

# SECOND QUARTER 2019 RESULTS



PRESS RELEASE  
Paris, 31 July 2019

## BUSINESS GROWTH IN THE THREE OPERATING DIVISIONS SUCCESS OF THE NEW DIGITAL CUSTOMER EXPERIENCES

OUTSTANDING LOANS: +4.7% vs. 2Q18

## REVENUE GROWTH AT IFS AND CIB DOMESTIC MARKETS REVENUES VIRTUALLY STABLE

REVENUES OF THE OPERATING DIVISIONS: +2.5% vs. 2Q18

## DECREASE OF COSTS IN THE RETAIL NETWORKS AND GROWTH OF THE SPECIALISED BUSINESSES

### POSITIVE JAWS EFFECT IN THE OPERATING DIVISIONS

COSTS OF THE OPERATING DIVISIONS: +1.8% vs. 2Q18

## LOW COST OF RISK

30 bp\*

## INCREASE IN NET INCOME

NET INCOME GROUP SHARE: €2,468 m (+3.1% vs. 2Q18)

## INCREASE IN THE CET 1 RATIO

CET 1 RATIO: 11.9% (+20 bp vs. 31.03.19)

**BUSINESS GROWTH**  
**CET 1 RATIO AT 11.9%**

\*COST OF RISK/CUSTOMER LOANS AT THE BEGINNING OF THE PERIOD (IN BP)



**BNP PARIBAS**

The bank  
for a changing  
world

The Board of Directors of BNP Paribas met on 30 July 2019. The meeting was chaired by Jean Lemierre and the Board examined the Group's results for the second quarter 2019 and endorsed the interim financial statements for the first half of the year.

## **BUSINESS GROWTH AND RISE IN INCOME**

The business of BNP Paribas was up this quarter in a context where economic growth remained positive in Europe but slowed down, implying expectations of a continued low interest rate environment.

Revenues, at 11,224 million euros, were up by 0.2% compared to the second quarter 2018.

The revenues of the operating divisions were up by 2.5% (+1.4% at constant scope and exchange rates) with (i) a slight decrease at Domestic Markets<sup>1</sup> (-0.3%) where the effect of the low interest rate environment was not fully offset by good business development, in particular in the specialised businesses and (ii) a rise at International Financial Services (+3.4%<sup>2</sup>) as a result of good business development and at CIB (+4.0%) driven in particular by the good growth in Corporate Banking. It was down in the Corporate Centre due to the deconsolidation of First Hawaiian Bank in 2018<sup>3</sup>.

At 7,435 million euros, the Group's operating expenses were up by 0.9% compared to the second quarter 2018. They included the exceptional impact of the 2020 plan transformation costs (222 million euros), restructuring costs of acquisitions<sup>4</sup> (63 million euros) and additional adaptation measures in BNL bc and Asset Management (51 million euros for departure plans), which totalled 336 million euros (275 million euros in the second quarter 2018). Excluding these exceptional items, costs rose by only 0.1%, generating a positive jaws effect.

The operating expenses of the operating divisions rose by 1.8% compared to the second quarter 2018 (stable at constant scope and exchange rates): they were down by 0.5% for Domestic Markets<sup>1</sup> with a decrease in the networks (-1.2%) and a rise in the specialised businesses related to business development, up by 4.3% for International Financial Services (+0.8% at constant scope and exchange rates), and up by 1.3% for CIB. They were down in the Corporate Centre due to the deconsolidation of First Hawaiian Bank in 2018<sup>3</sup>.

The jaws effect was positive in the operating divisions thanks to the implementation, in line with the 2020 plan, of cost saving measures (199 million euros in recurring savings generated this quarter for a cumulated total of 1.5 billion euros since the launch of the programme in early 2017 and a target of 3.3 billion euros in 2020).

The gross operating income of the Group thus totalled 3,789 million euros, down by 1.3%. It was up by 3.9% for the operating divisions.

The cost of risk, at 621 million euros, was up 54 million euros compared to the second quarter 2018 due to the increase of outstanding loans. At 30 basis points of outstanding customer loans, it remained at a low level, reflecting 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 3,168 million euros (3,271 million euros in the second quarter 2018), was thus down by 3.1%. It was up by 2.2% for the operating divisions.

Non-operating items totalled 209 million euros (182 million euros in the second quarter 2018). They reflected this quarter the exceptional impact of the capital gain from the sale of 2.5% of SBI Life in

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

<sup>2</sup> +1.2% at constant scope and exchange rates

<sup>3</sup> Full consolidation of First Hawaiian Bank stopped as of 01.08.2018

<sup>4</sup> Restructuring costs related in particular to the integration of Raiffeisen Bank Polska and Opel Bank SA

India followed by the deconsolidation of the residual stake (+612 million euros) as well as the partial impairment of BancWest's goodwill (-500 million euros).

Pre-tax income came to 3,377 million euros (3,453 million euros in the second quarter 2018) and was thus down by 2.2%. It was up by 1.8% in the operating divisions.

The average corporate tax rate was 21.5%, due in particular to the low tax rate on the capital gain from the sale of SBI Life shares.

The Group's net income attributable to equity holders was thus 2,468 million euros, up by 3.1% compared to the second quarter 2018.

As at 30 June 2019, the common equity Tier 1 ratio was 11.9%, up by 20 bp compared to 31 March 2019 due to the organic capital generation of this quarter and the positive impact of the deconsolidation of SBI Life. The leverage ratio<sup>1</sup> came to 4.1%. The Group's immediately available liquidity reserve was 330 billion euros, equivalent to over one year of room to manoeuvre in terms of wholesale funding.

The net book value per share reached 75.7 euros (after the payment of the 3.02 euros 2018 dividend per share this quarter), equivalent to a compound annual growth rate of 4.9% since 31 December 2008, illustrating the continuous value creation throughout the cycle.

The Group is actively implementing its 2020 plan while strengthening its internal control and compliance system. 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. Its action in this area is recognised: the Group was named this year World's Best Bank for Corporate Responsibility by Euromoney magazine.

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For the first half of the year, revenues, at 22,368 million euros, were up by 1.7% compared to the first half 2018.

The revenues of the operating divisions were up by 3.5% with a slight decrease at Domestic Markets<sup>2</sup> (-0.3%) where the effect of the low interest rate environment was not fully offset by good business development, in particular in the specialised businesses, and good growth at International Financial Services (+6.3%) as well as at CIB (+3.8%). They were down in the Corporate Centre due to the deconsolidation of First Hawaiian Bank in 2018<sup>3</sup>.

At 15,884 million euros, the Group's operating expenses were up by 1.6% compared to the first half 2018 generating a positive jaws effect. They included the exceptional 542 million euro impact (486 million euros in the first half 2018) of the transformation costs, restructuring costs of acquisitions<sup>4</sup> and additional adaptation measures in BNL bc and Asset Management (departure plans).

The operating expenses of the operating divisions rose by 2.5% compared to the first half 2018: they were stable for Domestic Markets<sup>2</sup> with a decrease in the networks (-0.6%) and a rise in the specialised businesses related to business development, up by 5.3% for International Financial Services as a result of business growth and scope effects (+1.9% at constant scope and exchange

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<sup>1</sup> Calculated according to the delegated act of the European Commission dated 10 October 2014

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

<sup>3</sup> Full consolidation of First Hawaiian Bank stopped as of 01.08.2018

<sup>4</sup> Restructuring costs related in particular to the integration of Raiffeisen Bank Polska and Opel Bank SA

rates), and up by 2.3% for CIB. They were down in the Corporate Centre due to the deconsolidation of First Hawaiian Bank in 2018<sup>1</sup>.

The jaws effect was positive in the operating divisions thanks to the implementation, in line with the 2020 plan, of cost saving measures (368 million euros in savings generated this semester for a total of 1,523 million euros since the launch of the programme in early 2017).

The gross operating income of the Group thus totalled 6,484 million euros, up by 1.7%. It was up by 5.5% for the operating divisions.

The cost of risk, at 1,390 million euros, was up by 208 million euros compared to the first half 2018 due to the increase of outstanding loans and provision write-backs at CIB and Personal Finance during the same period last year. At 34 basis points of outstanding customer loans, it was at a low level reflecting 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 5,094 million euros (5,194 million euros in the first half 2018), was down by 1.9%. It was up by 2.3% for the operating divisions.

Non-operating items totalled 966 million euros (515 million euros in the first half 2018). They reflected in particular the exceptional impact of the capital gain from the sale of 16.8% of SBI Life in India followed by the deconsolidation of the residual stake (+1,450 million euros) as well as goodwill impairments (-818 million euros). They included in the first half 2018 the +101 million euro impact of the capital gain from the sale of a building.

Pre-tax income came to 6,060 million euros (5,709 million euros in the first half 2018) and was thus up by 6.1%.

The average corporate tax rate was 22.3%, due in particular to the low tax rate on the capital gain from the sale of SBI Life shares.

The Group's net income attributable to equity holders was thus 4,386 million euros, up by 10.8% compared to the first half 2018.

The annualised return on equity was thus 9.6%. The annualised return on tangible equity came to 11.0%.

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<sup>1</sup> Full consolidation of First Hawaiian Bank stopped as of 01.08.2018

## **RETAIL BANKING & SERVICES**

### **DOMESTIC MARKETS**

Domestic Markets continued its good business drive. Outstanding loans rose by 4.2% compared to the second quarter 2018 with good growth in loans both in the domestic networks and in the specialised businesses (Arval, Leasing Solutions). Deposits rose by 7.5% compared to the second quarter 2018, up in all countries. Private Banking reported good net asset inflows (+2.2 billion euros).

The quality of Domestic Markets' digital offering was recognised as the division ranked as the top network bank in France in terms of its digital offering in the 2019 D-Rating<sup>1</sup> ranking, progressing strongly at Hello bank! and Nickel. The operating division is accelerating mobile usages of individual customers with over 4 million active mobile users in the networks (+22% compared to the second quarter 2018) and a 28% increase in connections. It is developing real-time transactions with the launch of instant payment in France, Belgium and Italy and enhanced the digital offering for corporate customers with new features in all the networks. It continues adapting its offerings to new banking uses with the success of *LyfPay*, a universal mobile payment solution, which has already recorded over 2 million downloads in France, becoming in June the most downloaded app in the mobile payment category. For its part, Nickel reported 368,000 accounts opened since 30 June 2018, now exceeding 1.3 million accounts opened.

Domestic Markets is streamlining and optimising the local commercial networks in order to enhance customer service and reduce costs (333 branches closed since 2016 in France, Belgium and Italy). It also continued to transform its operating model by streamlining and digitalising end-to-end its main customer journeys and automating its processes.

Revenues<sup>2</sup>, at 3,925 million euros, were down by 0.3% compared to the second quarter 2018 due to the effect of the low interest rate environment, partly offset by increased activity and good growth of the specialised businesses.

Operating expenses<sup>2</sup> (2,516 million euros) were down by 0.5% compared to the second quarter 2018, generating a positive jaws effect. They were down significantly in the networks (-1.2%<sup>3</sup>) but up in the specialised businesses (where the jaws effect was however positive) as a result of business development.

Gross operating income<sup>2</sup>, at 1,408 million euros, was down by 0.2% compared to the same quarter last year.

The cost of risk was low at 214 million euros (+10 million euros compared to the second quarter 2018). It continued its 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 1,122 million euros in pre-tax income<sup>4</sup>, down slightly compared to the second quarter 2018 (-0.9%).

