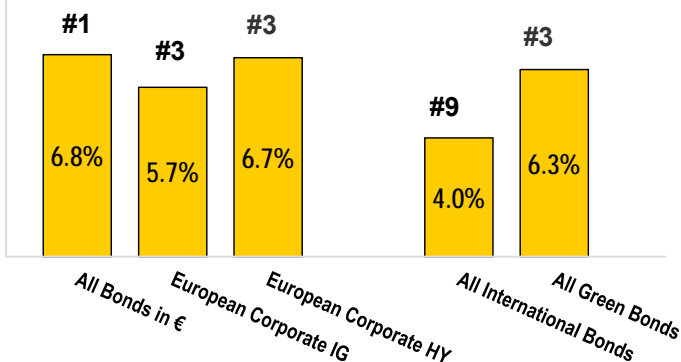
# Corporate and Institutional Banking - 2018

## Global Markets - Business Activity and Revenues

- Challenging business context this year
  - Lacklustre market environment for FICC in particular in Europe due to monetary policy (low volatility, very low rates)
  - Strong deterioration of equity markets in the 4<sup>th</sup> quarter
- Successful commercial initiatives
  - Bond issues: good growth in the high-yield segment in Europe\* and on green bonds\*\*; confirmation of the #1 ranking for all bonds issues in euros
  - Fast growth on the multi-dealer platforms: #1 by volume for interest rate swaps in euros, #5 for forex
  - Good start-up of the partnership with GTS: electronic market share x3 on US Treasuries (5.0% as at 31.12.18)
- Revenues: €4,727m (-15.4% vs. 2017)
  - FICC: -21.2% vs. 2017, poor performance of forex in particular in emerging markets, very limited client business on rates and credit in Europe but good performances in primary markets and structured products
  - Equity & Prime Services: -6.0% vs. 2017, impact of extreme market movements at the end of the year on inventories valuation and loss on index derivative hedging in the United States; growth in client business

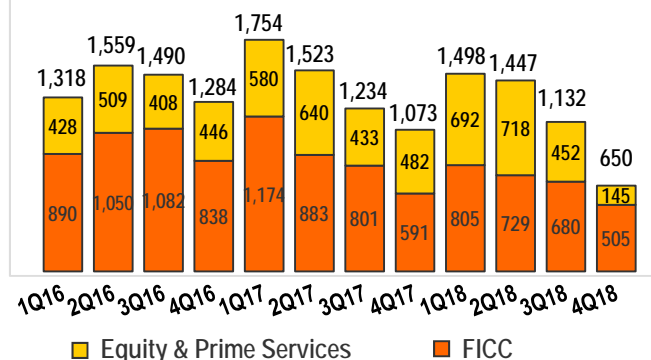
### Bond rankings

Rankings\* by volume and market share as a %



### Global Markets Revenues

€m



**Unfavourable environment for FICC in Europe this year**  
**Very challenging context at year end for Equity & Prime Services**

\* Source: Dealogic 2018, ranking by volume (source: Bloomberg for All Green Bonds)



# Corporate and Institutional Banking - 2018

## Corporate Banking - Business Activity and Revenues

### ● Business activity



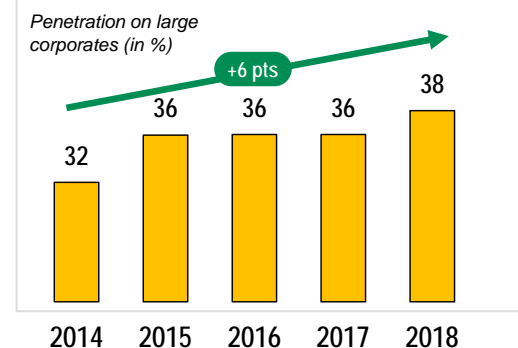
- Ranked #1 for syndicated loans in the EMEA\* region
- Strengthened #1 positions in trade finance and cash management in Europe\*\* and good development in Asia
- Success of the targeted regional plans (Germany, Netherlands, United Kingdom) with significant gains of new mandates
- Rise in loans to €132bn: +1.0% vs. 2017
- Deposits: €126bn; -3.5% vs. 2017 (€132bn in 4Q18)
- Implementation of digital development initiatives: partnerships with Trade IX (multi-bank trade finance platform) & Cashforce (treasury management solutions proposed via the Centric digital platform)

### ● Revenues: €3,951m (-5.1% vs. 2017)

- +0.3% excluding capital gains realised in 2Q17, impact of CSR sector policies (shale gas/oil and tobacco) and transfer of correspondent banking business to Securities Services\*\*\*
- Growth in transaction businesses (cash management and trade finance)
- Sustained business in 4Q and good level of transactions under way

	<p><b>United Kingdom: BP plc</b> Pan-European cash management mandate covering over 100 subsidiaries with accounts in different currencies in 20 countries <i>September – October 2018</i></p>
	<p><b>Germany: E.ON – innogy</b> Advisor to E.ON for the acquisition from RWE of a 76.8% stake in innogy (~€43bn) through an exchange of assets and a public offering of innogy shares Sole coordinator and sole underwriter of a €5bn financing package <i>March 2018 announcement: deals under way</i></p>

### > Trade Finance in Europe\*\*



**Development of business with targeted clients in a more lacklustre context than in 2017**

\* Source: Dealogic 2018, bookrunner by volume; \*\* Source: Greenwich Share Leaders - 2018;

\*\*\* Transfer of correspondent banking business to Securities Services (€25m), capital gains recorded in 2Q17 (€102m) and stopped funding gas & oil from shale and tobacco companies (-€100m)



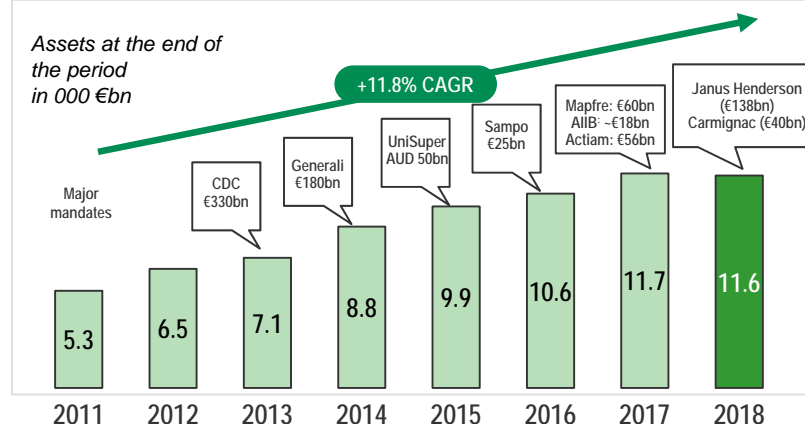
# Corporate and Institutional Banking - 2018

## Securities Services - Business Activity and Revenues

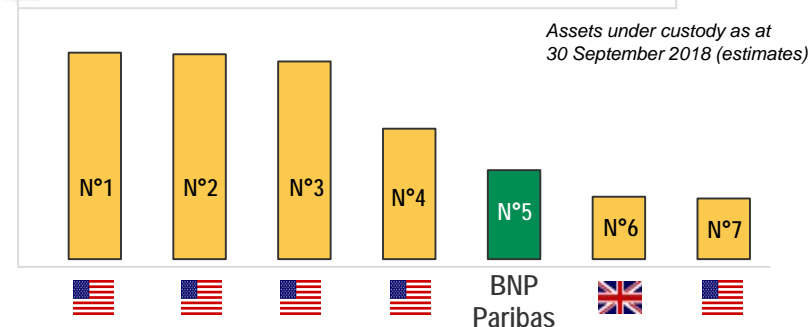
- Excellent marketing drive
  - Gains of significant mandates (Carmignac, Intermediate Capital Group)
  - Finalisation of the strategic partnership with Janus Henderson in the United States
  - Acquisition of the depository bank business of Banco BPM
  - Recognised expertise: *Custodian of the Year* (CustodyRisk Global Awards 2018)
- Business development
  - Rise in the number of transactions (+5.4% vs. 2017)
  - Assets under custody and under administration (-0.9% vs. 31.12.2017): impact of the fall of the markets in 4Q18
- Significant rise in revenues: €2,152m (+10.1% vs. 2017)
  - +8.7% excluding the transfer of correspondent banking business from Corporate Banking\*
  - Related to the rise in the number of transactions as well as assets under custody and under administration (+ 4.3% on average in 2018 vs. 2017)
  - Positive impact of the revaluation of an equity stake

CustodyRisk  
Global Awards  
2018 Winner

### > Assets under custody and under administration



### > N°5 worldwide and n°1 in Europe



> **Continued very good business development**

\* Transfer of correspondent banking business to Securities Services (€25m)






# Corporate and Institutional Banking - 2018

## Active Implementation of the 2020 Plan (1/2)

### Good development of targeted client bases

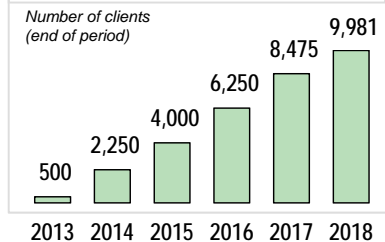
- ▶ **Gain of over 215 new corporate group clients** in Europe since 2016 (of which 90 in 2018) in particular in targeted countries (Germany, United Kingdom, Netherlands and Scandinavia)
- ▶ **Onboarding of more than 60 new groups in the United States** and **50 in Asia**, expanded access to US institutional clients for Securities Services transactions thanks to the strategic partnership with Janus-Henderson

### Success of digital transformation

- ▶ **Digitisation of customer journeys**
  - Good development of digital platforms (Centric, Cortex...) and rise in electronic transaction volumes
- ▶ **Development of new partnerships with Fintechs**
  - Roll out of  SYMPHONY (communication platform in Global Markets) and development of artificial intelligence with Fortia (Securities Services), partnerships with Trade IX and Cashforce (Corporate Banking)



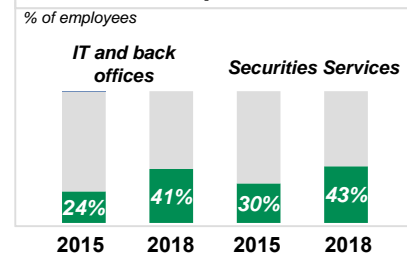
#### > Centric



### Implementation of cost saving measures

- ▶ **Ramping up of mutualised platforms** (Portugal, Canada, India, etc.)
  - >40% of teams on these platforms for IT and back offices as well as for Securities Services
- ▶ **End-to-end processes:** delivery of the first features for clients Onboarding and Credit Process
- ▶ **Automation:** over 180 processes delivered

#### > Mutualised platforms



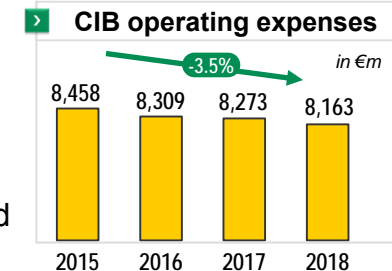
# Corporate and Institutional Banking - 2018

## Active Implementation of the 2020 Plan (2/2)

### Decrease in costs

#### ► Decrease in costs for the 3<sup>rd</sup> year in a row (-3.5% vs. 2015)

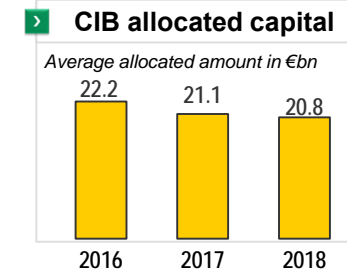
- Reminder: CIB transformation plan launched in early 2016
- €715m in savings achieved in 3 years (of which €463m since the end of 2016)
- Rise in compliance costs, in banking taxes and in the contribution to the resolution fund



### Containment of allocated resources

#### ► 2019 objective to reduce risk-weighted assets (-€20bn) achieved one year ahead of schedule:

- -€20.5bn in risk-weighted assets realised in 3 years, of which €5.5bn in 2018 (sales of loans, securitisations, etc.)
- Selective reinvestment in business development plans and impact of the tightening of the prudential calculation rules



### Particularly unfavourable environment in 2018 and decrease in profitability

- Decrease of the global revenue pool in the CIB industry (-5.5% vs. 9M17 and -14.2% for FICC\*)
- Limited FICC business due to monetary policy in Europe and the very challenging context of equity markets at the end of the year
- Pressure on margins (electronic execution, MiFID 2) and unfavourable foreign exchange effect (lower USD)
- 2018 RONE: 12.9% (-3.2 pts vs. 2017) despite progress made on costs and allocated resources

**Need to intensify transformation in response to less favourable context**

\* Source: Coalition, CIB industry revenue pool in euros, FICC on the BNPP scope



# CIB 2020: Intensify Transformation

## A Three-Pronged Action Plan (1/2)

1

### Review of non-strategic and unprofitable business segments

#### ► Granular analysis of the businesses:

- **Review of unprofitable or subscale businesses** (e.g. stopped Opera Trading Capital's proprietary business and commodity derivatives in the United States)
- **Analysis of certain peripheral locations** and of their link with the global, regional and local set-up (hub & spokes)
- **Rationalisation of the relationship with clients who are insufficiently profitable**

#### Preliminary scope of potential exits

- Revenues: -€200 to -€300m (~2.5% of CIB)
- Cost Income >100%
- Risk-weighted assets: ~€5bn

2

### Intensify the industrialisation of CIB to reduce costs

#### ► Reinforce the front-to-back approach:

- Global Markets: adaptation of flow businesses to the **fast electronisation of the financial markets**, development of shared platforms with Securities Services
- Corporate Banking: **development of shared platforms (*near-shoring*)**, from coverage to transactions
- Securities Services: **industrialisation of the multi-local operations model**
- IT & back offices: **streamlining and mutualisation** to optimise resources

#### €850m in recurring savings by 2020

of which €350m in additional savings vs. the initial plan (excluding savings related to business exits)



**Three-pronged structural actions to improve a profitability that deviated from the 2020 trajectory**



# CIB 2020: Intensify Transformation A Three-Pronged Action Plan (2/2)

3

## Focus on an even more selective growth

### ▶ A market environment that should improve:

- Normalisation of the markets after exceptional volatility movements in 2018
- Improvement of the European context with the gradual ending of quantitative easing (increase in volatility, impact on the rates level & curve)
- Stabilisation of some negative impacts (MiFID 2, etc.)

### ▶ Despite some lingering uncertainties

- Macroeconomic context (trade tensions, Brexit, geopolitical situation, etc.)
- Still challenging competitive environment

Moderate growth of the global revenue pool

### ▶ Better integrated growth between the businesses

- **Reinforce cooperation** between the businesses (e.g. expand the joint Corporate Banking/Global Markets platform to develop the Originate & Distribute policy)
- Global Markets: targeted measures to turn around **the performances of the forex and the equity derivatives businesses** and to speed up digitalisation to improve customer service
- Corporate Banking: **continued development** in targeted countries in Europe and with strategic clients; selective growth in America/Asia
- Securities Services: **integrate** small acquisitions made and **capitalise** on strategic mandates

Continue strengthening positions on targeted client segments



**Profitable growth**  
allowing to continue strengthening on targeted clients



# CIB 2020: Updated 2020 Objectives

## ► Focus on profitable growth

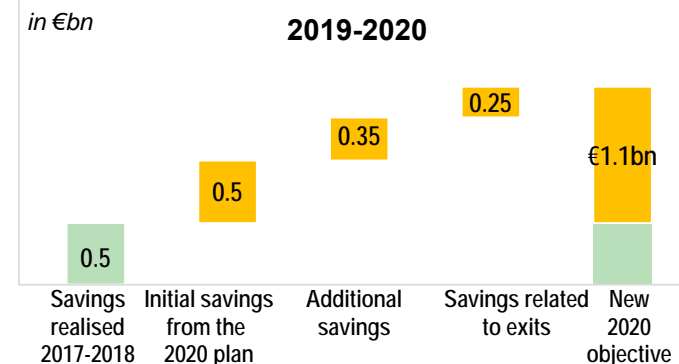
- Continue strengthening leading positions in Europe and selective development in the United States and Asia
- Deepen the integrated model between the businesses and the regions (“One Bank”)
- Develop digital initiatives in all the businesses (electronic platforms, partnerships, etc.)
- Continue the development of sustainable finance (green bonds, etc.)

→ **Be the preferred European partner of our clients**

## ► Intensify transformation efforts

- €1.1bn in cost savings by 2020 (of which ~€250m related to the businesses exits)
- ~€12bn reduction in risk-weighted assets by 2020 (of which €5bn related to business exits) to reinvest in business and offset regulatory constraints

## ► €1.1bn cost savings



## ► 2020 trajectory

- **Revise downward the 2020 revenue target**, recovering compared to the low 2018 base
- **Significant improvement of operating efficiency:** thanks to the additional cost saving efforts (positive jaws effect)
- **Rise in the RONE\*** to a level very close to the initial target

► **A 2020 trajectory reviewed to focus on profitability**

\* Pre-tax return on notional equity



Group Results

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Division Results

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**2020 Plan**

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4Q18 Detailed Results

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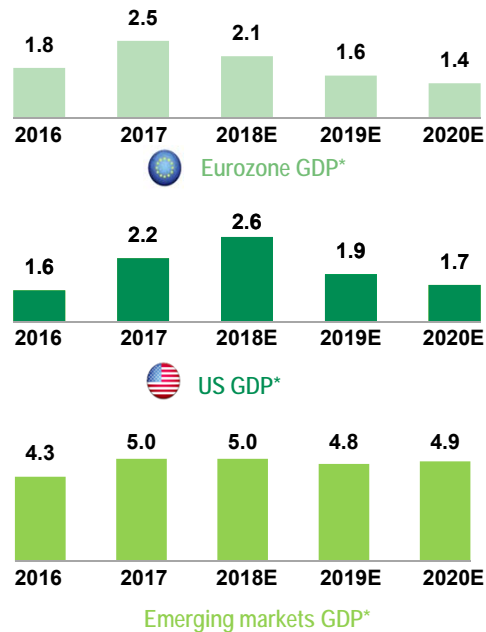
Appendix

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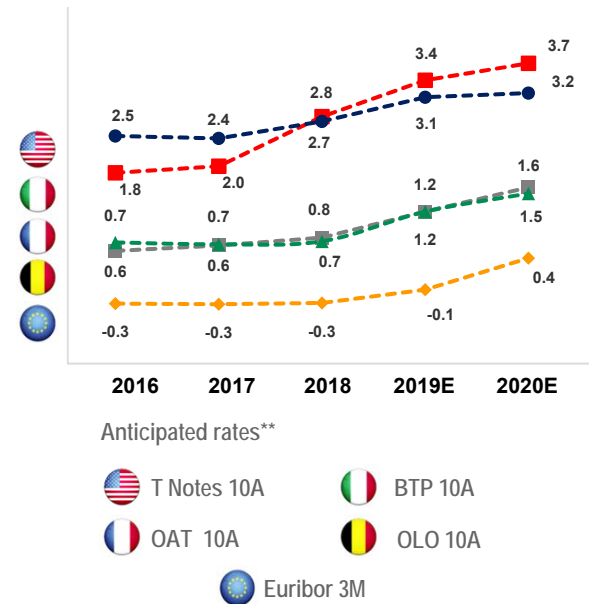


# A Contrasted Environment

- Still favourable economic growth
- ...but which is expected to slow down



- Low interest rates in Europe
- ...which are only expected to rise gradually



\* Source: BNPP forecasts; \*\* Source: Bloomberg consensus (January 2019)

# An Ambitious Policy of Engagement in our Society

## 2020 Vision

### Be a major contributor to the UN Sustainable Development Goals

- Contribution to the **17 Sustainable Development Goals (SDGs)** defined by the United Nations (designed to eradicate poverty and combat inequalities, injustices & climate change)
- **€185bn** (vs €166bn in 2018) in financing to support energy transition and sectors considered as directly contributing to SDGs:
  - ✓ Of which a target of €6bn for socially-driven associations and enterprises (investments in connection with asset management, financing, sponsorship, etc.)
- **UN Environment Programmes** to raise international funds for transformative sustainable development projects (Indonesia, India, etc.)

### Develop a positive impact culture throughout the Group

- **Train senior bankers** on operations with a positive impact
- Develop tools to **measure the positive impact** of actions undertaken
- Target **one million hours of skills made available** through corporate sponsorship

### A major role in the transition toward a low carbon economy

- **“Speed up the Energy Transition”** program to help clients implement their new energy transition business models
  - ✓ **€100m in investments** in start-ups working for energy transition
- **Green company for employees** (promote “green” means of transportation, limited use of plastics, etc.)
- Develop tools to **measure the environmental impact**





# Significant Progress in the Digital Transformation

5 levers for a new customer experience & a more effective and digital bank

- 1 Implement new customer journeys
- 2 Make better use of data to serve clients
- 3 Upgrade the operational model
- 4 Adapt information systems
- 5 Work differently

## ► Strong growth of digital in all the businesses

- Domestic Markets: > 8m digital clients (retail banking)
  - ✓ #1 bank in France in terms of mobile features
- IFS: 0.9m customers in digital banks (BGZ Optima and Cepteteb) and e-signature of 50% of new contracts at Personal Finance
- CIB: > 9,900 customers for Centric, digital platform for businesses



## ► Quick development of robotics and artificial intelligence

- >500 robots already operational (chatbots, automation of controls, reportings, data processing)
- Implementation of digital investment advisory solutions in asset management and private banking



## ► Industrialisation and optimisation of processes

- Roll out of the new Aladdin management system in asset management



## ► Launch of new products

- LyfPay: a universal value-added mobile payment solution
  - ✓ Combines payment cards, loyalty programmes and discount offers, already 1.3 million downloads

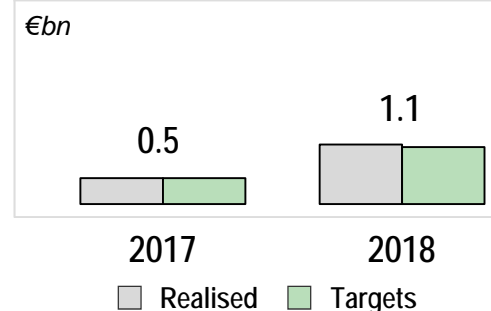


# 2020 Transformation Plan in Line with Cost and Saving Objectives

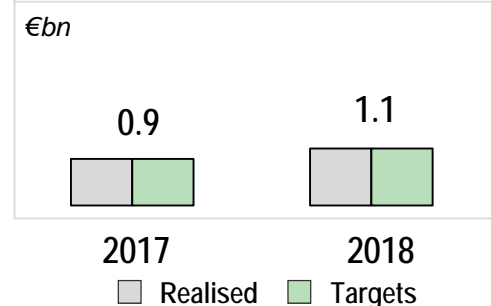
5 levers for a new customer experience & a more effective and digital bank

- Success of the digital transformation
  - Successful implementation of the new customer experience, digital transformation & savings
- Cost savings: €1.15bn since the launch of the project
  - In line with the objective
  - Of which €125m booked in 4Q18
  - Breakdown of cost savings by operating division since the launch of the project: 40% at CIB; 35% at Domestic Markets; 25% at IFS
  - Implementation of new end-to-end digitalised customer journeys (selfcare, digital platforms, etc.) and transformation of the operating models (automation of processes thanks to digitalisation and the deployment of robots)
  - Adaptation and sharing of IT systems
  - Reduction of branch networks and simplification of management set-ups
- Transformation costs: €1.1bn in 2018\*
  - €385m in 4Q18

## > Cumulated recurring cost savings



## > One-off transformation costs



**Active implementation of the transformation plan  
in line with the objectives**

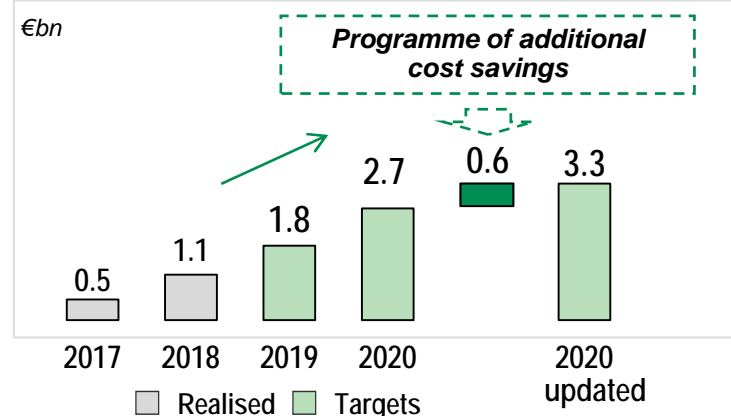
\* Breakdown of the transformation costs of the businesses presented in the Corporate Centre: slide 88



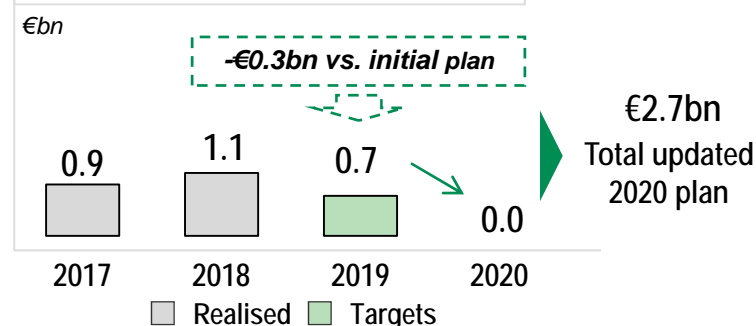
# 2020 Plan Enriched With New Savings and a Reduction in Transformation Costs

- Cost savings: a programme of €600m additional savings
  - 55% at CIB, 25% at DM, 20% at IFS
  - Streamlining of the IT organisation and selective use of the cloud to optimise operating costs
  - Reinforcement of the industrialisation of the functions with increased use of artificial intelligence and streamlining of the set-up in connection with international mutualized competence centres
  - Optimisation of real estate costs (stepping-up of flex offices, etc.)
- Reduction in the envelope of transformation costs (-€0.3bn)
  - Downward revision of necessary transformation costs (-10% compared to the initial envelope of €3bn)
  - Immediate effect in 2019
- Rise in certain regulatory costs by 2020: €0.2bn
  - Contribution to the single resolution fund (SRF): €0.1bn
  - Compliance costs: €0.1bn

## Cumulated recurring cost savings since 2017



## One-off transformation costs

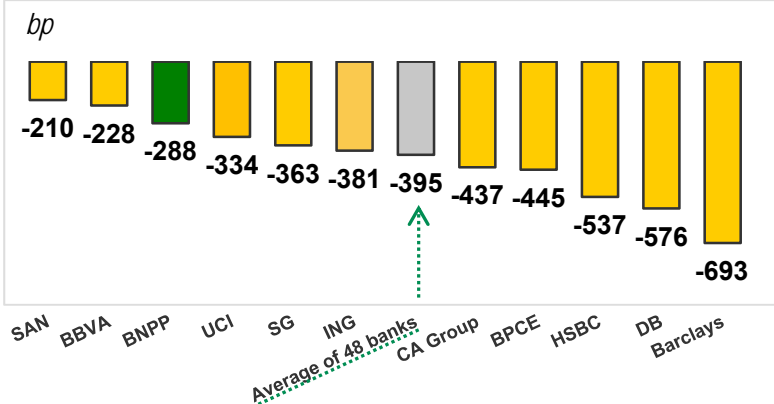


**Recurring cost savings revised upward to generate positive jaws effect in each division**



# A Cautious Loan Origination Policy that Improves the Risk Profile

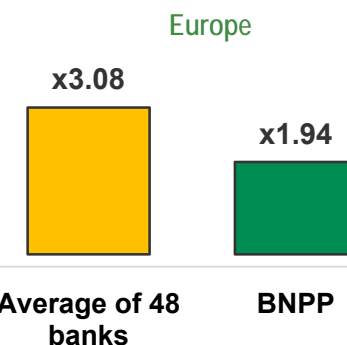
## 2018 European stress test: maximum impact of the adverse scenario on the CET1 ratio\*



