SECOND QUARTER 2020 RESULTS

PRESS RELEASE
Paris, 31 July 2020

2Q20: BNP PARIBAS CONFIRMS THE STRENGTH OF ITS INTEGRATED AND DIVERSIFIED MODEL

INCREASE IN REVENUES

+4.0% vs. 2Q19

DECREASE IN OPERATING EXPENSES

-1.3% vs. 2Q19

STRONG GROWTH IN GROSS OPERATING INCOME

+14.5% vs. 2Q19

INCREASE IN COST OF RISK DUE IN PARTICULAR TO EX-ANTE PROVISIONING OF EXPECTED LOSSES

65 bps[1]
of which 15 bps for ex-ante provisioning (€329m)

GOOD LEVEL OF INCOME IN A CONTEXT MARKED BY THE HEALTH CRISIS

NET INCOME[2]: €2,299m (-6.8% vs. 2Q19)

INCREASE IN CET1 RATIO

12.4%

1. Cost of risk / customer loans at the beginning of the period (in bps); 2. Net income Group share

BNP PARIBAS

The bank for a changing world

The Board of Directors of BNP Paribas met on 30 July 2020. The meeting was chaired by Jean Lemierre and the Board examined the Group's results for the second quarter 2020 and endorsed the interim financial statements for the first half of the year.

Commenting on these results, Chief Executive Officer Jean-Laurent Bonnafé stated at the end of the meeting:

"Our diversified banking model has proven its effectiveness in supporting clients and the economy in front of an unprecedented health crisis. BNP Paribas was able to quickly mobilise its teams, resources and expertise to meet the needs of its clients across Europe and beyond.

This ability to broadly finance the economy is the result of long-term work undertaken by the Group to serve its individual, corporate and institutional clients. It is a reflection of its financial soundness, the diversification and integration of its businesses, its close relationships with its clients, its prudent risk management and the execution power of its platforms.

Alongside all the teams at BNP Paribas, whose exceptional mobilisation to support the economy and society I would like to salute, we stand by our clients to limit the economic and social impact of the crisis. All our forces remain mobilised to ensure a solid and sustainable economic recovery."

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A DIVERSIFIED PLATFORM, MOBILISED AT THE SERVICE OF THE ECONOMY

In the first half of 2020, amidst lockdowns in response to the health crisis, the BNP Paribas Group mobilised its resources and expertise to raise for clients more than 250 billion euros in financing throughout the world[1], including 166 billion euros in Europe[1,2]. More than 90 billion euros[1] of loans were arranged and syndicated with banks and institutional investors; more than 150 billion euros[1] of bonds were issued and placed with investors, as were nearly 10 billion euros of shares. BNP Paribas has participated in 70% of all syndicated loans and 53% of all bond issues in the EMEA region since mid-March[1,3].

It also assisted public authorities in rolling out their corporate-support measures, in particular state-guaranteed loans. Close to 90,000 guaranteed loans were granted as at the end of June in the Group's retail banking networks.

[1] Source: Dealogic as at 30 June 2020, bookrunner, apportioned amount
[2] EMEA: Europe, Middle East, Africa
[3] Percentage of total amount

BNP PARIBAS CONFIRMS THE STRENGTH OF ITS INTEGRATED AND DIVERSIFIED MODEL

Responding to the economy's specific needs during the crisis phase, certain businesses – in particular in Corporate Banking, Global Markets, and Domestic Markets and International Financial Services retail networks – experienced an exceptional level of activity.

Nevertheless, public health measures had a negative impact on the Group's activity with a decrease in transaction flows and lower loan production (in particular consumer loans with the closure of partners' points of sale). A low point was observed in April and May 2020. The rebound in June, in Europe was stronger than expected.

All in all, revenues, at 11,675 million euros, were up by 4.0% compared to the second quarter 2019, benefitting from the strength of the Group's diversified and integrated model.

Revenues of the operating divisions were up by 5.2%. They were down by 5.2% in Domestic Markets[1] and by 5.5%[2] in International Financial Services. Both divisions showed good resilience in a context strongly impacted by the health crisis and a persistent low-interest-rate environment. CIB achieved a very strong increase (+33.1%), thanks to extremely sustained activity in all client segments.

At 7,338 million euros, the Group's operating expenses were down by 1.3% compared to the second quarter 2019. They included the following exceptional items for a total of 161 million euros (compared to 336 million euros in the second quarter 2019): 30 million euros in restructuring[3] and adaptation[4] costs, 45 million euros in IT reinforcement costs and 86 million euros in donations and staff security measures related to the health crisis. As announced in the 2020 plan, exceptional transformation costs were nil; they amounted to 222 million euros in the second quarter 2019.

Operating expenses also included an additional 112 million euro increase in the contribution to the Single Resolution Fund, as its rate was increased during the quarter by the European authorities.

However, the operating expenses of the operating divisions were stable (+0.2%) compared to the second quarter 2019. They were down by 2.8% for Domestic Markets with a more pronounced decrease in the networks[5] (-3.6%). Operating expenses were down significantly, by 5.7%[6] at International Financial Services, due to the effect of stepped-up cost-saving measures. CIB achieved a very positive jaws effect (+21.9 points), with a +11.2% increase in operating expenses related to the exceptionally strong level of activity.

The Group's gross operating income thus came to 4,337 million euros, up by 14.5%.

The cost of risk, at 1,447 million euros, rose by 826 million euros compared to the second quarter 2019. It stood at 65 basis points of outstanding customer loans. The updating of macroeconomic scenarios led to a 329 million euro increase in the ex-ante provisioning of expected losses (including their sectoral component). Under the central scenario, a gradual recovery is forecast, with a gradual return to a level of GDP comparable to 2019 by mid-2022 (unless a new crisis occurs). It takes into account the effects of the recovery plans. Lastly, the level of ex-ante provisioning of expected losses reflects the quality of the BNP Paribas portfolio and its prudent and proactive risk management.

The Group's operating income, at 2,890 million euros, was thus down by 8.8%.

[1] Including 100% of Private Banking in the domestic networks (excluding the PEL/CEL effects)
[2] -3.4% at constant scope and exchange rates
[3] Related in particular to the restructuring of certain businesses (in particular at CIB)
[4] Adaptation measures related in particular to BancWest and CIB
[5] FRB, BNL bc and BRB
[6] -4.2% at constant scope and exchange rates

Non-operating items totalled 236 million euros, up from the second quarter 2019, when they totalled 209 million euros. They reflected the +83 million euro capital gain from the sale of a building. In the second quarter 2019 they had included the capital gain from the sale of 2.5% of SBI Life and the effect of the deconsolidation of the residual stake (+612 million euros), as well as the partial impairment of BancWest's goodwill (-500 million euros).

Pre-tax profit, at 3,126 million euros (3,377 million euros in the second quarter 2019) was down by 7.4%.

The average corporate tax rate was 24.9%.

Net income attributable to equity holders totalled 2,299 million euros, down 6.8% compared to the second quarter 2019. When excluding exceptional items, it would have decreased by 9.9% to 2,360 million euros.

As at 30 June 2020, the common equity Tier 1 ratio stood at 12.4%, up 40 basis points from 31 March 2020, due to organic capital generation during the quarter after taking into account a 50% pay-out ratio and the effect of regulatory amendments (CRR "Quick Fix"). The size of the balance sheet was down slightly (-1.8% compared to 31 March 2020). The Group's immediately available liquidity reserve was 425 billion euros, equivalent to over one year of room for manoeuvre in terms of market resources. The leverage ratio[1] stood at 4.0%.