For the first half of the year, revenues<sup>2</sup>, at 7,886 million euros, were down by 0.3% compared to the first half 2018 due to the effect of the low interest rate environment, partly offset by increased business and good growth of the specialised businesses. Operating expenses<sup>2</sup> (5,500 million euros) were stable compared to the first half 2018 with a decrease in the networks (-0.6%<sup>3</sup>) but growth in the specialised businesses (where the jaws effect was however positive in all the

<sup>1</sup> Rating agency specialized in analyzing digital performance

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

<sup>3</sup> FRB, BNL bc and BRB

<sup>4</sup> Excluding PEL/CEL effects of +28 million euros compared to 0 million euros in the second quarter 2018

businesses) as a result of business development. Gross operating income<sup>1</sup>, at 2,386 million euros, was thus down by 0.9% compared to the same semester last year. The cost of risk was low but was up by 47 million euros compared to a very low base in the first half 2018. It continued its 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 1,729 million euros in pre-tax income<sup>2</sup>, down compared to the first half 2018 (-3.4%).

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

FRB continued its good business drive in the context of economic growth in France. Outstanding loans rose by 5.1% compared to the second quarter 2018 with growth in particular in loans to corporate clients. Deposits were up by 10.6%, driven by strong growth in current accounts. Private Banking reported very good net asset inflows (1 billion euros).

The business successfully continued to develop its digital offering for corporate customers with 45% of the onboarding of new customers now completed through the dedicated *Welcome* app<sup>3</sup>. The new property and casualty offering launched in May 2018 as part of the partnership between BNP Paribas Cardif and Matmut (Cardif IARD) recorded good growth with already 172,000 contracts sold as at 30 June 2019.

Revenues<sup>4</sup> totalled 1,596 million euros, up by 0.2% compared to the second quarter 2018. Net interest income<sup>4</sup> was up by 1.5% as a result in particular of higher volumes. Fees<sup>4</sup> were down by 1.4% with in particular a decrease in charges on fragile customers.

At 1,102 million euros, operating expenses<sup>4</sup> were down by 0.2% compared to the second quarter 2018, thanks to the transformation plan (optimisation of the network and streamlining of the management set-up). The jaws effect was positive by 0.4 pt.

Gross operating income<sup>4</sup> thus came to 495 million euros, up by 1.2% compared to the same quarter last year.

At 17 basis points of outstanding customer loans, the cost of risk<sup>4</sup> was at a low level. It totalled 83 million euros this quarter, up by 29 million euros compared to the second quarter 2018 when it was particularly low.

Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 374 million euros in pre-tax income<sup>5</sup>, down by 5.7% compared to second quarter 2018.

For the first half of the year, revenues<sup>4</sup> totalled 3,191 million euros, up by 0.2% compared to the first half 2018. Net interest income<sup>4</sup> was up by 2.1% as a result of higher volumes. Fees<sup>4</sup> were down by 2.2% due in particular to the decrease in charges on fragile customers. At 2,287 million euros, operating expenses<sup>4</sup> were down by 0.2% compared to the first half 2018, thanks to the transformation plan, generating a positive jaws effect of 0.4 pt. Gross operating income<sup>4</sup> thus came to 904 million euros, up by 1.1% compared to the same half last year. At 16 basis points of outstanding customer loans, the cost of risk<sup>4</sup> was at a low level. It came to 155 million euros, up by 42 million euros compared to the first half 2018 when it was particularly low. Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 678 million euros in pre-tax income<sup>2</sup>, down by 3.5% compared to first half 2018.

<sup>1</sup> Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg

<sup>2</sup> Excluding PEL/CEL effects of +30 million euros compared to 1 million euros in the first half 2018

<sup>3</sup> Eligible scope: SMEs and large corporates based in France

<sup>4</sup> Including 100% of Private Banking in France (excluding PEL/CEL effects)

<sup>5</sup> Excluding PEL/CEL effects of +28 million euros compared to 0 million euros in the first half 2018

**BNL banca commerciale (BNL bc)**

BNL bc's business activity was up in a lacklustre economic environment. Outstanding loans were up by +1.0% excluding the impact of the securitisations of non-performing loans<sup>1</sup> and the business continued to grow its market share regularly in the corporate client segment: +0.8 points in 3 years to 5.9%<sup>2</sup>. Deposits grew by 2.9% compared to the second quarter 2018 with in particular an increase in current accounts of individual customers. Off balance sheet savings were up by 3.1% compared to 30 June 2018 with a sharp rise in life insurance outstandings (+8.0%) but a decrease in mutual fund outstandings (-3.3%).

BNL bc also continued to develop new client journeys and digital transformation with the success of the new *MyBiz* app, providing SMEs with mobile access to a large range of standard banking services (already 8,500 active clients as at 30 June 2019).

To better adapt its costs to the lacklustre context and to the impact of low interest rates, it is launching an early departure plan leveraging on the new Quota 100 law facilitating early retirement, which will thereby increase the net expected reduction in headcount to about 1,500 full-time equivalents by 2021.

Revenues<sup>3</sup> were down by 1.9% compared to the second quarter 2018, at 684 million euros. Net interest income<sup>3</sup> was down by 4.3% due to the persistently low interest rate environment and the positioning on clients with a better risk profile. Fees<sup>3</sup> were up by 1.9% compared to the second quarter 2018 due to the increase of banking and financial fees.

Operating expenses<sup>3</sup>, at 433 million euros, were down by 1.2% thanks to the transformation plan.

Gross operating income<sup>3</sup> thus totalled 251 million euros, down by 3.1% compared to the same quarter last year.

At 107 million euros, the cost of risk<sup>3</sup> confirmed its downward trend and decreased by 20 million euros compared to the second quarter 2018. It came to 55 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 133 million euros in pre-tax income, up by 10.9% compared to the second quarter 2018.

For the first half of the year, revenues<sup>3</sup> were down by 3.6% compared to the first half 2018, at 1,360 million euros. Net interest income<sup>3</sup> was down by 4.1% due to the persistently low interest rate environment and the positioning on clients with a better risk profile and fees<sup>3</sup> were down by 2.9%. Operating expenses<sup>3</sup>, at 903 million euros, were down by 1.7% thanks to the transformation plan. Gross operating income<sup>3</sup> thus totalled 456 million euros, down by 7.2% compared to the same semester last year. At 272 million euros, the cost of risk<sup>3</sup> continued its downward trend (-25 million euros compared to the first half 2018). It came to 70 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 reported 163 million euros in pre-tax income (171 million euros in the first half 2018).

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<sup>1</sup> -0.9%, including the impact of securitisations of non-performing loans

<sup>2</sup> Source: Italian Banking Association

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

## **Belgian Retail Banking**

BRB reported sustained business activity. Loans were up by 4.6% compared to the second quarter 2018 with good growth in corporate loans and an increase in mortgage loans. Deposits rose by 5.2% with growth in current and savings accounts, in particular in the individual customer segment. Private Banking in Belgium reported very good net asset inflows (1.1 billion euros).

The business successfully continued its digital development and customer experience improvement. The *Easy Banking Business* app for corporate customers reported a sharp rise in direct digital sales (instant and short-term loans, bank guarantees) which already account for 44% of total sales as at 30 June 2019.

BRB's revenues<sup>1</sup> were down by 4.3%, compared to the second quarter 2018, at 878 million euros. Net interest income<sup>1</sup> was down by 6.6% due to the impact of the low interest rate environment. Fees<sup>1</sup> were up by 2.7% in connection in particular with an increase in banking fees.

The business reduced its costs in the context of low interest rates. Operating expenses<sup>1</sup>, at 535 million euros, were down significantly (-3.1%) compared to the second quarter 2018 thanks to the significant effect of the transformation plan. Since 30 June 2018, the business closed 65 branches and reduced its headcount by 752 full-time equivalents. It expects to close a further 229 branches by 2021.

Gross operating income<sup>1</sup>, at 342 million euros, was down by 6.1% compared to the same quarter last year.

The cost of risk<sup>1</sup> recorded a net write-back of 3 million euros (2 million euros in net write-backs in the second quarter 2018) as provisions were offset by write-backs.

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 325 million euros in pre-tax income, down by 5.8% compared to the second quarter 2018.

For the first half of the year, BRB's revenues<sup>1</sup> were down by 3.1% compared to the first half 2018, at 1,793 million euros. Net interest income<sup>1</sup> was down by 3.6% due to the impact of the low interest rate environment partly offset by increased volumes and fees<sup>1</sup> were down by 1.9%. Operating expenses<sup>1</sup>, at 1,379 million euros, were down by 0.6% compared to the first half 2018. Excluding the impact of Ifric 21<sup>2</sup>, they were down by 1.7% thanks to the transformation plan. Gross operating income<sup>1</sup>, at 414 million euros, was down by 10.8% compared to the same half last year (-5.2% excluding the impact of Ifric 21). The cost of risk<sup>1</sup> totalled 31 million euros, up by 27 million euros compared to the first half 2018 when provisions were offset by write-backs. At 6 basis points of outstanding customer loans, it remained very low. After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 346 million euros in pre-tax income, down by 18.4% compared to the first half 2018 (-9.7% excluding the impact of Ifric 21).

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

<sup>2</sup> Taxes and contributions fully booked this semester in accordance with Ifric 21: 296 million euros, up by 10 million euros compared to the first half 2018



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

Domestic Markets' specialised businesses continued their strong growth: the fleet financed by Arval grew by 8.9%<sup>1</sup> and the financing outstandings of Leasing Solutions were up by 7.4%<sup>1</sup> compared to the second quarter 2018; Personal Investors reported increased assets under management (+4.0% compared to 30 June 2018) and Nickel continued its very strong growth with +91,000 accounts opened this quarter (+8% compared to the same quarter last year). Nickel continued to grow its distribution network, now ranking third in France for the number of points of sale (5,400 *buralistes* as at 30 June 2019, +61% compared to 30 June 2018, with a target of 10,000 in 2020).

The outstanding loans of Luxembourg Retail Banking (LRB) rose by 7.3% compared to the second quarter 2018, with good growth in mortgage and corporate loans. Deposits were up by 16.3% with a significant rise in sight deposits in particular in the corporate client segment.

The digital development continued with the rollout by Arval of new self-care features to facilitate daily usage for fleet managers (managing reports) and users (reporting accidents).

The revenues<sup>2</sup> of the five businesses, which totalled 767 million euros, were up on the whole by 4.9% compared to the second quarter 2018 due to good business growth in all the businesses.

Operating expenses<sup>2</sup> rose by 3.1% compared to the second quarter 2018, to 447 million euros as a result of business development, generating a positive jaws effect of 1.8 points.

The cost of risk<sup>2</sup> was up by 2 million euros compared to the second quarter 2018, at 27 million euros.

Thus, the pre-tax income of these five businesses, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was up sharply at 289 million euros (+7.1% compared to the second quarter 2018), reflecting the good business drive.

For the first half of the year, the revenues<sup>2</sup> of the five businesses, which totalled 1,542 million euros, were up on the whole by 5.7% compared to the first half 2018 due to good business growth. Operating expenses<sup>2</sup> rose by 3.3% compared to the first half 2018, to 930 million euros as a result of business development, generating a positive jaws effect of 2.4 points. The cost of risk<sup>2</sup> was up by 3 million euros compared to the first half 2018, at 63 million euros. Thus, the pre-tax income of these five businesses, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was up sharply and totalled 542 million euros (+10.3% compared to the first half 2018), reflecting the good business drive.