- Lower impact for BNPP of the adverse scenario: -107 bp compared to the average of 48 European banks tested
- Supervisory Review and Evaluation Process (SREP): Pillar 2 requirement for 2019 expected unchanged

## Impact of the adverse scenario on credit risk

Adverse scenario vs. base scenario as a % (cumulated cost of risk over 3 years)



- A more limited rise in provisions:
  - Impact on the cost of risk of the adverse scenario vs. base scenario 37% below the average in Europe
  - Effect in particular of the selectivity at origination
  - A cautious policy designed to favour the quality of long-term risks vs. short-term revenues



## A superior quality risk profile confirmed by stress tests

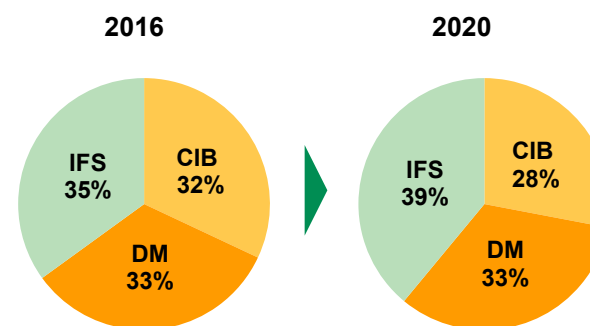
\* Based on the fully loaded CET1 ratio as at 31.12.2017. For Santander, BBVA, HSBC and Barclays, the CET1 lowest level is not reached in year 3 (maximum impact in bps)



# Domestic Markets and IFS In Line With the Plan Adjustment of the CIB Trajectory

- Domestic Markets: trajectory in line with the 2020 plan
- IFS: trajectory in line with the 2020 plan
- CIB: amplification of the transformation
  - Adjustment of the revenues trajectory and increase in savings by 2020
  - Rise in the RONE to a level very close to the initial objective
- Growth in risk weighted assets: ~+2.5% (2018-2020 CAGR\*)
  - Stability of CIB's risk weighted assets compared to 2016 vs 2% increase (2016-2020 CAGR\*) in the initial plan
- Active management of the balance sheet (sales of non-core equity holdings or assets)
- No new acquisitions envisaged
- Organic capital generation of at least 30 bps per year (after dividend distribution)

Allocation of Notional Equity to the Operating Divisions



## > RONE growth in each of the operating divisions

\* Compound annual growth rate



# Updated 2020 Plan Targets

	<u>Updated estimates</u>	<u>Initial Targets</u>
Revenue growth	2016-2020 CAGR <sup>(1)</sup> ≥ +1.5%	2016-2020 CAGR <sup>(1)</sup> ≥ +2.5%
Recurring cost savings target starting from 2020	€3.3bn	€2.7bn
Cost income ratio	64.5%	63%
ROE	9.5%	10%
Fully loaded Basel 3 CET1 ratio	≥ 12%	12%
Pay-out ratio	50% (€3.02 in 2018) <sup>(2)</sup>	50% <sup>(2)</sup>

- Increase in earnings per share (2020 vs. 2016): > +20%
- Increase in dividend per share (2020 vs. 2016): +35%
- ROTC: > 10.5% in 2020

**Significant increase in earnings and dividend per share**

<sup>(1)</sup> Compound annual growth rate; <sup>(2)</sup> Subject to shareholder approval

# Conclusion



**Significant progress in the digital transformation**  
**Active roll-out of new customer experiences**  
**Ambitious policy of engagement in society**



**Good development of business activity**  
**Very unfavourable market context at the end of the year**  
**Net income held up well**  
**Stable dividend vs. 2017**  
**Fully loaded Basel 3 CET1 ratio at 11.8%**



**A confirmed 2020 ambition**



Group Results

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Division Results

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2020 Plan

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**4Q18 Detailed Results**

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Appendix

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# Main Exceptional Items - 4Q18

- Revenues
  - Own credit adjustment and DVA (*Corporate Centre*)
- Operating expenses
  - Restructuring costs of acquisitions\* (*Corporate Centre*)
  - Transformation costs of Businesses (*Corporate Centre*)
- *Total exceptional items (pre-tax)*
- *Total exceptional items (after tax)\*\**

	> 4Q18	> 4Q17
		+€11m
		<b>+€11m</b>
	-€97m	-€48m
	-€385m	-€408m
	<b>-€481m</b>	<b>-€456m</b>
	<b>-€481m</b>	<b>-€446m</b>
	<b>-€341m</b>	<b>-€294m</b>

\* Restructuring costs related to the acquisitions (in particular LaSer, DAB Bank, GE LLD, ABN Amro Luxembourg and Raiffeisen Bank Polska); \*\* Group share



# Consolidated Group - 4Q18

	> 4Q18	> 4Q17	> 4Q18 vs. 4Q17	% Operating divisions	
				Historical scope & exchange rates	Constant scope & exchange rates
<b>Revenues</b>	€10,160m	€10,532m	-3.5%	-3.4%	-2.7%
Operating expenses	-€7,678m	-€7,621m	+0.7%	+1.3%	+0.9%
<b>Gross Operating income</b>	€2,482m	€2,911m	-14.7%	-12.7%	-9.8%
Cost of risk	-€896m	-€985m	-9.0%	-16.6%	-14.9%
<b>Operating income</b>	€1,586m	€1,926m	-17.7%	-11.2%	-7.8%
Non operating items	€97m	€196m	n.a	n.a	n.a
<b>Pre-tax income</b>	€1,683m	€2,122m	-20.7%	-12.2%	-6.3%
<b>Net income Group share</b>	€1,442m	€1,426m	+1.1%	<ul style="list-style-type: none"> <li>Impact on net income at the end of the year of the sharp fall in markets on the revaluation of FHB** and on some insurance portfolios: -€220m</li> </ul>	
<b>Net income Group share excluding exceptional items*</b>	€1,783m	€1,720m	+3.7%		

> **Impact of sharp fall in the markets at the end of the year**  
**Unfavourable foreign exchange effect**

\* See slide 54; \*\* Value of the stake in First Hawaiian Bank now accounted on a mark-to-market basis (Corporate Centre)



# Retail Banking and Services - 4Q18

<i>€m</i>	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	7,767	7,881	-1.5%	7,829	-0.8%	31,546	31,045	+1.6%
Operating Expenses and Dep.	-5,154	-5,101	+1.0%	-5,005	+3.0%	-20,644	-20,044	+3.0%
Gross Operating Income	2,613	2,780	-6.0%	2,825	-7.5%	10,903	11,001	-0.9%
Cost of Risk	-722	-722	-0.1%	-737	-2.1%	-2,624	-2,705	-3.0%
Operating Income	1,891	2,058	-8.1%	2,088	-9.4%	8,279	8,296	-0.2%
Share of Earnings of Equity-Method Entities	132	147	-10.6%	116	+13.7%	486	622	-21.9%
Other Non Operating Items	-5	55	n.s.	153	n.s.	208	443	-53.1%
Pre-Tax Income	2,018	2,261	-10.7%	2,357	-14.4%	8,972	9,361	-4.2%
Cost/Income	66.4%	64.7%	+1.7 pt	63.9%	+2.5 pt	65.4%	64.6%	+0.8 pt
Allocated Equity (€bn)						53.3	51.4	+3.7%

*Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium, Luxembourg, at BancWest and TEB for the Revenues to Pre-tax income line items*



# Domestic Markets - 4Q18

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	3,903	3,897	+0.1%	3,874	+0.7%	15,683	15,718	-0.2%
Operating Expenses and Dep.	-2,603	-2,653	-1.9%	-2,605	-0.1%	-10,707	-10,620	+0.8%
<b>Gross Operating Income</b>	<b>1,300</b>	<b>1,244</b>	<b>+4.5%</b>	<b>1,269</b>	<b>+2.4%</b>	<b>4,977</b>	<b>5,098</b>	<b>-2.4%</b>
Cost of Risk	-322	-370	-13.2%	-251	+28.3%	-1,046	-1,356	-22.8%
<b>Operating Income</b>	<b>978</b>	<b>874</b>	<b>+12.0%</b>	<b>1,018</b>	<b>-3.9%</b>	<b>3,930</b>	<b>3,743</b>	<b>+5.0%</b>
Share of Earnings of Equity-Method Entities	0	7	n.s.	5	n.s.	-3	62	n.s.
Other Non Operating Items	-2	1	n.s.	0	n.s.	0	10	n.s.
<b>Pre-Tax Income</b>	<b>975</b>	<b>882</b>	<b>+10.6%</b>	<b>1,024</b>	<b>-4.7%</b>	<b>3,927</b>	<b>3,814</b>	<b>+3.0%</b>
Income Attributable to Wealth and Asset Management	-59	-70	-15.7%	-67	-13.0%	-264	-273	-3.1%
<b>Pre-Tax Income of Domestic Markets</b>	<b>917</b>	<b>812</b>	<b>+12.9%</b>	<b>956</b>	<b>-4.1%</b>	<b>3,663</b>	<b>3,541</b>	<b>+3.4%</b>
Cost/Income	66.7%	68.1%	-1.4 pt	67.2%	-0.5 pt	68.3%	67.6%	+0.7 pt
Allocated Equity (€bn)						25.2	24.6	+2.4%

*Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg for the Revenues to Pre-tax income items*

- Revenues: +0.1% vs. 4Q17
  - Rise in business activity but still impact of the low interest rate environment
- Operating expenses: -1.9% vs. 4Q17
  - Significant decrease in the networks (-3.0%)
  - Rise in the specialised businesses due to business development
  - Positive jaws effect in all the businesses this quarter
- Pre-tax income: +12.9% vs. 4Q17
  - Decrease in the cost of risk, in particular at BNL bc



# Domestic Markets

## French Retail Banking - 4Q18 (excluding PEL/CEL effects)

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	1,553	1,541	+0.8%	1,571	-1.2%	6,311	6,352	-0.7%
<i>Incl. Net Interest Income</i>	887	876	+1.3%	896	-1.0%	3,548	3,569	-0.6%
<i>Incl. Commissions</i>	666	665	+0.1%	676	-1.4%	2,763	2,783	-0.7%
Operating Expenses and Dep.	-1,149	-1,175	-2.2%	-1,168	-1.7%	-4,609	-4,657	-1.0%
Gross Operating Income	404	366	+10.4%	403	+0.2%	1,701	1,695	+0.4%
Cost of Risk	-85	-107	-20.4%	-90	-5.4%	-288	-331	-12.8%
Operating Income	319	259	+23.1%	313	+1.8%	1,413	1,365	+3.6%
Non Operating Items	-3	0	n.s.	0	n.s.	-1	1	n.s.
Pre-Tax Income	317	259	+22.1%	314	+0.9%	1,412	1,366	+3.4%
Income Attributable to Wealth and Asset Management	-32	-38	-15.0%	-38	-14.4%	-148	-153	-2.8%
Pre-Tax Income of French Retail Banking	284	221	+28.5%	276	+3.0%	1,263	1,213	+4.2%
Cost/Income	74.0%	76.2%	-2.2 pt	74.3%	-0.3 pt	73.0%	73.3%	-0.3 pt
Allocated Equity (€bn)						9.6	9.4	+1.6%

*Including 100% of French Private Banking for the revenues to Pre-tax income line items (excluding PEL/CEL effects)\**

- Revenues: +0.8% vs. 4Q17
  - Return to growth
  - Net interest income: +1.3% vs. 4Q17
  - Fees: +0.1% vs. 4Q17
- Operating expenses: -2.2% vs. 4Q17
  - Effect of cost reduction measures (streamlining of the network and simplification of the management set-up)
  - Positive jaws effect
- Decrease in the cost of risk vs. 4Q17

\* PEL/CEL effect: +€20m in 2018 (+€19m in 2017) and +€15m in 4Q18 (+€13m in 4Q17)



# Domestic Markets

## French Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 4Q18	%Var/4Q17	%Var/3Q18	Outstandings 2018	%Var/2017
<b>LOANS</b>	<b>167.6</b>	<b>+4.3%</b>	<b>+1.2%</b>	<b>164.9</b>	<b>+5.4%</b>
Individual Customers	92.0	+3.5%	+0.9%	90.8	+5.3%
Incl. Mortgages	81.0	+3.8%	+0.9%	80.0	+5.8%
Incl. Consumer Lending	10.9	+1.1%	+1.3%	10.8	+1.9%
Corporates	75.7	+5.3%	+1.5%	74.1	+5.5%
<b>DEPOSITS AND SAVINGS</b>	<b>171.4</b>	<b>+4.6%</b>	<b>+0.6%</b>	<b>168.7</b>	<b>+5.3%</b>
Current Accounts	105.9	+6.6%	+1.2%	103.1	+8.7%
Savings Accounts	59.3	+1.8%	-1.0%	59.5	+1.2%
Market Rate Deposits	6.2	-1.9%	+6.2%	6.1	-7.9%
	<b>31.12.18</b>	<b>%Var/</b>	<b>%Var/</b>		
€bn		<b>31.12.17</b>	<b>30.09.18</b>		
<b>OFF BALANCE SHEET SAVINGS</b>					
Life Insurance	89.2	+0.1%	-2.5%		
Mutual Funds	36.5	-13.5%	-5.1%		

- Loans: +4.3% vs. 4Q17, significant rise in loans to individual and corporate customers in the context of economic growth in France
- Deposits: +4.6% vs. 4Q17, strong growth in current accounts
- Off balance sheet savings: stability of life insurance outstandings; decrease in mutual funds due to the fall of markets at the end of the year



# Domestic Markets

## BNL banca commerciale - 4Q18

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	722	732	-1.4%	660	+9.5%	2,792	2,907	-4.0%
Operating Expenses and Dep.	-440	-457	-3.6%	-439	+0.4%	-1,797	-1,801	-0.2%
Gross Operating Income	282	275	+2.3%	221	+27.5%	995	1,106	-10.1%
Cost of Risk	-164	-218	-24.8%	-131	+25.0%	-592	-871	-32.0%
Operating Income	117	57	n.s.	90	+31.2%	402	235	+71.3%
Non Operating Items	-2	0	n.s.	0	n.s.	-3	1	n.s.
Pre-Tax Income	116	57	n.s.	89	+29.2%	399	236	+69.3%
Income Attributable to Wealth and Asset Management	-11	-11	-5.8%	-10	+5.8%	-43	-44	-2.0%
Pre-Tax Income of BNL bc	105	46	n.s.	80	+32.1%	356	192	+85.6%
Cost/Income	61.0%	62.4%	-1.4 pt	66.5%	-5.5 pt	64.4%	62.0%	+2.4 pt
Allocated Equity (€bn)						5.5	5.8	-6.1%

*Including 100% of the Italian Private Banking for the Revenues to Pre-tax income line items*

- Revenues: -1.4% vs. 4Q17
  - Net interest income: -3.4% vs. 4Q17, impact of the low interest rate environment and the positioning on clients with a better risk profile; slight improvement of margins on new production
  - Fees: +1.9% vs. 4Q17, increase in banking fees
- Operating expenses: -3.6% vs. 4Q17
  - Effect of cost saving measures (positive jaws effect)
- Cost of risk: -24.8% vs. 4Q17
  - Continued decrease in the cost of risk
- Pre-tax income: €105m (> x2 vs. 4Q17), sharp rise in income



# Domestic Markets

## BNL banca commerciale - Volumes

Average outstandings (€bn)	Outstandings 4Q18	%Var/4Q17	%Var/3Q18	Outstandings 2018	%Var/2017
<b>LOANS</b>	<b>79.1</b>	<b>+1.3%</b>	<b>-0.5%</b>	<b>78.7</b>	<b>+0.6%</b>
Individual Customers	40.2	+0.2%	-0.7%	40.2	+0.2%
Incl. Mortgages	24.9	-0.3%	-0.3%	24.9	-0.1%
Incl. Consumer Lending	4.5	+5.2%	+0.3%	4.4	+4.0%
Corporates	38.9	+2.5%	-0.3%	38.5	+0.9%
<b>DEPOSITS AND SAVINGS</b>	<b>43.8</b>	<b>+2.2%</b>	<b>+1.8%</b>	<b>43.6</b>	<b>+4.7%</b>
Individual Deposits	29.5	+4.5%	+2.4%	29.0	+4.0%
Incl. Current Accounts	29.3	+4.6%	+2.4%	28.7	+4.2%
Corporate Deposits	14.3	-2.3%	+0.6%	14.6	+6.0%

	31.12.18	%Var/ 31.12.17	%Var/ 30.09.18
€bn			
<b>OFF BALANCE SHEET SAVINGS</b>			
Life Insurance	20.9	+6.8%	-0.0%
Mutual Funds	14.6	-7.0%	-5.1%

- Loans: +1.3% vs. 4Q17
  - Increase in particular in corporate loans
- Deposits: +2.2% vs. 4Q17
  - Rise in current accounts
- Off balance sheet savings: increase in life insurance due to good asset inflows but impact of the unfavourable evolution in the financial markets at the end of the year





# Domestic Markets

## Belgian Retail Banking - 4Q18

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	857	894	-4.1%	887	-3.4%	3,595	3,677	-2.2%
Operating Expenses and Dep.	-571	-601	-5.0%	-563	+1.4%	-2,521	-2,554	-1.3%
<b>Gross Operating Income</b>	<b>286</b>	<b>293</b>	<b>-2.3%</b>	<b>324</b>	<b>-11.8%</b>	<b>1,074</b>	<b>1,123</b>	<b>-4.3%</b>
Cost of Risk	-43	-15	n.s.	4	n.s.	-43	-65	-33.9%
<b>Operating Income</b>	<b>243</b>	<b>278</b>	<b>-12.6%</b>	<b>328</b>	<b>-25.9%</b>	<b>1,031</b>	<b>1,058</b>	<b>-2.5%</b>
Non Operating Items	10	3	n.s.	8	+32.5%	18	28	-34.7%
<b>Pre-Tax Income</b>	<b>253</b>	<b>281</b>	<b>-9.9%</b>	<b>336</b>	<b>-24.6%</b>	<b>1,049</b>	<b>1,085</b>	<b>-3.3%</b>
Income Attributable to Wealth and Asset Management	-15	-19	-20.5%	-19	-18.6%	-70	-73	-4.2%
<b>Pre-Tax Income of Belgian Retail Banking</b>	<b>238</b>	<b>262</b>	<b>-9.1%</b>	<b>317</b>	<b>-24.9%</b>	<b>980</b>	<b>1,013</b>	<b>-3.3%</b>
Cost/Income	66.6%	67.2%	-0.6 pt	63.4%	+3.2 pt	70.1%	69.5%	+0.6 pt
Allocated Equity (€bn)						5.7	5.3	+7.9%

*Including 100% of Belgian Private Banking for the Revenues to Pre-tax income line items*

- **Revenues: -4.1% vs. 4Q17**
  - Net interest income: -1.6% vs. 4Q17, impact of the low interest rate environment partly offset by increased volumes
  - Fees: -11.0% vs. 4Q17, significant decrease in financial fees as a result of the market context this quarter; rise in retrocession fees to independent agents, whose network has been expanded
- **Operating expenses: -5.0% vs. 4Q17**
  - Effect of the cost saving measures (optimization of the branch network and streamlining of the management set-up)
- **Pre-tax income: -9.1% vs. 4Q17**
  - Cost of risk still very low but impact in particular of a specific file this quarter



# Domestic Markets

## Belgian Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 4Q18	%Var/4Q17	%Var/3Q18	Outstandings 2018	%Var/2017
<b>LOANS</b>	<b>107.8</b>	<b>+4.7%</b>	<b>+0.7%</b>	<b>106.1</b>	<b>+4.2%</b>
Individual Customers	68.7	+2.3%	+0.9%	67.9	+1.6%
Incl. Mortgages	49.9	+3.1%	+1.3%	49.1	+2.2%
Incl. Consumer Lending	0.2	+18.0%	-36.4%	0.2	+14.0%
Incl. Small Businesses	18.7	+0.1%	+0.6%	18.6	-0.1%
Corporates and Local Governments	39.1	+9.0%	+0.4%	38.2	+8.9%
<b>DEPOSITS AND SAVINGS</b>	<b>126.5</b>	<b>+4.2%</b>	<b>+0.8%</b>	<b>124.7</b>	<b>+4.1%</b>
Current Accounts	52.2	+5.6%	+1.4%	51.3	+7.1%
Savings Accounts	71.5	+3.9%	+0.3%	70.7	+3.2%
Term Deposits	2.7	-11.4%	+3.9%	2.7	-18.8%
	<b>31.12.18</b>	<b>%Var/</b>	<b>%Var/</b>		
€bn		<b>31.12.17</b>	<b>30.09.18</b>		
<b>OFF BALANCE SHEET SAVINGS</b>					
Life Insurance	23.9	-1.1%	-1.3%		
Mutual Funds	29.5	-9.9%	-8.4%		

- Loans: +4.7% vs. 4Q17
  - Individuals: increase in particular in mortgage loans
  - Corporates: significant rise in corporate loans
- Deposits: +4.2% vs. 4Q17
  - Growth in current accounts and savings accounts of individuals
- Mutual funds:
  - Impact of the unfavourable evolution in the financial markets in 4Q18



# Domestic Markets: Other Activities - 4Q18

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	771	730	+5.6%	755	+2.0%	2,986	2,782	+7.3%
Operating Expenses and Dep.	-443	-420	+5.5%	-435	+1.8%	-1,779	-1,608	+10.6%
Gross Operating Income	328	310	+5.8%	320	+2.4%	1,207	1,174	+2.8%
Cost of Risk	-29	-30	-3.6%	-33	-12.2%	-123	-89	+38.3%
Operating Income	299	279	+6.8%	287	+4.1%	1,084	1,085	-0.1%
Share of Earnings of Equity-Method Entities	-4	5	n.s.	-3	+47.2%	-12	38	n.s.
Other Non Operating Items	-5	0	n.s.	0	n.s.	-5	4	n.s.
Pre-Tax Income	290	284	+2.0%	284	+2.0%	1,067	1,127	-5.4%
Income Attributable to Wealth and Asset Management	-1	-1	-54.0%	-1	-44.2%	-3	-3	-0.9%
Pre-Tax Income of Other Domestic Markets	289	283	+2.3%	283	+2.1%	1,064	1,124	-5.4%
Cost/Income	57.5%	57.6%	-0.1 pt	57.6%	-0.1 pt	59.6%	57.8%	+1.8 pt
Allocated Equity (€bn)						4.4	4.0	+9.0%

*Including 100% of Private Banking in Luxembourg for the Revenues to Pre-tax income line items*

- Revenues: +5.6% vs. 4Q17
  - Scope effects and good development of the businesses' activity
- Operating expenses: +5.5% vs. 4Q17
  - Scope effects and development costs of the businesses
  - Expenses related to the launch of new digital services at Arval and Leasing Solutions
  - Positive jaws effect
- Pre-tax income: +2.3% vs. 4Q17



# Domestic Markets

## LRB - Personal Investors

### > Luxembourg Retail Banking (LRB)

Average outstandings (€bn)	4Q18	%Var/4Q17	%Var/3Q18	2018	%Var/2017
<b>LOANS</b>	10.0	+6.8%	+1.9%	9.7	+7.9%
Individual Customers	7.0	+7.6%	+1.2%	6.8	+8.3%
Corporates and Local Governments	3.0	+5.0%	+3.5%	2.9	+7.0%
<b>DEPOSITS AND SAVINGS</b>	21.9	+8.6%	+1.6%	21.1	+11.8%
Current Accounts	11.3	+13.5%	+1.4%	10.7	+14.3%
Savings Accounts	9.2	+1.2%	-0.5%	9.2	+6.9%
Term Deposits	1.3	+26.8%	+20.9%	1.2	+32.1%
	<b>31.12.18</b>	<b>%Var/ 31.12.17</b>	<b>%Var/ 30.09.18</b>		
<b>OFF BALANCE SHEET SAVINGS</b>					
Life Insurance	1.0	+5.6%	+1.0%		
Mutual Funds	1.5	-11.2%	-10.7%		

- Loans vs. 4Q17: good growth in mortgage and corporate loans
- Deposits vs. 4Q17: significant rise in sight deposits and savings accounts particularly in the corporate client segment

### > Personal Investors

Average outstandings (€bn)	4Q18	%Var/4Q17	%Var/3Q18	2018	%Var/2017
<b>LOANS</b>	0.5	-21.1%	-15.8%	0.5	+0.1%
<b>DEPOSITS</b>	22.8	+2.5%	-1.0%	23.0	+6.6%
	<b>31.12.18</b>	<b>%Var/ 31.12.17</b>	<b>%Var/ 30.09.18</b>		
<b>ASSETS UNDER MANAGEMENT</b>	91.2	-4.8%	-7.2%		
European Customer Orders (millions)	5.0	+8.9%	+16.6%		

- Deposits vs. 4Q17: good level of new client acquisition
- Assets under management vs. 31.12.17: impact of the unfavourable evolution of the financial markets at the end of the year
- Rise in transactions by individual customers vs. 31.12.17



# Domestic Markets

## Arval - Leasing Solutions - Nickel

### > Arval

Average outstandings (€bn)	4Q18	%Var*/4Q17	%Var*/3Q18	2018	%Var*/2017
Consolidated Outstandings	18.3	+9.8%	+2.6%	17.7	+9.6%
Financed vehicles ('000 of vehicles)	1,194	+8.2%	+2.3%	1,156	+7.7%

- Consolidated outstandings: +9.8%\* vs. 4Q17, good growth in all regions
- Financed fleet: +8.2%\* vs. 4Q17, very good sales and marketing drive

### > Leasing Solutions

Average outstandings (€bn)	4Q18	%Var*/4Q17	%Var*/3Q18	2018	%Var*/2017
Consolidated Outstandings	20.2	+8.7%	+0.5%	19.6	+8.7%

- Consolidated outstandings: +8.7%\* vs. 4Q17, good business and marketing drive

### > Nickel

- >1,100,000 accounts opened as at 31 December 2018 (+44% vs. 31 December 2017)
- Reminder: acquisition finalised on 12 July 2017



\* At constant scope and exchange rates



# International Financial Services - 4Q18

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	3,999	4,126	-3.1%	4,097	-2.4%	16,434	15,899	+3.4%
Operating Expenses and Dep.	-2,626	-2,519	+4.3%	-2,473	+6.2%	-10,242	-9,722	+5.4%
Gross Operating Income	1,373	1,608	-14.6%	1,624	-15.4%	6,192	6,177	+0.2%
Cost of Risk	-401	-353	+13.5%	-486	-17.5%	-1,579	-1,351	+16.9%
Operating Income	972	1,254	-22.5%	1,137	-14.5%	4,613	4,826	-4.4%
Share of Earnings of Equity-Method Entities	132	141	-6.0%	111	+19.6%	489	561	-12.8%
Other Non Operating Items	-3	54	n.s.	153	n.s.	208	433	-52.0%
Pre-Tax Income	1,101	1,449	-24.0%	1,401	-21.4%	5,310	5,820	-8.8%
Cost/Income	65.7%	61.0%	+4.7 pt	60.4%	+5.3 pt	62.3%	61.1%	+1.2 pt
Allocated Equity (€bn)						28.1	26.8	+5.0%