Tangible net book value per share[2] reached 71.8 euros, equivalent to a compounded annual growth rate of 7.3% since 31 December 2008, illustrating the continuous value creation throughout the cycle.

The Group continues its digital transformation while strengthening its internal control and compliance systems, as the health crisis has not significantly affected the Compliance processes nor the trajectory of projects. It continues to pursue an ambitious policy of engagement in society, including a strengthened commitment to an exit from thermal coal. The Group has thus set 2030 as the date for the complete withdrawal from all thermal coal financing in the European Union and OECD countries and 2040 for the rest of the world, covering the entire thermal coal value chain, including extraction, dedicated infrastructures and electricity generation. In line with its "coal-fired power generation" and "mining" policies, updated in July 2020, the Group no longer finances actors that develop additional thermal coal capacities, those that do not have coal exit plans for the aforementioned dates, thermal coal infrastructures, as well as thermal coal dedicated wholesalers. The Group's action in this area has been recognised, being named once again Best Bank for Western Europe for Corporate Responsibility by *Euromoney* magazine.

Meanwhile, the Group is already prepared for the end of the Brexit transition period in December 2020. Thus, on the regulatory side, it has taken all measures required by the ECB, as well as by UK regulatory authorities to be authorised to continue to operate in the United Kingdom.
On the operational side, the main Brexit impact will derive from the loss of the EU passport and from compliance with the ECB's supervisory expectations. In particular, selling financial services from the UK to EU clients will not be allowed. In the UK, the front office roles (mainly sales positions) and their associated set-up positions are impacted by these measures. On the European continent, some 400 new positions, of which 160 in the front office and 240 for support functions (mainly IT), are being created. As of the end of June, 260 of these positions have been taken up.

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[1] Calculated in accordance with EC Delegated Act of 10 October 2014
[2] Revalued, with 2019 earnings place into reserves

For the first half of the year, revenues, at 22,563 million euros, were up by 0.9% compared to the first half of 2019.

In the operating divisions, they rose by 1.1%[1]: -3.2% in Domestic Markets[2], where the impact of low interest rates in the networks and of the health crisis, in particular on fees, was only partially offset by the rise in volumes and the continued growth of the specialised businesses (in particular Personal Investors); -5.4%[3] in International Financial Services, in connection in particular with the impact of low interest rates on the networks, the decline in business due to the health crisis, and the decline in the financial markets, in particular in Insurance; +15.9% at CIB with an increase in all three businesses.

At 15,495 million euros, the Group's operating expenses were down by 2.4% compared to the first half of 2019. They included the following exceptional items for a total of 240 million euros (compared to 542 million euros in the first half of 2019): restructuring[4] and adaptation[5] costs (76 million euros), IT reinforcement costs (79 million euros) and donations and staff security measures related to the health crisis (86 million euros). As announced under the 2020 plan, transformation costs were nil; they amounted to 390 million euros in the first half of 2019.

Operating expenses included 1,284 million euros, covering almost the entire amount of taxes and contributions for the year (including the contribution to the Single Resolution Fund), in application of IFRIC 21 ("Taxes"). They amounted to EUR 1,128 million in the first half of 2019.

However, the operating expenses of the operating divisions were stable compared to the first half of 2019. They were down by 1.5% for Domestic Markets with a more pronounced decrease in the networks[6] (-2.5%) and an increase in the specialised businesses, in connection with business development. Operating expenses were down by 1.3%[7] at International Financial Services, due to the development of cost-saving plans, and were up by 3.4% at CIB, in connection with business development. The jaws effect was largely positive at CIB (+12.5 points).

The Group's gross operating income thus came to 7,068 million euros (6,484 million euros in the first half of 2019), up 9.0%. It was up by 3.2% for the operating divisions.

The cost of risk, at 2,873 million euros, rose by 1,483 million euros compared to the first half of 2019. It reflected in particular the impact of ex-ante provisioning for expected losses related to the health crisis. It stood at 66 basis points of outstanding customer loans.

The Group's operating income, at 4,195 million euros (5,094 million euros in the first half of 2019), was thus down by 17.6%. It was down by 20.6% for the operating divisions.

Non-operating items totalled 726 million euros, down from 966 million euros in the first half of 2019. These included the +464 million euro capital gain from the sale of several buildings. In the first half of 2019, they had included the exceptional impact of 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).

Pre-tax income, at 4,921 million euros (6,060 million euros in the first half of 2019), was down by 18.8%.

The average corporate tax rate was 24.6%.

[1] +1.9% at constant scope and exchange rates
[2] Including 100% of Private Banks in Domestic Markets (excluding PEL/CEL effects)
[3] -4.2% at constant scope and exchange rates
[4] Related in particular to the restructuring of certain businesses (in particular at CIB)
[5] Related in particular to BancWest and CIB
[6] FRB, BNL bc and BRB
[7] -0.8% at constant scope and exchange rates

Net income attributable to equity holders amounted to 3,581 million euros, down 18.4% compared to the first half of 2019. When excluding exceptional items it would have amounted to 3,435 million euros, a decrease of 18.4%.

The annualised return on tangible equity not revalued[1] was 8.7% and reflected the good resilience of the results, thanks to the strength of the Group's diversified and integrated model in a context strongly marked by the health crisis.

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[1] With 2019 earnings placed into reserves

RETAIL BANKING & SERVICES

DOMESTIC MARKETS

Domestic Markets activity was up this quarter. The Group mobilised strongly to support clients during the health crisis. Domestic Markets granted in particular close to 70,000 state-guaranteed loans but also close to 250,000 moratoria on both individual (25%) and corporate (75%) client segments[1]. Activity rebounded significantly in the networks during the quarter, with a significant recovery in card payments and loans to individuals. It was also particularly strong at Arval and Leasing Solutions. Outstanding loans thus rose by 5.3% compared to the second quarter 2019, with good growth in loans in Retail Banking, in particular in France and Belgium, and in the specialised businesses (Arval, Leasing Solutions). Deposits rose by 11.3% compared to the second quarter 2019 in all countries. Private banking recorded a good level of net asset inflows of +0.9 billion euros.

Lastly, digital usage continued to accelerate during and after the lockdown, with a 27.3% increase in active clients on mobile apps[2] in one year (5.5 million) and almost 4 million daily connections.

Revenues[3], at 3,721 million euros, were nevertheless down by 5.2% compared to the second quarter 2019. This decrease reflected the impact of the low-interest-rate environment and the health crisis, particularly on the level of fees, which were only partially offset by the increased loan volumes and the strong activity of the specialised businesses (in particular Consorsbank in Germany).

Operating expenses[3], at 2,446 million euros, were down (-2.8%) compared to the second quarter 2019, with a more pronounced decline in the networks[4] (-3.6%) and a slight increase in the specialised businesses (+1.0%).

Gross operating income[3], at 1,276 million euros, was down by 9.4% compared to the second quarter 2019.

The cost of risk[3] came to 331 million euros (214 million euros in the second quarter 2019). It reflected in particular the impact of the ex-ante provisioning of expected losses amounting to 67 million euros.

Thus, after allocating one-third of Private Banking's net income to the Wealth Management (International Financial Services division), the division's pre-tax income[5] was 884 million euros, down by 21.2% compared to the second quarter 2019.