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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**

International Financial Services continued its growth and reported a sustained business activity: outstanding loans were up by 8.5% compared to the second quarter 2018 (+5.6% at constant scope and exchange rates) and the operating division reported net asset inflows of 7.3 billion euros with strong asset inflows in all the businesses. The assets under management of the savings and insurance businesses totalled 1,089 billion euros (+2.7% compared to 30 June 2018).

The operating division actively implemented digital transformation and new technologies across all its businesses. It made electronic signature widely available with for example over 53% of e-signature at Personal Finance. In Insurance, life insurance contracts distributed by the network of independent wealth management advisors and brokers in France are signed electronically. The operating division is developing new self-care features to provide easier access to mobile services and more than 49 million self-care transactions were performed by Personal Finance clients i.e. more than 79% of total. The operating division is also developing new technologies and artificial intelligence with more than 268 robots already operational (automation of controls, reportings and data processing).

At 4,262 million euros, revenues were up by 3.4% compared to the second quarter 2018 (+1.2% at constant scope and exchange rates) with good revenue growth at Personal Finance, Insurance and international retail banking but a decrease at Real Estate Services, which had reported a particularly high level of activity in the same quarter last year.

Operating expenses, which totalled 2,559 million euros, were up by 4.3%. At constant scope and exchange rates, they were up by only 0.8%, reflecting good control and generating a positive jaws effect.

Gross operating income thus came to 1,703 million euros, up by 1.9% compared to the second quarter 2018 (+1.9% at constant scope and exchange rates).

The cost of risk, at 390 million euros, was up by 68 million compared to a low level in the second quarter 2018 which recorded provision write-backs.

International Financial Services' pre-tax income thus totalled 1,442 million euros, down by 1.1% compared to the second quarter 2018 (+0.2% at constant scope and exchange rates).

For the first half of the year, at 8,544 million euros, revenues were up by 6.3% (+4.4% at constant scope and exchange rates) compared to the first half 2018 in connection with good business development. Operating expenses, which totalled 5,247 million euros, were up by 5.3% (+1.9% at constant scope and exchange rates), as a result of the development of the businesses, generating a positive jaws effect. Gross operating income thus came to 3,297 million euros, up by 8.0% compared to the first half 2018 (+8.9% at constant scope and exchange rates). The cost of risk, at 819 million euros, was up by 139 million compared to a low level in the first half 2018 which had recorded provision write-backs. International Financial Services' pre-tax income thus totalled 2,720 million euros, up by 1.6% compared to the first half 2018. It was up by +5.9% at constant scope and exchange rates, reflecting the operating division's good drive.

## **Personal Finance**

Personal Finance continued its growth: outstanding loans were up by +10.4% driven by well oriented demand and effects of new partnerships. The business started the commercial agreement with Carrefour in Italy and successfully launched its new partnership with Opel in Poland. It also continued to expand its digital footprint and new technologies with 149 robots already operational (+24% compared to March 2019) and a target of 200 robots by the end of 2019.

The revenues of Personal Finance were up by 4.3% compared to the second quarter 2018, at 1,440 million euros, in connection with the rise in volumes and the positioning on products with a better risk profile. They were driven in particular by a good growth in Italy, Spain and Germany.

Operating expenses were up by 4.5% compared to the second quarter 2018, at 702 million euros, as a result of business development and the gradual effect of transformation measures. The business confirmed its objective of a positive jaws effect this year.

Gross operating income thus came to 738 million euros, up by 4.1% compared to the second quarter 2018.

The cost of risk totalled 289 million euros, up by 24 million euros compared to the second quarter 2018 in connection with the rise of outstanding loans. At 123 basis points of outstanding customer loans, it was at a low level due in particular to non-recurring provision write-backs.

Personal Finance's pre-tax income thus came to 454 million euros, up by 0.9% compared to the second quarter 2018.

For the first half of the year, the revenues of Personal Finance were up by 4.8% compared to the first half 2018, at 2,866 million euros, in connection with the rise in volumes and the positioning on products with a better risk profile. Operating expenses were up by 5.4% compared to the first half 2018, at 1,472 million euros, as a result of business development and the gradual effect of transformation measures. Gross operating income thus came to 1,394 million euros, up by 4.2% compared to the first half 2018. The cost of risk totalled 619 million euros, up by 77 million euros compared to a particularly low level in the first half 2018 which recorded provision write-backs. At 134 basis points of outstanding customer loans, it was still at a low level. Personal Finance's pre-tax income thus came to 794 million euros, down by 3.4% compared to the first half 2018.

### **Europe-Mediterranean**

Europe-Mediterranean delivered a good overall performance. Outstanding loans rose by 2.0%<sup>1</sup> compared to the second quarter 2018, in particular in Poland and Morocco. Deposits grew by 2.2%<sup>1</sup>, up in particular in Turkey and Morocco. The business continued its digital development: BNP Paribas Bank Polska's mobile banking app *Gomobile* is a success with 255,000 users in Poland, or a 89% increase since 30 June 2018. The business is also continuing the automation of tasks with 54 robots already operational in various regions, having the capacity to handle over 90 different processes.

At 674 million euros, Europe-Mediterranean's revenues<sup>2</sup> were up by 3.8%<sup>1</sup> compared to the second quarter 2018 due to higher volumes and margins as well as a good level of fees. They were up in all the regions.

Operating expenses<sup>2</sup>, at 445 million euros, were down by 1.5%<sup>1</sup> compared to the same quarter last year, reflecting the implementation of cost synergies in Poland in connection with the integration of Raiffeisen Bank Polska<sup>3</sup> (closure of 135 branches since the beginning of the year) as well as the effect of the transformation plan in all regions. The evolution of the operating expenses generated a largely positive jaws effect.

The cost of risk<sup>2</sup> totalled 97 million euros (96 basis points of outstanding customer loans). The increase of 42 million euros compared to the particularly low level in the second quarter 2018 came primarily from Turkey.

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

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

<sup>3</sup> Acquisition on 31 October 2018 of the core banking activities of Raiffeisen Bank Polska (excluding the foreign currency retail mortgage loan portfolio and a limited amount of other assets)

After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean thus generated 197 million euros in pre-tax income, up sharply by 9.3% at constant scope and exchange rates and down by 1.1% at historical scope and exchange rates given the strong depreciation of the Turkish lira.

For the first half of the year, at 1,340 million euros, Europe-Mediterranean's revenues<sup>1</sup> were up by 7.9%<sup>2</sup> compared to the first half 2018 due to higher volumes and margins as well as a good level of fees. They were up in all the regions. Operating expenses<sup>1</sup>, at 900 million euros, were down by 0.7%<sup>2</sup> compared to the same semester last year, reflecting the ongoing delivery of cost synergies in Poland and transformation measures in all regions. They generated a large positive jaws effect. The cost of risk<sup>1</sup> was up by 39 million euros<sup>2</sup> compared to a low level in the first half 2018 with an increase in Turkey. At 86 basis points of outstanding customer loans, it was at a moderate level. After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean thus generated 382 million euros in pre-tax income, up sharply by 34.1% at constant scope and exchange rates but down by 1.9% at historical scope and exchange rates given the strong depreciation of the Turkish lira compared to the first half 2018.

### **BancWest**

BancWest maintained its business drive but operated in a less favourable interest rate environment. Loans were up by 1.1%<sup>2</sup> compared to the second quarter 2018 with moderate growth in loans to individual and corporate customers. Deposits were up by 3.9%<sup>2</sup> with a significant increase in customer deposits (+4.9%)<sup>3</sup>. Private Banking's assets under management (14.9 billion U.S. dollars as at 30 June 2019) were up by 11.0%<sup>2</sup> compared to 30 June 2018.

BancWest continued its digital transformation with more than 14,500 accounts opened online this quarter (+59% compared to the same quarter last year) and 39 robots deployed automating 130 processes.

Revenues<sup>4</sup>, at 593 million euros, were down by 2.9%<sup>2</sup> compared to the second quarter 2018 with a decrease in the net interest margin partially offset by an increase in fees.

Operating expenses<sup>4</sup> were contained. At 431 million euros, they were up by only 0.2%<sup>2</sup> compared to the second quarter 2018 due to a reduction in the headcount and the effect of the transfer of support functions to a lower cost area (Arizona).

Gross operating income<sup>4</sup>, at 162 million euros, was down by 10.2%<sup>2</sup> compared to the second quarter 2018.

The cost of risk<sup>4</sup> (2 million euros) was still very low (0 in the second quarter 2018), provisions being offset by write-backs. It came to 2 basis points of outstanding customer loans.

Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest posted 153 million euros in pre-tax income, down by 11.3% at constant scope and exchange rates compared to the second quarter 2018 and by 5.5% at historical scope and exchange rates due to the positive foreign exchange effect.

For the first half of the year, revenues<sup>4</sup>, at 1,162 million euros, were down by 2.3%<sup>2</sup> compared to the first half 2018 with a decrease in the net interest margin partially offset by an increase in fees. At 873 million euros, operating expenses<sup>4</sup> were down by 0.5%<sup>2</sup> compared to the first half 2018 thanks to the transformation plan. Gross operating income<sup>4</sup>, at 289 million euros, was down by

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

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

<sup>3</sup> Deposits excluding treasury activities

<sup>4</sup> Including 100% of Private Banking in the United States

7.6%<sup>1</sup> compared to the first half 2018. The cost of risk<sup>2</sup> (21 million euros) rose by 9 million euros compared to the first half 2018. At 8 basis points of outstanding customer loans, it was at a low level. Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest posted 254 million euros in pre-tax income, down by 11.0% at constant scope and exchange rates compared to the first half 2018 but by only 3.9% at historical scope and exchange rates due to the positive foreign exchange effect.

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

The Insurance and Wealth and Asset Management's businesses continued their growth. Assets under management<sup>3</sup> reached 1,089 billion euros as at 30 June 2019. They were up by 5.9% compared to 31 December 2018 due in particular to: a very positive performance effect (+53.7 billion euros) on the back of the rebound of financial markets, net asset inflows of +10.3 billion euros (in particular good net asset inflows at Wealth Management in Asia, France and Belgium; positive net asset inflows at Asset Management; good asset inflows in Insurance in particular in unit-linked policies); a favourable +1.8 billion euro foreign exchange effect and a -3.6 billion euro scope effect related to the deconsolidation of SBI Life.

As at 30 June 2019, assets under management<sup>3</sup> broke down as follows: Asset Management (427 billion euros), Wealth Management (380 billion euros), Insurance (252 billion euros) and Real Estate Services (29 billion euros).

Insurance continued the good development of its business with in particular this quarter a long-term partnership signed with Scotiabank to distribute insurance products to its 9 million clients in four Latin American countries. The business reported a good growth of the Protection Insurance business in France. It continued the implementation of digital transformation and new technologies with the digitalisation in Taiwan of the application process for insurance policies and the launch in Italy of distribution on Hello bank! of insurance products for multimedia devices and identity theft protection.

Revenues of Insurance, at 779 million euros, were up by 6.0% compared to the second quarter 2018 due to good international business growth and positive evolution in the financial markets. Operating expenses, at 360 million euros, rose by 5.2% as a result of business development, generating a positive jaws effect. Pre-tax income was thus up by 4.6% compared to the second quarter 2018, at 461 million euros.