- Foreign exchange effect due in particular to the depreciation of the dollar and the Turkish lira
  - TRY vs. EUR\*: -28.8% vs. 4Q17, +4.6% vs. 3Q18, -27.6% vs. 2017
  - USD vs. EUR\*: +3.2% vs. 4Q17, +1.9% vs. 3Q18, -4.3% vs. 2017
- Significant scope effect related to First Hawaiian Bank\*\*
- At constant scope and exchange rates vs. 4Q17
  - Revenues: +4.7% excluding capital gains from sales of securities and loans at BancWest in 2017 and the impact of the fall in markets at the end of the year in Insurance on the market value of assets (-€180m)
  - Operating expenses: +5.4%
  - Pre-tax income: -0.6% excluding capital gains from sales of securities and loans at BancWest in 2017 and the impact of the fall in markets at the end of the year in Insurance

\* Average rates; \*\* Reminder: FHB is no more fully consolidated as of 01.08.18; 18.4% stake in FHB, transferred to the Corporate Centre from 01.10.18;



# International Financial Services Personal Finance - 4Q18

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	1,411	1,280	+10.3%	1,387	+1.7%	5,533	4,923	+12.4%
Operating Expenses and Dep.	-728	-639	+14.0%	-639	+14.0%	-2,764	-2,427	+13.9%
Gross Operating Income	682	641	+6.5%	748	-8.8%	2,768	2,496	+10.9%
Cost of Risk	-299	-271	+10.4%	-345	-13.2%	-1,186	-1,009	+17.5%
Operating Income	383	369	+3.7%	403	-4.9%	1,583	1,487	+6.4%
Share of Earnings of Equity-Method Entities	17	19	-9.3%	21	-18.9%	62	91	-31.9%
Other Non Operating Items	-1	0	n.s.	0	n.s.	2	29	-93.9%
Pre-Tax Income	400	389	+2.9%	424	-5.7%	1,646	1,607	+2.5%
Cost/Income	51.6%	49.9%	+1.7 pt	46.1%	+5.5 pt	50.0%	49.3%	+0.7 pt
Allocated Equity (€bn)						7.3	5.8	+25.9%

- Reminder: acquisition of General Motors Europe's financing businesses on 31.10.17
- Revenues: +10.3% vs. 4Q17
  - +9.5% at constant scope and exchange rates
  - In connection with the rise in volumes and the positioning on products with a better risk profile
  - Revenue growth in particular in Italy, Spain and Germany
- Operating expenses: +14% vs. 4Q17
  - +11.9% at constant scope and exchange rates and excluding a non-recurring item\*
  - In connection with the good development of the business
- Pre-tax income: +2.9% vs. 4Q17
  - +6.3% at constant scope and exchange rates and excluding the step effect of IFRS 9 adoption

\* Discontinued a project in Asia



# International Financial Services Personal Finance - Volumes and Risks

	Outstandings	%Var/4Q17		%Var/3Q18		Outstandings	%Var/2017	
	4Q18	historical	at constant scope and exchange rates	historical	at constant scope and exchange rates	2018	historical	at constant scope and exchange rates
Average outstandings (€bn)								
<b>TOTAL CONSOLIDATED OUTSTANDINGS</b>	88.5	+16.0%	+12.7%	+3.6%	+3.0%	84.7	+19.8%	+12.6%
<b>TOTAL OUTSTANDINGS UNDER MANAGEMENT (1)</b>	101.3	+16.1%	+14.2%	+3.9%	+3.7%	96.8	+19.7%	+14.2%

(1) Including 100% of outstandings of subsidiaries not fully owned as well as of all partnerships

## > Cost of risk / outstandings

Annualised cost of risk / as at beginning of period	4Q17	1Q18	2Q18	3Q18	4Q18
France	0.98%	0.91%	0.81%	1.10%	0.84%
Italy	1.53%	1.13%	1.62%	1.76%	1.67%
Spain	1.77%	2.31%	1.31%	2.15%	1.19%
Other Western Europe	1.42%	1.15%	0.82%	1.23%	1.27%
Eastern Europe	1.91%	0.88%	0.57%	2.06%	1.96%
Brazil	5.11%	5.60%	6.21%	6.34%	2.53%
Others	2.58%	2.56%	2.69%	2.18%	2.33%
<b>Personal Finance</b>	<b>1.57%</b>	<b>1.37%</b>	<b>1.28%</b>	<b>1.61%</b>	<b>1.36%</b>





# International Financial Services Europe-Mediterranean - 4Q18

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	600	581	+3.3%	562	+6.8%	2,358	2,337	+0.9%
Operating Expenses and Dep.	-405	-414	-2.0%	-381	+6.3%	-1,605	-1,661	-3.4%
Gross Operating Income	195	167	+16.4%	181	+7.8%	753	675	+11.5%
Cost of Risk	-78	-62	+25.1%	-105	-26.0%	-308	-259	+18.8%
Operating Income	117	105	+11.3%	76	+54.9%	445	416	+6.9%
Non Operating Items	59	53	+11.5%	44	+35.3%	241	202	+19.1%
Pre-Tax Income	176	158	+11.4%	119	+47.7%	686	619	+10.9%
Income Attributable to Wealth and Asset Management	0	-1	-53.9%	-1	-59.3%	-3	-2	+7.8%
Pre-Tax Income of Europe-Mediterranean	176	157	+11.7%	118	+48.4%	684	616	+10.9%
Cost/Income	67.5%	71.2%	-3.7 pt	67.8%	-0.3 pt	68.1%	71.1%	-3.0 pt
Allocated Equity (€bn)						4.8	4.9	-3.2%

*Including 100% of Turkish Private Banking for the Revenue to Pre-tax income line items*

- Foreign exchange effect due to the depreciation of the Turkish lira in particular
  - TRY vs. EUR\*: -28.8% vs. 4Q17, +4.6% vs. 3Q18, -27.6% vs. 2017
- At constant scope and exchange rates vs. 4Q17
  - Revenues\*\*: +9.4%, up across all regions, effect of increased volumes and margins, good level of fees
  - Operating expenses\*\*: +1.3%, good cost containment thanks to savings measures (largely positive jaws effect)
  - Cost of risk\*\*: +62.2%, increase in the cost of risk in Turkey vs. low basis in 4Q17
  - Pre-tax income\*\*\*: +22.7%, sharp rise in income

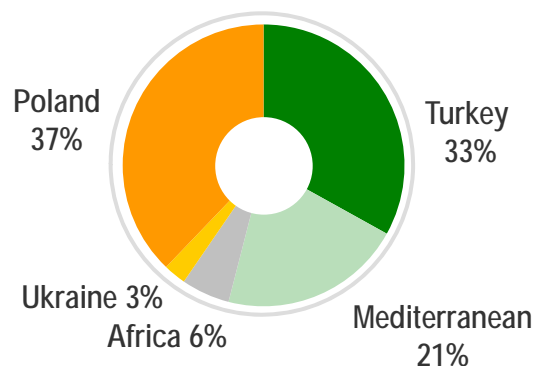
*\* Average rates; \*\* Including 100% of Turkish Private Banking; \*\*\* Including 2/3 of Turkish Private Banking*



# International Financial Services Europe-Mediterranean - Volumes and Risks

Average outstandings (€bn)	Outstandings	%Var/4Q17 at constant scope and exchange rates		%Var/3Q18 at constant scope and exchange rates		Outstandings	%Var/2017 at constant scope and exchange rates	
	4Q18	historical		historical		2018	historical	
<b>LOANS</b>	37.6	+2.9%	+4.1%	+11.5%	-2.3%	35.9	-3.1%	+5.2%
<b>DEPOSITS</b>	40.5	+19.4%	+8.5%	+23.8%	-1.6%	35.4	+2.6%	+8.6%

## Geographic distribution of 4Q18 outstanding loans



## Cost of risk / outstandings

Annualised cost of risk/outstandings as at beginning of period	4Q17	1Q18	2Q18	3Q18	4Q18
Turkey	0.53%	1.13%	1.00%	1.91%	1.52%
Ukraine	-1.08%	-0.50%	-0.24%	0.57%	-1.76%
Poland	0.73%	0.58%	0.23%	0.57%	0.70%
Others	0.98%	0.43%	0.44%	0.54%	0.58%
<b>Europe-Mediterranean</b>	<b>0.66%</b>	<b>0.73%</b>	<b>0.58%</b>	<b>1.08%</b>	<b>0.87%</b>

## TEB: a solid and well capitalised bank

- 16.8% solvency ratio\* as at 31.12.18
- Largely self financed
- Very limited exposure to Turkish government bonds
- 1.5% of the Group's outstanding loans as at 31.12.18

\* Capital Adequacy Ratio (CAR)



# International Financial Services BancWest - 4Q18

	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
<i>€m</i>								
Revenues	599	738	-18.8%	634	-5.4%	2,647	2,994	-11.6%
Operating Expenses and Dep.	-431	-483	-10.9%	-457	-5.8%	-1,870	-2,035	-8.1%
<b>Gross Operating Income</b>	<b>169</b>	<b>255</b>	<b>-33.7%</b>	<b>177</b>	<b>-4.5%</b>	<b>777</b>	<b>959</b>	<b>-19.0%</b>
Cost of Risk	-22	-20	+13.0%	-35	-36.7%	-82	-111	-26.0%
<b>Operating Income</b>	<b>146</b>	<b>235</b>	<b>-37.7%</b>	<b>141</b>	<b>+3.5%</b>	<b>694</b>	<b>848</b>	<b>-18.1%</b>
Non Operating Items	0	1	n.s.	152	n.s.	152	3	n.s.
<b>Pre-Tax Income</b>	<b>146</b>	<b>236</b>	<b>-37.9%</b>	<b>294</b>	<b>-50.2%</b>	<b>847</b>	<b>851</b>	<b>-0.6%</b>
Income Attributable to Wealth and Asset Management	-7	-6	+19.4%	-8	-9.0%	-28	-21	+31.5%
<b>Pre-Tax Income of BANCWEST</b>	<b>139</b>	<b>230</b>	<b>-39.3%</b>	<b>286</b>	<b>-51.3%</b>	<b>819</b>	<b>830</b>	<b>-1.4%</b>
Cost/Income	71.8%	65.5%	+6.3 pt	72.1%	-0.3 pt	70.7%	68.0%	+2.7 pt
Allocated Equity (€bn)						5.7	6.4	-10.2%

*Including 100% of U.S Private Banking for the Revenues to Pre-tax income line items*

- Foreign exchange effect: USD vs. EUR\*: +3.2% vs. 4Q17, +1.9% vs. 3Q18, -4.3% vs. 2017
- Significant scope effect due to First Hawaiian Bank (FHB)
  - Reminder: sale in 3Q18 of a 30.3% stake in FHB which is no more fully consolidated from 1 August 2018\*\*
  - 18.4% remaining stake in FHB accounted under Corporate Centre as of 1 October 2018\*\*
- At constant scope and exchange rates
  - Revenues\*\*\*: -0.8% (+0.5% excluding capital gains on securities and loan sales in 2017)
  - Operating expenses\*\*\*: +2.3%
  - Pre-tax income\*\*\*\*: -9.6% (-4.9% excluding capital gains on securities and loan sales in 2017)

\* Average rates; \*\* Reminder: sale of 15.5% stake on 31 July 2018 and of 14.9% on 5 September 2018; FHB accounted under the IFRS 5 standard (assets to be sold) as of 30.06.18; \*\*\* Including 100% of Private Banking in the United States; \*\*\*\* Including 2/3 of Private Banking in the United States



# International Financial Services BancWest - Volumes

Average outstandings (€bn)	Outstandings	%Var/4Q17		%Var/3Q18		Outstandings	%Var/2017	
	4Q18	historical	at constant scope and exchange rates	historical	at constant scope and exchange rates	2018	historical	at constant scope and exchange rates
<b>LOANS</b>	<b>53.2</b>	<b>-13.6%</b>	<b>+0.6%</b>	<b>-4.3%</b>	<b>+0.5%</b>	<b>57.3</b>	<b>-9.9%</b>	<b>+1.6%</b>
Individual Customers	22.9	-14.6%	+0.4%	-4.6%	+0.7%	24.7	-11.4%	+0.1%
Incl. Mortgages	9.6	-15.1%	+7.2%	-5.0%	+3.0%	10.6	-8.2%	+6.0%
Incl. Consumer Lending	13.2	-14.2%	-4.0%	-4.3%	-0.9%	14.2	-13.7%	-3.9%
Commercial Real Estate	14.9	-15.2%	-2.2%	-5.7%	-1.1%	16.3	-8.6%	+2.7%
Corporate Loans	15.4	-10.4%	+3.7%	-2.5%	+1.7%	16.3	-8.6%	+3.0%
<b>DEPOSITS AND SAVINGS</b>	<b>54.4</b>	<b>-21.1%</b>	<b>+1.7%</b>	<b>-8.6%</b>	<b>+0.0%</b>	<b>62.4</b>	<b>-10.2%</b>	<b>+3.6%</b>
Deposits Excl. Jumbo CDs	48.7	-16.3%	+0.0%	-9.5%	-0.4%	54.2	-7.6%	+6.0%

- Significant scope effect due to First Hawaiian Bank (FHB)
- At constant scope and foreign exchange rates
  - Loans: +0.6% vs. 4Q17; increase in mortgage and corporate loans
  - Deposits: +1.7% vs. 4Q17; stability in deposits excluding Jumbo CDs



# International Financial Services Insurance and WAM\* - Business

	31.12.18	31.12.17	%Var/ 31.12.17	30.09.18	%Var/ 30.09.18
<b>Assets under management (€bn)</b>	<b>1,028</b>	<b>1,051</b>	<b>-2.2%</b>	<b>1,066</b>	<b>-3.6%</b>
Asset Management	399	424	-5.9%	416	-4.1%
Wealth Management	361	364	-0.7%	377	-4.2%
Real Estate Services	29	26	+9.6%	29	-1.5%
Insurance	239	237	+0.8%	245	-2.3%
	<b>4Q18</b>	<b>4Q17</b>	<b>%Var/ 4Q17</b>	<b>3Q18</b>	<b>%Var/ 3Q18</b>
<b>Net asset flows (€bn)</b>	<b>-2.6</b>	<b>2.0</b>	<b>n.s.</b>	<b>2.7</b>	<b>n.s.</b>
Asset Management	-3.4	-3.7	-7.2%	-3.0	+14.9%
Wealth Management	-0.8	3.8	n.s.	2.9	n.s.
Real Estate Services	0.5	0.8	-40.1%	0.3	+52.8%
Insurance	1.0	1.0	+1.2%	2.4	-57.2%

- Assets under management: -€38.8bn vs. 30.09.18
  - Performance effect: -€39.9bn, sharp fall of the financial markets in 4Q18

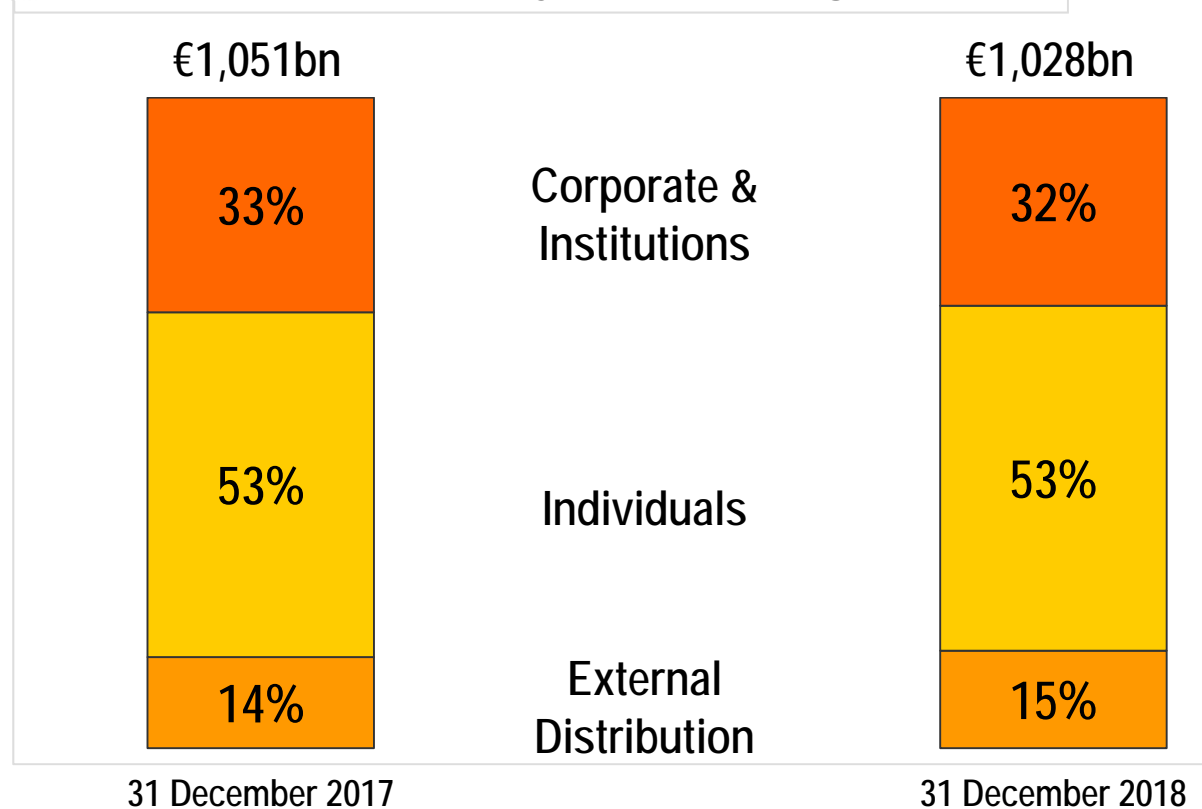
\* Wealth and Asset Management



# International Financial Services - Insurance & WAM

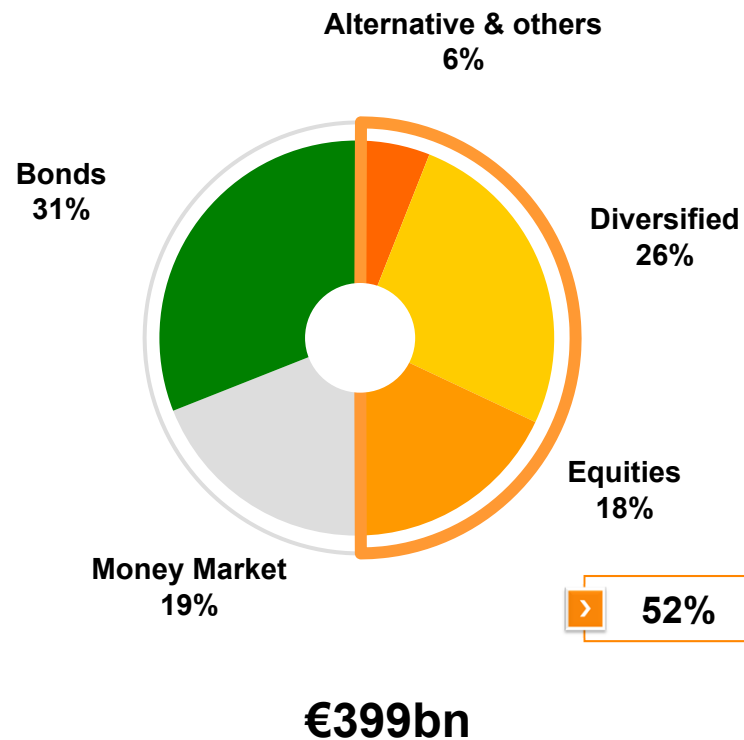
## Breakdown of Assets by Customer Segment

### > Breakdown of assets by customer segment



# International Financial Services - Asset Management Breakdown of Managed Assets

> 31.12.18



# International Financial Services Insurance - 4Q18

<i>€m</i>	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	542	636	-14.8%	741	-26.8%	2,680	2,514	+6.6%
Operating Expenses and Dep.	-346	-317	+9.0%	-351	-1.5%	-1,406	-1,251	+12.4%
Gross Operating Income	196	319	-38.4%	390	-49.6%	1,273	1,263	+0.8%
Cost of Risk	2	5	-59.4%	0	n.s.	3	4	-23.3%
Operating Income	198	324	-38.7%	390	-49.1%	1,276	1,267	+0.7%
Share of Earnings of Equity-Method Entities	43	53	-19.2%	38	+12.0%	202	225	-10.1%
Other Non Operating Items	0	49	n.s.	1	n.s.	1	375	-99.8%
Pre-Tax Income	241	425	-43.5%	429	-44.0%	1,479	1,867	-20.8%
Cost/Income	63.8%	49.9%	+13.9 pt	47.3%	+16.5 pt	52.5%	49.8%	+2.7 pt
Allocated Equity (€bn)						8.4	7.8	+7.7%

- Technical reserves: +3.6% vs. 4Q17
- Revenues: -14.8% vs. 4Q17
  - -15.9% at constant scope and exchange rates
  - Impact of the fall in the markets at the end of the year (-€180m in the quarter)
  - Reminder: booking of part of the assets at market value
- Operating expenses: +9.0% vs. 4Q17
  - +4.9% at constant scope and exchange rates, as a result of business development
- Pre-tax income: -43.5% vs. 4Q17
  - 4Q17 reminder: booked a capital gain related to taking full control of Cargear Italy
  - +15.6% at constant scope and exchange rates and excluding the impact of the drop in markets at the end of the year





# International Financial Services Wealth and Asset Management - 4Q18

<i>€m</i>	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	866	907	-4.6%	791	+9.5%	3,286	3,193	+2.9%
Operating Expenses and Dep.	-728	-675	+7.9%	-654	+11.3%	-2,636	-2,387	+10.4%
<b>Gross Operating Income</b>	<b>138</b>	<b>233</b>	<b>-40.8%</b>	<b>137</b>	<b>+0.7%</b>	<b>650</b>	<b>806</b>	<b>-19.4%</b>
Cost of Risk	-3	-5	-31.8%	-1	n.s.	-6	24	n.s.
<b>Operating Income</b>	<b>134</b>	<b>228</b>	<b>-41.0%</b>	<b>136</b>	<b>-1.3%</b>	<b>644</b>	<b>831</b>	<b>-22.5%</b>
Share of Earnings of Equity-Method Entities	11	19	-42.4%	8	+30.6%	37	48	-22.8%
Other Non Operating Items	0	1	-58.2%	-1	n.s.	1	21	-97.4%
<b>Pre-Tax Income</b>	<b>146</b>	<b>248</b>	<b>-41.2%</b>	<b>143</b>	<b>+1.7%</b>	<b>681</b>	<b>899</b>	<b>-24.2%</b>
Cost/Income	84.1%	74.4%	+9.7 pt	82.7%	+1.4 pt	80.2%	74.7%	+5.5 pt
Allocated Equity (€bn)						1.9	1.9	+2.2%

- **Revenues: -4.6% vs. 4Q17**
  - Unfavourable market context this quarter for Wealth Management and Asset Management
  - 4Q17 reminder: high base for Real Estate Services (good level of fees earned)
- **Operating expenses: +7.9% vs. 4Q17**
  - In relation with the development of the business
  - Impact of the first consolidation of Gambit (€10m) and of costs related to the implementation of Aladdin in Asset Management
- **Pre-tax income: -41.2% vs. 4Q17**
  - Reminder: strong performance in 4Q17 (+40.8% vs. 4Q16)



# Corporate and Institutional Banking - 4Q18

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	2,379	2,626	-9.4%	2,565	-7.3%	10,829	11,704	-7.5%
Operating Expenses and Dep.	-1,919	-1,883	+1.9%	-1,884	+1.8%	-8,163	-8,273	-1.3%
Gross Operating Income	460	744	-38.2%	680	-32.5%	2,666	3,431	-22.3%
Cost of Risk	-100	-264	-61.9%	49	n.s.	-43	-81	-47.1%
Operating Income	359	480	-25.1%	730	-50.8%	2,623	3,350	-21.7%
Share of Earnings of Equity-Method Entities	39	13	n.s.	4	n.s.	59	24	n.s.
Other Non Operating Items	-6	-1	n.s.	0	n.s.	0	22	n.s.
Pre-Tax Income	393	491	-20.0%	734	-46.5%	2,681	3,395	-21.0%
Cost/Income	80.7%	71.7%	+9.0 pt	73.5%	+7.2 pt	75.4%	70.7%	+4.7 pt
Allocated Equity (€bn)						20.8	21.1	-1.4%

- Revenues: -9.7% vs. 4Q17 at constant scope and exchange rates
  - Very challenging context for Global Markets this quarter with in particular the impact of extreme market movements on Equity & Prime Services at the end of the year
  - Good performances of Corporate Banking and Securities Services
- Operating expenses: +0.2% vs. 4Q17 at constant scope and exchange rates
  - Cost containment
- Cost of risk: -61.9% vs. 4Q17 at constant scope and exchange rates
  - Reminder: impact of two specific files in 4Q17
- Allocated equity: -1.4% vs. 2017
  - Tight management of financial resources



# Corporate and Institutional Banking Global Markets - 4Q18

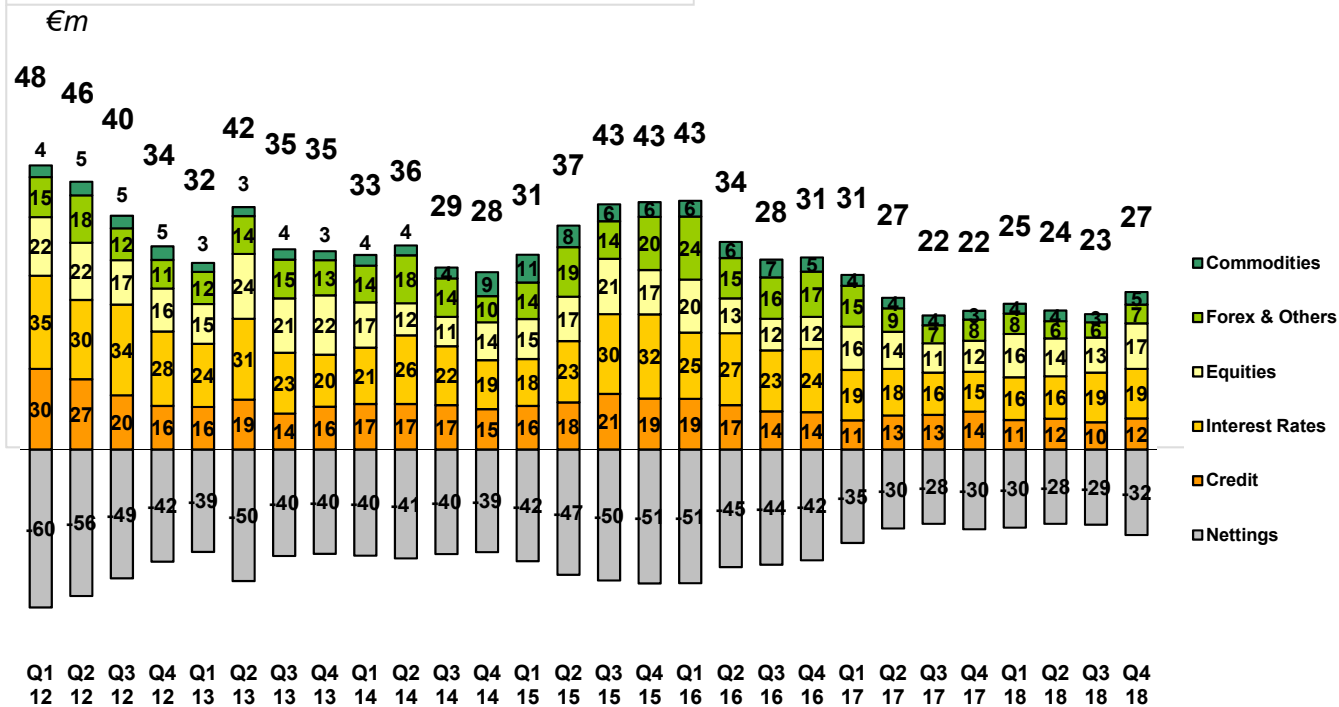
€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	650	1,073	-39.5%	1,132	-42.6%	4,727	5,584	-15.4%
<i>incl. FICC</i>	505	592	-14.7%	680	-25.7%	2,719	3,450	-21.2%
<i>incl. Equity &amp; Prime Services</i>	145	482	-69.9%	452	-67.9%	2,008	2,135	-6.0%
Operating Expenses and Dep.	-859	-875	-1.8%	-848	+1.3%	-3,937	-4,255	-7.5%
Gross Operating Income	-209	198	n.s.	284	n.s.	790	1,330	-40.6%
Cost of Risk	-13	-57	-77.2%	3	n.s.	-19	-15	+28.3%
Operating Income	-222	142	n.s.	287	n.s.	771	1,315	-41.4%
Share of Earnings of Equity-Method Entities	1	5	-79.8%	0	n.s.	3	-3	n.s.
Other Non Operating Items	-3	1	n.s.	0	n.s.	-2	9	n.s.
Pre-Tax Income	-225	147	n.s.	287	n.s.	772	1,321	-41.6%
Cost/Income	132.2%	81.5%	+50.7 pt	74.9%	+57.3 pt	83.3%	76.2%	+7.1 pt
Allocated Equity (€bn)						7.8	7.8	-0.6%