For the first half of the year, revenues[3], at 7,635 million euros, were down by 3.2% compared to the first half of 2019. The impact of the persistent low-interest-rate environment and the health crisis, in particular on fees, were only partially offset by increased volumes and strong activity in the specialised businesses (with a sharp increase in Personal Investors in Germany). Operating expenses[3], at 5,415 million euros, were down (-1.5%) compared to the first half of 2019, with a more pronounced decrease in networks[4] (-2.5%) and a moderate rise in specialised businesses, in connection with business growth. Gross operating income[3], at 2,219 million euros, was thus down by 7.0% compared to the first half of 2019. The cost of risk[3] came to 645 million euros (521 million euros in the first half of 2019) and included in particular the impact of the ex-ante provisioning of

[1] EBA criteria as at 30 June 2020 – percentage in volume
[2] Clients with at least one connection to the mobile apps per month (on average in 2Q20), scope: individual, corporate and private banking clients of DM networks or digital banks (including Germany, Austria and Nickel)
[3] Including 100% of Private Banking in France (excluding the PEL/CEL effects), Italy, Belgium and Luxembourg
[4] FRB, BNL bc and BRB
[5] Excluding PEL/CEL effects of +15 million euros compared to +28 million euros in the second quarter 2019

expected losses. Thus, after allocating one-third of Private Banking's net income to the Wealth Management business (International Financial Services division), the division's pre-tax income[1] came to 1,458 million euros, down compared to the first half of 2019 (-15.7%).

French Retail Banking (FRB)

The business line strongly mobilised to serve customers. Close to 57,000 state-guaranteed loans had been granted for a total of close to 15 billion euros as at 30 June 2020 and the equity investment envelope was doubled to 4 billion euros to support the development of French small and mid-sized businesses between now and 2024. The business line strengthened its presence among clients, with a 27% increase in individual customers met face-to-face or remotely.

This allowed FRB to maintain its business drive. After a low point in April, activity recovered, resulting in an acceleration in loan production to individual customers and a rebound in card payments in the latter part of the quarter. Outstanding loans rose by 8.8% compared to the second quarter 2019 with an increase in corporate loans (even when excluding state-guaranteed loans). Deposits rose by 16.7%. Responsible savings increased sharply in private banking, with outstandings of 6.0 billion euros (+52% compared to 31 December 2019). The number of customers at Hello Bank! was up strongly (+22.7% compared to 30 June 2019).

Revenues[2] totalled 1,408 million euros, down by 11.8% compared to the second quarter 2019. Net interest income[2] was down by 12.9%, as the enhanced credit margin only partly offset the smaller contribution from the specialised subsidiaries, arising from the health crisis and the impact of the low-interest-rate environment. Fees[2] were down by 10.4%, due to the effects of lockdown measures and in particular of lower fees on payment means and cash management.

Operating expenses[2], at 1,074 million euros, were down by 2.5% compared to the second quarter 2019, due to the ongoing impact of cost-optimisation measures.

Gross operating income[2] thus came to 334 million euros, down by 32.4% compared to the second quarter 2019.

The cost of risk[2] came to 90 million euros, a moderate increase of 7 million euros compared to the second quarter 2019. It stood at 18 basis points of outstanding customer loans.

Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 212 million euros in pre-tax income[3], down by 43.4% compared to the second quarter 2019.

For the first half of the year, revenues[2] totalled 2,932 million euros, down 8.1% compared to the first half of 2019. Net interest income[2] was down by 11.4% compared to a high base in the first half of 2019. The smaller contribution from the specialised subsidiaries and the impact of the low interest rate environment were only partially offset by increased volumes. Fees[2] were down by 3.9%, the sharp rise in financial fees being offset by the strong decrease in fees on cash management and payment means due to the health crisis. Operating expenses[2], at 2,240 million euros, were down by 2.1% compared to the first half of 2019 as a result of cost-optimisation measures. Gross operating income[2] thus came to 692 million euros, down by 23.4% compared to the first half of 2019. The cost of risk[2] came to 191 million euros, up by 36 million euros compared to the first half of 2019. It stood at 19 basis points of outstanding customer loans. Thus, after allocating one-third of French Private

[1] Excluding PEL/CEL effects of +2 million euros compared to +30 million euros in the first half 2019
[2] Including 100% of Private Banking in France (excluding PEL/CEL effects)
[3] Excluding PEL/CEL effects of +15 million euros compared to +28 million euros in the second quarter 2019

Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 434 million euros in pre-tax income[1], down 36.1% compared to the first half of 2019.

BNL banca commerciale (BNL bc)

The business line strongly mobilised to support clients in the health crisis. As at 30 June 2020, close to 29,000 BNL bc's clients benefitted from a moratorium[2]. The number of state-guaranteed loans granted in May and June increased, with close to 12,000 loans granted as at 30 June 2020.

In a context marked by lockdown measures but also by the rebound in the latter part of the quarter, BNL bc's business activity grew. Deposits were up by 14.8% compared to the second quarter 2019. Off-balance sheet savings rose by 1.8% compared to 30 June 2019, with growth in life insurance savings (+4.4% compared to the second quarter 2019) but a decrease in mutual fund assets under management, in connection with changes in stock market valuations compared to 30 June 2019. Outstanding loans were down by 1.5%[3] compared to the second quarter 2019, but they were up by more than 3% on the perimeter excluding non-performing loans. The business line continued to steadily increase its market share in corporate clients – by 1.0 point to 6.2%[4] in four years– while maintaining a prudent risk profile (more than 70% of SMEs exposure at the end of 2019 with good credit quality)[5].

Revenues[6] were down by 5.1% compared to the second quarter 2019, at 649 million euros. Net interest income[6] was down by 4.1% due to the low-interest-rate environment and the positioning on client segments with a better risk profile. Fees[6] were down by 6.7% compared to the second quarter 2019, due to the volume-driven decrease in fees.

Operating expenses[6], at 422 million euros, were down by 2.5% compared to the second quarter 2019, reflecting the effect of cost-saving and adaptation measures ("Quota 100" retirement plan).

Gross operating income[6] thus came to 227 million euros, down by 9.6% compared to the second quarter 2019.

The cost of risk[6], at 122 million euros, rose by 13.9% compared to the second quarter 2019. It came to 64 basis points of outstanding customer loans. It was almost stable compared to the first quarter 2020, the downward trend having been interrupted by the health crisis with the requirements for ex-ante provisioning of expected losses.

Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc posted pre-tax income of 95 million euros, down by 28.8% compared to the second quarter 2019.

<u>For the first half of the year</u>, revenues[6] were down by 3.8% compared to the first half of 2019, at 1,308 million euros. Net interest income[6] varied by -4.0%, due to the low-interest-rate environment and the positioning on clients with a better risk profile. Fees[6] were down by 3.5% compared to the first half of 2019, due in particular to the decrease in financial fees. Operating expenses[6], at 887 million euros, were down by 1.8% compared to the first half of 2019. They reflected the effect of cost-saving and adaptation measures ("Quota 100" retirement plan). Gross operating income[6] was thus 421 million euros, down by 7.8% compared to the first half of 2019. The cost of risk[6], at

[1] Excluding PEL/CEL effects of +2 million euros compared to +30 million euros in the first half of 2019
[2] EBA criteria as at 30 June 2020
[3] Loan volumes based on a daily average
[4] Source: Italian Banking Association
[5] Internal rating of 1 to 6 on a scale of 12
[6] Including 100% of Private Banking in Italy

242 million euros, continued to improve compared to the first half of 2019 (-11%) with the effect of the sale of non-performing loan portfolios in 2019 and despite the impact of the ex-ante provisioning for expected losses related to the health crisis. It came to 64 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 158 million euros in pre-tax income, down 2.9% compared to the first half of 2019.