In Wealth and Asset Management, the global expertise of Wealth Management was recognised as it was named *Best Private Bank in the World* by Global Finance magazine. For its part, the Asset Management business continued its evolution. The migration of all portfolios to the new Aladdin platform was successfully completed with 50 apps to be decommissioned by early 2020 and the business amplifies its adaptation with the launch of a plan to streamline the product offering, the regional organisation and structures. The Real Estate Services business reported good business activity with a base effect however unfavourable compared to the second quarter 2018 which had recorded a particularly high level of business in property development and advisory businesses.

Wealth and Asset Management's revenues (795 million euros) were thus down by 4.7% compared to the second quarter 2018 due to the unfavourable base effect at Real Estate Services despite slight overall increase at Asset Management and Wealth Management. Operating expenses totalled 632 million euros and were down by 1.2% compared to the second quarter 2018 thanks to the effect of transformation plan measures, in particular in Asset Management. At 177 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 thus down by 13.8% compared to the second quarter 2018.

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

<sup>2</sup> Including 100% of Private Banking in the United States

<sup>3</sup> Including distributed assets

For the first half of the year, revenues of Insurance, at 1,653 million euros, were up by 18.3% compared to the first half 2018 due to the positive impact of the sharp rebound in the financial markets since 31.12.18 on the revaluation of part of assets booked at market value as well as the good level of business. Operating expenses, at 750 million euros, rose by 5.6% as a result of business development, generating a largely positive jaws effect. After taking into account a decrease in income from associated companies, which was at a high level in the first half 2018, pre-tax income was thus up by 21.1% compared to the first half 2018, at 980 million euros.

Wealth and Asset Management's revenues (1,561 million euros) were down by 4.2% compared to the first half 2018 due to an unfavourable base effect at Real Estate Services which had recorded a particularly high level of business in the first half of last year and the impact still in the first quarter of the sharp fall in the markets in the fourth quarter 2018 (weak transaction activity in particular from Asset Management and Wealth Management clients). Operating expenses totalled 1,273 million euros and rose by 1.6% compared to the first half 2018 (+1.2% excluding the impact of Ifric 21) due in particular to the development of Wealth Management in Germany. At 310 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 thus down by 21.1% compared to the first half 2018.

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

CIB continued the implementation of its transformation. The operating division streamlined certain activities with in particular the agreement on outsourcing equity research to MorningStar in Asia and implemented cost savings (55 million euros this quarter). It continued its selective growth on targeted clients with the announcement of a preliminary agreement<sup>1</sup> with Deutsche Bank to provide continuity of service to the fund manager clients of its brokerage and electronic execution, including the necessary technology and staff transfer.

The operating division's revenues, at 3,099 million euros, rose by 4.0% compared to the second quarter 2018.

At 1,409 million euros, Global Markets' revenues were down by 2.7% compared to the second quarter 2018 but only by 1.2% excluding the effect of the creation of the new Capital Markets platform<sup>2</sup>. The business thus delivered a good performance in a lacklustre context thanks to the strengthening of its client positions. VaR, which measures the level of market risks, was down given a lower volatility in the markets and the discontinuation of the Opera Trading Capital's proprietary business in the first quarter. It was at a very low level (20 million euros).

The revenues of FICC<sup>3</sup>, at 793 million euros, were up by 8.8% (+11.7% excluding the effect of the creation of the new Capital Markets platform<sup>2</sup>) with good growth in forex, credit and primary issues despite a more challenging context for rates, in particular in Europe. The business confirmed its strong positions in bond issues (ranked number 1 for all bond issues in euros and number 8 for all international bond issues). Equity and Prime Services' revenues, at 615 million euros, were down for their part by 14.3% compared to a high base in the same quarter last year with lesser volumes at Prime Services but a good level of client activity in equity derivatives.

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<sup>1</sup> Subject to various conditions and regulatory approval

<sup>2</sup> Common platform of Global Markets and Corporate Banking to meet the financing needs of corporates set up in the first quarter 2019 (transfer of €22m in revenues from Global Markets FICC to Corporate Banking this quarter)

<sup>3</sup> Fixed Income, Currencies and Commodities

Securities Services revenues, at 596 million euros, were up by 12.0% compared to the second quarter 2018 due to business growth and the positive impact of a specific transaction. Assets under custody and administration were up sharply by 11.7% compared to 30 June 2018 due in particular to the successful migration of the \$180bn in assets of Janus Henderson at the end of March, but the number of transactions was down by 5.4% compared to the same quarter last year. The business continued its development with the launch this quarter of the marketing of FFYN, a new digital platform providing asset managers and distributors with access to and exchange of information about mutual funds, co-designed with users.

Corporate Banking's revenues, at 1,094 million euros, rose by 9.4% compared to the second quarter 2018 (+7.3% excluding the effect of the creation of the new Capital Markets platform<sup>1</sup>), driven by very good business development in Europe with the closing of significant deals and the continued growth of the transaction businesses (cash management, trade finance). Loans, at 147 billion euros, were up by 8.1%<sup>2</sup> compared to the second quarter 2018. The business maintained its strong positions in syndicated loans and High Yield issues<sup>3</sup> where it ranked number 1 in the EMEA region<sup>4</sup>. Deposits, at 139 billion euros, were up for their part by 11.8%<sup>2</sup> compared to the second quarter 2018. The business confirmed its successful digital development with over 10,900 corporate clients which use its Centric platform for a total of more than 17,000 connections per day.

At 1,997 million euros, CIB's operating expenses were up by 1.3% compared to the second quarter 2018, generating a positive jaws effect of 2.7 points. They recorded the effect of the transformation plan with in particular the ramping up of shared platforms, the implementation of digitalised end-to-end processes and the automation of operations.

The gross operating income of CIB was thus up by 9.3%, at 1,102 million euros.

CIB's cost of risk was low, at 24 million euros (23 million euros in the second quarter 2018). It was 21 million euros at Corporate Banking (net write-back of 12 million euros in the second quarter 2018), 6 million euros at Global Markets (net provision of 37 million euros in the second quarter 2018) and a net write-back of 2 million euros at Securities Services (net write back of 3 million euros in the second quarter 2018).

CIB thus generated 1,058 million euros in pre-tax income, up by 6.2% compared to the second quarter 2018.

For the first half of the year, the operating division's revenues, at 6,107 million euros, rose by 3.8% compared to the first half 2018 with growth in the three businesses<sup>5</sup>. At 2,932 million euros, Global Markets' revenues were down by 0.4% compared to the first half 2018 but up by 1.4% excluding the effect of the creation of the new Capital Markets platform<sup>6</sup>. The revenues of FICC<sup>7</sup>, at 1,828 million euros, were up by 19.2% compared to the first half 2018 (+22.6% excluding the effect of the creation of the new Capital Markets platform<sup>6</sup>) with a good performance across all segments and in particular a rebound in forex. Equity and Prime Services' revenues, at 1,103 million euros, were down by 21.8% compared to a very high base in the same half last year with a pick-up of business that was only gradual at the beginning of the year after the fourth quarter 2018 which had recorded the impact of extreme market movements. Securities Services revenues, at 1,112 million euros, were up by 6.0% compared to the first half 2018 due in particular to higher volumes, new mandates as well as the positive impact of a specific transaction. Corporate Banking's revenues, at 2,063 million euros, were up by 9.1% compared to the first half 2018 (+6.3% excluding the effect of

<sup>1</sup> Common platform of Global Markets and Corporate Banking to meet the financing needs of corporates set up in the first quarter 2019 (transfer of €22m in revenues from Global Markets FICC to Corporate Banking this quarter)

<sup>2</sup> Average outstandings at constant scope and exchange rates

<sup>3</sup> Source: Dealogic June 2019 (financings: bookrunner ranking by volume; high yield: ranking by revenues)

<sup>4</sup> Europe, Middle East, Africa

<sup>5</sup> Excluding the effect of the creation of Capital Markets

<sup>6</sup> Transfer of €53m in revenues from Global Markets FICC to Corporate Banking in 1H19

<sup>7</sup> Fixed Income, Currencies and Commodities

the creation of the new Capital Markets platform<sup>1</sup>) driven by good business development in Europe and continued growth of the transaction businesses (cash management, trade finance).

At 4,459 million euros, CIB's operating expenses were up by 2.3% compared to the first half 2018 due to increased business and they recorded the effect of the transformation plan (120 million euros in savings this semester). The jaws effect was positive by 1.5 points.

The gross operating income of CIB was thus up by 8.0%, at 1,648 million euros. CIB's cost of risk was low, at 56 million euros, but the first half 2018 had recorded a net write-back of 8 million euros. The cost of risk was 55 million euros at Corporate Banking (net write-back of 13 million euros in the first half 2018), 2 million euros at Global Markets (9 million euros in the first half 2018) and a net write-back of 1 million euros at Securities Services (net write-back of 4 million euros in the first half 2018).

CIB thus generated 1,572 million euros in pre-tax income, up by 1.1% compared to the first half 2018.

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## **CORPORATE CENTRE**

Corporate Centre revenues totalled 53 million euros compared to 311 million euros in the second quarter 2018 which included the revenues from First Hawaiian Bank<sup>2</sup> (155 million euros). It included in particular a -8 million euro Debit Valuation Adjustment (DVA)<sup>3</sup> compared to +29 million euros in the second quarter 2018.

Operating expenses totalled 436 million euros compared to 491 million euros in the second quarter 2018. They included the exceptional impact of 222 million euros in transformation costs (267 million euros in the second quarter 2018), 63 million euros in restructuring costs related to acquisitions<sup>4</sup> (8 million euros in the second quarter 2018) and 51 million euros in additional businesses' adaptation measures<sup>5</sup> (departure plans) (0 in the second quarter 2018). They included in the second quarter 2018 the operating expenses of First Hawaiian Bank (82 million euros).

The cost of risk reflected a net 7 million euro write-back (net provision of 18 million euros in the second quarter 2018 when it included a 5 million euro cost of risk in First Hawaiian Bank<sup>2</sup>).

Non-operating items totalled 81 million euros (46 million euros in the second quarter 2018). They included the exceptional impact of the capital gain realised from the sale of 2.5% in SBI Life in India followed by the deconsolidation of the residual 5.2% stake (+612 million euros) as well as the partial impairment of BancWest's goodwill (-500 million euros).

The Corporate Centre's pre-tax income was thus -272 million euros compared to -132 million euros in the second quarter 2018.

For the first half of the year, Corporate Centre revenues totalled 90 million euros compared to 470 million euros in the first half 2018 which included the revenues from First Hawaiian Bank<sup>2</sup> (303 million euros). Operating expenses totalled 837 million euros compared to 945 million euros in

<sup>1</sup> Transfer of €53m in revenues from Global Markets FICC to Corporate Banking in 1H19

<sup>2</sup> Reminder: contribution of First Hawaiian Bank (FHB) to the income statement has been reallocated retroactively to the Corporate Centre as of 1<sup>st</sup> January 2018 (see new quarterly result series published on 29 March 2019).

<sup>3</sup> Own credit risk included in derivatives

<sup>4</sup> Restructuring costs related in particular to the integration of Raiffeisen Bank Polska and Opel Bank SA

<sup>5</sup> BNL bc and Asset Management



the first half 2018. They included the exceptional impact of 390 million euros in transformation costs (473 million euros in the first half 2018), 101 million euros in restructuring costs related to acquisitions<sup>1</sup> (13 million euros in the first half 2018) and 51 million euros in additional businesses' adaptation measures<sup>2</sup> (departure plans) (0 in the first half 2018). They included in the first half 2018 the operating expenses of First Hawaiian Bank<sup>3</sup> (162 million euros). The cost of risk reflected a net write-back of 3 million euros (net provision of 37 million euros in the first half 2018 when it included a 13 million euro cost of risk in First Hawaiian Bank). Non-operating items totalled 704 million euros (156 million euros in the first half 2018). They included the exceptional impact of the capital gain realised from the sale of 16.8% of SBI Life in India followed by the deconsolidation of the residual 5.2% stake (+1,450 million euros) as well as goodwill impairments (-818 million euros). They included in the first half 2018 a +101 million euro capital gain on the sale of a building. The Corporate Centre's pre-tax income was thus 8 million euros compared to -315 million euros in the first half 2018.