- Revenues: -39.5% vs. 4Q17
  - Equity & Prime Services: impact of extreme market movements at the end of the year on the valuation of inventories and loss on index derivative hedging in the United States; limited client activity on structured products
  - FICC: still lacklustre context this quarter in particular on rates and credit, limited activity in the primary market, stability in forex and emerging markets
- Operating expenses: -1.8% vs. 4Q17
  - Effect of cost saving measures
- Allocated equity: -0.6% vs. 2017
  - Tight management of financial resources (rightsizing in particular of portfolios with low profitability)



# Corporate and Institutional Banking Market Risks - 4Q18

## > Average 99% 1-day interval VaR



- Rise in the VaR this quarter still at a low level\*
  - Impact at the very end of the year of substantial volatility on equity indexes, in particular in the United States
  - Two theoretical backtesting events this quarter\*\*
  - 5 theoretical backtesting events greater than VaR this year bringing to 21 the number of days of losses greater than VaR since 01.01.2007, or less than 2 per year over a long period including the crisis, confirming the soundness of the internal VaR calculation model (1 day, 99%)

\* VaR calculated for the monitoring of market limits; \*\* Theoretical loss excluding intraday result and commissions earned



# Corporate and Institutional Banking

## Corporate Banking - 4Q18

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	1,102	1,050	+5.0%	930	+18.5%	3,951	4,165	-5.1%
Operating Expenses and Dep.	-623	-603	+3.3%	-597	+4.4%	-2,507	-2,430	+3.2%
Gross Operating Income	479	447	+7.2%	334	+43.6%	1,444	1,735	-16.8%
Cost of Risk	-91	-209	-56.4%	46	n.s.	-31	-70	-55.4%
Operating Income	388	238	+63.0%	380	+2.1%	1,413	1,665	-15.2%
Non Operating Items	36	5	n.s.	5	n.s.	57	37	+52.1%
Pre-Tax Income	424	243	+74.3%	385	+10.1%	1,470	1,703	-13.7%
Cost/Income	56.5%	57.4%	-0.9 pt	64.1%	-7.6 pt	63.5%	58.3%	+5.2 pt
Allocated Equity (€bn)						12.2	12.4	-1.8%

- Revenues: +4.9% vs. 4Q17 at constant scope and exchange rates
  - +7.5%\* excluding the effect of sector-based policies (stopped financing of gas/oil shale and tobacco companies)
  - Rise in all regions, driven by EMEA\*\* (good level of fees) and the Americas region
  - Good growth of the transaction businesses (cash management and trade finance)
- Operating expenses: -0.2% vs. 4Q17 at constant scope and exchange rates
  - Good containment of operating expenses
- Cost of risk: -56.2% vs. 4Q17 at constant scope and exchange rates
  - Reminder: impact of two specific files in 4Q17
- Allocated equity: -1.8% vs. 2017
  - Tight management of financial resources

\* At constant scope and exchange rates (reminder: transfer in particular of correspondent banking business from Corporate Banking to Securities Services from 3Q18); \*\* Europe, Middle East and Africa



# Corporate and Institutional Banking Securities Services - 4Q18

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	627	503	+24.6%	503	+24.8%	2,152	1,955	+10.1%
Operating Expenses and Dep.	-437	-405	+8.0%	-440	-0.6%	-1,719	-1,588	+8.2%
Gross Operating Income	190	98	+93.2%	63	n.s.	432	366	+18.0%
Cost of Risk	4	2	n.s.	0	n.s.	7	3	n.s.
Operating Income	193	100	+93.4%	63	n.s.	439	369	+18.9%
Non Operating Items	0	0	+16.0%	0	n.s.	0	1	-83.4%
Pre-Tax Income	194	100	+93.1%	62	n.s.	439	371	+18.5%
Cost/Income	69.8%	80.5%	-10.7 pt	87.5%	-17.7 pt	79.9%	81.3%	-1.4 pt
Allocated Equity (€bn)						0.9	0.9	-3.1%











	31.12.18	31.12.17	%Var/ 31.12.17	30.09.18	%Var/ 30.09.18
<b>Securities Services</b>					
Assets under custody (€bn)	9,305	9,423	-1.3%	9,458	-1.6%
Assets under administration (€bn)	2,324	2,310	+0.6%	2,399	-3.1%
	4Q18	4Q17	4Q18/4Q17	3Q18	4Q18/3Q18
Number of transactions (in million)	24.0	22.8	+5.4%	22.5	+6.7%

- Revenues: +20.1% vs. 4Q17 at constant scope and exchange rates\*
  - Positive impact of the revaluation of an equity stake
  - Continued growth of the business, effect this quarter of the fall in the markets on assets under custody and under administration
- Operating expenses: +2.6% vs. 4Q17 at constant scope and exchange rates
  - As a result of business development (onboarding of new mandates)

\* Reminder: transfer in particular of correspondent banking business from Corporate Banking to Securities Services from 3Q18



# Corporate and Institutional Banking Transactions – 4Q18

 <p><b>VOLKSWAGEN</b> AKTIENGESELLSCHAFT</p>	<p>Germany – Volkswagen International Finance N.V. EUR 4.25bn 4-Tranche and GBP 800mn Dual-Tranche Active Bookrunner <i>November 2018</i></p>		<p>Atos EUR 3.8bn – Joint Bookrunner and Co-underwriter of the acquisition financing package &amp; Active bookrunner on the EUR 1.8bn triple tranche bond issue <i>October / November 2018</i></p>
	<p>Ireland – National Treasury Management Agency EUR 3bn inaugural long 12-year Irish Sovereign Green Bond Joint Lead Manager <i>October 2018</i></p>		<p>UK – Galloper Wind Farm EUR 3.3bn – Financial Adviser, MLA and IRS Hedging bank in the refinancing of non recourse £1.2bn senior debt facilities <i>November 2018</i></p>
	<p>US – Ferguson Plc USD 750mn 4.5% Senior Unsecured Bond due Oct. 2028 Active Bookrunner. <i>October 2018</i></p>		<p>US – Duke Energy Carolinas, LLC USD 1bn Inaugural Green First Mortgage Bonds Active Bookrunner <i>November 2018</i></p>
	<p>Indonesia – PT Semen Indonesia Tbk USD1.7bn acquisition Sole Financial Adviser / Sole Debt Adviser <i>November 2018</i></p>		<p>Canada – Scotiabank EUR1.75BN 5-year Covered Bond Issuance Joint Bookrunner <i>October 2018</i></p>
	<p>Korea – Shinhan Bank (Trustee) Global Custody Sole Global Custodian <i>November 2018</i></p>		<p>Indonesia / Singapore – PT Indonesia Asahan Aluminium USD400m Acquisition Bridge Financing Mandated Lead Arranger <i>October 2018</i></p>



# Corporate and Institutional Banking Ranking and Awards - 4Q18

## ● Global Markets:

- N°1 All bonds in Euros and N°9 All International bonds (*Dealogic, 2018*)
- Eurobond House of the Year (*IFR Awards 2018*)
- N°3 All Global Green bonds (*Bloomberg, 2018*)
- Derivatives House of the Year 2019, Credit Derivatives, Currency Derivatives & Interest Rate Derivatives House of the Year (*Risk Awards 2019*)
- Structured Product House of the Year (*Asian Private Banker Awards for Excellence 2018*)

## ● Securities Services:

- Custodian of the Year (*Custody Risk Global Awards 2018 – November 2018*)
- European Hedge Fund Administrator of the Year (*Funds Europe Awards 2018 – November 2018*)

## ● Corporate Banking:

- N°1 EMEA Syndicated Loan Bookrunner by volume and number of deals (*Dealogic, 2018*)
- EMEA Loan House of the Year (*IFR 2018*)
- Best Transaction Bank & Best Supply Chain Bank (*The Asset Asian Awards 2018*)
- N°1 in European Large Corporate Trade Finance & N°3 in Asian Large Corporate Trade Finance (*Greenwich Share Leaders – October 2018*)





# Corporate Centre - 4Q18

€m	4Q18	4Q17	3Q18	2018	2017
Revenues	-1	12	-46	120	394
Operating Expenses and Dep.	-605	-637	-388	-1,776	-1,627
<i>Incl. Restructuring and Transformation Costs</i>	-481	-456	-267	-1,235	-957
Gross Operating income	-606	-625	-434	-1,656	-1,234
Cost of Risk	-74	1	2	-97	-121
Operating Income	-680	-625	-433	-1,753	-1,355
Share of Earnings of Equity-Method Entities	24	15	19	84	68
Other non operating items	-87	-33	134	204	-177
Pre-Tax Income	-743	-642	-279	-1,466	-1,464

## ● Revenues

- Reminder: under IFRS 9, the value adjustment for the own credit risk (OCA) is no longer booked in revenues but in equity, starting from 1st January 2018 (4Q17 reminder: own credit adjustment and DVA\*: +€111m)

## ● Operating expenses

- Transformation costs of the businesses: -€385m (-€408m in 4Q17)
- Restructuring costs related to the acquisitions (in particular LaSer, DAB Bank, GE LLD, ABN Amro Luxembourg and Raiffeisen Bank Polska): -€97m (-€48m in 4Q17)

## ● Cost of risk

- Booking of the stage 1 provisions on the portfolio of non-doubtful loans of Raiffeisen Bank Polska following the acquisition of its core banking activities (-€60m)

## ● Other non operating items

- Booking of a badwill related to the acquisition of Raiffeisen Bank Polska (+€68m)
- Impact of the revaluation at market value as at 31.12.18 of First Hawaiian Bank (FHB) shares\*\*: -€125m

\* Own credit risk included in derivatives: \*\* Reminder: FHB accounted under the IFRS 5 standard (assets to be sold) as of 30.06.18 and transferred to the Corporate Centre as of 01.10.18: IFRS 5 requires a revaluation in each accounting closing at the lowest between the net book value and the fair value and no share of income taken into P&L



# Corporate Centre - 2018

## ● Revenues

- Reminder: under IFRS 9, the value adjustment for the own credit risk (OCA) is no longer booked in revenues but in equity, starting from 1st January 2018 (2017 reminder: own credit adjustment and DVA\*: -€175m)
- 2017 reminder: capital gain from the sale of Shinhan (+€148m) and Euronext (+€85m) shares
- Decrease of Principal Investments' contribution (high basis of comparison in 2017)

## ● Operating expenses

- Transformation costs of the businesses: -€1,106m (-€856m in 2017)
- Restructuring costs related to the acquisitions (in particular LaSer, DAB Bank, GE LLD, ABN Amro Luxembourg and Raiffeisen Bank Polska): -€129m (-€101m in 2017)

## ● Cost of risk

- Booking of the stage 1 provisions on the portfolio of non-doubtful loans of Raiffeisen Bank Polska following the acquisition of its core banking activities (-€60m)

## ● Other non operating items

- Booking of a badwill related to the acquisition of Raiffeisen Bank Polska (+€68m)
- Exchange difference booked in the P&L following the sale of 30.3% of First Hawaiian Bank: +€135m
- Impact of the revaluation at market value as at 31.12.18 of First Hawaiian Bank (FHB) shares\*\*: -€125m
- Capital gain on the sale of a building: +€101m in 2018
- 2017 reminder: full impairment of TEB's goodwill (-€172m)

*\* Own credit risk included in derivatives; \*\* Reminder: FHB accounted under the IFRS 5 standard (assets to be sold) as of 30.06.18 and transferred to the Corporate Centre as of 01.10.18; IFRS 5 requires a revaluation in each accounting closing at the lowest between the net book value and the fair value and no share of income taken into P&L*



# Breakdown of the Transformation Costs of the Businesses Presented in the Corporate Centre - 4Q18

<i>m€</i>	2018	4Q18	3Q18	2Q18	1Q18	2017	4Q17	3Q17	2Q17	1Q17
<b>Retail Banking &amp; Services</b>	-639	-209	-145	-161	-124	-464	-201	-125	-93	-45
Domestic Markets	-332	-117	-79	-76	-60	-200	-93	-48	-42	-17
French Retail Banking	-194	-69	-48	-45	-33	-129	-58	-31	-28	-12
BNL bc	-25	-12	-5	-4	-3	-17	-9	-5	-2	-1
Belgian Retail Banking	-84	-26	-21	-20	-18	-33	-17	-6	-8	-2
Other Activities	-29	-10	-6	-7	-7	-22	-9	-6	-5	-2
<b>International Financial Services</b>	-307	-92	-66	-85	-64	-264	-109	-76	-51	-28
Personal Finance	-80	-21	-15	-23	-22	-64	-27	-16	-14	-7
International Retail Banking	-97	-27	-22	-30	-19	-102	-37	-31	-20	-13
Insurance	-54	-18	-11	-14	-9	-46	-20	-16	-6	-3
Wealth and Asset Management	-76	-25	-18	-19	-14	-53	-25	-14	-10	-5
<b>Corporate &amp; Institutional Banking</b>	-449	-161	-101	-106	-81	-301	-117	-80	-61	-43
Corporate Banking	-122	-58	-7	-41	-15	-96	-52	-15	-17	-12
Global Markets	-261	-89	-75	-47	-50	-149	-41	-49	-35	-24
Securities Services	-66	-14	-19	-17	-16	-56	-24	-16	-9	-7
<b>Corporate Centre</b>	-18	-15	-1	-1	-0	-91	-90	-0	1	-1
<b>TOTAL</b>	<b>-1,106</b>	<b>-385</b>	<b>-248</b>	<b>-267</b>	<b>-206</b>	<b>-856</b>	<b>-408</b>	<b>-205</b>	<b>-153</b>	<b>-90</b>



Group Results

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Division Results

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2020 Plan

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4Q18 Detailed Results

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**Appendix**

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# BNP Paribas Group - 2018

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	10,160	10,532	-3.5%	10,352	-1.9%	42,516	43,161	-1.5%
Operating Expenses and Dep.	-7,678	-7,621	+0.7%	-7,277	+5.5%	-30,583	-29,944	+2.1%
<b>Gross Operating Income</b>	<b>2,482</b>	<b>2,911</b>	<b>-14.7%</b>	<b>3,075</b>	<b>-19.3%</b>	<b>11,933</b>	<b>13,217</b>	<b>-9.7%</b>
Cost of Risk	-896	-985	-9.0%	-686	+30.6%	-2,764	-2,907	-4.9%
<b>Operating Income</b>	<b>1,586</b>	<b>1,926</b>	<b>-17.7%</b>	<b>2,389</b>	<b>-33.6%</b>	<b>9,169</b>	<b>10,310</b>	<b>-11.1%</b>
Share of Earnings of Equity-Method Entities	195	175	+11.4%	139	+40.3%	628	713	-11.9%
Other Non Operating Items	-98	21	n.s.	288	n.s.	411	287	+43.2%
<b>Non Operating Items</b>	<b>97</b>	<b>196</b>	<b>-50.5%</b>	<b>427</b>	<b>-77.3%</b>	<b>1,039</b>	<b>1,000</b>	<b>+3.9%</b>
<b>Pre-Tax Income</b>	<b>1,683</b>	<b>2,122</b>	<b>-20.7%</b>	<b>2,816</b>	<b>-40.2%</b>	<b>10,208</b>	<b>11,310</b>	<b>-9.7%</b>
Corporate Income Tax	-144	-580	-75.2%	-583	-75.3%	-2,203	-3,103	-29.0%
Net Income Attributable to Minority Interests	-97	-116	-16.4%	-109	-11.0%	-479	-448	+6.9%
<b>Net Income Attributable to Equity Holders</b>	<b>1,442</b>	<b>1,426</b>	<b>+1.1%</b>	<b>2,124</b>	<b>-32.1%</b>	<b>7,526</b>	<b>7,759</b>	<b>-3.0%</b>
<b>Cost/Income</b>	<b>75.6%</b>	<b>72.4%</b>	<b>+3.2 pt</b>	<b>70.3%</b>	<b>+5.3 pt</b>	<b>71.9%</b>	<b>69.4%</b>	<b>+2.5 pt</b>

- Corporate income tax: average tax rate of 23.1% in 2018
  - Positive 2 pt effect of the decrease in the tax rate in Belgium and in the United States
  - Low tax rate on the capital gain from amongst others the sale of First Hawaiian Bank shares
- Operating divisions:
  - Revenues: -0.9% vs. 2017
  - Operating expenses: +1.7% vs. 2017
  - Gross operating income: -6.0% vs. 2017
  - Cost of risk: -4.3% vs. 2017
  - Pre-tax income: -8.6% vs. 2017



# Number of Shares and Earnings per Share

## > Number of Shares

<i>in millions</i>	31-Dec-18	31-Dec-17
Number of Shares (end of period)	1,250	1,249
Number of Shares excluding Treasury Shares (end of period)	1,248	1,248
Average number of Shares outstanding excluding Treasury Shares	1,248	1,246

## > Earnings per Share

<i>in millions</i>	31-Dec-18	31-Dec-17
Average number of Shares outstanding excluding Treasury Shares	1,248	1,246
Net income attributable to equity holders	7,526	7,759
Remuneration net of tax of Undated Super Subordinated Notes	-367	-286
Exchange rate effect on reimbursed Undated Super Subordinated Notes	0	64
Net income attributable to equity holders, after remuneration and exchange rate effect on Undated Super Subordinated Notes	7,159	7,537
Net Earnings per Share (EPS) in euros	5.73	6.05



# Return on Equity and Permanent Shareholders' Equity

## > Capital Ratios

	31-Dec-18	31-Dec-17
Total Capital Ratio (a)	15.0%	14.8%
Tier 1 Ratio (a)	13.1%	13.2%
Common equity Tier 1 ratio (a)	11.8%	11.9%

(a) Basel 3 (CRD4), taking into consideration CRR transitory provisions (but with full deduction of goodwill), on risk-weighted assets of €647 bn as at 31.12.18 and €641bn as at 31.12.17. Subject to the provisions of article 26.2 of (EU) regulation n°575/2013.

## > Book value per Share

<i>in millions of euros</i>	31-Dec-18 <i>IFRS 9</i>	1-Jan-18 <i>IFRS 9</i>	31-Dec-17 <i>IAS 39</i>	
Shareholders' Equity Group share	101,467	99,426	101,983	(1)
<i>(IFRS 9 impact on shareholders' equity)</i>		-2,533		
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	510	1,787	3,198	
of which Undated Super Subordinated Notes	8,230	8,172	8,172	(2)
of which remuneration net of tax payable to holders of Undated Super Subordinated Notes	77	66	66	(3)
<b>Net Book Value (a)</b>	<b>93,160</b>	<b>91,188</b>	<b>93,745</b>	(1)-(2)-(3)
Goodwill and intangibles	12,270	12,443	12,443	
<b>Tangible Net Book Value (a)</b>	<b>80,890</b>	<b>78,745</b>	<b>81,302</b>	
Number of Shares excluding Treasury Shares (end of period) in millions	1,248	1,248	1,248	
Book Value per Share (euros)	74.7	73.1	75.1	
<i>of which book value per share excluding valuation reserve (euros)</i>	74.3	71.7	72.6	
Net Tangible Book Value per Share (euros)	64.8	63.1	65.1	

(a) Excluding Undated Super Subordinated Notes and remuneration net of tax payable to holders of Undated Super Subordinated Notes



# Return on Equity and Permanent Shareholders' Equity

## Calculation of Return on Equity

<i>in millions of euros</i>	31-Dec-18	31-Dec-17	
Net income Group share	7,526	7,759	(1)
Remuneration net of tax of Undated Super Subordinated Notes	-367	-286	(2)
Ex change rate effect on reimbursed Undated Super Subordinated Notes	0	64	(3)
Net income restated used for the calculation of ROE/ROTE	7,159	7,537	(4) = (1)+(2)+(3)
Exceptional items (after tax) (a)	-510	-390	(5)
Net income Group share excluding exceptional items restated used for the calculation of ROE/ROTE excluding exceptional items	7,669	7,927	(6) = (4)-(5)
Average permanent shareholders' equity, not revaluated (c)	87,257	84,695	
Return on Equity	8.2%	8.9%	
Return on Equity excluding exceptional items	8.8%	9.4%	
Average tangible permanent shareholders' equity, not revaluated (d)	74,901	71,864	
Return on Tangible Equity	9.6%	10.5%	
Return on Tangible Equity excluding exceptional items	10.2%	11.0%	

(a) See slide 5;

(b) Average Permanent shareholders' equity: average of beginning of the year and end of the period (Permanent Shareholders' equity = Shareholders' equity attributable to shareholders - changes in assets and liabilities recognised directly in equity - Undated Super Subordinated Notes - remuneration net of tax payable to holders of Undated Super Subordinated Notes - proposed dividend distribution);

(c) Average Tangible permanent shareholders' equity: average of beginning of the year and end of the period (Tangible permanent shareholders' equity = permanent shareholders' equity - intangible assets - goodwill)

## Permanent Shareholders' Equity Group share, not revaluated

<i>in millions of euros</i>	31-Dec-18 <i>IFRS 9</i>	1-Jan-18 <i>IFRS 9</i>	31-Dec-17 <i>IAS 39</i>	
Net Book Value	93,160	91,188	93,745	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	510	1,787	3,198	(2)
of which 2017 dividend		3,769	3,769	(3)
of which 2018 proposed dividend distribution	3,768			(4)
Permanent shareholders' equity, not revaluated (a)	88,882	85,632	86,778	(5)=(1)-(2)-(3)-(4)
Goodwill and intangibles	12,270	12,443	12,443	
Tangible permanent shareholders' equity, not revaluated (a)	76,612	73,189	74,335	

(a) Excluding Undated Super Subordinated Notes, remuneration net of tax payable to holders of Undated Super Subordinated Notes and after dividend distribution assumption





# A Solid Financial Structure

## > Doubtful loans/gross outstandings

	31-Dec-18	1-Jan-18
	<i>IFRS 9</i>	<i>IFRS 9</i>
Doubtful loans (a) / Loans (b)	2.6%	3.0%

(a) Impaired loans (stage 3) to customers and credit institutions, not netted of guarantees, including on-balance sheet and off-balance sheet and debt securities measured at amortized costs or at fair value through shareholders' equity

(b) Gross outstanding loans to customers and credit institutions, on-balance sheet and off-balance sheet and including debt securities measured at amortized costs or at fair value through shareholders' equity (excluding insurance)

## > Coverage ratio

<i>€bn</i>	31-Dec-18	1-Jan-18
	<i>IFRS 9</i>	<i>IFRS 9</i>
Allowance for loan losses (a)	19.9	22.9
Doubtful loans (b)	26.2	28.6
Stage 3 coverage ratio	76.2%	80.2%

(a) Stage 3 provisions

(b) Impaired loans (stage 3) to customers and credit institutions, on-balance sheet and off-balance sheet, netted of guarantees received, including debt securities measured at amortized costs or at fair value through shareholders' equity (excluding insurance)

## > Immediately available liquidity reserve

<i>€bn</i>	31-Dec-18	31-Dec-17
Immediately available liquidity reserve (counterbalancing capacity) (a)	308	285

(a) Liquid market assets or eligible to central banks taking into account prudential standards, notably US standards, minus intra-day payment systems needs



# Common Equity Tier 1 Ratio

## > Basel 3 fully loaded common equity Tier 1 ratio\* (Accounting capital to prudential capital reconciliation)

€bn	31-Dec-18	30-Sep-18	31-Dec-17
<b>Consolidated Equity</b>	<b>105.7</b>	<b>104.1</b>	<b>107.2</b>
Undated super subordinated notes	-8.2	-8.2	-8.2
2017 dividend			-3.8
2018 project of dividend distribution	-3.8**	-2.9	
Regulatory adjustments on equity***	-1.2	-1.0	-1.3
Regulatory adjustments on minority interests	-2.5	-2.5	-2.9
Goodwill and intangible assets	-12.2	-12.0	-12.8
Deferred tax assets related to tax loss carry forwards	-0.6	-0.7	-0.8
Other regulatory adjustments	-0.6	-0.5	-1.7
Deduction of Irrevocable payments commitments****	-0.5	-0.5	
<b>Common Equity Tier One capital</b>	<b>76.1</b>	<b>75.8</b>	<b>75.7</b>
<b>Risk-weighted assets</b>	<b>647</b>	<b>645</b>	<b>642</b>
<b>Common Equity Tier 1 Ratio</b>	<b>11.8%</b>	<b>11.7%</b>	<b>11.8%</b>

\* CRD4, taking into account all the rules of the CRD4 with no transitory provisions. Subject to the provisions of article 26.2 of (EU) regulation n°575/2013;

\*\* Subject to the approval of the Annual General Meeting on 23 May 2019; \*\*\* Including Prudent Valuation Adjustment; \*\*\*\* New SSM general requirement










# Wholesale Medium/Long Term Funding 2018 Programme

## > 2018 MLT funding plan: €34.3bn issued

- Capital instruments: €2.6bn
  - Tier 1: 750 M\$, perpetual Non Call 10, issued in August 2018, 7% coupon
  - Tier 2: €1.9bn in various formats (public and private) and currencies (EUR, USD, JPY, AUD)
  
- Senior debt: €31.7bn
  - Non Preferred Senior (NPS): €12.1bn (7.2-year average maturity; mid-swap +73bps)
  - Structured products (Preferred Senior): €17.1bn (2.5-year average maturity; mid-swap +13bps)
  - Secured funding: €2.5bn (5.8-year average maturity; mid-swap +0.5bp)