Belgian Retail Banking

BRB has been very active in supporting the economy and assisting its clients during the health crisis. Close to 40,000 clients benefitted from a moratorium as of 30 June 2020[1]. The business line also increased the number of contacts with clients: for example, 94% of corporate clients were contacted to assess their needs in responding to the crisis.

BRB sustained strong commercial activity throughout the quarter. Loans were up by 4.6%, with good growth in mortgage and corporate loans compared to the second quarter 2019. Deposits rose by 5.4% with strong growth in corporate and individual deposits. Off-balance sheet savings were up by 1.3% compared to 30 June 2019. Lastly, as a sign of a rebound in activity, the number of card payments at the end of June was above the level seen before the lockdown.

However, BRB's revenues[2] were down by 4.9% compared to the second quarter 2019, at 835 million euros. Net interest income[2] was down by 7.1%. Indeed increased loan volumes only partly offset the impact of the low-interest-rate environment and the weaker contribution from specialised subsidiaries. Fees[2] were up by 1.3% compared to the second quarter 2019, due in particular to good resilience in financial fees.

Operating expenses[2], at 499 million euros, were down significantly (-6.8%) compared to the second quarter 2019, thanks to cost-reduction measures and the continuing optimisation of the branch network. The jaws effect was positive (+1.9 point).

Gross operating income[2], at 336 million euros, was down by 1.9% compared to the second quarter 2019.

The cost of risk[2] came to 80 million euros, or 27 basis points of outstanding customer loans, compared to a 3 million euro write-back in the second quarter 2019. The increase was due mainly to the ex-ante provisioning of expected losses and a specific file.

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 243 million euros in pre-tax income, down 25.2% compared to the second quarter 2019.

For the first half of the year, BRB's revenues[2] were down by 4.1% compared to the first half of 2019, at 1,720 million euros. Net interest income[2] was down by 8.2% compared to the first half of 2019: the impact of low interest rates and of a lower contribution from specialised subsidiaries were partly offset by the growth in loan volumes. Fees[2] were up by 8.1% compared to the first half of 2019, driven by the increase in financial fees. Operating expenses[2], at 1,329 million euros, were down (-3.6%) compared to the first half of 2019, thanks to cost-saving measures. Gross operating income[2], at 391 million euros, was down by 5.6% compared to the first half of 2019. The cost of risk[2] was 134 million euros, compared to 31 million euros in the first half of 2019. It rose in particular due to the impact of the ex-ante provisioning of expected losses related to the health crisis and a specific file in the second quarter. After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 239 million euros in pre-tax income in the first half of 2020, down 31% compared to the first half of 2019.

[1] EBA criteria as at 30 June 2020
[2] Including 100% of Belgian Private Banking

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

Domestic Markets' specialised businesses all showed a very good business drive and confirmed the rapid recovery of activity after a low point in April. Arval's financed fleet grew strongly by 7.2% compared to the second quarter 2019, and by 2.5% on the year to date, driven by a rebound in vehicle orders in June and support provided to customers, particularly in contract extensions. Leasing Solutions' financing outstandings were up 1.1%[1] compared to the second quarter 2019. In June, Leasing Solutions recorded a strong rebound in demand for logistical and IT equipment financing, up 40.7% compared to May 2020. Led by market volatility, Personal Investors showed an excellent business drive in Germany, with a doubling of the number of orders (+102% compared to the second quarter 2019) and an increase in assets under management (+10.5% compared to 30 June 2019). Nickel continued its development in France, with close to 1.7 million accounts opened (+27.0% compared to 30 June 2019) and a monthly record of new account openings in June 2020 (38,345 accounts opened). Luxembourg Retail Banking (LRB)'s outstanding loans rose by 10.4% compared to the second quarter 2019, with good growth in mortgage and corporate loans. Deposits were down by 2.9%. LRB is seeing a gradual return to normal business, with a significant recovery of credit card transactions and loan applications since April.

Revenues[2] of the five businesses, at 829 million euros, were up by 8.2% compared to the second quarter 2019, driven in particular by the very strong revenue growth at Personal Investors and in particular of Consorsbank in Germany.

Operating expenses[2] rose by 1.0% compared to the second quarter 2019, to 451 million euros as a result of the effect of business development, contained by cost-saving measures. The jaws effect was positive by 7.2 points.

The cost of risk[2] totalled 40 million euros (27 million euros in the second quarter 2019).

Thus, 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 by 15.8% compared to the second quarter 2019, to 335 million euros.

<u>For the first half of the year,</u> the revenues[2] of the five businesses, at 1,675 million euros, were up on the whole by 8.6% compared to the first half of 2019, with a very good level of activity in all the business lines, and in particular very good performances by Nickel and Personal Investors, particularly Consorsbank in Germany. Operating expenses[2] rose by 3.2% compared to the first half of 2019, to 959 million euros, due to business development but remained contained by cost-saving measures. The jaws effect was positive by 5.4 points. The cost of risk[2] totalled 78 million euros (63 million euros in the first half of 2019). 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), rose sharply by 15.8% compared to the first semester 2019, to 627 million euros.

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[1] At constant scope and exchange rates, excluding internal transfer of a subsidiary
[2] Including 100% of Private Banking in Luxembourg

INTERNATIONAL FINANCIAL SERVICES

After a period of lower activity with the roll-out of lockdown measures, the International Financial Services division recovered its momentum in the latter part of the quarter. The growth in credit loans is solid overall: outstanding loans were up by 1.7% compared to the second quarter 2019 with a rebound in loan production. New credit loan production to individuals rose by 95% in June 2020 compared to April 2020, the low point in activity. Net asset inflows held up well (+1.6 billion euros), but assets under management were affected by the decline in stock market valuations (1,085 billion euros, down by 0.3% compared to 30 June 2019). Lastly, the Real Estate business, which came to a virtual standstill in April and May, resumed with the restarting of construction sites (property development and transactions) in the latter part of the quarter.

The IFS division mobilized strongly to assist its clients and support the economy during the crisis. The operating division thus granted close to 23,000 state-guaranteed loans. Personal Finance almost doubled its number of customer contacts in April 2020 compared to April 2019 and strengthened after-sale and collection resources for proactive risk management.

The division's revenues, at 4,027 million euros, were down by 5.5%[1] compared to the second quarter 2019, as the good resilience of the international retail networks and the positive impact of the second quarter market rebound on Insurance revenues only partially offset the decrease in revenues of Personal Finance and Real Estate Services, which were impacted by the effects of the health crisis.

Operating expenses, at 2,414 million euros, were down by 5.7%[2], with continued cost savings and gains in operating efficiency.

Gross operating income thus came to 1,613 million euros, down by 5.3% compared to the second quarter 2019.

The cost of risk, at 765 million euros, was up by 375 million euros compared to the second quarter 2019 in particular due to the impact of the ex-ante provisioning of expected losses.

International Financial Services' pre-tax income thus came to 960 million euros, down 33.4% compared to the second quarter 2019.

For the first half of the year, the division's revenues, at 8,080 million euros, were down by 5.4% (-4.2% at constant scope and exchange rates) compared to the first half of 2019, due to the impact of low interest rates on the networks, the business decrease related to the health crisis, in particular for Personal Finance and Real Estate Services, as well as the fall in the financial markets, in particular in the Asset Management and Insurance businesses. Operating expenses, at 5,180 million euros, were down by 1.3% (-0.8% at constant scope and exchange rates), with the development of cost-saving plans. Gross operating income thus came to 2,900 million euros, down by 12.0% compared to the first half of 2019 (-9.8% at constant scope and exchange rates). The cost of risk, at 1,505 million euros, was up by 686 million euros compared to the first half of 2019, in particular with the ex-ante provisioning of expected losses. International Financial Services' pre-tax income thus came to 1,595 million euros, down by 41.4% compared to the first half of 2019 (-39.3% at constant scope and exchange rates).