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## **FINANCIAL STRUCTURE**

The Group's balance sheet is very solid.

The common equity Tier 1 ratio came to 11.9% as at 30 June 2019, up by 20 bp compared to 31 March 2019 due primarily to:

- the net income for the quarter excluding exceptional non-operating items and after taking into account a 50% dividend pay-out ratio (+20 bp)
- the net impact of the capital gain from the sale of a 2.5% stake in SBI Life, the deconsolidation of the 5.2% residual stake in SBI life and the partial impairment of BancWest's goodwill (+10 bp);
- the increase in risk-weighted assets excluding foreign exchange effect (-10 bp).

The other effects, including the foreign exchange effect, had overall a negligible impact on the ratio.

The leverage ratio<sup>4</sup> totalled 4.1% as at 30 June 2019.

The Group's liquid assets reserve immediately available totalled 330 billion euros, which is equivalent to more than one year of room to manoeuvre in terms of wholesale funding.

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<sup>1</sup> Restructuring costs related in particular to the integration of Raiffeisen Bank Polska and Opel Bank SA

<sup>2</sup> BNL bc and Asset Management

<sup>3</sup> Reminder: contribution of First Hawaiian Bank (FHB) to the income statement has been reallocated retroactively to the Corporate Centre as of 1<sup>st</sup> January 2018 (see new quarterly result series published on 29 March 2019).

<sup>4</sup> Calculated according to the delegated act of the European Commission dated 10 October 2014

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

*“BNP Paribas delivered in the first half an increase in net income at 4.4 billion euros. Revenues were up thanks to business growth in the operating divisions. Operating expenses were well contained and benefitted from the transformation plan, generating a positive jaws effect.*

*The common equity Tier 1 ratio rose to 11.9%, illustrating the Group’s solid balance sheet.*

*New digital experiences rolled out for customers are a success and the Group is actively executing its ambitious policy of engagement in society.*

*I would like to thank all the employees of the Group for their dedicated efforts to achieve these good results.”*

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19 / 1Q19	1H19	1H18	1H19 / 1H18
€m								
<b>Group</b>								
<b>Revenues</b>	11,224	11,206	+0.2%	11,144	+0.7%	22,368	22,004	+1.7%
Operating Expenses and Dep.	-7,435	-7,368	+0.9%	-8,449	-12.0%	-15,884	-15,628	+1.6%
<b>Gross Operating Income</b>	3,789	3,838	-1.3%	2,695	+40.6%	6,484	6,376	+1.7%
Cost of Risk	-621	-567	+9.5%	-769	-19.2%	-1,390	-1,182	+17.6%
<b>Operating Income</b>	3,168	3,271	-3.1%	1,926	+64.5%	5,094	5,194	-1.9%
Share of Earnings of Equity-Method Entities	180	132	+36.4%	134	+34.3%	314	294	+6.8%
Other Non Operating Items	29	50	-42.0%	623	-95.3%	652	221	n.s.
<b>Non Operating Items</b>	209	182	+14.8%	757	-72.4%	966	515	+87.6%
<b>Pre-Tax Income</b>	3,377	3,453	-2.2%	2,683	+25.9%	6,060	5,709	+6.1%
Corporate Income Tax	-795	-918	-13.4%	-667	+19.2%	-1,462	-1,476	-0.9%
Net Income Attributable to Minority Interests	-114	-142	-19.7%	-98	+16.3%	-212	-273	-22.3%
<b>Net Income Attributable to Equity Holders</b>	2,468	2,393	+3.1%	1,918	+28.7%	4,386	3,960	+10.8%
<b>Cost/income</b>	66.2%	65.8%	+0.4 pt	75.8%	-9.6 pt	71.0%	71.0%	+0.0 pt

*BNP Paribas' financial disclosures for the second quarter 2019 is 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.*

## 2Q19 – RESULTS BY CORE BUSINESSES

	Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group	
<i>€m</i>							
<b>Revenues</b>	<b>3,810</b>	<b>4,262</b>	<b>3,099</b>	<b>11,171</b>	<b>53</b>	<b>11,224</b>	
	%Change2Q18	+0.5%	+3.4%	+4.0%	+2.5%	-83.0%	+0.2%
	%Change1Q19	-0.2%	-0.5%	+3.0%	+0.6%	+42.5%	+0.7%
Operating Expenses and Dep.	-2,443	-2,559	-1,997	-6,999	-436	-7,435	
	%Change2Q18	-0.4%	+4.3%	+1.3%	+1.8%	-11.1%	+0.9%
	%Change2Q19	-15.7%	-4.8%	-13.9%	-13.0%	+9.0%	-12.0%
<b>Gross Operating Income</b>	<b>1,367</b>	<b>1,703</b>	<b>1,102</b>	<b>4,172</b>	<b>-383</b>	<b>3,789</b>	
	%Change2Q18	+2.2%	+1.9%	+9.3%	+3.9%	n.s.	-1.3%
	%Change2Q19	+48.7%	+6.9%	n.s.	+36.4%	+5.5%	+40.6%
Cost of Risk	-213	-390	-24	-628	7	-621	
	%Change2Q18	+4.3%	+21.3%	+6.4%	+14.3%	n.s.	+9.5%
	%Change2Q19	-30.0%	-8.9%	-24.4%	-17.9%	n.s.	-19.2%
<b>Operating Income</b>	<b>1,154</b>	<b>1,313</b>	<b>1,078</b>	<b>3,545</b>	<b>-377</b>	<b>3,168</b>	
	%Change2Q18	+1.8%	-2.7%	+9.3%	+2.2%	+90.9%	-3.1%
	%Change2Q19	+87.7%	+12.7%	n.s.	+54.6%	+2.5%	+64.5%
Share of Earnings of Equity-Method Entities	2	149	5	156	24	180	
Other Non Operating Items	-6	-21	-25	-52	81	29	
<b>Pre-Tax Income</b>	<b>1,149</b>	<b>1,442</b>	<b>1,058</b>	<b>3,649</b>	<b>-272</b>	<b>3,377</b>	
	%Change2Q18	+1.5%	-1.1%	+6.2%	+1.8%	n.s.	-2.2%
	%Change2Q19	+88.4%	+12.7%	n.s.	+51.9%	n.s.	+25.9%

	Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group	
<i>€m</i>							
<b>Revenues</b>	<b>3,810</b>	<b>4,262</b>	<b>3,099</b>	<b>11,171</b>	<b>53</b>	<b>11,224</b>	
	2Q18	3,792	4,123	2,979	10,895	311	11,206
	1Q19	3,816	4,282	3,008	11,107	37	11,144
Operating Expenses and Dep.	-2,443	-2,559	-1,997	-6,999	-436	-7,435	
	2Q18	-2,454	-2,453	-1,970	-6,877	-491	-7,368
	1Q19	-2,897	-2,688	-2,463	-8,049	-400	-8,449
<b>Gross Operating Income</b>	<b>1,367</b>	<b>1,703</b>	<b>1,102</b>	<b>4,172</b>	<b>-383</b>	<b>3,789</b>	
	2Q18	1,338	1,671	1,009	4,017	-179	3,838
	1Q19	919	1,594	545	3,058	-363	2,695
Cost of Risk	-213	-390	-24	-628	7	-621	
	2Q18	-205	-322	-23	-549	-18	-567
	1Q19	-305	-428	-32	-765	-4	-769
<b>Operating Income</b>	<b>1,154</b>	<b>1,313</b>	<b>1,078</b>	<b>3,545</b>	<b>-377</b>	<b>3,168</b>	
	2Q18	1,133	1,349	986	3,468	-197	3,271
	1Q19	615	1,165	513	2,293	-367	1,926
Share of Earnings of Equity-Method Entities	2	149	5	156	24	180	
	2Q18	-3	109	7	113	19	132
	1Q19	-6	113	2	110	24	134
Other Non Operating Items	-6	-21	-25	-52	81	29	
	2Q18	1	-1	3	4	46	50
	1Q19	1	0	-2	0	623	623
<b>Pre-Tax Income</b>	<b>1,149</b>	<b>1,442</b>	<b>1,058</b>	<b>3,649</b>	<b>-272</b>	<b>3,377</b>	
	2Q18	1,132	1,457	996	3,585	-132	3,453
	1Q19	610	1,279	514	2,403	280	2,683
Corporate Income Tax							-795
Net Income Attributable to Minority Interests							-114
<b>Net Income Attributable to Equity Holders</b>							<b>2,468</b>

## 1H19 – RESULTS BY CORE BUSINESSES

	Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group	
<i>€m</i>							
<b>Revenues</b>	<b>7,627</b>	<b>8,544</b>	<b>6,107</b>	<b>22,278</b>	<b>90</b>	<b>22,368</b>	
	%Change H18	+0.2%	+6.3%	+3.8%	+3.5%	-80.9%	+1.7%
Operating Expenses and Dep.	-5,341	-5,247	-4,459	-15,047	-837	-15,884	
	%Change H18	-0.0%	+5.3%	+2.3%	+2.5%	-115%	+16%
<b>Gross Operating Income</b>	<b>2,286</b>	<b>3,297</b>	<b>1,648</b>	<b>7,231</b>	<b>-747</b>	<b>6,484</b>	
	%Change H18	+0.7%	+8.0%	+8.0%	+5.5%	+57.3%	+1.7%
Cost of Risk	-518	-819	-56	-1,393	3	-1,390	
	%Change H18	+9.3%	+20.5%	n.s.	+21.6%	n.s.	+17.6%
<b>Operating Income</b>	<b>1,768</b>	<b>2,478</b>	<b>1,591</b>	<b>5,838</b>	<b>-744</b>	<b>5,094</b>	
	%Change H18	-1.6%	+4.4%	+3.8%	+2.3%	+45.4%	-1.9%
Share of Earnings of Equity-Method Entities	-4	262	7	266	48	314	
Other Non Operating Items	-5	-20	-26	-52	704	652	
<b>Pre-Tax Income</b>	<b>1,759</b>	<b>2,720</b>	<b>1,572</b>	<b>6,052</b>	<b>8</b>	<b>6,060</b>	
	%Change H18	-1.8%	+1.6%	+1.1%	+0.5%	n.s.	+6.1%
Corporate Income Tax						-1,462	
Net Income Attributable to Minority Interests						-212	
<b>Net Income Attributable to Equity Holders</b>						<b>4,386</b>	