## > 2018 main issuances

AT1  \$750m 7.00% PerpNC10	NPS  Dual tranche €800m 1.125% 5.5-Year mid-swap + 62bps & €800m 5-Year Euribor 3m + 62bps	NPS  \$2.0bn 4.40% 10-Year UST + 50bps	NPS  Multi tranche EuroYen Bonds 102 Md JPY (-€800m) 5y/10y YOS + 48/62bps
	NPS  \$2.0bn 3.375% 7-Year UST + 103bps	NPS  \$1.5bn 3.50% 5-Year UST + 90bps	NPS  €1.25bn 1.125% 8.5-Year mid-swap + 47bps

## > 2018 programme completed at favourable conditions



# Medium/Long Term Wholesale Funding 2019 Programme

## 2019 MLT funding plan\*: €36bn

- Of which capital instruments: €3bn
  - Target of 3% of RWA
  - Reminder as at 31.12.2018\*\*: Additional Tier 1: 1.3% and Tier 2: 1.9%
- Senior debt: €33bn
  - Non Preferred Senior (NPS) debt: €14bn
  - Structured Notes (Preferred Senior debt): €15bn
  - Secured funding: €4bn (Securitisation and Covered Bonds)
- Non Preferred Senior (NPS) debt issuances already made in 2019: €6.8bn (average maturity of 6.7 years, at mid-swap + 189bp)
  - 3 January 2019: two inaugural issuances of Euro zone callable NPS debt for \$2.6bn
    - ✓ \$1.7bn 6NC5 at Treasuries +235bp
    - ✓ \$900m 11NC10 at Treasuries +265bp
  - 11 January 2019: Euro JPY, dual tranche; JPY108.6bn 6NC5 at YOS +130bp and JPY31.6bn 10NC9 at YOS+135bp
  - 16 January 2019: issue of €2.25bn 8NC7, at mid-swap +180bp; £1bn 7 years at UKT +225bp

## Evolution of existing Tier 1 and Tier 2 debt as at 1.01.2019 (eligible or admitted to grandfathering)\*\*\*

€bn	01.01.2019	01.01.2020	01.01.2021
AT1	8	7	6
T2	15	15	14

**Almost 50% of Non Preferred Senior debt programme already completed at end of January**

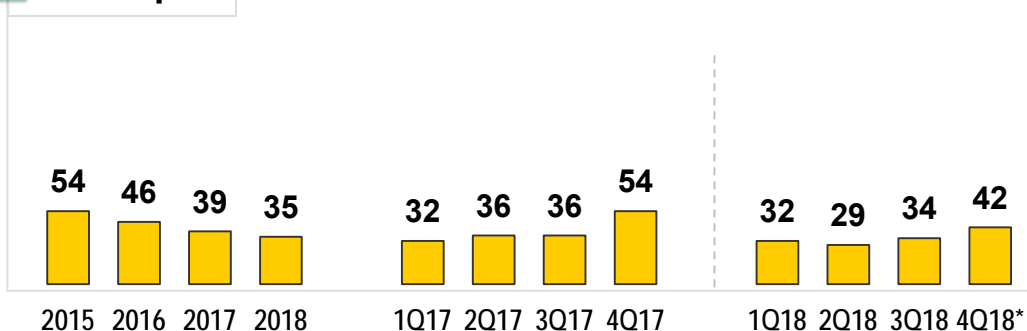
\* Subject to market conditions, indicative amounts at this stage; \*\* Fully loaded ratio; \*\*\* Maturity schedule taking into account prudential amortisation of existing instruments as at 01.01.19, excluding future issuances, assuming callable institutional instruments are called at the first call date, and taking into account the grandfathering phasing out



# Variation in the Cost of Risk by Business Unit (1/3)

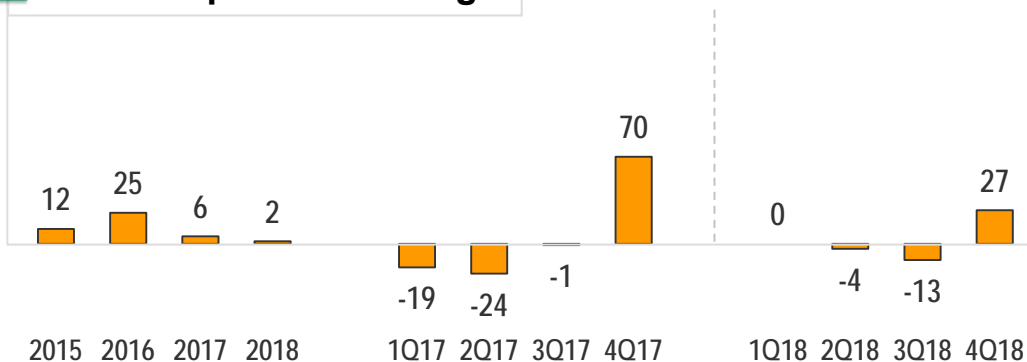
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

## > Group



- Cost of risk: €896m
  - +€210m vs. 3Q18
  - -€89m vs. 4Q17
- Cost of risk still at a low level
- Booking of the stage 1 provisions on the non-doubtful loans of Raiffeisen Bank Polska's (€60m)

## > CIB - Corporate Banking



- Cost of risk: €91m
  - +€137m vs. 3Q18
  - -€118m vs. 4Q17
- Cost of risk still low
- Reminders:
  - Provisions more than offset by write-backs in 3Q18
  - Impact of two specific files in 4Q17

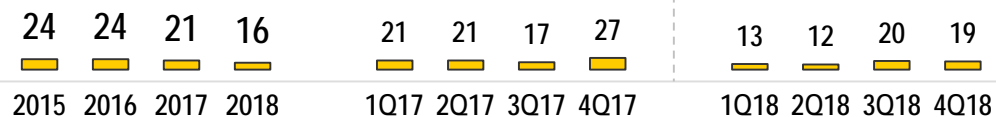
\* Excluding stage 1 provisions booked on the non-doubtful loans of Raiffeisen Bank Polska following the acquisition of its core banking activities



# Variation in the Cost of Risk by Business Unit (2/3)

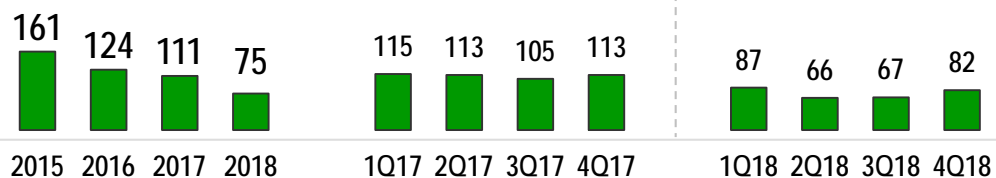
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

## > FRB



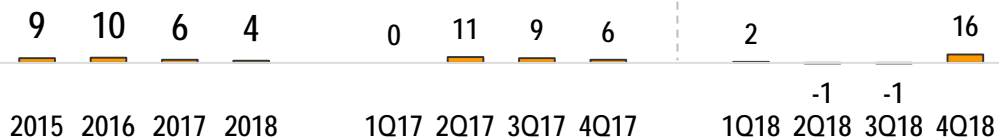
- Cost of risk: €85m
  - -€5m vs. 3Q18
  - -€22m vs. 4Q17
- Cost of risk still low

## > BNL bc



- Cost of risk: €164m
  - +€33m vs. 3Q18
  - -€54m vs. 4Q17
- Continued decrease in the cost of risk

## > BRB



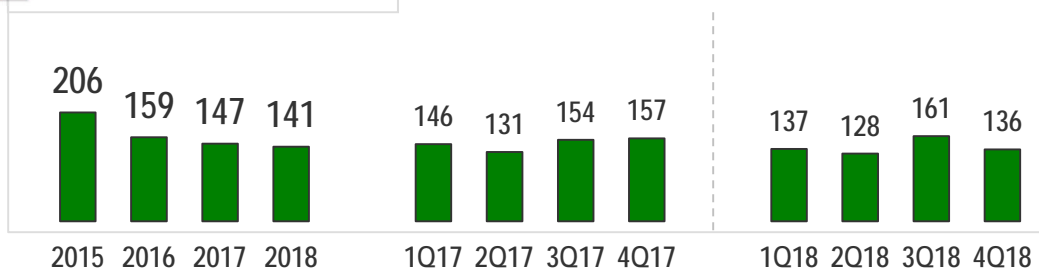
- Cost of risk: €43m
  - +€47m vs. 3Q18
  - +€28m vs. 4Q17
- Cost of risk still very low
- Impact in particular of a specific file this quarter



# Variation in the Cost of Risk by Business Unit (3/3)

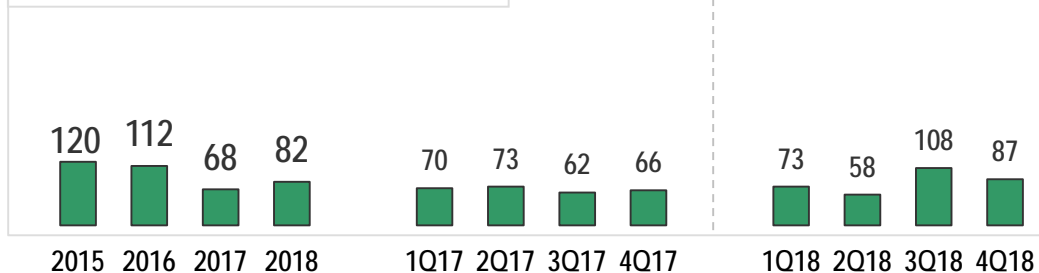
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

## > Personal Finance



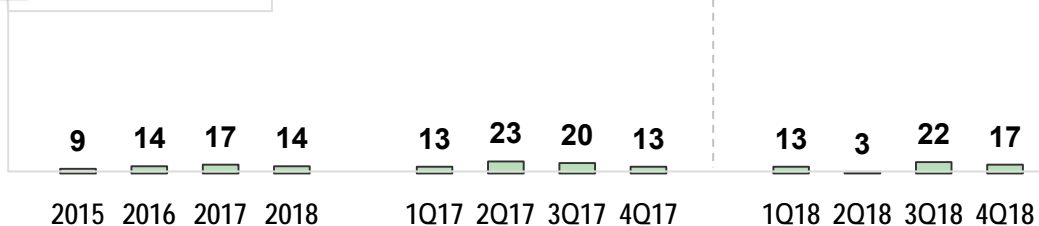
- Cost of risk: €299m
  - -€46m vs. 3Q18
  - +€28m vs. 4Q17
- Cost of risk at a low level this quarter

## > Europe-Mediterranean



- Cost of risk: €78m
  - -€27m vs. 3Q18
  - +€16m vs. 4Q17
- Moderate increase in the cost of risk in Turkey

## > BancWest



- Cost of risk: €22m
  - -€13m vs. 3Q18
  - +€3m vs. 4Q17
- Cost of risk still low



# Cost of Risk on Outstandings (1/2)

## > Cost of risk/Customer loans at the beginning of the period *(in annualised bp)*

	2015	2016	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018
<b>Domestic Markets*</b>												
Loan outstandings as of the beg. of the quarter (€bn)	339.2	344.4	356.4	359.2	365.6	367.8	362.3	397.2	398.4	404.1	405.7	401.3
Cost of risk (€m)	1,812	1,515	319	355	311	370	1,356	270	204	251	322	1,046
Cost of risk (in annualised bp)	53	44	36	40	34	40	37	27	20	25	32	26
<b>FRB*</b>												
Loan outstandings as of the beg. of the quarter (€bn)	144.7	144.3	151.5	154.2	158.2	159.6	155.9	187.5	185.4	184.2	183.9	185.2
Cost of risk (€m)	343	342	79	80	65	107	331	59	54	90	85	288
Cost of risk (in annualised bp)	24	24	21	21	17	27	21	13	12	20	19	16
<b>BNL bc*</b>												
Loan outstandings as of the beg. of the quarter (€bn)	77.4	77.4	79.4	78.5	77.6	77.6	78.3	78.1	77.6	78.8	79.7	78.6
Cost of risk (€m)	1,248	959	228	222	203	218	871	169	127	131	164	592
Cost of risk (in annualised bp)	161	124	115	113	105	113	111	87	66	67	82	75
<b>BRB*</b>												
Loan outstandings as of the beg. of the quarter (€bn)	91.5	96.4	98.7	99.3	102.0	101.7	100.4	102.0	104.3	109.4	109.9	106.4
Cost of risk (€m)	85	98	-1	28	23	15	65	6	-2	-4	43	43
Cost of risk (in annualised bp)	9	10	0	11	9	6	6	2	-1	-1	16	4

\* With Private Banking at 100%





# Cost of Risk on Outstandings (2/2)

## > Cost of risk/Customer loans at the beginning of the period *(in annualised bp)*

	2015	2016	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018
<b>BancWest*</b>												
Loan outstandings as of the beg. of the quarter (€bn)	55.0	60.3	67.3	66.7	63.5	62.2	64.9	61.4	59.6	63.0	52.8	59.2
Cost of risk (€m)	50	85	22	38	32	20	111	20	5	35	22	82
Cost of risk (in annualised bp)	9	14	13	23	20	13	17	13	3	22	17	14
<b>Europe-Mediterranean*</b>												
Loan outstandings as of the beg. of the quarter (€bn)	38.8	39.1	38.3	38.3	38.3	37.9	38.2	38.2	38.2	39.0	35.7	37.7
Cost of risk (€m)	466	437	67	70	60	62	259	70	55	105	78	308
Cost of risk (in annualised bp)	120	112	70	73	62	66	68	73	58	108	87	82
<b>Personal Finance</b>												
Loan outstandings as of the beg. of the quarter (€bn)	57.0	61.4	65.9	68.9	70.9	68.9	68.7	80.6	82.9	85.9	87.8	84.3
Cost of risk (€m)	1,176	979	240	225	273	271	1,009	276	265	345	299	1,186
Cost of risk (in annualised bp)	206	159	146	131	154	157	147	137	128	161	136	141
<b>CIB - Corporate Banking</b>												
Loan outstandings as of the beg. of the quarter (€bn)	116.5	118.7	123.4	128.6	122.8	119.2	123.5	131.1	127.0	139.3	135.5	132.6
Cost of risk (€m)	138	292	-57	-78	-4	209	70	-1	-13	-46	91	31
Cost of risk (in annualised bp)	12	25	-19	-24	-1	70	6	0	-4	-13	27	2
<b>Group**</b>												
Loan outstandings as of the beg. of the quarter (€bn)	698.9	709.8	737.6	742.9	739.1	734.9	738.6	776.9	780.8	804.2	791.7	788.4
Cost of risk (€m)	3,797	3,262	592	662	668	985	2,907	615	567	686	896	2,764
Cost of risk (in annualised bp)	54	46	32	36	36	54	39	32	29	34	45	35

\* With Private Banking at 100%; \*\* Including cost of risk of market activities, International Financial Services and Corporate Centre



# Basel 3\* Risk-Weighted Assets

- Basel 3\* Risk-Weighted Assets: €647bn as at 31.12.18 (€645bn as at 30.09.18)
  - Slight increase in the risk-weighted assets

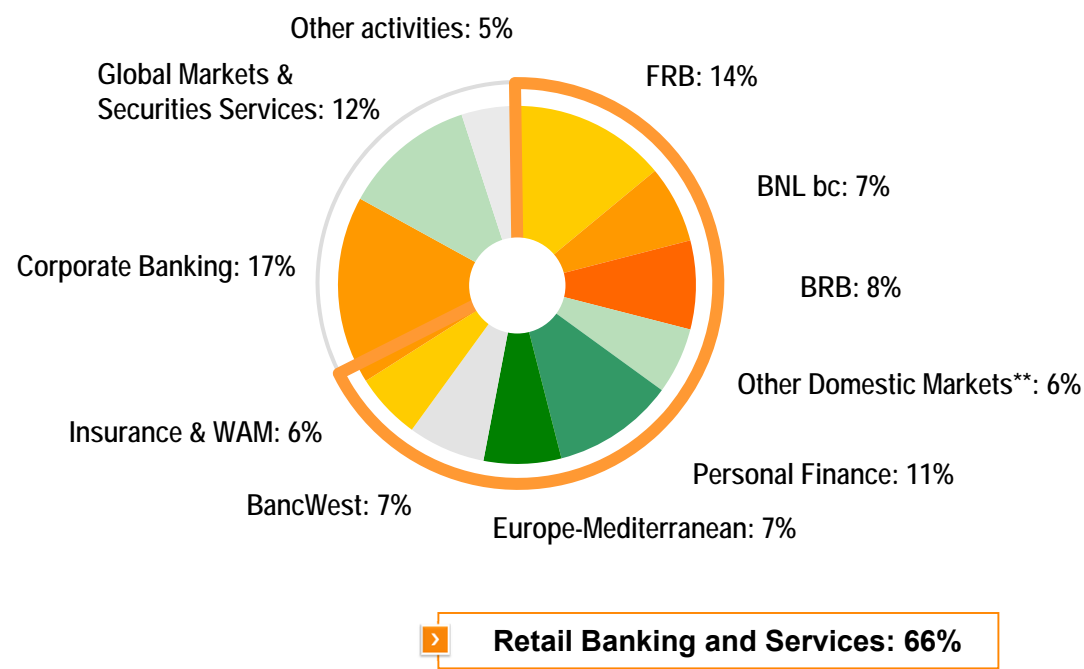
€bn	31.12.18	30.09.18	31.12.17
Credit Risk	504	503	513
Operational Risk	73	73	66
Counterparty Risk	27	31	27
Market / Foreign exchange Risk	20	16	17
Securitisation positions in the banking book	7	6	3
Others**	17	16	16
<b>Total of Basel 3* RWA</b>	<b>647</b>	<b>645</b>	<b>642</b>

\* CRD4: \*\* Including the DTAs and significant investments in entities in the financial sector subject to 250% weighting



# Basel 3\* Risk-Weighted Assets by Business

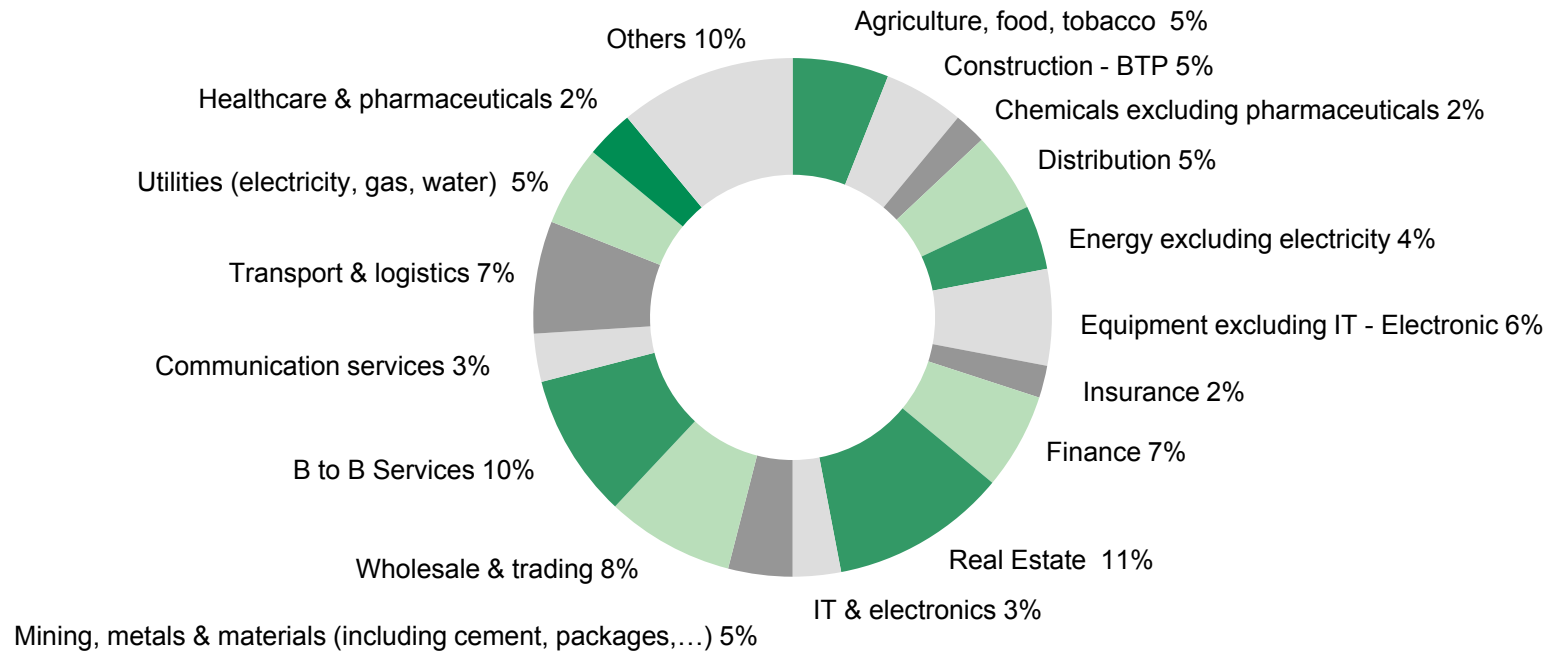
> **Basel 3 risk-weighted assets\* by business as at 31.12.2018**



\* CRD4; \*\* Including Luxembourg



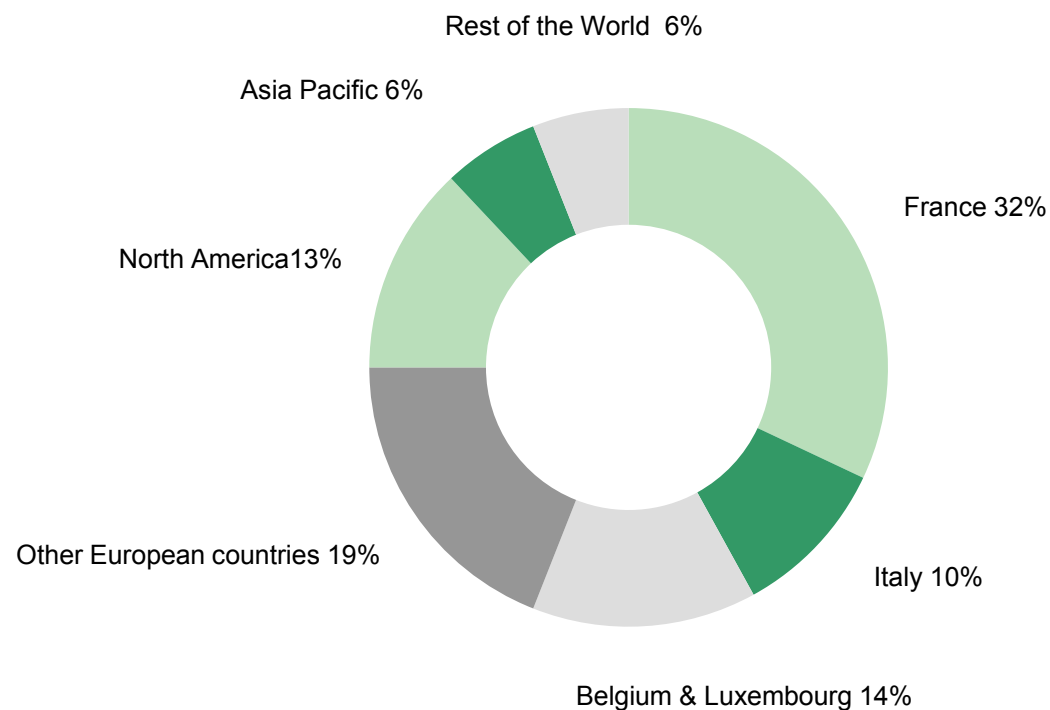
# Breakdown of Commitments by Industry (Corporate Asset Class)



**Total gross commitments on and off-balance sheet, unweighted  
(corporate asset class) = €652bn as at 31.12.2018**



# Breakdown of Commitments by Region



**Total gross commitments on and off balance sheet,  
unweighted = €1,530bn as at 31.12.2018**





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

## Press Release detail

**PRESS RELEASES LISTS** →

### **Notification by the ECB of the 2018 Supervisory Review and Evaluation Process (SREP)**

15.02.2019

BNP Paribas has received the notification by the European Central Bank of the outcome of the 2018 Supervisory Review and Evaluation Process (SREP) confirming the Common Equity Tier 1 (CET1) requirement that the Group has to respect on a consolidated basis.

The Common Equity Tier 1 (CET1) requirement that the Group has to respect on a consolidated basis is 9.83% since 1<sup>st</sup> January 2019 (excluding the Pillar 2 guidance, not public), which includes 1.50% for the G-SIB buffer, 2.50% for the Conservation buffer, 1.25% for the Pillar 2 requirement (unchanged vs. last year) and 0.08% of countercyclical buffer. The requirement for the Tier 1 Capital is 11.33% and that for the Total Capital is 13.33%.

With a CET1 ratio at 11.8%, a Tier 1 ratio at 13.1% and a Total Capital ratio at 15.0% as at 31 December 2018, the Group is well above the regulatory requirements.

#### ^ **About BNP Paribas**

BNP Paribas is a leading bank in Europe with an international reach. It has a presence in 73 countries, with more than 196,000 employees, including around 149,000 in Europe. The Group has key positions in its three main activities: Domestic Markets and International Financial Services (whose retail-banking

networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. The Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance.

In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the European leader in consumer lending.