[1] -3.4% at constant scope and exchange rates
[2] -4.2% at constant scope and exchange rates

Personal Finance

As a result of the health crisis, Personal Finance recorded a slight decrease in its outstanding loans compared to the second quarter 2019 (-0.7%[1]), with a rapid rebound in production (in particular auto loans) with the reopening of partners' points of sale. After a low point in April, loan production thus returned to its March level in June.

In response to the health crisis, Personal Finance is pro-actively supporting customers: resources allocated to after-sale and collection have been increased by almost 50% since the beginning of the crisis; nearly 470,000 moratoria[2] have been granted with a satisfactory level of return to payment for the first files that benefited from them; monitoring of partners has been strengthened.

Personal Finance's risk profile benefits from its product mix portfolio, which has evolved in recent years towards a less risky profile. The share represented by the credit card portfolio thus decreased between 2016 and 2020 from 18% to 12% and the share represented by the car loan portfolio increased from 20% to 38% over the same period. Personal Finance's portfolio is also concentrated in continental Europe, with exposure in the United States now zero and exposure in the United Kingdom of just 7% and mainly linked to car loans.

Personal Finance's revenues, at 1,302 million euros, were down by 9.6% compared to the second quarter 2019, due to the negative effects of the health crisis, in particular the closure of the partners' points of sale.

Operating expenses, at 641 million euros, were down by 8.6% compared to the second quarter 2019, thanks to sustained cost adaptation efforts.

Gross operating income thus came to 661 million euros, down by 10.5% compared to the second quarter 2019.

The cost of risk totalled 450 million euros, with a 41 million euros supplement ex-ante provisioning of expected losses, or 17 basis points. It was up by 161 million euros compared to the second quarter 2019, which had a low cost of risk due to provision write-backs.

Personal Finance's pre-tax income thus came to 210 million euros, down by 53.7% compared to the second quarter 2019.

For the first half of the year, Personal Finance's revenues, at 2,777 million euros, were down by 3.1% (-0.6% at constant scope and exchange rates) compared to the first half of 2019, due notably to the impact of the health crisis and in particular to the closure of the partners' points of sale in April and May. Operating expenses, at 1,429 million euros, were down by 2.9% (-1.0% at constant scope and exchange rates) compared to the first half of 2019, thanks to sustained cost adaptation efforts. The jaws effect was positive at constant scope and exchange rates. Gross operating income thus came to 1,348 million euros, down by 3.3% (-0.1% at constant scope and exchange rates) compared to the first half of 2019. The cost of risk came to 1,032 million euros, up by 414 million euros compared to the first half of 2019 as a result in particular of the impact of the ex-ante provisioning of expected losses. Personal Finance's pre-tax income thus came to 323 million euros, down by 59.3% (-58.5% at constant scope and exchange rates) compared to the first half of 2019.

[1] +1.6% at constant scope and exchange rates
[2] EBA criteria as at 30 June 2020

Europe-Mediterranean

Europe-Mediterranean outstandings were up compared to the second quarter 2019. Outstanding loans were up by 4.5%[1], with a notable increase in the corporate client segment, mainly in Turkey, but a decrease in Poland and Morocco in connection with public health measures. Deposits were up by 9.4%[1], rising in all countries, particularly in Turkey.

Activity picked up gradually in the second quarter of 2020, with the lifting of lockdowns. After a low point in April, loan production rebounded (+141% between April and June). The business line also recorded a strong rebound in contactless payments in Turkey and Poland, and a return to normal level of card payments.

The business continued to promote the use of digital tools with 3.5 million active digital clients as at 30 June 2020 (+43.5% compared to 30 June 2019). The implementation of public authorities' support measures was also facilitated by the very rapid development of efficient digital tools: 100% of requests made online in Poland and 69% in Turkey.

At 609 million euros, Europe-Mediterranean's revenues[2] were down by 2.4%[1], due to the impact of lower interest rates and the effects of fee caps in some countries, partly offset by increased volumes and margins with a very good performance in Poland.

Operating expenses[2], at 414 million euros, were up by 0.8%[1] compared to the second quarter 2019, despite continued high wage drift, in particular in Turkey.

Gross operating income[2] thus came to 196 million euros, down by 8.5%[1] compared to the second quarter 2019.

The cost of risk[2] came to 143 million euros, up compared to the second quarter 2019 (+46.9%), due to the ex-ante provisioning of expected losses in the amount of 49 million euros in the second quarter 2020.

After allocating one-third of Turkish and Polish Private Banking's net income to the Wealth Management business, Europe-Mediterranean generated 79 million euros in pre-tax income, down by 44.0% at constant scope, due to the increase in the cost of risk, and by 60.0% at historical scope and exchange rates, due to an unfavourable foreign exchange effect.

For the first half of the year, Europe-Mediterranean's revenues[2], at 1,274 million euros, were down by 0.3%[1] compared to the first half of 2019. The increase in margins and volumes was offset by the impact of low-interest-rate environments and fee caps in some countries. Operating expenses[2], at 904 million euros, were up by 3.6%[1] compared to the first half of 2019, as a result of continued high wage drift, in particular in Turkey. The cost of risk[2] totalled 229 million euros, up compared to the first half of 2019 (+31.8%) due in particular to the impact of the ex-ante provisioning of expected losses. It stood at 113 basis points of outstanding customer loans.

After allocating one-third of Turkish and Polish Private Banking's net income to the Wealth Management business, and taking into account the strong depreciation of the Turkish lira during the period, Europe-Mediterranean generated 223 million euros in pre-tax income, down 28.9%[1].

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[1] At constant scope and exchange rates
[2] Including 100% of Private Banking in Turkey and in Poland

BancWest

BancWest's business activity was sustained. Outstanding loans were up by 4.3%[1] compared to the second quarter 2019, with strong increase in loans to corporates loans and good production in collateralised equipment loans. The business is an active participant in the federal assistance program for SMEs (PPP – Paycheck Protection Program), with close to 18,000 loans granted for a total of nearly 3 billion dollars as at 30 June 2020. Deposits were up by 19.2%[1] with a strong increase in customer deposits[2] (+20.3%). Private Banking's assets under management (15.5 billion dollars as at 30 June 2020) were up by 4.1%[1] compared to 30 June 2019. Lastly, the number of accounts opened online increased (+5.6% compared to the second quarter 2019).

Revenues[3], at 629 million euros, were up by 3.2%[1] compared to the second quarter 2019, due in particular to increased volumes partially offset by the effect of the low-interest-rate environment and a lower contribution from fees.

Operating expenses[3] were down by 2.4%[1], at 432 million euros, in connection with cost-saving measures. The business thus generated a positive jaws effect of +5.6 points at constant scope and exchange rates.

Gross operating income[3], at 197 million euros, thus rose by 17.8%[1] compared to the second quarter 2019.

At 167 million euros, the cost of risk[3] rose by 165 million euros in the second quarter 2020 compared to the second quarter 2019, due to the ex-ante provisioning of expected losses amounting to 128 million euros, or 88 basis points. It stood at 115 basis points of outstanding customer loans.