**QUARTERLY SERIES**

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Group</b>						
<b>Revenues</b>	<b>11,224</b>	<b>11,144</b>	<b>10,160</b>	<b>10,352</b>	<b>11,206</b>	<b>10,798</b>
Operating Expenses and Dep.	-7,435	-8,449	-7,678	-7,277	-7,368	-8,260
<b>Gross Operating Income</b>	<b>3,789</b>	<b>2,695</b>	<b>2,482</b>	<b>3,075</b>	<b>3,838</b>	<b>2,538</b>
Cost of Risk	-621	-769	-896	-686	-567	-615
<b>Operating Income</b>	<b>3,168</b>	<b>1,926</b>	<b>1,586</b>	<b>2,389</b>	<b>3,271</b>	<b>1,923</b>
Share of Earnings of Equity-Method Entities	180	134	195	139	132	162
Other Non Operating Items	29	623	-98	288	50	171
<b>Pre-Tax Income</b>	<b>3,377</b>	<b>2,683</b>	<b>1,683</b>	<b>2,816</b>	<b>3,453</b>	<b>2,256</b>
Corporate Income Tax	-795	-667	-144	-583	-918	-558
Net Income Attributable to Minority Interests	-114	-98	-97	-109	-142	-131
<b>Net Income Attributable to Equity Holder</b>	<b>2,468</b>	<b>1,918</b>	<b>1,442</b>	<b>2,124</b>	<b>2,393</b>	<b>1,567</b>
<b>Cost/Income</b>	<b>66.2%</b>	<b>75.8%</b>	<b>75.6%</b>	<b>70.3%</b>	<b>65.8%</b>	<b>76.5%</b>

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>RETAIL BANKING &amp; SERVICES Excl. PEL/CEL</b>						
<b>Revenues</b>	<b>8,045</b>	<b>8,096</b>	<b>7,767</b>	<b>7,774</b>	<b>7,915</b>	<b>7,731</b>
Operating Expenses and Dep.	-5,002	-5,586	-5,154	-4,978	-4,907	-5,416
<b>Gross Operating Income</b>	<b>3,042</b>	<b>2,510</b>	<b>2,613</b>	<b>2,796</b>	<b>3,008</b>	<b>2,315</b>
Cost of Risk	-604	-733	-722	-736	-526	-627
<b>Operating Income</b>	<b>2,439</b>	<b>1,777</b>	<b>1,891</b>	<b>2,060</b>	<b>2,482</b>	<b>1,688</b>
Share of Earnings of Equity-Method Entities	151	108	131	117	107	132
Other Non Operating Items	-27	1	-4	3	0	59
<b>Pre-Tax Income</b>	<b>2,563</b>	<b>1,886</b>	<b>2,018</b>	<b>2,179</b>	<b>2,589</b>	<b>1,879</b>
Allocated Equity (€bn, year to date)	54.6	54.3	52.5	52.1	52.0	51.8

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>RETAIL BANKING &amp; SERVICES</b>						
<b>Revenues</b>	<b>8,072</b>	<b>8,099</b>	<b>7,782</b>	<b>7,778</b>	<b>7,916</b>	<b>7,733</b>
Operating Expenses and Dep.	-5,002	-5,586	-5,154	-4,978	-4,907	-5,416
<b>Gross Operating Income</b>	<b>3,070</b>	<b>2,513</b>	<b>2,628</b>	<b>2,800</b>	<b>3,009</b>	<b>2,316</b>
Cost of Risk	-604	-733	-722	-736	-526	-627
<b>Operating Income</b>	<b>2,467</b>	<b>1,780</b>	<b>1,907</b>	<b>2,064</b>	<b>2,482</b>	<b>1,689</b>
Share of Earnings of Equity-Method Entities	151	108	131	117	107	132
Other Non Operating Items	-27	1	-4	3	0	59
<b>Pre-Tax Income</b>	<b>2,591</b>	<b>1,889</b>	<b>2,033</b>	<b>2,183</b>	<b>2,589</b>	<b>1,880</b>
Allocated Equity (€bn, year to date)	54.6	54.3	52.5	52.1	52.0	51.8

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>DOMESTIC MARKETS (including 100% of PB in France, Italy, Belgium and Luxembourg)* Excluding PEL/CEL Effects</b>						
<b>Revenues</b>	<b>3,925</b>	<b>3,961</b>	<b>3,903</b>	<b>3,874</b>	<b>3,938</b>	<b>3,969</b>
Operating Expenses and Dep.	-2,516	-2,983	-2,603	-2,605	-2,528	-2,971
<b>Gross Operating Income</b>	<b>1,408</b>	<b>978</b>	<b>1,300</b>	<b>1,269</b>	<b>1,411</b>	<b>998</b>
Cost of Risk	-214	-307	-322	-251	-204	-270
<b>Operating Income</b>	<b>1,194</b>	<b>671</b>	<b>978</b>	<b>1,018</b>	<b>1,206</b>	<b>727</b>
Share of Earnings of Equity-Method Entities	2	-6	0	5	-3	-6
Other Non Operating Items	-6	1	-2	0	1	1
<b>Pre-Tax Income</b>	<b>1,190</b>	<b>666</b>	<b>975</b>	<b>1,024</b>	<b>1,205</b>	<b>723</b>
Income Attributable to Wealth and Asset Management	-68	-58	-59	-67	-73	-65
<b>Pre-Tax Income of Domestic Markets</b>	<b>1,122</b>	<b>608</b>	<b>917</b>	<b>956</b>	<b>1,132</b>	<b>658</b>
Allocated Equity (€bn, year to date)	25.7	25.5	25.2	25.0	24.7	24.4

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>DOMESTIC MARKETS (including 2/3 of PB in France, Italy, Belgium and Luxembourg)</b>						
<b>Revenues</b>	<b>3,810</b>	<b>3,816</b>	<b>3,783</b>	<b>3,737</b>	<b>3,792</b>	<b>3,820</b>
Operating Expenses and Dep.	-2,443	-2,897	-2,528	-2,531	-2,454	-2,888
<b>Gross Operating Income</b>	<b>1,367</b>	<b>919</b>	<b>1,255</b>	<b>1,205</b>	<b>1,338</b>	<b>933</b>
Cost of Risk	-213	-305	-320	-251	-205	-269
<b>Operating Income</b>	<b>1,154</b>	<b>615</b>	<b>935</b>	<b>955</b>	<b>1,133</b>	<b>664</b>
Share of Earnings of Equity-Method Entities	2	-6	0	5	-3	-6
Other Non Operating Items	-6	1	-2	0	1	1
<b>Pre-Tax Income</b>	<b>1,149</b>	<b>610</b>	<b>932</b>	<b>960</b>	<b>1,132</b>	<b>659</b>
Allocated Equity (€bn, year to date)	25.7	25.5	25.2	25.0	24.7	24.4

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

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
FRENCH RETAIL BANKING (including 100% of Private Banking in France)*						
<b>Revenues</b>	<b>1,624</b>	<b>1,597</b>	<b>1,568</b>	<b>1,575</b>	<b>1,593</b>	<b>1,595</b>
<i>Incl. Net Interest Income</i>	916	915	902	900	875	891
<i>Incl. Commissions</i>	708	682	666	676	718	704
Operating Expenses and Dep.	-1,102	-1,186	-1,149	-1,168	-1,104	-1,189
<b>Gross Operating Income</b>	<b>522</b>	<b>412</b>	<b>419</b>	<b>407</b>	<b>489</b>	<b>406</b>
Cost of Risk	-83	-72	-85	-90	-54	-59
<b>Operating Income</b>	<b>440</b>	<b>340</b>	<b>334</b>	<b>317</b>	<b>435</b>	<b>347</b>
Non Operating Items	0	1	-3	0	1	0
<b>Pre-Tax Income</b>	<b>440</b>	<b>340</b>	<b>332</b>	<b>318</b>	<b>437</b>	<b>346</b>
Income Attributable to Wealth and Asset Management	-37	-34	-32	-38	-39	-39
<b>Pre-Tax Income of BDDF</b>	<b>402</b>	<b>306</b>	<b>299</b>	<b>280</b>	<b>397</b>	<b>307</b>
Allocated Equity (€bn, year to date)	9.9	9.8	9.6	9.5	9.3	9.2
€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
FRENCH RETAIL BANKING (including 100% of Private Banking in France)* Excluding PEL/CEL Effects						
<b>Revenues</b>	<b>1,596</b>	<b>1,595</b>	<b>1,553</b>	<b>1,571</b>	<b>1,593</b>	<b>1,594</b>
<i>Incl. Net Interest Income</i>	889	912	887	896	875	890
<i>Incl. Commissions</i>	708	682	666	676	718	704
Operating Expenses and Dep.	-1,102	-1,186	-1,149	-1,168	-1,104	-1,189
<b>Gross Operating Income</b>	<b>495</b>	<b>409</b>	<b>404</b>	<b>403</b>	<b>489</b>	<b>405</b>
Cost of Risk	-83	-72	-85	-90	-54	-59
<b>Operating Income</b>	<b>412</b>	<b>337</b>	<b>319</b>	<b>313</b>	<b>435</b>	<b>346</b>
Non Operating Items	0	1	-3	0	1	0
<b>Pre-Tax Income</b>	<b>412</b>	<b>338</b>	<b>317</b>	<b>314</b>	<b>436</b>	<b>345</b>
Income Attributable to Wealth and Asset Management	-37	-34	-32	-38	-39	-39
<b>Pre-Tax Income of BDDF</b>	<b>374</b>	<b>304</b>	<b>284</b>	<b>276</b>	<b>397</b>	<b>306</b>
Allocated Equity (€bn, year to date)	9.9	9.8	9.6	9.5	9.3	9.2
€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)						
<b>Revenues</b>	<b>1,549</b>	<b>1,522</b>	<b>1,498</b>	<b>1,502</b>	<b>1,517</b>	<b>1,517</b>
Operating Expenses and Dep.	-1,065	-1,147	-1,112	-1,133	-1,068	-1,151
<b>Gross Operating Income</b>	<b>484</b>	<b>376</b>	<b>386</b>	<b>369</b>	<b>449</b>	<b>367</b>
Cost of Risk	-81	-70	-84	-90	-53	-59
<b>Operating Income</b>	<b>402</b>	<b>305</b>	<b>302</b>	<b>280</b>	<b>396</b>	<b>307</b>
Non Operating Items	0	1	-3	0	1	0
<b>Pre-Tax Income</b>	<b>402</b>	<b>306</b>	<b>299</b>	<b>280</b>	<b>397</b>	<b>307</b>
Allocated Equity (€bn, year to date)	9.9	9.8	9.6	9.5	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	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>PEL-CEL Effects</b>	<b>28</b>	<b>2</b>	<b>15</b>	<b>4</b>	<b>0</b>	<b>1</b>





€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
BNL banca commerciale (Including 100% of Private Banking in Italy)*						
<b>Revenues</b>	<b>684</b>	<b>675</b>	<b>722</b>	<b>660</b>	<b>698</b>	<b>713</b>
Operating Expenses and Dep.	-433	-470	-440	-439	-438	-480
<b>Gross Operating Income</b>	<b>251</b>	<b>205</b>	<b>282</b>	<b>221</b>	<b>259</b>	<b>233</b>
Cost of Risk	-107	-165	-164	-131	-127	-169
<b>Operating Income</b>	<b>144</b>	<b>40</b>	<b>117</b>	<b>90</b>	<b>132</b>	<b>63</b>
Non Operating Items	0	0	-2	0	-1	0
<b>Pre-Tax Income</b>	<b>144</b>	<b>40</b>	<b>116</b>	<b>89</b>	<b>130</b>	<b>63</b>
Income Attributable to Wealth and Asset Management	-11	-10	-11	-10	-10	-12
<b>Pre-Tax Income of BNL bc</b>	<b>133</b>	<b>30</b>	<b>105</b>	<b>80</b>	<b>120</b>	<b>51</b>
Allocated Equity (€bn, year to date)	5.3	5.3	5.5	5.5	5.5	5.4