BNP Paribas is rolling out its integrated retail-banking model in Mediterranean countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

## Contact



**Coralie France Savin**  
GLOBAL HEAD OF MEDIA RELATIONS

**CONTACT**



**BNP PARIBAS**

The bank for a changing world

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**AMENDMENTS TO THE PROGRAMME SUMMARY IN RELATION TO THIS BASE  
PROSPECTUS AND THE PRO FORMA ISSUE SPECIFIC SUMMARY OF THE PROGRAMME  
IN RELATION TO THIS BASE PROSPECTUS**

1. The "Programme Summary in relation to this Base Prospectus" on pages 8 to 71 of the Base Prospectus is amended as follows:

(a) Element B.9 is deleted and replaced with the following:

<b>B.9</b>	Profit forecast or estimate	Based on its unaudited consolidated financial statements, the BNP Paribas Group generated 7,526 million euros in net income attributable to equity holders for the year ending 31 December 2018.
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(b) Element B.13 is deleted and replaced with the following:

<b>B.13</b>	Events impacting the Issuer's solvency	Not applicable, to the best of the relevant Issuer's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the relevant Issuer's solvency since 31 December 2017 (in the case of BP2F) or 30 June 2018 (in the case of BNPP B.V.).
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(c) Element B.19/B.9 is deleted and replaced with the following:

<b>B.19/B.9</b>	Profit forecast or estimate	Based on its unaudited consolidated financial statements, the BNP Paribas Group generated 7,526 million euros in net income attributable to equity holders for the year ending 31 December 2018.
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(d) Element B.19/B.12 is amended by the deletion of the table entitled "**Comparative Annual Financial Data – In millions of EUR**" immediately above the heading "**Comparative Interim Financial Data for the six-month period ended 30 June 2018 – In millions of EUR**" and its replacement with the following:

<b>B.19/B.12</b>	Selected historical key financial information:	
	<b>In relation to BNPP:</b>	
	<b>Comparative Annual Financial Data – In millions of EUR</b>	
		<b>31/12/2018*</b>
		<b>(unaudited)</b>
		<b>31/12/2017</b>
		<b>(audited)</b>
	Revenues	42,516
	Cost of risk	(2,764)
	Net income, Group share	7,526
		<b>31/12/2018</b>
		<b>31/12/2017</b>

Common equity Tier 1 ratio (Basel 3 fully loaded, CRD4)	11.8%	11.8%
	<b>31/12/2018*</b> <b>(unaudited)</b>	<b>31/12/2017</b> <b>(audited)</b>
Total consolidated balance sheet	2,040,836	1,960,252
Consolidated loans and receivables due from customers	765,871	727,675
Consolidated items due to customers	796,548	766,890
Shareholders' equity (Group share)	101,467	101,983
<p>* The figures as at 31 December 2018 included here are based on the new IFRS 9 accounting standard. The impacts of the first application of the new IFRS 9 accounting standard were limited and fully taken into account as of 1 January 2018: -1.1 billion euros impact on shareholders' equity not revaluated (2.5 billion euros impact on shareholders' equity revaluated) and ~-10 bp on the fully loaded Basel 3 common equity Tier 1 ratio.</p>		

(e) Element B.19/B.13 is deleted and replaced with the following:

<b>B.19/ B.13</b>	Events impacting the Guarantor's solvency	Not applicable, to the best of the relevant Guarantor's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the relevant Guarantor's solvency since 30 September 2018 (in the case of BNPP) and 30 June 2018 (in the case of BNPPF).
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(f) The sub-paragraphs under the heading "**BNPP**" in Element D.2 are amended as follows:

(i) the second paragraph and the numbered list below the second paragraph are deleted and replaced with the following:

<b>D.2</b>	Key risks regarding the Issuers and the Guarantors	<p>Seven main categories of risk are inherent in BNPP's activities:</p> <p>(1) <i>Credit risk</i> – Credit risk is defined as the probability of a borrower or counterparty defaulting on its obligations to BNPP. Probability of default along with the recovery rate of the loan or debt in the event of default are essential elements in assessing credit quality. BNPP's risk-weighted assets subject to this type of risk amounted to EUR 504 billion at 31 December 2018. In accordance with the EBA recommendations, this category of risk also includes risks on equity investments, as well as those related to insurance activities.</p>
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		<p>(2) <i>Operational risk</i> – Operational risk is the risk of loss resulting from failed or inadequate internal processes (particularly those involving personnel and information systems) or external events, whether deliberate, accidental or natural (floods, fires, earthquakes, terrorist attacks, etc.). Operational risks include fraud, human resources risks, legal and reputational risks, non-compliance risks, tax risks, information systems risks, risk of providing inadequate financial services (conduct risk), risk of failure of operational processes including credit processes, or from the use of a model (model risk), as well as potential financial consequences related to reputation risk management. BNPP’s risk-weighted assets subject to this type of risk amounted to EUR 73 billion at 31 December 2018.</p> <p>(3) <i>Counterparty risk</i> – Counterparty risk arises from BNPP’s credit risk in the specific context of market transactions, investments, and/or settlements. The amount of this risk varies over time depending on fluctuations in market parameters affecting the potential future value of the transactions concerned. BNPP’s risk-weighted assets subject to this type of risk amounted to EUR 27 billion at 31 December 2018.</p> <p>(4) <i>Market risk</i> – Market risk is the risk of loss of value caused by an unfavorable trend in prices or market parameters. Market parameters include, but are not limited to, exchange rates, prices of securities and commodities (whether the price is directly quoted or obtained by reference to a comparable asset), the price of derivatives on an established market and all benchmarks that can be derived from market quotations such as interest rates, credit spreads, volatility or implicit correlations or other similar parameters. BNPP’s risk-weighted assets subject to this type of risk amounted to EUR 20 billion at 31 December 2018.</p> <p>(5) <i>Securitisation risk</i> – Securitisation is a transaction or arrangement by which the credit risk associated with a liability or set of liabilities is subdivided into tranches. Any commitment made under a securitisation structure (including derivatives and liquidity lines) is considered to be a securitisation. The bulk of these commitments are in the prudential banking portfolio. BNPP’s risk-weighted assets subject to this type of risk amounted to EUR 7 billion at 31 December 2018.</p> <p>(6) <i>Risks related to deferred taxes and certain holdings in credit or financial institutions</i> – amounts below the prudential capital deduction thresholds generate risk-weighted assets amounting</p>
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		<p>to EUR 17 billion at 31 December 2018.</p> <p>(7) <i>Liquidity risk</i> – Liquidity risk is the risk that BNPP will not be able to honor its commitments or unwind or offset a position due to market conditions or specific factors within a specified period of time and at a reasonable cost. It reflects the risk of not being able to cope with net cash outflows, including collateral requirements, over short-term to long-term horizons. The BNPP Group's specific risk can be assessed through its short-term liquidity ratio, which analyses the hedging of net cash outflows during a 30-day stress period.</p> <p>More generally, the risks to which the BNPP Group is exposed may arise from a number of factors related, among other things, to changes in its macroeconomic, competitive, market and regulatory environment or the implementation of its strategy, its business or its operations.</p>
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- (ii) the paragraph and the list numbered (a) to (y) under the sub-heading "*Risks*" is deleted and replaced with the following:

<b>D.2</b>	Key risks regarding the Issuers and the Guarantors	<p>This section summarises the principal risks that BNPP currently considers itself to face. They are presented in the following categories: risks related to the macroeconomic environment, risks related to the market environment, regulatory risks and risks related to the implementation of BNPP's strategy, risks related to the management of BNPP's business, risks related to BNPP's operations.</p> <p>(a) Adverse economic and financial conditions have in the past had and may in the future have an impact on BNPP and the markets in which it operates.</p> <p>(b) Given the global scope of its activities, BNPP may be vulnerable to certain political, macroeconomic or financial risks in the countries and regions where it operates.</p> <p>(c) BNPP's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in credit spreads or other factors.</p> <p>(d) The prolonged low interest rate environment carries inherent systemic risks, and an exit from such environment also carries risks.</p> <p>(e) Significant interest rate changes could adversely affect BNPP's revenues or profitability.</p> <p>(f) The soundness and conduct of other financial institutions and market participants could adversely affect BNPP.</p> <p>(g) BNPP may incur significant losses on its trading and investment activities due to market fluctuations</p>
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		<p>and volatility.</p> <p>(h) BNPP may generate lower revenues from commission and fee based businesses during market downturns.</p> <p>(i) Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.</p> <p>(j) BNPP must ensure that its assets and liabilities properly match in order to avoid exposure to losses.</p> <p>(k) Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact BNPP and the financial and economic environment in which it operates.</p> <p>(l) BNPP could become subject to a resolution proceeding.</p> <p>(m) BNPP is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates.</p> <p>(n) BNPP may incur substantial fines and other administrative and criminal penalties for non compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties.</p> <p>(o) Risks related to the implementation of BNPP's strategic plans.</p> <p>(p) BNPP may experience difficulties integrating acquired companies and may be unable to realise the benefits expected from its acquisitions.</p> <p>(q) BNPP is exposed to credit risk and counterparty risk.</p> <p>(r) A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect BNPP's results of operations and financial condition.</p> <p>(s) BNPP's hedging strategies may not prevent losses.</p> <p>(t) Adjustments to the carrying value of BNPP's securities and derivatives portfolios and BNPP's own debt could have an impact on its net income and shareholders' equity.</p> <p>(u) The credit ratings of BNPP may be downgraded, which would weigh on its profitability.</p> <p>(v) Intense competition by banking and non banking operators could adversely affect BNPP's revenues and profitability.</p> <p>(w) BNPP's risk management policies, procedures and</p>
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		<p>methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.</p> <p>(x) An interruption in or a breach of BNPP's information systems may cause substantial losses of client or customer information, damage to BNPP's reputation and financial losses.</p> <p>(y) BNPP's competitive position could be harmed if its reputation is damaged.</p>
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2. The "Pro Forma Issue Specific Summary of the Programme in relation to this Base Prospectus" on pages 143 to 211 of the Base Prospectus is amended as follows:

(a) Element B.9 is deleted and replaced with the following:

<b>B.9</b>	Profit forecast or estimate	Based on its unaudited consolidated financial statements, the BNP Paribas Group generated 7,526 million euros in net income attributable to equity holders for the year ending 31 December 2018.
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(b) Element B.13 is deleted and replaced with the following:

<b>B.13</b>	Events impacting the Issuer's solvency	<p>[Not applicable, to the best of the Issuer's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since <i>[insert where BNPP B.V. is the Issuer: 30 June 2018]</i>/<i>[insert where BP2F is the Issuer: 31 December 2017]</i>.]</p> <p><i>[Specify any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency.]</i></p>
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(c) Element B.19/B.9 is deleted and replaced with the following:

<b>B.19/B.9</b>	Profit forecast or estimate	Based on its unaudited consolidated financial statements, the BNP Paribas Group generated 7,526 million euros in net income attributable to equity holders for the year ending 31 December 2018.
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(d) Element B.19/B.12 is amended by the deletion of the table entitled "**Comparative Annual Financial Data – In millions of EUR**" immediately above the heading "**Comparative Interim Financial Data for the six-month period ended 30 June 2018 – In millions of EUR**" and its replacement with the following:

<b>B.19/B.12</b>	Selected historical key financial information:		
	<i>[Insert where BNPP is the Guarantor:</i>		
	<b>Comparative Annual Financial Data – In millions of EUR</b>		
		<b>31/12/2018*</b>	<b>31/12/2017</b>
		<b>(unaudited)</b>	<b>(audited)</b>

Revenues	42,516	43,161
Cost of risk	(2,764)	(2,907)
Net income, Group share	7,526	7,759
	<b>31/12/2018</b>	<b>31/12/2017</b>
Common equity Tier 1 ratio (Basel 3 fully loaded CRD4)	11.8%	11.8%
	<b>31/12/2018*</b> <b>(unaudited)</b>	<b>31/12/2017</b> <b>(audited)</b>
Total consolidated balance sheet	2,040,836	1,960,252
Consolidated loans and receivables due from customers	765,871	727,675
Consolidated items due to customers	796,548	766,890
Shareholders' equity (Group share)	101,467	101,983
<p>* The figures as at 31 December 2018 included here are based on the new IFRS 9 accounting standard. The impacts of the first application of the new IFRS 9 accounting standard were limited and fully taken into account as of 1 January 2018: -1.1 billion euros impact on shareholders' equity not revaluated (2.5 billion euros impact on shareholders' equity revaluated) and ~-10 bp on the fully loaded Basel 3 common equity Tier 1 ratio.</p>		

(e) Element B.19/B.13 is deleted and replaced with the following:

<b>B.19/ B.13</b>	Events impacting the Guarantor's solvency	<p>[Not applicable, to the best of the Guarantor's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since <i>[insert where BNPP is the Guarantor: 30 September 2018]/[insert where BNPPF is the Guarantor: 30 June 2018].</i>]</p> <p><i>[Specify any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency.]</i></p>
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(f) The sub-paragraphs to be inserted where BNPP is the Guarantor under the heading "**Guarantor**" in Element D.2 are amended as follows:

(i) the first paragraph and the numbered list below the first paragraph are deleted and replaced with the following:

<b>D.2</b>	Key risks regarding the Issuer and the Guarantor	<p><i>[Insert where BNPP is the Guarantor: Seven main categories of risk are inherent in BNPP's activities:</i></p> <p>(1) <i>Credit risk</i> – Credit risk is defined as the</p>
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		<p>probability of a borrower or counterparty defaulting on its obligations to BNPP. Probability of default along with the recovery rate of the loan or debt in the event of default are essential elements in assessing credit quality. BNPP's risk-weighted assets subject to this type of risk amounted to EUR 504 billion at 31 December 2018. In accordance with the EBA recommendations, this category of risk also includes risks on equity investments, as well as those related to insurance activities.</p> <p>(2) <i>Operational risk</i> – Operational risk is the risk of loss resulting from failed or inadequate internal processes (particularly those involving personnel and information systems) or external events, whether deliberate, accidental or natural (floods, fires, earthquakes, terrorist attacks, etc.). Operational risks include fraud, human resources risks, legal and reputational risks, non-compliance risks, tax risks, information systems risks, risk of providing inadequate financial services (conduct risk), risk of failure of operational processes including credit processes, or from the use of a model (model risk), as well as potential financial consequences related to reputation risk management. BNPP's risk-weighted assets subject to this type of risk amounted to EUR 73 billion at 31 December 2018.</p> <p>(3) <i>Counterparty risk</i> – Counterparty risk arises from BNPP's credit risk in the specific context of market transactions, investments, and/or settlements. The amount of this risk varies over time depending on fluctuations in market parameters affecting the potential future value of the transactions concerned. BNPP's risk-weighted assets subject to this type of risk amounted to EUR 27 billion at 31 December 2018.</p> <p>(4) <i>Market risk</i> – Market risk is the risk of loss of value caused by an unfavorable trend in prices or market parameters. Market parameters include, but are not limited to, exchange rates, prices of securities and commodities (whether the price is directly quoted or obtained by reference to a comparable asset), the price of derivatives on an established market and all benchmarks that can be derived from market quotations such as interest rates, credit spreads, volatility or implicit correlations or other similar parameters. BNPP's risk-weighted assets subject to this type of risk amounted to EUR 20 billion at 31 December 2018.</p> <p>(5) <i>Securitisation risk</i> – Securitisation is a transaction or arrangement by which the credit risk associated with a liability or set of liabilities is subdivided into tranches. Any commitment made under a</p>
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		<p>securitisation structure (including derivatives and liquidity lines) is considered to be a securitisation. The bulk of these commitments are in the prudential banking portfolio. BNPP's risk-weighted assets subject to this type of risk amounted to EUR 7 billion at 31 December 2018.</p> <p>(6) <i>Risks related to deferred taxes and certain holdings in credit or financial institutions</i> – amounts below the prudential capital deduction thresholds generate risk-weighted assets amounting to EUR 17 billion at 31 December 2018.</p> <p>(7) <i>Liquidity risk</i> – Liquidity risk is the risk that BNPP will not be able to honor its commitments or unwind or offset a position due to market conditions or specific factors within a specified period of time and at a reasonable cost. It reflects the risk of not being able to cope with net cash outflows, including collateral requirements, over short-term to long-term horizons. The BNPP Group's specific risk can be assessed through its short-term liquidity ratio, which analyses the hedging of net cash outflows during a 30-day stress period.</p> <p>More generally, the risks to which the BNPP Group is exposed may arise from a number of factors related, among other things, to changes in its macroeconomic, competitive, market and regulatory environment or the implementation of its strategy, its business or its operations.</p>
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- (ii) the paragraph and the list numbered (a) to (y) under the sub-heading "*Risks*" is deleted and replaced with the following:

<b>D.2</b>	Key risks regarding the Issuer and the Guarantor	<p>This section summarises the principal risks that BNPP currently considers itself to face. They are presented in the following categories: risks related to the macroeconomic environment, risks related to the market environment, regulatory risks and risks related to the implementation of BNPP's strategy, risks related to the management of BNPP's business, risks related to BNPP's operations.</p> <p>(a) Adverse economic and financial conditions have in the past had and may in the future have an impact on BNPP and the markets in which it operates.</p> <p>(b) Given the global scope of its activities, BNPP may be vulnerable to certain political, macroeconomic or financial risks in the countries and regions where it operates.</p> <p>(c) BNPP's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in credit spreads or other factors.</p>
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		<ul style="list-style-type: none"> <li>(d) The prolonged low interest rate environment carries inherent systemic risks, and an exit from such environment also carries risks.</li> <li>(e) Significant interest rate changes could adversely affect BNPP's revenues or profitability.</li> <li>(f) The soundness and conduct of other financial institutions and market participants could adversely affect BNPP.</li> <li>(g) BNPP may incur significant losses on its trading and investment activities due to market fluctuations and volatility.</li> <li>(h) BNPP may generate lower revenues from commission and fee based businesses during market downturns.</li> <li>(i) Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.</li> <li>(j) BNPP must ensure that its assets and liabilities properly match in order to avoid exposure to losses.</li> <li>(k) Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact BNPP and the financial and economic environment in which it operates.</li> <li>(l) BNPP could become subject to a resolution proceeding.</li> <li>(m) BNPP is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates.</li> <li>(n) BNPP may incur substantial fines and other administrative and criminal penalties for non compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties.</li> <li>(o) Risks related to the implementation of BNPP's strategic plans.</li> <li>(p) BNPP may experience difficulties integrating acquired companies and may be unable to realize the benefits expected from its acquisitions.</li> <li>(q) BNPP is exposed to credit risk and counterparty risk.</li> <li>(r) A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect BNPP's results of operations and financial condition.</li> <li>(s) BNPP's hedging strategies may not prevent losses.</li> </ul>
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		<ul style="list-style-type: none"> <li>(t) Adjustments to the carrying value of BNPP's securities and derivatives portfolios and BNPP's own debt could have an impact on its net income and shareholders' equity.</li> <li>(u) The credit ratings of BNPP may be downgraded, which would weigh on its profitability.</li> <li>(v) Intense competition by banking and non banking operators could adversely affect BNPP's revenues and profitability.</li> <li>(w) BNPP's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.</li> <li>(x) An interruption in or a breach of BNPP's information systems may cause substantial losses of client or customer information, damage to BNPP's reputation and financial losses.</li> <li>(y) BNPP's competitive position could be harmed if its reputation is damaged.]</li> </ul>
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**AMENDMENTS TO THE PROGRAMME SUMMARY IN RELATION TO THIS BASE PROSPECTUS (IN FRENCH) AND THE PRO FORMA ISSUE SPECIFIC SUMMARY OF THE PROGRAMME IN RELATION TO THIS BASE PROSPECTUS (IN FRENCH)**

1. Le "Résumé du Programme en relation avec le Prospectus de Base" figurant aux pages 72 à 142 du Prospectus de Base est modifié comme suit :

(a) L'Elément B.9 est supprimé et remplacé comme suit :

<b>B.9</b>	Prévision ou estimation du bénéfice	Sur la base de ses états financiers consolidés non audités, le Groupe BNP Paribas a généré 7.526 millions d'euros de résultat net, part du Groupe pour l'année close le 31 décembre 2018.
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(b) L'Elément B.13 est supprimé et remplacé comme suit :

<b>B.13</b>	Evénements impactant la solvabilité de l'Emetteur	Sans objet, à la connaissance de l'Emetteur concerné, il ne s'est produit aucun événement récent qui présente un intérêt significatif pour l'évaluation de la solvabilité de l'Emetteur concerné depuis le 31 décembre 2017 (dans le cas de BP2F) ou depuis le 30 juin 2018 (dans le cas de BNPP B.V.).
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(c) L'Elément B.19/B.9 est supprimé et remplacé comme suit :

<b>B.19/B.9</b>	Prévision ou estimation du bénéfice	Sur la base de ses états financiers consolidés non audités, le Groupe BNP Paribas a généré 7.526 millions d'euros de résultat net, part du Groupe pour l'année close le 31 décembre 2018.
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(d) L'Elément B.19/B.12 est modifié par la suppression du tableau intitulé "**Données Financières Annuelles Comparées – En millions d'EUR**" placé immédiatement au-dessus de l'intitulé "**Données Financières Intermédiaires Comparées pour la période de 6 mois se terminant le 30 juin 2018 – En millions d'EUR**" et par son remplacement par le tableau suivant :

<b>B.19/B.12</b>	Informations financières historiques clés sélectionnées :		
	<b>En relation avec BNPP :</b>		
	<b>Données Financières Annuelles Comparées - En millions d'EUR</b>		
		<b>31/12/2018*</b> <b>(non auditées)</b>	<b>31/12/2017</b> <b>(auditées)</b>
	Produit Net Bancaire	42.516	43.161
Coût du Risque	(2.764)	(2.907)	
Résultat Net, part du Groupe	7.526	7.759	
	<b>31/12/2018</b>	<b>31/12/2017</b>	

Ratio Common Equity Tier 1 (Bâle 3 plein, CRD4)	11,8%	11,8%
	<b>31/12/2018*</b> <b>(non auditées)</b>	<b>31/12/2017</b> <b>(auditées)</b>
Total du bilan consolidé	2.040.836	1.960.252
Total des prêts et créances sur la clientèle consolidé	765.871	727.675
Total des dettes envers la clientèle consolidé	796.548	766.890
Capitaux Propres (part du Groupe)	101.467	101.983
* Au 31 décembre 2018 les chiffres inclus dans ce supplément intègrent les dispositions de la nouvelle norme IFRS 9. Les impacts de la première application de la nouvelle norme comptable IFRS 9 sont limités et intégralement pris en compte au 1er janvier 2018 : -1,1 milliard d'euros pour les capitaux propres comptables non réévalués (-2,5 milliards d'euros pour les capitaux propres comptables réévalués) et -10 pb environ sur le ratio « common equity Tier 1 de Bâle 3 plein ».		

(e) L'Elément B.19/B.13 est supprimé et remplacé comme suit :

<b>B.19/B.13</b>	Evénements impactant la solvabilité du Garant	Sans objet, à la connaissance du Garant concerné, il ne s'est produit aucun événement récent qui présente un intérêt significatif pour l'évaluation de la solvabilité du Garant concerné depuis le 30 septembre 2018 (dans le cas de BNPP) et au 30 juin 2018 (dans le cas de BNPPF).
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(f) Les sous-paragraphes sous le titre "**BNPP**" dans l'Elément D.2 sont modifiés comme suit :

(i) le deuxième paragraphe et la liste numérotée sous le deuxième paragraphe sont supprimés et remplacés comme suit :

<b>D.2</b>	Principaux risques propres aux Emetteurs et aux Garants	<p>Sept principaux risques sont inhérents aux activités de BNPP :</p> <p>(1) <i>Risque de crédit</i> – Le risque de crédit est défini comme la probabilité d'une inexécution par un emprunteur ou une contrepartie de ses obligations vis-à-vis de BNPP. L'évaluation de cette probabilité de défaut et du taux de recouvrement du prêt ou de la créance en cas de défaut est un élément essentiel de l'évaluation de la qualité du crédit. Les actifs pondérés spécifiques à ce risque s'élèvent à 504 milliards d'euros au 31 décembre 2018. Conformément aux recommandations de l'ABE, ce risque intègre également les risques sur les participations en actions y compris ceux liés aux activités d'assurance.</p> <p>(2) <i>Risque Opérationnel</i> – Le risque opérationnel est</p>
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		<p>le risque de perte résultant de processus internes défaillants ou inadéquats (notamment ceux impliquant le personnel et les systèmes informatiques) ou d'événements externes, qu'ils soient délibérés, accidentels ou naturels (inondations, incendies, tremblements de terre, attaques terroristes...). Le risque opérationnel recouvre la fraude, les risques en lien avec les ressources humaines, les risques juridiques et de réputation, les risques de non-conformité, les risques fiscaux, les risques liés aux systèmes d'information, la fourniture de services financiers inappropriés (<i>conduct risk</i>), les risques de défaillance des processus opérationnels y compris les processus de crédit, ou l'utilisation d'un modèle (risque de modèle), ainsi que les conséquences pécuniaires éventuelles liées à la gestion du risque de réputation. Les actifs pondérés spécifiques à ce risque s'élèvent à 73 milliards d'euros au 31 décembre 2018.</p> <p>(3) <i>Risque de contrepartie</i> – Le risque de contrepartie est la manifestation du risque de crédit à l'occasion d'opérations de marché, d'investissements, et/ou de règlements. Le montant de ce risque varie au cours du temps avec l'évolution des paramètres de marché affectant la valeur potentielle future des transactions concernées. Les actifs pondérés spécifiques à ce risque s'élèvent à 27 milliards d'euros au 31 décembre 2018.</p> <p>(4) <i>Risque de marché</i> – Le risque de marché est le risque de perte de valeur provoqué par une évolution défavorable des prix ou des paramètres de marché. Les paramètres de marché sont, sans que cette liste soit exhaustive, les taux de change, les cours des valeurs mobilières et des matières premières négociables (que le prix soit directement coté ou obtenu par référence à un actif comparable), le prix de dérivés sur un marché organisé ainsi que tous les paramètres qui peuvent être induits de cotations de marché comme les taux d'intérêt, les spreads de crédit, les volatilités ou les corrélations implicites ou d'autres paramètres similaires. Les actifs pondérés spécifiques à ce risque s'élèvent à 20 milliards d'euros au 31 décembre 2018.</p> <p>(5) <i>Risque de titrisation du portefeuille bancaire</i> – La titrisation est une opération ou un montage par lequel le risque de crédit associé à une exposition ou à un ensemble d'expositions est subdivisé en tranches. Tout engagement pris dans le cadre d'une structure de titrisation (y compris les dérivés et les</p>
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		<p>lignes de liquidité) est considéré comme une exposition de titrisation. L'essentiel de ces engagements est en portefeuille bancaire prudentiel. Les actifs pondérés spécifiques à ce risque s'élèvent à 7 milliards d'euros au 31 décembre 2018.</p> <p>(6) <i>Risques liés aux impôts différés et à certaines participations dans des établissements de crédit ou financiers</i> – Les montants inférieurs aux seuils de déduction des fonds propres prudentiels génèrent des actifs pondérés qui s'élèvent à 17 milliards d'euros au 31 décembre 2018.</p> <p>(7) <i>Risque de liquidité</i> – Le risque de liquidité est le risque que BNPP ne puisse pas honorer ses engagements ou dénouer ou compenser une position en raison de la situation du marché ou de facteurs qui lui sont spécifiques, dans un délai déterminé et à un coût raisonnable. Il traduit le risque de ne pas pouvoir faire face à des flux nets sortants de trésorerie y compris liés à des besoins en collatéral, sur l'ensemble des horizons du court terme au long terme. Le risque spécifique du Groupe BNPP peut être notamment appréhendé au travers du ratio de liquidité à court terme analysant la couverture des sorties nettes de trésorerie à 30 jours en scénario de stress.</p> <p>De manière transversale, les risques auxquels le Groupe BNPP est exposé, peuvent provenir d'un certain nombre de facteurs liés entre autre à l'évolution de son environnement macro-économique, concurrentiel, de marché et réglementaire ou de facteurs liés à la mise en œuvre de sa stratégie, à son activité ou à ses opérations.</p>
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- (ii) le paragraphe et la liste numérotée de (a) à (y) sous le sous-titre « *Risques* » sont supprimés et remplacés comme suit :