Thus, after allocating one-third of Private Banking's net income in the United States to the Wealth Management business, BancWest posted 22 million euros in pre-tax income down compared to the second quarter 2019 by 85.6% at constant scope and exchange rates and by 85.7% at historical scope and exchange rates.

For the first half of the year, revenues[3], at 1,240 million euros, were up by 3.3%[1] compared to the first half of 2019, due in particular to an increase in the interest margin with the increase in volumes and the revision in deposit pricing partly offset by the impact of the low interest rate environment. Operating expenses[3] were down by 0.4%[1] at 897 million euros, thanks to cost-saving measures. The business thus generated a positive jaws effect of +3.9 points. Gross operating income[3], at 343 million euros, rose by 18.2% compared to the first half of 2019. At 229 million euros, the cost of risk[3] rose sharply compared to the first half of 2019 (21 million euros), mainly due to ex-ante provisioning of expected losses. It stood at 81 basis points of outstanding customer loans. Thus, after allocating one-third of Private Banking's net income in the United States to the Wealth Management business, BancWest generated 100 million euros in pre-tax income, down by 60.6%[1] compared to the first half of 2019.

Insurance and Wealth and Asset Management

The Insurance and Wealth and Asset Management businesses had a good level of net asset inflows but were impacted by unfavourable market performance compared to 31 December 2019. Assets under management[4] came to 1,085 billion euro as at 30 June 2020. They were down by 3.4% compared to 31 December 2019, due to an unfavourable valuation effect of 40.9 billion euros caused by the fall in the financial markets in the first quarter of 2020 and an unfavourable foreign exchange

[1] At constant scope and exchange rates
[2] Deposits excluding treasury activities
[3] Including 100% of Private Banking in the United States
[4] Including distributed assets

effect of 8.7 billion euros. Net asset inflows were positive at 10.8 billion euros with good net asset inflows from Wealth Management from large clients in Europe and Asia, good net asset inflows from Asset Management, and good level of gross asset inflows from Insurance in unit-linked policies (+43%) with a slight fall to the overall level.

As at 30 June 2020, assets under management[1] broke down as follows: Asset Management (456 billion euros including 29 billion from Real Estate Investment Management), Wealth Management (377 billion euros) and Insurance (252 billion euros).

Insurance benefitted from a good business drive with the continued signing of partnerships: more than 20 partnerships signed in 10 different countries in the second quarter. Activity recovered gradually during the quarter. The business has no exposure to business interruption risk in France, and exposure outside France is negligible.

Insurance's revenues, at 828 million euros, were up by 6.2% compared to the second quarter 2019, driven by the positive accounting impact of the rebound in financial markets in the second quarter, which was nonetheless partly cancelled out by the impact of claims. Operating expenses, at 339 million euros, were down by 6.0%, due to good cost containment. Pre-tax income was up by 18.9% compared to the second quarter 2019, at 548 million euros.

Wealth and Asset Management continued its development plans. Wealth Management received the *Best Private Bank, Western Europe*[2] award and its digital offering was recognised as the *Best Private Bank Digital Customer Experience, Europe* and *Best Private Bank Robo-advisory Services, Global*[3]. Net asset inflows were good, particularly from large clients in Europe and Asia. The Asset Management business achieved very good net asset inflows in money-market vehicles (3 billion euros) in the second quarter 2020, mainly in Europe, and strong net asset inflows into dynamic thematic and socially responsible funds (4 billion euros into SRI-certified medium- and long-term funds since the beginning of the year). Its work in socially responsible management was recognized and confirmed by new awards, including the *ESG Asset Management Company of the Year* in Asia for the second consecutive year. Lastly, real estate activity was down sharply this quarter due to the shutdown of construction sites and property development marketing, and the disruption of Advisory transactions. However, business recovered gradually, once lockdowns were lifted in the latter part of the quarter.

Wealth and Asset Management's revenues (678 million euros) were down by 14.6% compared to the second quarter 2019, due to the impact of the low-interest-rate environment on net interest income in Wealth Management, unfavourable market valuation effects on Asset Management revenues, and the very strong impact of the health crisis on the Real Estate business. Operating expenses amounted to 601 million euros. They were down by 4.9%, due to the sharp decrease in Real Estate Services costs, as well as the effect of the transformation plan measures, in particular in Asset Management. Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in domestic markets in Turkey, Poland and the United States, thus came to 102 million euros, down by 42.4% compared to the second quarter 2019.

<u>For the first half of the year</u>, Insurance's revenues, at 1,407 million euros, were down by 14.9% compared to the first half of 2019, due to the accounting impact related to the fall in markets recorded as at 30 June 2020, as certain portfolios are marked at fair value. This impact is reversible and has already decreased significantly in the second quarter. Operating expenses, at 732 million euros, were down by 2.4%, due to good cost containment. Pre-tax income was down by 24.1% compared to the first half of 2019, at 744 million euros.

Wealth and Asset Management's revenues (1,422 million euros) were down by 8.9% compared to the first half of 2019. The increase in fees in the Wealth Management business was more than offset by the impact of the low-interest-rate environment, the unfavourable market effects on the whole for

[1] Including distributed assets
[2] Awarded by *The Digital Banker* magazine
[3] Awarded by the *Professional Wealth Management* magazine

Asset Management revenues, and the impact of the health crisis on the Real Estate business. Operating expenses amounted to 1,243 million euros. They were down by 2.3%, thanks to the effects of the transformation plan, particularly for the Asset Management business and a strong decrease in Real Estate Services costs. Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in domestic markets in Turkey, Poland and the United States, thus came to 204 million euros, down by 34.0% compared to the first half of 2019.

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CORPORATE AND INSTITUTIONAL BANKING (CIB)

CIB achieved an extremely sustained level of activity in all its client segments, due to the specific needs of corporates and institutions during the health crisis. For example, CIB raised over 160 billion euros in the second quarter on the global syndicated loan, bond and equity markets[1] (+91% compared to the second quarter 2019) on behalf of its clients.

The division has thus played a driving role in financing the economy by contributing to the smooth functioning of syndicated credit, bond and equity markets. Early in the quarter, it led several operations that reopened primary markets that had closed at the peak of the crisis. It ensured liquidity on secondary markets by bridging the needs of corporates and sovereigns borrowing clients, and those of investors, institutions and asset managers. The level of activity of the division's businesses and its exceptional mobilisation capacity at the service of the economy at the height of the crisis validate the strategic choices made in recent years to enhance the effectiveness of the integrated model and cooperation between business lines. One example of this is the Capital Market financing platform created in late 2018. CIB is also benefiting from the greater number of client interactions made possible by the development of digital platforms in the various business lines, as well as from operating efficiency gains that have facilitated rapid adaptation of the set-up during the health crisis.

The division's revenues, at 4,123 million euros, rose strongly (+33.1% compared to the second quarter 2019) thanks to extremely sustained activity in all client segments. Revenues were up in all three businesses: a very good Corporate Banking performance (+15.0%), a very strong rise in Global Markets (+63.5%), and an increase in the Securities Services business (+3.6%[2]).

Corporate Banking revenues, at 1,258 million euros, rose by 15.0% with a 35% increase in fees compared to the second quarter 2019 in connection with intense origination activity. Revenues rose in all regions with very strong development in Europe and a very good performance in Asia. Transaction activities were down (-6% compared to the second quarter 2019), with a decline in trade finance during the lockdowns and a good resilience of cash management.