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
BNL banca commerciale (Including 2/3 of Private Banking in Italy)						
<b>Revenues</b>	<b>663</b>	<b>654</b>	<b>700</b>	<b>638</b>	<b>675</b>	<b>691</b>
Operating Expenses and Dep.	-422	-460	-429	-427	-427	-470
<b>Gross Operating Income</b>	<b>241</b>	<b>195</b>	<b>272</b>	<b>211</b>	<b>248</b>	<b>221</b>
Cost of Risk	-108	-164	-165	-131	-127	-170
<b>Operating Income</b>	<b>133</b>	<b>30</b>	<b>107</b>	<b>80</b>	<b>122</b>	<b>51</b>
Non Operating Items	0	0	-2	0	-1	0
<b>Pre-Tax Income</b>	<b>133</b>	<b>30</b>	<b>105</b>	<b>80</b>	<b>120</b>	<b>51</b>
Allocated Equity (€bn, year to date)	5.3	5.3	5.5	5.5	5.5	5.4

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium)*						
<b>Revenues</b>	<b>878</b>	<b>915</b>	<b>857</b>	<b>887</b>	<b>917</b>	<b>934</b>
Operating Expenses and Dep.	-535	-844	-571	-563	-552	-835
<b>Gross Operating Income</b>	<b>342</b>	<b>71</b>	<b>286</b>	<b>324</b>	<b>365</b>	<b>99</b>
Cost of Risk	3	-34	-43	4	2	-6
<b>Operating Income</b>	<b>345</b>	<b>37</b>	<b>243</b>	<b>328</b>	<b>367</b>	<b>93</b>
Share of Earnings of Equity-Method Entities	5	-3	4	8	1	-3
Other Non Operating Items	-6	0	7	0	0	1
<b>Pre-Tax Income</b>	<b>344</b>	<b>35</b>	<b>253</b>	<b>336</b>	<b>368</b>	<b>92</b>
Income Attributable to Wealth and Asset Management	-19	-14	-15	-19	-23	-13
<b>Pre-Tax Income of Belgian Retail Banking</b>	<b>325</b>	<b>21</b>	<b>238</b>	<b>317</b>	<b>345</b>	<b>79</b>
Allocated Equity (€bn, year to date)	5.9	5.8	5.7	5.7	5.6	5.6

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)						
<b>Revenues</b>	<b>836</b>	<b>868</b>	<b>817</b>	<b>845</b>	<b>872</b>	<b>887</b>
Operating Expenses and Dep.	-512	-811	-547	-539	-529	-803
<b>Gross Operating Income</b>	<b>323</b>	<b>57</b>	<b>270</b>	<b>305</b>	<b>344</b>	<b>85</b>
Cost of Risk	3	-33	-42	4	0	-4
<b>Operating Income</b>	<b>326</b>	<b>24</b>	<b>228</b>	<b>309</b>	<b>344</b>	<b>80</b>
Share of Earnings of Equity-Method Entities	5	-3	4	8	1	-3
Other Non Operating Items	-6	0	7	0	0	1
<b>Pre-Tax Income</b>	<b>325</b>	<b>21</b>	<b>238</b>	<b>317</b>	<b>345</b>	<b>79</b>
Allocated Equity (€bn, year to date)	5.9	5.8	5.7	5.7	5.6	5.6

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

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)*						
<b>Revenues</b>	<b>767</b>	<b>776</b>	<b>771</b>	<b>755</b>	<b>731</b>	<b>728</b>
Operating Expenses and Dep.	-447	-483	-443	-435	-433	-467
<b>Gross Operating Income</b>	<b>320</b>	<b>292</b>	<b>328</b>	<b>320</b>	<b>298</b>	<b>261</b>
Cost of Risk	-27	-37	-29	-33	-25	-36
<b>Operating Income</b>	<b>293</b>	<b>256</b>	<b>299</b>	<b>287</b>	<b>273</b>	<b>225</b>
Share of Earnings of Equity-Method Entities	-4	-3	-4	-3	-3	-2
Other Non Operating Items	0	0	-5	0	0	-1
<b>Pre-Tax Income</b>	<b>290</b>	<b>253</b>	<b>290</b>	<b>284</b>	<b>271</b>	<b>223</b>
Income Attributable to Wealth and Asset Management	-1	0	-1	-1	-1	-1
<b>Pre-Tax Income of Other Domestic Markets</b>	<b>289</b>	<b>253</b>	<b>289</b>	<b>283</b>	<b>270</b>	<b>222</b>
Allocated Equity (€bn, year to date)	4.6	4.5	4.4	4.3	4.3	4.2
€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)						
<b>Revenues</b>	<b>763</b>	<b>772</b>	<b>767</b>	<b>752</b>	<b>728</b>	<b>725</b>
Operating Expenses and Dep.	-444	-480	-440	-433	-431	-464
<b>Gross Operating Income</b>	<b>319</b>	<b>292</b>	<b>327</b>	<b>319</b>	<b>297</b>	<b>260</b>
Cost of Risk	-27	-37	-29	-33	-25	-36
<b>Operating Income</b>	<b>292</b>	<b>255</b>	<b>298</b>	<b>286</b>	<b>272</b>	<b>225</b>
Share of Earnings of Equity-Method Entities	-4	-3	-4	-3	-3	-2
Other Non Operating Items	0	0	-5	0	0	-1
<b>Pre-Tax Income</b>	<b>289</b>	<b>253</b>	<b>289</b>	<b>283</b>	<b>270</b>	<b>222</b>
Allocated Equity (€bn, year to date)	4.6	4.5	4.4	4.3	4.3	4.2

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

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>INTERNATIONAL FINANCIAL SERVICES</b>						
<b>Revenues</b>	<b>4,262</b>	<b>4,282</b>	<b>3,999</b>	<b>4,041</b>	<b>4,123</b>	<b>3,912</b>
Operating Expenses and Dep.	-2,559	-2,688	-2,626	-2,446	-2,453	-2,529
<b>Gross Operating Income</b>	<b>1,703</b>	<b>1,594</b>	<b>1,373</b>	<b>1,595</b>	<b>1,671</b>	<b>1,383</b>
Cost of Risk	-390	-428	-401	-486	-322	-358
<b>Operating Income</b>	<b>1,313</b>	<b>1,165</b>	<b>972</b>	<b>1,109</b>	<b>1,349</b>	<b>1,026</b>
Share of Earnings of Equity-Method Entities	149	113	131	111	109	137
Other Non Operating Items	-21	0	-2	3	-1	58
<b>Pre-Tax Income</b>	<b>1,442</b>	<b>1,279</b>	<b>1,101</b>	<b>1,223</b>	<b>1,457</b>	<b>1,221</b>
Allocated Equity (€bn, year to date)	28.9	28.8	27.3	27.1	27.3	27.3
<hr/>						
€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Personal Finance</b>						
<b>Revenues</b>	<b>1,440</b>	<b>1,427</b>	<b>1,411</b>	<b>1,387</b>	<b>1,381</b>	<b>1,354</b>
Operating Expenses and Dep.	-702	-770	-728	-639	-672	-725
<b>Gross Operating Income</b>	<b>738</b>	<b>656</b>	<b>682</b>	<b>748</b>	<b>709</b>	<b>629</b>
Cost of Risk	-289	-329	-299	-345	-265	-276
<b>Operating Income</b>	<b>449</b>	<b>327</b>	<b>383</b>	<b>403</b>	<b>443</b>	<b>353</b>
Share of Earnings of Equity-Method Entities	17	13	17	21	8	15
Other Non Operating Items	-13	0	-1	0	-2	4
<b>Pre-Tax Income</b>	<b>454</b>	<b>340</b>	<b>400</b>	<b>424</b>	<b>450</b>	<b>373</b>
Allocated Equity (€bn, year to date)	7.9	7.8	7.3	7.2	7.1	7.0
<hr/>						
€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey)*</b>						
<b>Revenues</b>	<b>674</b>	<b>665</b>	<b>600</b>	<b>562</b>	<b>614</b>	<b>581</b>
Operating Expenses and Dep.	-445	-456	-405	-381	-402	-416
<b>Gross Operating Income</b>	<b>230</b>	<b>210</b>	<b>195</b>	<b>181</b>	<b>212</b>	<b>165</b>
Cost of Risk	-97	-77	-78	-105	-55	-70
<b>Operating Income</b>	<b>132</b>	<b>133</b>	<b>117</b>	<b>76</b>	<b>157</b>	<b>96</b>
Share of Earnings of Equity-Method Entities	66	53	60	43	43	41
Other Non Operating Items	0	0	-1	0	-1	54
<b>Pre-Tax Income</b>	<b>198</b>	<b>186</b>	<b>176</b>	<b>119</b>	<b>199</b>	<b>191</b>
Income Attributable to Wealth and Asset Management	-1	-1	0	-1	-1	-1
<b>Pre-Tax Income of EM</b>	<b>197</b>	<b>185</b>	<b>176</b>	<b>118</b>	<b>199</b>	<b>191</b>
Allocated Equity (€bn, year to date)	5.3	5.3	4.8	4.8	4.8	4.8
<hr/>						
€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey)</b>						
<b>Revenues</b>	<b>672</b>	<b>663</b>	<b>599</b>	<b>561</b>	<b>612</b>	<b>579</b>
Operating Expenses and Dep.	-444	-455	-404	-380	-401	-415
<b>Gross Operating Income</b>	<b>228</b>	<b>209</b>	<b>195</b>	<b>180</b>	<b>211</b>	<b>164</b>
Cost of Risk	-97	-77	-78	-105	-55	-70
<b>Operating Income</b>	<b>131</b>	<b>132</b>	<b>117</b>	<b>75</b>	<b>156</b>	<b>95</b>
Share of Earnings of Equity-Method Entities	66	53	60	43	43	41
Other Non Operating Items	0	0	-1	0	-1	54
<b>Pre-Tax Income</b>	<b>197</b>	<b>185</b>	<b>176</b>	<b>118</b>	<b>199</b>	<b>191</b>
Allocated Equity (€bn, year to date)	5.3	5.3	4.8	4.8	4.8	4.8