<p><b>D.2</b></p>	<p>Principaux risques propres aux Emetteurs et aux Garants</p>	<p>Cette section résume les principaux facteurs de risque auxquels BNPP estime actuellement être exposée. Ils sont classés par catégorie : risques liés à l'environnement macroéconomique, risques liés à l'environnement de marché, risques liés à la réglementation et risques liés à la mise en œuvre de la stratégie de BNPP, risques liés à la gestion de l'activité de BNPP et risques liés aux opérations de BNPP.</p> <p>(a) Des conditions économiques et financières défavorables ont eu dans le passé et pourraient avoir à l'avenir un impact sur BNPP et les marchés dans lesquels elle intervient.</p> <p>(b) Du fait du périmètre global de ses activités, BNPP</p>
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		<p>pourrait être vulnérable aux risques politiques, macroéconomiques ou financiers dans les pays ou régions où elle opère.</p> <p>(c) L'accès de BNPP au financement et les coûts de ce financement pourraient être affectés de manière défavorable en cas de résurgence des crises financières, de détérioration des conditions économiques, de dégradation de notation, d'accroissement des <i>spreads</i> de crédit des États ou d'autres facteurs.</p> <p>(d) Un environnement prolongé de taux d'intérêt bas comporte des risques systémiques inhérents et la sortie d'un tel environnement comporte également des risques.</p> <p>(e) Toute variation significative des taux d'intérêt est susceptible de peser sur les revenus ou sur la rentabilité de BNPP.</p> <p>(f) La solidité financière et le comportement des autres institutions financières et acteurs du marché pourraient avoir un effet défavorable sur BNPP.</p> <p>(g) Les fluctuations de marché et la volatilité exposent BNPP au risque de pertes substantielles dans le cadre de ses activités de marché et d'investissement.</p> <p>(h) Les revenus tirés des activités générant des commissions sont potentiellement vulnérables à une baisse des marchés.</p> <p>(i) Une baisse prolongée des marchés peut réduire la liquidité et rendre plus difficile la cession d'actifs. Une telle situation peut engendrer des pertes significatives.</p> <p>(j) BNPP doit assurer une gestion actif-passif adéquate afin d'éviter toute exposition à des pertes.</p> <p>(k) Des mesures législatives et réglementaires prises ces dernières années, en particulier en réponse à la crise financière mondiale, ainsi que des nouvelles propositions de loi, pourraient affecter de manière substantielle BNPP ainsi que l'environnement financier et économique dans lequel elle opère.</p> <p>(l) BNPP pourrait faire l'objet d'une procédure de résolution.</p> <p>(m) BNPP est soumise à une réglementation importante et fluctuante dans les juridictions où elle exerce ses activités.</p>
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		<p>(n) En cas de non-conformité avec les lois et règlements applicables, BNPP pourrait être exposée à des amendes significatives et d'autres sanctions administratives et pénales, et pourrait subir des pertes à la suite d'un contentieux privé, en lien ou non avec ces sanctions.</p> <p>(o) Risques liés à la mise en œuvre des plans stratégiques de BNPP.</p> <p>(p) BNPP pourrait connaître des difficultés relatives à l'intégration des sociétés acquises et pourrait ne pas réaliser les bénéfices attendus de ses acquisitions.</p> <p>(q) BNPP est exposée au risque de crédit et de contrepartie.</p> <p>(r) Toute augmentation substantielle des provisions ou tout engagement insuffisamment provisionné pourrait peser sur les résultats et sur la situation financière de BNPP.</p> <p>(s) Les stratégies de couverture mises en place par BNPP n'écartent pas tout risque de perte.</p> <p>(t) Des ajustements apportés à la valeur comptable des portefeuilles de titres et d'instruments dérivés de BNPP ainsi que de la dette de BNPP pourraient avoir un effet sur son résultat net et sur ses capitaux propres.</p> <p>(u) Les notations de BNPP pourraient être dégradées et sa rentabilité pourrait en être sérieusement impactées.</p> <p>(v) Une intensification de la concurrence, par des acteurs bancaires et non bancaires, pourrait peser sur les revenus et la rentabilité de BNPP.</p> <p>(w) Les politiques, procédures et méthodes de gestion du risque mises en œuvre par BNPP pourraient l'exposer à des risques non identifiés ou imprévus, susceptibles d'occasionner des pertes significatives.</p> <p>(x) Toute interruption ou défaillance des systèmes informatiques de BNPP, pourrait provoquer des pertes significatives d'informations relatives aux clients, nuire à la réputation de BNPP et provoquer des pertes financières.</p> <p>(y) Tout préjudice porté à la réputation de BNPP pourrait nuire à sa compétitivité.</p>
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2. Le "Modèle de Résumé du Programme Spécifique à l'Emission en relation avec le Prospectus de Base" figurant aux pages 212 à 290 du Prospectus de Base est modifié comme suit:

(a) L'Elément B.9 est supprimé et remplacé comme suit :

<b>B.9</b>	Prévision ou estimation du bénéfice	Sur la base de ses états financiers consolidés non audités, le Groupe BNP Paribas a généré 7.526 millions d'euros de résultat net, part du Groupe pour l'année close le 31 décembre 2018.
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(b) L'Elément B.13 est supprimé et remplacé comme suit :

<b>B.13</b>	Evénements impactant la solvabilité de l'Emetteur	[Sans objet, à la connaissance de l'Emetteur, il ne s'est produit aucun événement récent qui présente un intérêt significatif pour l'évaluation de la solvabilité de l'Emetteur depuis le [A insérer si BNPP B.V. est l'Emetteur : 30 juin 2018]/[A insérer si BP2F est l'Emetteur : 31 décembre 2017].]  [Préciser tout événement récent présentant un intérêt significatif pour l'évaluation de la solvabilité de l'Emetteur.]
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(c) L'Elément B.19/B.9 est supprimé et remplacé comme suit :

<b>B.19/B.9</b>	Prévision ou estimation du bénéfice	Sur la base de ses états financiers consolidés non audités, le Groupe BNP Paribas a généré 7.526 millions d'euros de résultat net, part du Groupe pour l'année close le 31 décembre 2018.
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(d) L'Elément B.19/B.12 est modifié par la suppression du tableau intitulé "**Données Financières Annuelles Comparées – En millions d'EUR**" placé immédiatement au-dessus de l'intitulé "**Données Financières Intermédiaires Comparées pour la période de 6 mois se terminant le 30 juin 2018 – En millions d'EUR**" et par son remplacement par le tableau suivant :

<b>B.19/B.12</b>	Informations financières historiques clés sélectionnées :		
	[A insérer si BNPP est le Garant :		
	<b>Données Financières Annuelles Comparées - En millions d'EUR</b>		
		<b>31/12/2018*</b> <b>(non auditées)</b>	<b>31/12/2017</b> <b>(auditées)</b>
	Produit Net Bancaire	42.516	43.161
Coût du Risque	(2.764)	(2.907)	
Résultat Net, part du Groupe	7.526	7.759	
	<b>31/12/2018</b>	<b>31/12/2017</b>	

	Ratio Common Equity Tier 1 (Bâle 3 plein, CRD4)	11,8%	11,8%
		<b>31/12/2018*</b> <b>(non auditées)</b>	<b>31/12/2017</b> <b>(auditées)</b>
	Total du bilan consolidé	2.040.836	1.960.252
	Total des prêts et créances sur la clientèle consolidé	765.871	727.675
	Total des dettes envers la clientèle consolidé	796.548	766.890
	Capitaux Propres (part du Groupe)	101.467	101.983
	* Au 31 décembre 2018 les chiffres inclus dans ce supplément intègrent les dispositions de la nouvelle norme IFRS 9. Les impacts de la première application de la nouvelle norme comptable IFRS 9 sont limités et intégralement pris en compte au 1er janvier 2018 : -1,1 milliard d'euros pour les capitaux propres comptables non réévalués (-2,5 milliards d'euros pour les capitaux propres comptables réévalués) et -10 pb environ sur le ratio « common equity Tier 1 de Bâle 3 plein ».		

(e) L'Elément B.19/B.13 est supprimé et remplacé comme suit :

<b>B.19/B.13</b>	Evénements impactant la solvabilité du Garant	[Sans objet, à la connaissance du Garant, il ne s'est produit aucun événement récent qui présente un intérêt significatif pour l'évaluation de la solvabilité du Garant depuis le [A indiquer si BNPP est le Garant: 30 septembre 2018] / [A indiquer si BNPPF est l'Emetteur : 30 juin 2018].]  [Préciser tout événement récent présentant un intérêt significatif pour l'évaluation de la solvabilité du Garant.]
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(f) Les sous-paragraphes à insérer au cas où BNPP est le Garant sous le titre "**Garant**" dans l'Elément D.2 sont modifiés comme suit :

(i) le premier paragraphe et la liste numérotée sous le premier paragraphe sont supprimés et remplacés comme suit :

<b>D.2</b>	Principaux risques propres à l'Emetteur et au Garant	[A insérer si BNPP est le Garant : Sept principaux risques sont inhérents aux activités de BNPP :  (1) <i>Risque de crédit</i> – Le risque de crédit est défini comme la probabilité d'une inexécution par un emprunteur ou une contrepartie de ses obligations vis-à-vis de BNPP. L'évaluation de cette probabilité de défaut et du taux de recouvrement du prêt ou de la créance en cas de défaut est un élément essentiel de l'évaluation de la qualité du crédit. Les actifs pondérés spécifiques à ce risque s'élèvent à 504 milliards d'euros au 31 décembre
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		<p>2018. Conformément aux recommandations de l'ABE, ce risque intègre également les risques sur les participations en actions y compris ceux liés aux activités d'assurance.</p> <p>(2) <i>Risque Opérationnel</i> – Le risque opérationnel est le risque de perte résultant de processus internes défectueux ou inadéquats (notamment ceux impliquant le personnel et les systèmes informatiques) ou d'événements externes, qu'ils soient délibérés, accidentels ou naturels (inondations, incendies, tremblements de terre, attaques terroristes...). Le risque opérationnel recouvre la fraude, les risques en lien avec les ressources humaines, les risques juridiques et de réputation, les risques de non-conformité, les risques fiscaux, les risques liés aux systèmes d'information, la fourniture de services financiers inappropriés (<i>conduct risk</i>), les risques de défaillance des processus opérationnels y compris les processus de crédit, ou l'utilisation d'un modèle (risque de modèle), ainsi que les conséquences pécuniaires éventuelles liées à la gestion du risque de réputation. Les actifs pondérés spécifiques à ce risque s'élèvent à 73 milliards d'euros au 31 décembre 2018.</p> <p>(3) <i>Risque de contrepartie</i> – Le risque de contrepartie est la manifestation du risque de crédit à l'occasion d'opérations de marché, d'investissements, et/ou de règlements. Le montant de ce risque varie au cours du temps avec l'évolution des paramètres de marché affectant la valeur potentielle future des transactions concernées. Les actifs pondérés spécifiques à ce risque s'élèvent à 27 milliards d'euros au 31 décembre 2018.</p> <p>(4) <i>Risque de marché</i> – Le risque de marché est le risque de perte de valeur provoqué par une évolution défavorable des prix ou des paramètres de marché. Les paramètres de marché sont, sans que cette liste soit exhaustive, les taux de change, les cours des valeurs mobilières et des matières premières négociables (que le prix soit directement coté ou obtenu par référence à un actif comparable), le prix de dérivés sur un marché organisé ainsi que tous les paramètres qui peuvent être induits de cotations de marché comme les taux d'intérêt, les spreads de crédit, les volatilités ou les corrélations implicites ou d'autres paramètres similaires. Les actifs pondérés spécifiques à ce risque s'élèvent à 20 milliards d'euros au 31 décembre 2018.</p>
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		<p>(5) <i>Risque de titrisation du portefeuille bancaire</i> – La titrisation est une opération ou un montage par lequel le risque de crédit associé à une exposition ou à un ensemble d'expositions est subdivisé en tranches. Tout engagement pris dans le cadre d'une structure de titrisation (y compris les dérivés et les lignes de liquidité) est considéré comme une exposition de titrisation. L'essentiel de ces engagements est en portefeuille bancaire prudentiel. Les actifs pondérés spécifiques à ce risque s'élèvent à 7 milliards d'euros au 31 décembre 2018.</p> <p>(6) <i>Risques liés aux impôts différés et à certaines participations dans des établissements de crédit ou financiers</i> – Les montants inférieurs aux seuils de déduction des fonds propres prudentiels génèrent des actifs pondérés qui s'élèvent à 17 milliards d'euros au 31 décembre 2018.</p> <p>(7) <i>Risque de liquidité</i> – Le risque de liquidité est le risque que BNPP ne puisse pas honorer ses engagements ou dénouer ou compenser une position en raison de la situation du marché ou de facteurs qui lui sont spécifiques, dans un délai déterminé et à un coût raisonnable. Il traduit le risque de ne pas pouvoir faire face à des flux nets sortants de trésorerie y compris liés à des besoins en collatéral, sur l'ensemble des horizons du court terme au long terme. Le risque spécifique du Groupe BNPP peut être notamment appréhendé au travers du ratio de liquidité à court terme analysant la couverture des sorties nettes de trésorerie à 30 jours en scénario de stress.</p> <p>De manière transversale, les risques auxquels le Groupe BNPP est exposé, peuvent provenir d'un certain nombre de facteurs liés entre autre à l'évolution de son environnement macro-économique, concurrentiel, de marché et réglementaire ou de facteurs liés à la mise en œuvre de sa stratégie, à son activité ou à ses opérations.</p>
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- (ii) le paragraphe et la liste numérotée de (a) à (y) sous le sous-titre « *Risques* » sont supprimés et remplacés comme suit :

<b>D.2</b>	Principaux risques propres à l'Emetteur et au Garant	Cette section résume les principaux facteurs de risque auxquels BNPP estime actuellement être exposée. Ils sont classés par catégorie : risques liés à l'environnement macroéconomique, risques liés à l'environnement de marché, risques liés à la réglementation et risques liés à la mise en œuvre de la stratégie de BNPP, risques liés à la gestion de l'activité de BNPP et risques liés aux opérations
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		<p>de BNPP.</p> <ul style="list-style-type: none"> <li>(a) Des conditions économiques et financières défavorables ont eu dans le passé et pourraient avoir à l'avenir un impact sur BNPP et les marchés dans lesquels elle intervient.</li> <li>(b) Du fait du périmètre global de ses activités, BNPP pourrait être vulnérable aux risques politiques, macroéconomiques ou financiers dans les pays ou régions où elle opère.</li> <li>(c) L'accès de BNPP au financement et les coûts de ce financement pourraient être affectés de manière défavorable en cas de résurgence des crises financières, de détérioration des conditions économiques, de dégradation de notation, d'accroissement des <i>spreads</i> de crédit des États ou d'autres facteurs.</li> <li>(d) Un environnement prolongé de taux d'intérêt bas comporte des risques systémiques inhérents et la sortie d'un tel environnement comporte également des risques.</li> <li>(e) Toute variation significative des taux d'intérêt est susceptible de peser sur les revenus ou sur la rentabilité de BNPP.</li> <li>(f) La solidité financière et le comportement des autres institutions financières et acteurs du marché pourraient avoir un effet défavorable sur BNPP.</li> <li>(g) Les fluctuations de marché et la volatilité exposent BNPP au risque de pertes substantielles dans le cadre de ses activités de marché et d'investissement.</li> <li>(h) Les revenus tirés des activités générant des commissions sont potentiellement vulnérables à une baisse des marchés.</li> <li>(i) Une baisse prolongée des marchés peut réduire la liquidité et rendre plus difficile la cession d'actifs. Une telle situation peut engendrer des pertes significatives.</li> <li>(j) BNPP doit assurer une gestion actif-passif adéquate afin d'éviter toute exposition à des pertes.</li> <li>(k) Des mesures législatives et réglementaires prises ces dernières années, en particulier en réponse à la crise financière mondiale, ainsi que des nouvelles propositions de loi, pourraient affecter de manière substantielle BNPP ainsi que l'environnement</li> </ul>
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		<p>financier et économique dans lequel elle opère.</p> <p>(l) BNPP pourrait faire l'objet d'une procédure de résolution.</p> <p>(m) BNPP est soumise à une réglementation importante et fluctuante dans les juridictions où elle exerce ses activités.</p> <p>(n) En cas de non-conformité avec les lois et règlements applicables, BNPP pourrait être exposée à des amendes significatives et d'autres sanctions administratives et pénales, et pourrait subir des pertes à la suite d'un contentieux privé, en lien ou non avec ces sanctions.</p> <p>(o) Risques liés à la mise en œuvre des plans stratégiques de BNPP.</p> <p>(p) BNPP pourrait connaître des difficultés relatives à l'intégration des sociétés acquises et pourrait ne pas réaliser les bénéfices attendus de ses acquisitions.</p> <p>(q) BNPP est exposée au risque de crédit et de contrepartie.</p> <p>(r) Toute augmentation substantielle des provisions ou tout engagement insuffisamment provisionné pourrait peser sur les résultats et sur la situation financière de BNPP.</p> <p>(s) Les stratégies de couverture mises en place par BNPP n'écartent pas tout risque de perte.</p> <p>(t) Des ajustements apportés à la valeur comptable des portefeuilles de titres et d'instruments dérivés de BNPP ainsi que de la dette de BNPP pourraient avoir un effet sur son résultat net et sur ses capitaux propres.</p> <p>(u) Les notations de BNPP pourraient être dégradées et sa rentabilité pourrait en être sérieusement impactées.</p> <p>(v) Une intensification de la concurrence, par des acteurs bancaires et non bancaires, pourrait peser sur les revenus et la rentabilité de BNPP.</p> <p>(w) Les politiques, procédures et méthodes de gestion du risque mises en œuvre par BNPP pourraient l'exposer à des risques non identifiés ou imprévus, susceptibles d'occasionner des pertes significatives.</p>
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		<p>(x) Toute interruption ou défaillance des systèmes informatiques de BNPP, pourrait provoquer des pertes significatives d'informations relatives aux clients, nuire à la réputation de BNPP et provoquer des pertes financières.</p> <p>(y) Tout préjudice porté à la réputation de BNPP pourrait nuire à sa compétitivité.]</p>
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## AMENDMENTS TO THE RISKS SECTION

*In relation to the amendments to the "Risks" section of the Base Prospectus set out in this section (i) text which, by virtue of this Fourth Supplement is added thereto is shown underlined and (ii) text which, by virtue of this Fourth Supplement is deleted therefrom is shown with a line drawn through the middle of the deleted text.*

The "Risks" section on pages 291 to 395 of the Base Prospectus is amended as follows:

- (a) the heading "**Risks Related To The Macroeconomic And Market Environment**" on page 291 of the Base Prospectus is deleted and replaced with the heading "**Risks Related to the Macroeconomic Environment**";
- (b) the risk factors under the heading "**Risks Related To The Macroeconomic And Market Environment**" (as amended above) starting on page 291 of the Base Prospectus are amended as follows:
  - (i) the paragraphs under the sub-heading "*Difficult market and economic conditions have in the past had and may in the future have a material adverse effect on the operating environment for financial institutions and hence on BNPP's financial condition, results of operations and cost of risk.*" and "*The United Kingdom's referendum to leave the European Union may lead to significant uncertainty, volatility and disruption in European and broader financial and economic markets and hence may adversely affect BNPP's operating environment.*" on pages 291 and 292 of the Base Prospectus are deleted and replaced with the following:

*"Adverse economic and financial conditions have in the past had and may in the future have an impact on BNPP and the markets in which it operates.*

BNPP's business is sensitive to changes in the financial markets and more generally to economic conditions in France, Europe and the rest of the world. A deterioration in economic conditions in the markets where BNPP operates could have some or all of the following impacts:

- Adverse economic conditions could affect the business and operations of BNPP's customers, reducing credit demand and trading volume and resulting in an increased rate of default on loans and receivables;
- A decline in market prices of bonds, shares and commodities could impact many of the businesses of BNPP, including in particular trading, investment banking and asset management revenues;
- Macroeconomic policies adopted in response to actual or anticipated economic conditions could have unintended effects, and are likely to impact market parameters such as interest rates and foreign exchange rates, which in turn could affect BNPP's businesses that are most exposed to market risk;
- Perceived favourable economic conditions generally or in specific business sectors could result in asset price bubbles, which could in turn exacerbate the impact of corrections when conditions become less favourable;
- A significant economic disruption (such as the global financial crisis of 2008 or the European sovereign debt crisis of 2011) could have a severe impact on all of BNPP's activities, particularly if the disruption is characterised by an absence of market

liquidity that makes it difficult to sell certain categories of assets at their estimated market value or at all;

- A significant deterioration of market and economic conditions resulting from, among other things, from adverse political and geopolitical events such as natural disasters, societal unrest, geopolitical tensions (in particular protectionist measures), acts of terrorism, cyber attacks, military conflicts or threats thereof and related risks could affect the operating environment for financial institutions episodically or for extended periods.

European markets may be affected by a number of factors in 2019, including continuing uncertainty resulting from the decision of the United Kingdom to leave the European Union and uncertain political and economic conditions in certain large European countries. Markets in the United States may be affected by factors, such as trade policy or a tendency towards political stalemate, which has affected credit and currency markets globally. Asian markets could be impacted by factors such as slower than expected economic growth rates in certain countries in the region.

Share prices have recently experienced significant volatility, which may occur again. Credit markets and the value of fixed income assets could be adversely affected if interest rates were to rise as central banks continue to scale back the extraordinary support measures put in place in response to recent adverse economic conditions. The price of oil has been particularly volatile in recent months, and could be impacted by unpredictable geopolitical factors in regions such as the Middle East and Russia.

More generally, increased volatility of financial markets could adversely affect BNPP's trading and investment positions in the debt, currency, commodity and equity markets, as well as its positions in other investments. Severe market disruptions and extreme market volatility have occurred in recent years and may occur again in the future, which could result in significant losses for BNPP. Such losses may extend to a broad range of trading and hedging products, including swaps, forward and future contracts, options and structured products. The volatility of financial markets makes it difficult to predict trends and implement effective trading strategies.

It is difficult to predict when economic or market downturns will occur, and which markets will be most significantly impacted. If economic or market conditions in France or elsewhere in Europe, or global markets more generally, were to deteriorate or become more volatile, BNPP's operations could be disrupted, and its business, results of operations and financial condition could be adversely affected.";

- (ii) the sub-heading "*Due to the geographic scope of its activities, BNPP may be vulnerable to country or regional-specific political, macroeconomic and financial environments or circumstances.*" on page 292 of the Base Prospectus and the paragraph thereunder are amended as follows:

~~"Due to the geographic~~ Given the global scope of its activities, BNPP may be vulnerable to ~~country or regional-specific~~ certain political, macroeconomic ~~and or~~ financial environments ~~or circumstances~~ risks in the countries and regions where it operates.

BNPP is ~~exposed-subject~~ to country risk, meaning the risk that economic, financial, political or social conditions ~~of-in a given~~ foreign country, ~~especially-a-country~~ in which it operates, ~~will-could~~ affect its ~~financial interests~~ business and results. BNPP monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements. ~~Moreover~~In addition, factors specific to a ~~particular~~ country or region in which BNPP operates could ~~create-make it~~ difficult ~~operating-conditions, leading-for it to operating-carry out its business and lead to~~ losses or ~~impairment of assets~~ impairments.

As of 31 December 2018, 32% of BNPP's commercial lending portfolio was comprised of loans to borrowers in France, 14% by loans to borrowers in Belgium and Luxembourg, 10% by loans to borrowers in Italy, 19% by loans to borrowers in other European countries, 13% by loans to borrowers in North America and 6% by loans to borrowers in Asia. Adverse conditions that particularly affect these countries and regions would have a particularly significant impact on BNPP. In addition, the Group has significant exposures in countries outside the OECD, which are subject to risks that include political instability, unpredictable regulation and taxation, expropriation and other risks that are less present in more developed economies."

- (iii) the sub-heading "*Downgrades in the credit ratings of France or BNPP may increase BNPP's borrowing cost.*" on page 293 of the Base Prospectus and the paragraphs thereunder are deleted;
- (iv) the heading "**Risks Related to the Market Environment**" is inserted immediately above the sub-heading "*Significant interest rate changes could adversely affect BNPP's revenues or profitability.*" on page 293 of the Base Prospectus;
- (v) the paragraph under the sub-heading "*Significant interest rate changes could adversely affect BNPP's revenues or profitability.*" on page 293 of the Base Prospectus is amended as follows:

"The amount of net interest income earned by BNPP during any given period significantly affects its overall revenues and profitability for that period. ~~Interest rates are highly sensitive to many factors beyond BNPP's control, such as the rate of inflation, country-specific monetary policies and certain decisions concerning regulatory capital. Interest rates are affected by many factors beyond BNPP's control, such as the level of inflation and the monetary policies of states and government decisions relating to regulated savings rates.~~ Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. ~~Any adverse change in the yield curve could cause a decline in net interest income from BNPP's lending activities. In addition, increases in the interest rates at which BNPP's short-term funding is available and maturity mismatches may adversely affect its profitability. Any adverse change in the yield curve could cause a decline in BNPP's net interest income from its lending activities. In addition, maturity mismatches and interest rates rises relating to BNPP's short term financing may adversely affect BNPP's profitability.~~"

- (vi) the paragraphs under the sub-heading "*The prolonged low interest rate environment carries inherent systemic risks, and an exit from such environment also carries risks.*" on pages 293 and 294 of the Base Prospectus are amended as follows:

"Since the 2008-2009 financial crisis, global markets have been characterized by an extended period of low interest rates. ~~If the low interest rate environment continues, BNPP's profitability may be affected.~~ During such periods, interest rate spreads tend to tighten, and BNPP may be unable to lower

interest rates on deposits sufficiently to offset reduced income from lending at lower interest rates. In addition, BNPP has been facing and may continue to face an increase in early repayment and refinancing of mortgages and other fixed-rate consumer and corporate loans as clients take advantage of lower borrowing costs. This, along with the issuance of new loans at the low prevailing market interest rates, has resulted and may continue to result in a decrease in the average interest rate of BNPP's portfolio of loans thereby causing a decline in BNPP's net interest income from its lending activities. Moreover, an environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premium generated by BNPP from its funding activities. A flattening yield curve can also influence financial institutions to engage in riskier activities in an effort to earn the desired level of returns, which can increase overall market risk and volatility. Low interest rates may also negatively affect the profitability of BNPP's insurance activities, which may not be able to generate sufficient returns to be competitive with other investment products. Low interest rates may also adversely affect commissions charged by BNPP's asset management subsidiaries on money market and other fixed income products. A reduction in credit spreads and decline in retail banking income resulting from lower portfolio interest rates may adversely affect the profitability of BNPP's retail banking operations. Additionally, the prolonged period of low interest rates may have contributed to, and may continue to contribute to, excessive risk-taking by financial market participants such as lengthening maturities of financings and assets held, more lenient lending standards and increased leveraged lending. Certain of the market participants that may have taken or may take additional or excessive risk are of systemic importance, and any unwinding of their positions during periods of market turbulence or stress (and hence reduced liquidity) could have a destabilising effect on markets and could lead BNPP to record operating losses or asset impairments.

~~The~~ On the other hand, the end of a period of prolonged low interest rates, in particular due to tightening monetary policy, also carries risks. In this respect, the U.S. Federal Reserve is currently tightening its monetary policy and the ECB announced the end of its quantitative easing policy in December 2018, which could result in an increase in interest rates in the future. If market interest rates were to rise, a portfolio featuring significant amounts of lower interest loans and fixed income assets would be expected to decline in value. If BNPP's hedging strategies are ineffective or provide only a partial hedge against such a change in value, BNPP could incur losses.~~has been tightening its monetary policy since 2015 and the ECB has announced that it will significantly reduce asset purchases between January and September 2018, and reductions could continue thereafter.~~ Any sharper or more rapid than expected tightening could have a negative impact on the economic recovery. On the lending side, it could in particular cause stress in loan and bond portfolios, possibly leading to an increase in non performing exposures and defaults. ~~Moreover, it may cause additional financial strain on sovereigns with particularly high debt to GDP ratios such as countries on the periphery of the Eurozone as well as in Africa, with attendant increased asset quality concerns for their lenders. BNPP's underwriting activity could also be affected, particularly in relation to non-investment grade lending. On the borrowing side, should BNPP's hedging strategies prove ineffective or provide only a partial hedge, BNPP could incur losses due to higher refinancing costs.~~ More generally, the ending of accommodative monetary policies (including liquidity infusions from central bank asset purchases) may lead to severe corrections in certain markets or asset classes (e.g. non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefitted (including from very low risk premia as compared to historical averages) from the prolonged low interest rate and high liquidity environment, and such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility.";

- (vii) the first and second paragraphs under the sub-heading "*The soundness and conduct of other financial institutions and market participants could adversely affect BNPP.*" on page 294 of the Base Prospectus are amended as follows:

"BNPP's ability to engage in financing, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumours or questions about, one or more financial services institutions, or the financial services industry generally, may lead to market-wide liquidity problems and could lead to further losses or defaults. BNPP has exposure to many counterparties in the financial industry, directly and indirectly, including clearing houses, brokers and dealers, commercial banks, investment banks, mutual and alternative investment funds, and other institutional clients with which it regularly executes transactions. BNPP may also be exposed to risks related to the increasing involvement in the financial sector of players and the introduction of new types of transactions subject to little or no regulation (e.g. unregulated funds, trading venues or crowdfunding platforms). ~~BNPP is exposed to credit and counterparty risks in the event of default or financial distress of BNPP's counterparties or clients. This risk~~ could be exacerbated if the collateral held by BNPP cannot be realised upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to BNPP or in case of a failure of a significant financial market participant such as a central counterparty. It is worth noting in this respect that regulatory changes requiring mandatory clearing of standardized over-the-counter ("OTC") derivatives through central counterparties have resulted in an increase of the exposure of financial market participants to such central counterparties.