The business line has mobilised strongly and continuously in assisting corporate clients since mid-March, with enhanced strategic dialogue with clients. The business thus led over 83 billion euros of liquidity lines for EMEA clients, underwriting about 50% of them on average, with a final take of less than 10%[3], but also distributed 118 bond issues in the market, doubling the amount compared to the same period of 2019[4]. The business is the leading player in European corporate bond issuance and the first also in EMEA syndicated loans. It is the fifth-largest player in Equity Capital Markets (excluding secondary accelerated book-buildings) in the EMEA region[5]. All this makes it the top European player in investment banking in EMEA[6].

Outstanding loans, at 173 billion euros, were thus up by 16.5%[7] compared to the second quarter 2019. Deposits, at 178 billion euros, were up by 26.9%[7] compared to the second quarter 2019.

[1] Source : Dealogic as at 30 June 2020, bookrunner, apportioned amount
[2] Excluding the positive impact of a specific transaction in the 2nd quarter 2019
[3] Source: internal, total amount of transactions, from mid-March to 30 June, EMEA: Europe, Middle-East and Africa
[4] Source: Dealogic as at 30 June 2020, European Corporate Investment Grade bond, transactions from mid-March to 30 June, bookrunner, EMEA: Europe, Middle-East and Africa
[5] Source: Dealogic as at 30 June 2020, Equity Capital Market ranking in terms of volumes
[6] Source: Dealogic as at 30 June 2020, Investment Banking ranking in terms of revenues
[7] At constant scope and exchange rates

Global Markets revenues, at 2,304 million euros, rose sharply by 63.5% compared to the second quarter 2019, in connection with very high client volumes. The quarter featured an exceptional performance by FICC[1] (+153.8% compared to the second quarter 2019). After the violent shock late in the first quarter, the Equity and Prime Services activity gradually recovered, but revenues were nonetheless down 52.8% compared to the second quarter 2019. VaR (1 day, 99%), which measures the level of market risks, was 54 million euros on average. It pulled back from its late-March spike (over 70 million euros) reached during the volatility shock on the markets, but remained higher than its 2019 low point.

At 2,013 million euros, FICC[1] revenues were up sharply compared to the second quarter 2019 (793 million euros), with very strong growth in all activities (primary and credit markets, rates, forex and emerging markets), and in all geographical areas. The business thus achieved an exceptional level of activity on the bond markets, in connection in particular with the specific needs linked to the health crisis: more than 40 deals for sovereign and quasi-sovereign issuers, i.e., a trebling of the average quarterly volume compared to 2019[2], or more than 400 corporate issues led worldwide in the second quarter in cooperation with the Capital Market platform in Europe and distributed to investors, i.e., a doubling of the average quarterly volume of 2019[2]. Volumes were also very high on the secondary markets: more than 60 significant deals for corporate clients (large amounts of foreign exchange or commodities hedging), strong growth in flows, driven by reallocations of institutional client portfolios (36% increase in secondary corporate bonds volumes) and, finally, an extraordinary increase in volumes on electronic platforms, peaking during the crisis at two to five times the average volume of 2019, depending on the products.

Equity and Prime Services revenues, at 290 million euros, were down by 52.8% compared to the second quarter 2019. Equity and Prime Services activity moved gradually back to normal in derivatives in a still-challenging market; activity increased in the Americas and APAC, and there was only a residual additional impact of dividend restrictions in Europe. Volumes were lower in Prime Services, with nonetheless a rebound in the latter part of the quarter.

Securities Services revenues, at 561 million euros, were down by 5.9%, but up by 3.6% when excluding the effect of a specific transaction in the second quarter 2019. Average assets were down by 3.5% compared to the second quarter 2019 in connection with the fall in market values in March 2020, but with a recovery in the latter part of the quarter with new volumes and the market recovery (+5.5% compared to 30 March 2020). The level of activity was up, as the effect of lower assets was more than offset by increased transactions. The business continued its commercial development with the announcement of new mandates (Axa in Belgium, Eurazeo).

CIB's operating expenses, at 2,220 million euros, rose by 11.2% compared to the second quarter 2019, in connection with the high level of activity, this increase being contained by the continued effect of cost-saving measures. CIB thus generated a very positive jaws effect.

CIB’s gross operating income was thus up by 72.7%, at 1,904 million euros.

CIB’s cost of risk came to 319 million euros, of which 366 million euros for Corporate Banking, due to 52 million euros in ex-ante provisioning of expected losses. Global Markets reported a write-back of 45 million euros.

CIB thus generated 1,587 million euros in pre-tax income in the second quarter 2020, up 50.0% compared to the second quarter 2019.

[1] Fixed Income, Currencies and Commodities
[2] Source : Dealogic as at 30 June 2020 ; bookrunner ; Global Sovereign Supra & Agencies bond volume, Global Corporate IG bond volume

For the first half of the year, the division's revenues, at 7,076 million euros, rose by 15.9% compared to the first half of 2019, with growth in all three business lines and a sharp rise in volumes, driven by the meeting of clients' specific, crisis-related needs (financing, interest-rate and currency hedges, reallocation of resources, etc.).

Corporate Banking revenues, at 2,328 million euros, rose by 12.9% compared to the first half of 2019, with good growth in all regions, with in particular very strong growth in EMEA[1], due to exceptional mobilisation to serve clients. Global Markets revenues, at 3,610 million euros, were up by 23.1% compared to the first half of 2019. At 3,406 million euros, FICC[2] revenues were up sharply, driven by client activity volumes: very sustained activity in primary and credit markets, very strong growth in rates, good growth in forex and emerging markets. Equity and Prime Services' revenues were down sharply to 203 million euros in the first half of 2020 compared to 1,103 million euros in the first half of 2019. Although activity moved back towards normal, the business line was heavily impacted by extreme market shocks and restrictions imposed by the European authorities on the payment of dividends in the first quarter of 2020[3]. Securities Services revenues, at 1,138 million euros, were up by 2.3%[4] compared to the first half of 2019, due in particular to higher volumes and new mandates.

CIB's operating expenses, at 4,612 million euros, rose by 3.4% compared to the first half of 2019 as a result of business growth, an increase that was contained by cost-saving measures. The jaws effect was positive by 12.5 points.

CIB's gross operating income was thus up by 49.5%, at 2,463 million euros.

CIB's cost of risk came to 682 million euros, mainly due to the impact of the anticipated effects of the health crisis.

CIB thus generated 1,789 million euros in pre-tax income, up by 13.8% compared to the first half of 2019.

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[1] EMEA: Europe, Middle-East and Africa
[2] Fixed Income, Currencies, and Commodities
[3] Reminder in 1st quarter 2020: -€184m due to European authorities' restrictions on the payment of 2019 dividends, this amount not including the effects of the dividend decreases freely decided by companies taking into account the new economic environment
[4] +7.7% compared to the first half of 2019, excluding the positive impact of a specific transaction in the 2nd quarter 2019

CORPORATE CENTRE

Corporate Centre revenues amounted to -78 million euros compared to 53 million euros in the second quarter 2019, due in particular to a decrease in Principal Investments' valuations arising from the crisis.

Corporate Centre operating expenses totalled 329 million euros in the second quarter 2020. They included the exceptional impact of 86 million euros in donations and staff safety measures related to the health crisis, 30 million euros in restructuring costs [1] and adaptation costs [2] (114 million euros in the second quarter 2019) and 45 million euros in IT reinforcement costs. In accordance with the plan, no transformation costs were recognised in 2020 (they came to 222 million euros in the second quarter 2019).

The cost of risk was 33 million euros, compared to a 7 million euro write-back in the second quarter 2019.