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

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>BANCWEST (Including 100% of Private Banking in United States)*</b>						
<b>Revenues</b>	<b>593</b>	<b>569</b>	<b>599</b>	<b>578</b>	<b>576</b>	<b>535</b>
Operating Expenses and Dep.	-431	-442	-431	-430	-406	-415
<b>Gross Operating Income</b>	<b>162</b>	<b>127</b>	<b>169</b>	<b>148</b>	<b>170</b>	<b>120</b>
Cost of Risk	-2	-18	-22	-35	0	-12
<b>Operating Income</b>	<b>160</b>	<b>109</b>	<b>146</b>	<b>113</b>	<b>169</b>	<b>108</b>
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0
Other Non Operating Items	1	0	0	2	0	0
<b>Pre-Tax Income</b>	<b>161</b>	<b>109</b>	<b>146</b>	<b>116</b>	<b>169</b>	<b>108</b>
Income Attributable to Wealth and Asset Management	-7	-8	-7	-8	-7	-6
<b>Pre-Tax Income of BANCWEST</b>	<b>153</b>	<b>101</b>	<b>139</b>	<b>108</b>	<b>162</b>	<b>102</b>
Allocated Equity (€bn, year to date)	5.3	5.3	4.9	4.8	5.0	4.9
<b>€m</b>						
<b>BANCWEST (Including 2/3 of Private Banking in United States)</b>						
<b>Revenues</b>	<b>576</b>	<b>553</b>	<b>581</b>	<b>562</b>	<b>561</b>	<b>522</b>
Operating Expenses and Dep.	-421	-433	-420	-422	-398	-407
<b>Gross Operating Income</b>	<b>155</b>	<b>119</b>	<b>162</b>	<b>140</b>	<b>163</b>	<b>115</b>
Cost of Risk	-2	-18	-22	-35	0	-12
<b>Operating Income</b>	<b>152</b>	<b>101</b>	<b>139</b>	<b>106</b>	<b>162</b>	<b>102</b>
Non Operating Items	1	0	0	2	0	0
<b>Pre-Tax Income</b>	<b>153</b>	<b>101</b>	<b>139</b>	<b>108</b>	<b>162</b>	<b>102</b>
Allocated Equity (€bn, year to date)	5.3	5.3	4.9	4.8	5.0	4.9
<b>€m</b>						
<b>INSURANCE</b>						
<b>Revenues</b>	<b>779</b>	<b>874</b>	<b>542</b>	<b>741</b>	<b>735</b>	<b>661</b>
Operating Expenses and Dep.	-360	-389	-346	-351	-342	-367
<b>Gross Operating Income</b>	<b>419</b>	<b>484</b>	<b>196</b>	<b>390</b>	<b>393</b>	<b>294</b>
Cost of Risk	1	-2	2	0	1	0
<b>Operating Income</b>	<b>420</b>	<b>482</b>	<b>198</b>	<b>390</b>	<b>394</b>	<b>294</b>
Share of Earnings of Equity-Method Entities	57	37	43	38	46	75
Other Non Operating Items	-16	0	0	1	0	0
<b>Pre-Tax Income</b>	<b>461</b>	<b>520</b>	<b>241</b>	<b>429</b>	<b>440</b>	<b>369</b>
Allocated Equity (€bn, year to date)	8.3	8.4	8.4	8.4	8.5	8.7
<b>€m</b>						
<b>WEALTH AND ASSET MANAGEMENT</b>						
<b>Revenues</b>	<b>795</b>	<b>766</b>	<b>866</b>	<b>791</b>	<b>834</b>	<b>795</b>
Operating Expenses and Dep.	-632	-641	-728	-654	-639	-614
<b>Gross Operating Income</b>	<b>163</b>	<b>125</b>	<b>138</b>	<b>137</b>	<b>195</b>	<b>181</b>
Cost of Risk	-2	-2	-3	-1	-2	0
<b>Operating Income</b>	<b>161</b>	<b>123</b>	<b>134</b>	<b>136</b>	<b>193</b>	<b>181</b>
Share of Earnings of Equity-Method Entities	10	10	11	8	12	5
Other Non Operating Items	7	0	0	-1	1	0
<b>Pre-Tax Income</b>	<b>177</b>	<b>132</b>	<b>146</b>	<b>143</b>	<b>206</b>	<b>187</b>
Allocated Equity (€bn, year to date)	2.1	2.0	1.9	1.9	1.9	1.9

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

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>CORPORATE AND INSTITUTIONAL BANKING</b>						
<b>Revenues</b>	<b>3,099</b>	<b>3,008</b>	<b>2,379</b>	<b>2,565</b>	<b>2,979</b>	<b>2,906</b>
Operating Expenses and Dep.	-1,997	-2,463	-1,919	-1,884	-1,970	-2,389
<b>Gross Operating Income</b>	<b>1,102</b>	<b>545</b>	<b>460</b>	<b>680</b>	<b>1,009</b>	<b>517</b>
Cost of Risk	-24	-32	-100	49	-23	31
<b>Operating Income</b>	<b>1,078</b>	<b>513</b>	<b>359</b>	<b>730</b>	<b>986</b>	<b>548</b>
Share of Earnings of Equity-Method Entities	5	2	39	4	7	9
Other Non Operating Items	-25	-2	-6	0	3	2
<b>Pre-Tax Income</b>	<b>1,058</b>	<b>514</b>	<b>393</b>	<b>734</b>	<b>996</b>	<b>558</b>
Allocated Equity (€bn, year to date)	21.3	20.7	20.8	20.7	20.3	19.9
<hr/>						
€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>CORPORATE BANKING</b>						
<b>Revenues</b>	<b>1,094</b>	<b>969</b>	<b>1,102</b>	<b>930</b>	<b>999</b>	<b>892</b>
Operating Expenses and Dep.	-607	-724	-622	-597	-591	-683
<b>Gross Operating Income</b>	<b>487</b>	<b>245</b>	<b>480</b>	<b>333</b>	<b>409</b>	<b>209</b>
Cost of Risk	-21	-35	-91	46	12	1
<b>Operating Income</b>	<b>467</b>	<b>210</b>	<b>389</b>	<b>379</b>	<b>421</b>	<b>210</b>
Non Operating Items	3	3	36	5	7	9
<b>Pre-Tax Income</b>	<b>470</b>	<b>213</b>	<b>424</b>	<b>384</b>	<b>428</b>	<b>219</b>
Allocated Equity (€bn, year to date)	12.4	12.2	12.2	12.1	12.0	11.9
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€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>GLOBAL MARKETS</b>						
<b>Revenues</b>	<b>1,409</b>	<b>1,523</b>	<b>650</b>	<b>1,132</b>	<b>1,447</b>	<b>1,498</b>
<i>incl. FICC</i>	793	1,035	505	680	729	805
<i>incl. Equity &amp; Prime Services</i>	615	488	145	452	718	692
Operating Expenses and Dep.	-913	-1,276	-859	-848	-955	-1,275
<b>Gross Operating Income</b>	<b>496</b>	<b>248</b>	<b>-209</b>	<b>284</b>	<b>492</b>	<b>223</b>
Cost of Risk	-6	3	-13	3	-37	28
<b>Operating Income</b>	<b>491</b>	<b>251</b>	<b>-222</b>	<b>287</b>	<b>455</b>	<b>251</b>
Share of Earnings of Equity-Method Entities	1	0	1	0	1	1
Other Non Operating Items	-25	1	-3	0	1	0
<b>Pre-Tax Income</b>	<b>467</b>	<b>252</b>	<b>-225</b>	<b>287</b>	<b>457</b>	<b>252</b>
Allocated Equity (€bn, year to date)	8.0	7.7	7.8	7.7	7.4	7.1
<hr/>						
€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>SECURITIES SERVICES</b>						
<b>Revenues</b>	<b>596</b>	<b>516</b>	<b>627</b>	<b>503</b>	<b>532</b>	<b>517</b>
Operating Expenses and Dep.	-477	-463	-438	-439	-424	-431
<b>Gross Operating Income</b>	<b>119</b>	<b>53</b>	<b>189</b>	<b>63</b>	<b>108</b>	<b>86</b>
Cost of Risk	2	-1	4	0	3	1
<b>Operating Income</b>	<b>121</b>	<b>52</b>	<b>193</b>	<b>63</b>	<b>110</b>	<b>87</b>
Non Operating Items	0	-3	0	0	1	0
<b>Pre-Tax Income</b>	<b>121</b>	<b>50</b>	<b>193</b>	<b>63</b>	<b>111</b>	<b>86</b>
Allocated Equity (€bn, year to date)	0.9	0.8	0.9	0.9	0.9	0.8



€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
<b>CORPORATE CENTRE</b>						
<b>Revenues</b>	<b>53</b>	<b>37</b>	<b>-1</b>	<b>9</b>	<b>311</b>	<b>159</b>
<i>Operating Expenses and Dep.</i>	<i>-436</i>	<i>-400</i>	<i>-605</i>	<i>-415</i>	<i>-491</i>	<i>-454</i>
<i>'Incl. Restructuring and Transformation Costs</i>	<i>-335</i>	<i>-206</i>	<i>-481</i>	<i>-267</i>	<i>-275</i>	<i>-211</i>
<b>Gross Operating Income</b>	<b>-383</b>	<b>-363</b>	<b>-606</b>	<b>-405</b>	<b>-179</b>	<b>-295</b>
Cost of Risk	7	-4	-74	1	-18	-19
<b>Operating Income</b>	<b>-377</b>	<b>-367</b>	<b>-680</b>	<b>-404</b>	<b>-197</b>	<b>-314</b>
Share of Earnings of Equity-Method Entities	24	24	25	18	19	22
Other Non Operating Items	81	623	-88	285	46	110
<b>Pre-Tax Income</b>	<b>-272</b>	<b>280</b>	<b>-743</b>	<b>-101</b>	<b>-132</b>	<b>-183</b>

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

Alternative Performance Measures	Definition	Reason for use
<b>Operating division profit and loss account aggregates (revenues, operating expenses, gross operating income, operating income, pre-tax income)</b>	Sum of Domestic Markets' profit and loss account aggregates (with Domestic Markets' profit and loss account aggregates, including 2/3 of private banking in France, Italy, Belgium and Luxembourg), IFS and CIB BNP Paribas Group profit and loss account aggregates = Operating division profit and loss account aggregates + Corporate centre profit and loss account aggregates Reconciliation with Group profit and loss account aggregates is provided in the tables "Results by Core businesses"	Representative measure of the BNP Paribas Group's operating performance
<b>Profit and loss account aggregates, excluding PEL/CEL effect (revenues, gross operating income, operating income, pre-tax income)</b>	Profit and loss account aggregate, excluding PEL/CEL effect Reconciliation with Group profit and loss account aggregates is provided in the tables "Quarterly series"	Representative measure of the 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 and loss account aggregates of Retail Banking activity with 100% of Private Banking</b>	Profit and loss account aggregate of a Retail Banking activity including the whole profit and loss account of Private Banking Reconciliation with Group profit and loss account aggregates is provided in the tables "Quarterly series"	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>Evolution of operating expenses excluding IFRIC 21</b>	Evolution of operating expenses excluding taxes and contributions subject to IFRIC 21.	Representative measure of the operating expenses' evolution in the 1st semester excluding taxes and contributions subject to IFRIC 21 booked almost entirely for the whole year in the 1st semester
<b>Cost/income ratio</b>	Costs to income ratio	Measure of operational efficiency in the banking sector
<b>Cost of risk/Customer loans at the beginning of the period (in basis points)</b>	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	Measure of the risk level by business in percentage of the volume of outstanding loans
<b>Doubtful loans' coverage ratio</b>	Relationship between stage 3 provisions and impaired outstandings (stage 3), balance sheet and off-balance sheet, netted for collateral received, for customers and credit institutions, including liabilities at amortised cost and debt securities at fair value through equity (excluding insurance business)	Measure of provisioning for doubtful loans
<b>Net income Group share excluding exceptional items</b>	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	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>	Details of the ROE calculation are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation	Measure of the BNP Paribas Group's return on equity
<b>Return on Tangible Equity (ROTE)</b>	Details of the ROTe calculation are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation	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.*

*On 29 March 2019, BNP Paribas issued a restatement of its quarterly results for 2018 reflecting, in particular (i) the internal transfer in the 3rd quarter 2018 of Correspondent Banking activities within CIB from Corporate Banking business to Securities Services and (ii) the transfer, effective 1st October 2018, of First Hawaiian Bank (FHB) from the BancWest business to the Corporate Centre following the sale of 43.6% of FHB in 2018 (the remaining stake was sold on 25 January 2019). These changes do not affect Group results as a whole but only the analytical breakdown of IFS (BancWest), CIB (Corporate Banking, Securities Services), and Corporate Centre. The 2018 quarterly result series have been restated reflecting these effects as if they had occurred on 1st January 2018. This presentation is based on the restated 2018 quarterly series.*

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