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due in particular to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous financial institutions globally, including BNPP, announced losses or exposure to losses in substantial amounts. BNPP remains the subject of various claims in connection with the Madoff matter; see Note 7.5.b "Contingent liabilities: legal proceedings and arbitration" ~~in to the consolidated BNPP 2018 Unaudited Financial Statements as of and for the year period ended 31 December 2018, which are included in the BNPP 2017 Registration Document (in English).~~";

- (viii) the following paragraph is inserted immediately below the second paragraph under the sub-heading "*BNPP may incur significant losses on its trading and investment activities due to market fluctuations and volatility.*" on page 294 of the Base Prospectus:

"The Group uses a "value at risk" model to quantify its exposure to potential losses from market risks, and also performs stress testing with a view to quantifying its potential exposure in extreme scenarios. However, these techniques rely on statistical methodologies based on historical observations, which may turn out to be unreliable predictors of future market conditions. Accordingly, the Group's exposure to market risk in extreme scenarios could be greater than the exposures predicted by its quantification techniques.";

- (ix) the sub-heading "*BNPP may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.*" on page 295 of the Base Prospectus and the paragraph thereunder are amended as follows:

*BNPP may generate lower revenues from ~~brokerage and other~~ commission and fee-based businesses during market downturns.*

Financial and economic conditions affect the number and size of transactions for which BNPP provides securities underwriting, financial advisory and other investment banking services. ~~BNPP's~~ These revenues, which include fees from these services, are directly related to the number and size of the transactions in which it participates and can thus be significantly affected by economic or financial changes that are unfavourable to its Investment Banking business and clients. In addition, because the

fees that BNPP charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues BNPP receives from its asset management, equity derivatives and private banking businesses. Independently of market changes, below-market performance by BNPP's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues BNPP receives from its asset management business. BNPP experienced some or all of these effects during the ~~sharp~~-various significant market downturns of recent years and could experience them again in future market downturns, which may occur periodically and unexpectedly.";

- (x) the paragraph under the sub-heading "*Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.*" on page 295 of the Base Prospectus is amended as follows:

"In some of BNPP's businesses, particularly Global Markets and Asset/Liability Management, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if BNPP cannot close out deteriorating positions in a timely way. This is particularly true for assets that are intrinsically illiquid. Assets that are not traded on stock exchanges or other public trading markets, such as certain derivative contracts between financial institutions, may have values that BNPP calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to significant losses that BNPP did not anticipate.";

- (xi) the following risk factor is inserted immediately above the heading "**Regulatory Risks**" on page 295 of the Base Prospectus:

*"BNPP must ensure that its assets and liabilities properly match in order to avoid exposure to losses.*

BNPP is exposed to the risk that the maturity, interest rate or currencies of its assets might not match those of its liabilities. The timing of payments on many of BNPP's assets is uncertain, and if BNPP receives lower revenues than expected at a given time, it might require additional funding from the market in order to meet its obligations on its liabilities. While BNPP imposes strict limits on the gaps between its assets and its liabilities as part of its risk management procedures, it cannot be certain that these limits will be fully effective to eliminate potential losses arising from asset and liability mismatches.";

- (c) the risk factors under the heading "**Regulatory Risks**" starting on page 295 of the Base Prospectus are amended as follows:

- (i) the paragraph under the sub-heading "*Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact BNPP and the financial and economic environment in which it operates.*" on page 295 of the Base Prospectus is deleted and replaced with the following:

"Laws and regulations have been enacted in the past few years or could be adopted, in particular in France, Europe and the United States, with a view to introducing a number of changes, some permanent, in the financial environment. The impact of the measures has changed substantially the environment in which BNPP and other financial institutions operate. The measures that have been or may be proposed and adopted include:

- more stringent capital and liquidity requirements (particularly for global systemically important banks such as BNPP), as well as changes to the risk-

weighting methodologies and the methods of using internal models that could lead to increased capital requirements;

- restrictions on certain types of activities considered as speculative undertaken by commercial banks that are prohibited or need to be ring fenced in subsidiaries (particularly proprietary trading) and are subject to prudential requirements and autonomous financing;
- restrictions or prohibitions on certain types of financial products or activities, enhanced recovery and resolution regimes, in particular the Bank Recovery and Resolution Directive of 15 May 2014 (the "**BRRD**"), which strengthens powers to prevent and resolve banking crises in order to ensure that losses are borne largely by the creditors and shareholders of the banks and in order to keep the costs incurred by taxpayers to a minimum;
- the establishment of the national resolution funds by the BRRD and the creation of the Single Resolution Board (the "**SRB**") by the European Parliament and Council of the European Union in a resolution dated 15 July 2014, which can initiate resolution proceedings for banking institutions such as BNPP, and the Single Resolution Fund (the "**SRF**"), whose financing is provided for by BNPP (up to its annual contribution) and can be significant;
- the establishment of national deposit guarantee schemes and a proposed European deposit guarantee scheme or deposit insurance which will gradually cover all or part of the guarantee schemes of participating countries;
- increased internal control and reporting requirements with respect to certain activities;
- more stringent governance and conduct of business rules and restrictions and increased taxes on employee compensation over specified levels;
- measures to improve the transparency, efficiency and integrity of financial markets and in particular the regulation of high frequency trading, more extensive market abuse regulations, increased regulation of certain types of financial products including mandatory reporting of derivative and securities financing transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over the counter derivative transactions (including through posting of collateral in respect of non centrally cleared derivatives);
- the taxation of financial transactions;
- enhanced privacy and cybersecurity requirements; and
- strengthening the powers of supervisory bodies, such as the French Prudential Supervision and Resolution Authority (the "**ACPR**") and the creation of new authorities, including the adoption of the Single Resolution Mechanism in October 2013, which placed BNPP under the direct supervision of the ECB as of November 2014.

It is impossible to predict what additional measures will be adopted and, given the complexity and continuing uncertainty of a certain number of these measures, to determine their impact on BNPP. The cumulative effect of these measures, whether already adopted or in the process of being adopted, has been and could continue to be a decrease in BNPP's ability to allocate its capital and capital resources to financing, limit its ability to diversify

risks, reduce the availability of certain financing and liquidity resources, increase the cost of financing, increase the cost or reduce the demand for the products and services offered by BNPP, require BNPP to proceed with internal reorganizations, structural changes or reallocations, affect the ability of BNPP to carry on certain activities or to attract and/or retain and, more generally, affect its competitiveness and profitability, which could have an impact on its profitability, financial condition and operating results.";

- (ii) the sub-headings "*French and European Laws and regulations*" and "*U.S. Laws and Regulations*" on pages 296 to 300 of the Base Prospectus and the paragraphs thereunder are deleted;
- (iii) the following risk factor is inserted immediately above the sub-heading "*BNPP is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates.*" on pages 300 and 301 of the Base Prospectus:

*"BNPP could become subject to a resolution proceeding.*

The BRRD and the Ordinance of 20 August 2015 confer upon the ACPR or the SRB the power to commence resolution proceedings for a banking institution, such as BNPP, with a view to ensure the continuity of critical functions, to avoid the risks of contagion and to recapitalise or restore the viability of the institution.

These powers are to be implemented so that, subject to certain exceptions, losses are borne first by shareholders, then by holders of additional capital instruments qualifying as tier 1 and tier 2 (such as subordinated bonds), then by the holders of senior non preferred debt and finally by the holders of senior preferred debt, all in accordance with the order of their claims in normal insolvency proceedings.

Resolution authorities have broad powers to implement resolution measures with respect to institutions and groups subject to resolution proceedings, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, the full or partial write down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write down or conversion into equity of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a special manager (*administrateur special*).

Certain powers, including the full or partial write down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write down or conversion into equity of additional capital instruments qualifying as tier 1 and tier 2 (such as subordinated bonds), can also be exercised as a precautionary measure, outside of resolution proceedings and/or pursuant to the European Commission's State Aid framework if the institution requires exceptional public financial support.

The implementation of these tools and powers with respect to BNPP may result in significant structural changes to the Group (including as a result of asset or business sales or the creation of bridge institutions) and in a partial or total write down, modification or variation of claims of shareholders and creditors. Such powers may also result, after any transfer of all or part of BNPP's business or separation of any of its assets, in the holders of securities (even in the absence of any such write down or conversion) being left as the creditors of BNPP whose remaining business or assets are insufficient to support the claims of all or any of the creditors of BNPP.";



- (iv) the paragraphs under the sub-heading "*BNPP may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties.*" on page 301 of the Base Prospectus are amended as follows:

"BNPP is exposed to regulatory compliance risk, i.e. the failure to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging and even conflicting legal or regulatory requirements. Besides damage to BNPP's reputation and private rights of action (including class actions ~~introduced into French law in 2014~~), non-compliance could lead to material legal proceedings, fines and expenses (including fines and expenses in excess of recorded provisions), public reprimand, enforced suspension of operations or, in extreme cases, withdrawal by the authorities of operating licenses. This risk is further exacerbated by continuously increasing regulatory scrutiny of financial institutions, as well as substantial increases in the quantum of applicable fines and penalties. Moreover, litigation by private parties against financial institutions has substantially increased in recent years. Accordingly, BNPP faces significant legal risk in its business, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms have substantially increased in recent years and may increase further.

In this respect, on 30 June 2014 BNPP entered into a series of agreements with, and was the subject of several orders issued by, U.S. federal and New York state government agencies and regulatory authorities ~~including the U.S. Department of Justice, the New York County District Attorney's Office, the U.S. Attorney's Office for the Southern District of New York, the Board of Governors of the Federal Reserve System, the Office of Foreign Assets Control of the U.S. Department of the Treasury and the New York State Department of Financial Services~~, in settlement of investigations into violations of U.S. laws and regulations regarding economic sanctions. The fines and penalties imposed on BNPP as part of this settlement included, among other things, the payment of monetary penalties amounting in the aggregate to \$8.97 billion (€6.6 billion) ~~and~~; guilty pleas by BNP Paribas S.A., the parent company of the BNP Paribas group, to charges of having violated U.S. federal criminal law ~~(conspiracy to violate the Trading with the Enemy Act and the International Emergency Economic Powers Act)~~ and New York State criminal law ~~(conspiracy and falsifying business records)~~; ~~and the suspension of the New York branch of BNP Paribas for (a) a one year period (2015) of USD direct clearing focused mainly on the Oil & Gas Energy and Commodity Finance business line in certain locations and (b) a two year period of U.S. dollar clearing as a correspondent bank for unaffiliated third party banks in New York and London.~~ Following this settlement, BNPP remains subject to increased scrutiny by regulatory authorities (including via the presence within BNPP of an independent consultant) who are monitoring its compliance with a remediation plan agreed with them.

BNPP is currently involved in various litigations and investigations as summarised in Note ~~75~~.b "Contingent liabilities: legal proceedings and arbitration" to the ~~BNPP 2018 Unaudited Financial Statements 2017 Registration Document (in English) and Section 3.2 "Contingent Liabilities: legal proceedings and arbitration" of the First Update to the BNPP 2017 Registration Document (in English)~~. It may become involved in further such matters at any point. No assurance can be given that an adverse outcome in one or more of such matters would not have a material adverse effect on BNPP's operating results for any particular period.";

- (d) the heading "**Risks Related to BNPP, its Strategy, Management and Operations**" on page 301 of the Base Prospectus is deleted and replaced with the heading "**Risks Related to the Implementation of BNPP's Strategy**";

(e) the risk factors under the heading "**Risks Related to BNPP, its Strategy, Management and Operations**" (as amended above) starting on page 301 of the Base Prospectus are amended as follows:

(i) the sub-heading "*Risks related to the implementation of BNPP's strategic plans and commitment to environmental responsibility.*" on pages 301 and 302 of the Base Prospectus and the first and second paragraphs thereunder are amended as follows:

~~"Risks related to the implementation of BNPP's strategic plans and commitment to environmental responsibility.~~

BNPP ~~has~~ announced a strategic plan for the 2017-2020 period ~~presented~~ on 7 February 2017. This plan contemplates a number of initiatives, including the implementation of new customer pathways, the digital transformation of BNPP, continuing to improve operating efficiency and various business development initiatives. BNPP closely monitors these initiatives and provided an update on its 2020 targets on 6 February 2019.

The plan also includes a number of financial targets and objectives relating to net banking income, operating costs, net income, capital adequacy ratios and return on equity, among other things. These financial targets and objectives were established primarily for purposes of internal planning and allocation of resources, and are based on a number of assumptions with regard to business and economic conditions.";

(ii) the sub-heading "*Intense competition by banking and non-banking operators could adversely affect BNPP's revenues and profitability.*" on page 302 of the Base Prospectus and the paragraph thereunder are deleted;

(iii) a new heading and the following risk factor are inserted immediately above the sub-heading "*A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect BNPP's results of operations and financial condition.*" on page 303 of the Base Prospectus as follows:

**"Risks Related to the Management of BNPP's Business**

*BNPP is exposed to credit risk and counterparty risk.*

As a credit institution, BNPP is exposed to the creditworthiness of its customers and counterparties. These risks impact the Group's consolidated financial statements when a customer or counterparty is unable to honour its obligations and when the book value of these obligations in BNPP's records is positive. The customer or counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government and its various entities, an investment fund, or a natural person. If the level of customer or counterparty defaults increases compared to recent historically low levels, BNPP may have to record significant charges for possible bad and doubtful debts, affecting its profitability.

While BNPP seeks to reduce its exposure to credit risk and counterparty risk by using risk mitigation techniques such as collateralization, obtaining guarantees, entering into credit derivatives and entering into netting agreements, it cannot be certain that these techniques will be effective to offset losses resulting from counterparty defaults that are covered by these techniques. Moreover, BNPP is exposed to the risk of default by the party providing the credit risk coverage (such as a counterparty on derivatives) or to the risk of loss of value of any collateral. In addition, only a portion of BNPP's overall credit risk and counterparty risk is covered by these techniques. Accordingly, BNPP has significant exposure to these risks.";

- (iv) the paragraphs under the sub-heading "A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect BNPP's results of operations and financial condition." on page 303 of the Base Prospectus are amended as follows:

"In connection with its lending activities, BNPP regularly establishes provisions for loan losses, which are recorded in its profit and loss account under "cost of risk". BNPP's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans or statistical analysis based on scenarios applicable to different asset classes. Although BNPP seeks to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of deteriorating economic conditions or other causes. Any significant increase in provisions for loan losses or a significant change in BNPP's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on BNPP's results of operations and financial condition.

~~BNPP also establishes provisions for contingencies and charges including in particular provisions for litigations. Any loss arising from a risk that has not already been provisioned or that is greater than the amount of the provision would have a negative impact on BNPP's results of operation and, potentially, its financial condition."~~

- (v) the following risk factors are inserted immediately below the risk factor entitled "Adjustments to the carrying value of BNPP's securities and derivatives portfolios and BNPP's own debt could have an impact on its net income and shareholders' equity." on page 304 of the Base Prospectus:

*"The credit ratings of BNPP may be downgraded, which would weigh on its profitability.*

Credit ratings have a significant impact on BNPP's liquidity. A downgrade in BNPP's credit rating could affect its liquidity and competitive position. It could also increase BNPP's borrowing costs, limit access to the capital markets or trigger additional obligations under its covered bonds or under certain bilateral provisions in some trading, derivative or collateralized financing contacts.

In addition, BNPP's cost of obtaining long term unsecured funding from market investors is also directly related to its credit spreads, which in turn depend to a certain extent on its credit ratings. Increases in credit spreads can significantly increase BNPP's cost of funding. Changes in credit spreads are continuous, market driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of BNPP's creditworthiness. Furthermore, credit spreads may be influenced by movements in the cost to purchasers of credit default swaps referenced to BNPP's debt obligations, which are influenced both by the credit quality of those obligations, and by a number of market factors that are beyond the control of the Group.

*Intense competition by banking and non banking operators could adversely affect BNPP's revenues and profitability.*

Competition is intense in all of BNPP's primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the banking industry could intensify as a result of consolidation in the financial services area or as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding platforms. In particular, competitors subject to less extensive regulatory requirements or to

less strict capital requirements (e.g., debt funds, shadow banks), or benefiting from economies of scale, data synergies or technological innovation (e.g., internet and mobile operators, digital platforms, fintechs), could be more competitive by offering lower prices or more innovative services. In addition, new payment systems and crypto-currencies, such as Bitcoin, and new technology that facilitate transaction processes, such as blockchain, have developed in recent years. While it is difficult to predict the effects of these emerging technologies as well as any applicable regulations, their use could nevertheless reduce BNPP's market share or secure investments that otherwise would have used technology used by more established financial institutions, such as BNPP. If BNPP is unable to respond to the competitive environment in France or in its other major markets by offering attractive, innovative and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for BNPP and its competitors. It is also possible that the imposition of more stringent requirements (particularly capital requirements and business restrictions) on large or systemically significant financial institutions, could lead to distortions in competition in a manner adverse to large private sector institutions such as BNPP.";

- (vi) the heading "**Risks Related to BNPP's Operations**" is inserted immediately above the sub-heading "*An interruption in or a breach of BNPP's information systems may result in material losses of client or customer information, damage to BNPP's reputation and lead to financial losses.*" (as amended below) on pages 304 and 305 of the Base Prospectus;
- (vii) the sub-heading "*BNPP's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.*" on page 303 of the Base Prospectus and the paragraphs thereunder are moved immediately after the heading inserted pursuant to the amendment described in (vi) above;
- (viii) the sub-heading "*The expected changes in accounting principles relating to financial instruments may have an impact on BNPP's balance sheet, income statement and regulatory capital ratios and result in additional costs.*" on page 304 of the Base Prospectus and the paragraph thereunder are deleted;
- (ix) the sub-heading "*An interruption in or a breach of BNPP's information systems may result in material losses of client or customer information, damage to BNPP's reputation and lead to financial losses.*" on pages 304 and 305 of the Base Prospectus and the paragraph thereunder are amended as follows:

*"An interruption in or a breach of BNPP's information systems may ~~result in material~~ cause substantial losses of client or customer information, damage to BNPP's reputation and ~~lead to~~ financial losses.*

As with most other banks, BNPP relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services, and the development of cloud computing and blockchain technologies. Any failure or interruption or breach in security of these systems could result in failures or interruptions in BNPP's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems or could cause BNPP to incur significant costs in recovering and verifying lost data. BNPP cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed.

In addition, BNPP is subject to cybersecurity risk, or risk caused by a malicious and/or fraudulent act, committed virtually, with the intention of manipulating information (confidential data, bank/insurance, technical or strategic), processes and users, in order to cause material losses to the Group's subsidiaries, employees, partners and clients. An increasing number of companies (including financial institutions) have in recent years experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorised access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognised until launched against a target. BNPP and its third party service providers may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. Any failures of or interruptions in BNPP's information systems or those of its providers and any subsequent disclosure of confidential information related to any client, counterpart or employee of BNPP (or any other person) or any intrusion or attack against BNPP's communication system could cause significant losses and have an adverse effect on BNPP's reputation, financial condition and results of operations.

Moreover, BNPP is exposed to the risk of operational failure or interruption of a clearing agent, foreign markets, clearing houses, custodian banks or any other financial intermediary or external service provider used by BNPP to execute or facilitate financial transactions. Due to its increased interaction with clients, BNPP is also exposed to the risk of operational malfunction of the latter's information systems. The Group's communications and data systems and those of its clients, service providers and counterparties may also be subject to malfunctions or interruptions by as a result of cyber-crime or cyber-terrorism. BNPP cannot guarantee that these malfunctions or interruptions in its own systems or those of other parties will not occur or that in the event of a cyberattack, these malfunctions or interruptions will be adequately resolved."; and

- (x) the sub-heading "*Unforeseen external events may disrupt BNPP's operations and cause substantial losses and additional costs.*" on page 305 of the Base Prospectus and the paragraph thereunder are deleted.

## DOCUMENTS INCORPORATED BY REFERENCE

On 6 February 2019, BNPP filed with the AMF its unaudited consolidated financial statements (in French and English) for the year ended 31 December 2018, which, by virtue of this Fourth Supplement, is incorporated in, and forms part of, the Base Prospectus.

The "**DOCUMENTS INCORPORATED BY REFERENCE**" section on pages 401 to 413 of the Base Prospectus is updated as follows:

- (a) the word "and" at the end of paragraph (r) is deleted;
- (b) the "," at the end of paragraph (s) is deleted and replaced with "; and"; and
- (c) the following paragraph (t) is added under paragraph (s):
  - "(t) BNPP's unaudited consolidated financial statements (in French and English) for the year ended 31 December 2018 (the "**BNPP 2018 Unaudited Financial Statements**"),"; and
- (d) the following table is inserted immediately following the table entitled "*Third Update to the BNPP 2017 Registration Document (in English)*" (which was added to the Base Prospectus by virtue of the Third Supplement):

<i>BNPP 2018 Unaudited Financial Statements</i>	
Consolidated Financial Statements	Pages 4 to 9 of the BNPP 2018 Unaudited Financial Statements
Notes to the Financial Statements	Pages 10 to 137 of the BNPP 2018 Unaudited Financial Statements

- (e) in the penultimate paragraph, the second sentence (which was amended by virtue of the Third Supplement) is deleted and replaced with the following:

"Each of the documents incorporated by reference in (d) to (t) above will only be made available by the relevant Issuer or the Guarantor to which such document relates."

## AMENDMENTS TO THE GENERAL INFORMATION SECTION

The General Information section on pages 1391 to 1398 of the Base Prospectus is amended as follows:

- (a) the table under the heading "17. Capitalization of BNPP and the BNP Paribas Group" on pages 1397 and 1398 of the Base Prospectus is deleted and replaced with the following:

<b>BNP Paribas consolidated capitalization and medium and long term debt indebtedness over one year</b>		
<b>In Millions of Euros</b>	<b>31 December 2018 (prudential scope of consolidation)<sup>(1)</sup></b>	<b>30 September 2018 (prudential scope of consolidation)<sup>(1)</sup></b>
Senior preferred debt at fair value through profit or loss <sup>(2)</sup>	37 516	38 082
Senior preferred debt at amortised cost	48 223	47 965
<b>Total Senior Preferred Debt</b>	<b>85 739</b>	<b>86 047</b>
Senior non preferred debt at amortised cost	23 549	22 468
<b>Total Senior Non Preferred Debt</b>	<b>23 549</b>	<b>22 468</b>
Redeemable subordinated debt at amortised cost	14 929	13 825
Undated subordinated notes at amortised cost	516	513
Undated participating subordinated notes at amortised cost	225	225
Redeemable subordinated debt at fair value through profit or loss	118	119
Perpetual subordinated debt at fair value through profit or loss <sup>(2)</sup>	669	669
Preferred shares and equivalent instruments	8 240	8 227
<b>Total Subordinated Debt</b>	<b>24 697</b>	<b>23 577</b>
Issued Capital	2 500	2 500
Additional paid-in capital	24 537	24 581
Retained earnings	61 928	61 558
Unrealized or deferred gains and losses attributable to shareholders	503	118
<b>Total Shareholders' Equity and Equivalents (net of proposed dividends)</b>	<b>89 468</b>	<b>88 757</b>
<b>Minority Interests (net of proposed dividends)</b>	<b>4 049</b>	<b>3 987</b>
<b>Total Capitalization and Medium Long Term</b>	<b>227 502</b>	<b>224 837</b>

Debt Indebtedness		
<p>(1) As of 30 September 2018 the Group's consolidated capitalization and medium-to-long term indebtedness is presented using the prudential scope of consolidation. As stated in Section 5.2 of the Third Update to the BNPP 2017 Registration Document (in English), the material differences between the prudential scope of consolidation and the accounting scope of consolidation are as follows:</p> <ul style="list-style-type: none"> <li>- insurance companies (primarily BNP Paribas Cardif and its subsidiaries) that are fully consolidated under the accounting scope of consolidation are accounted for using the equity method under the prudential scope of consolidation; and</li> <li>- jointly controlled entities (such as the UCI Group entities and Bpost banque) are accounted for using the equity method in the accounting scope of consolidation and using the proportional consolidation method under the prudential scope of consolidation.</li> </ul> <p>(2) As of 31 December 2018, EUR 205 million of subordinated debt is eligible as Tier 1 capital. EUR 205 million of subordinated debt was eligible as of 30 September 2018.</p>		

- (b) by the insertion of a sub-section immediately beneath the sub-section "18. Events impacting the solvency of BNPP" on page 1398 of the Base Prospectus as follows:

"19. Declaration concerning the unaudited results of BNP Paribas for the periods ending 31 December 2018

The statutory auditors have audited the financial statements of BNP Paribas for the years ended 31 December 2016 and 31 December 2017. They have also reviewed the condensed interim consolidated financial statements of BNP Paribas as of and for the six month period ended 30 June 2018. The French statutory auditors carry out their engagements in accordance with professional standards applicable in France.

In relation to the press release published by BNP Paribas on 6 February 2019 on its 2018 annual results and fourth quarter 2018 results, in application of the paragraph 8.2 of the ANNEX XI to the COMMISSION REGULATION (EC) N° 809/2004, BNPP has made the following statements:

- (a) BNP Paribas approves this information;
- (b) the statutory auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements; and
- (c) this financial information has not been audited."



## **RESPONSIBILITY STATEMENT**

I hereby certify on behalf of BNPP, BNPP B.V., BP2F and BNPPF having taken all reasonable care to ensure that such is the case that, to the best of my knowledge, the information contained in this Fourth Supplement is in accordance with the facts and contains no omission likely to affect its import.

BNP Paribas  
16 boulevard des Italiens  
75009 Paris  
France

Represented by Thierry Laborde  
in his capacity as Deputy Chief Operating Officer; Domestic Markets

Dated 20 February 2019



In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the French *Autorité des marchés financiers* ("AMF"), in particular Articles 212-31 to 212-33, the AMF has granted to this Fourth Supplement the visa n° 19-052 on 20 February 2019. This Fourth Supplement has been prepared by BNPP, BNPP B.V., BP2F and BNPPF and BNPP's signatories assume responsibility for it on behalf of BNPP, BNPP B.V., BP2F and BNPPF, provided that BNPP B.V., BP2F and BNPPF accept no responsibility for the information contained in the press release and related presentation dated 6 February 2019 or the press release dated 15 February 2019, the updated disclosure in relation to BNPP or the BNPP 2018 Unaudited Financial Statements. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the *visa* has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". The *visa* does not imply that the AMF has verified the accounting and financial data set out in this Fourth Supplement and it does not mean that any financial transactions that may be issued pursuant to the Base Prospectus have been granted approval by the AMF. This *visa* has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.