Non-operating items totalled 102 million euros in the second quarter 2020 compared to 81 million euros in the second quarter 2019. They reflected a +83 million euro capital gain on the sale of a building in the second quarter 2020. In the second quarter 2019, they included the exceptional impact of the capital gain realised from the sale of 2.5% of SBI Life in India, followed by the deconsolidation of the residual 5.2% stake for 612 million euros, offset by the 500 million euro partial impairment of BancWest's goodwill.

Corporate Centre pre-tax income thus came to -320 million euros compared to -272 million euros in the second quarter 2019.

For the first half of the year, Corporate Centre revenues totalled 48 million euros, compared to 90 million euros in the first half of 2019, as a result in particular of the negative contribution from Principal Investments arising from the crisis. Operating expenses totalled 442 million euros in the first half of 2020. They included the exceptional impact of 86 million euros in donations and staff safety measures related to the health crisis, 76 million euros in restructuring costs[3] and adaptation costs [2] (151 million euros in the first half of 2019) and 79 million euros in IT reinforcement costs. In accordance with the plan, no transformation costs were recognised in 2020 (they came to 390 million euros in the first half of 2019). The cost of risk was 46 million euros, reflecting the impact of the ex-ante provisioning of expected losses, compared to a net write-back of 3 million euros in the first half of 2019. Non-operating items came to 483 million euros in the first half of 2020, compared to 704 million euros in the first half of 2019. They reflected the +464 million euro capital gain on the sale of buildings. They included in the first half of 2019 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 stake[4] (+1,450 million euros) as well as goodwill impairments (-818 million euros). Corporate Centre's pre-tax income was thus 78 million euros, compared to 8 million euros in the first half of 2019.

[1] Related in particular to the discontinuation or restructuring of certain businesses (in particular at CIB)
[2] Related in particular to Wealth Management, BancWest and CIB
[3] Restructuring costs related in particular to the integration of Raiffeisen Bank Polska and the discontinuation or restructuring of certain businesses (in particular BNP Paribas Suisse)
[4] 5.2% residual stake in SBI Life

FINANCIAL STRUCTURE

The Group has a very solid balance sheet.

The common equity Tier 1 ratio came to 12.4% as of 30 June 2020, up by 40 basis points compared to 31 March 2020, due to:

- organic effects, with in particular the placing into reserves of the quarter's net income after taking into account a 50% pay-out ratio (+20 basis points)
- taking into account regulatory amendments (CRR "Quick Fix") (+20 basis points)

Other effects were, on the whole, limited on the ratio.

This CET 1 ratio is well above the European Central Bank's notified requests (9.22%[1] as at 30 June 2020).

The size of the balance sheet decreased slightly compared to 31 March 2020 (-1.8%).

The leverage ratio[2] stood at 4.0% as of 30 June 2020.

The immediately available liquidity reserve totalled 425 billion euros, equivalent to more than one year of room to manoeuvre in terms of wholesale funding.

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[1] After taking into account the removals of countercyclical capital buffer and in accordance with Art.104a of CRD5, excluding P2G

[2] Calculated in accordance with EC Delegated Act of 10 October 2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	2Q20	2Q19	2Q20 / 2Q19	1Q20	2Q20 / 1Q20	1H20	1H19	1H20 / 1H19
Group								
Revenues	**11,675**	**11,224**	**+4.0%**	**10,888**	**+7.2%**	**22,563**	**22,368**	**+0.9%**
Operating Expenses and Dep.	-7,338	-7,435	-1.3%	-8,157	-10.0%	-15,495	-15,884	-2.4%
Gross Operating Income	**4,337**	**3,789**	**+14.5%**	**2,731**	**+58.8%**	**7,068**	**6,484**	**+9.0%**
Cost of Risk	-1,447	-621	n.s.	-1,426	+1.5%	-2,873	-1,390	n.s.
Operating Income	**2,890**	**3,168**	**-8.8%**	**1,305**	**n.s.**	**4,195**	**5,094**	**-17.6%**
Share of Earnings of Equity-Method Entities	130	180	-27.8%	95	+36.8%	225	314	-28.3%
Other Non Operating Items	106	29	n.s.	395	-73.2%	501	652	-23.2%
Non Operating Items	**236**	**209**	**+12.9%**	**490**	**-51.8%**	**726**	**966**	**-24.8%**
Pre-Tax Income	**3,126**	**3,377**	**-7.4%**	**1,795**	**+74.2%**	**4,921**	**6,060**	**-18.8%**
Corporate Income Tax	-746	-795	-6.2%	-411	+81.5%	-1,157	-1,462	-20.9%
Net Income Attributable to Minority Interests	-81	-114	-28.9%	-102	-20.6%	-183	-212	-13.7%
Net Income Attributable to Equity Holders	**2,299**	**2,468**	**-6.8%**	**1,282**	**+79.3%**	**3,581**	**4,386**	**-18.4%**
Cost/income	**62.9%**	**66.2%**	**-3.3 pt**	**74.9%**	**-12.0 pt**	**68.7%**	**71.0%**	**-2.3 pt**

BNP Paribas' financial disclosures for the second quarter 2020 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.

2Q20 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group
Revenues		**3,602**	**4,027**	**4,123**	**11,753**	**-78**	**11,675**
	%change2Q19	-5.5%	-5.5%	+33.1%	+5.2%	n.s.	+4.0%
	%change1Q20	-4.1%	-0.6%	+39.7%	+9.2%	n.s.	+7.2%
Operating Expenses and Dep.		-2,376	-2,414	-2,220	-7,009	-329	-7,338
	%Change2Q19	-2.8%	-5.7%	+11.2%	+0.2%	-24.7%	-1.3%
	%change1Q20	-17.6%	-12.7%	-7.2%	-12.9%	n.s.	-10.0%
Gross Operating Income		**1,226**	**1,613**	**1,904**	**4,743**	**-406**	**4,337**
	%Change2Q19	-10.3%	-5.3%	+72.7%	+13.7%	+6.0%	+14.5%
	%change1Q20	+40.6%	+25.3%	n.s.	+74.5%	n.s.	+58.8%
Cost of Risk		-329	-765	-319	-1,414	-33	-1,447
	%Change2Q20	+54.4%	+96.2%	n.s.	n.s.	n.s.	n.s.
	%change1Q20	+5.9%	+3.6%	-12.1%	+0.0%	n.s.	+1.5%
Operating Income		**897**	**848**	**1,585**	**3,329**	**-439**	**2,890**
	%Change2Q19	-22.2%	-35.4%	+47.0%	-6.1%	+16.6%	-8.8%
	%change1Q20	+59.9%	+54.7%	n.s.	n.s.	n.s.	n.s.
Share of Earnings of Equity-Method Entities		1	116	-3	113	17	130
Other Non Operating Items		1	-3	6	4	102	106
Pre-Tax Income		**899**	**960**	**1,587**	**3,446**	**-320**	**3,126**
	%Change2Q19	-21.8%	-33.4%	+50.0%	-5.6%	+17.8%	-7.4%
	%change1Q20	+60.2%	+51.4%	n.s.	n.s.	n.s.	+74.2%

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group
Revenues		**3,602**	**4,027**	**4,123**	**11,753**	**-78**	**11,675**
	2Q19	3,810	4,262	3,099	11,171	53	11,224
	1Q20	3,757	4,053	2,953	10,762	126	10,888
Operating Expenses and Dep.		-2,376	-2,414	-2,220	-7,009	-329	-7,338
	2Q19	-2,443	-2,559	-1,997	-6,999	-436	-7,435
	1Q20	-2,885	-2,766	-2,393	-8,043	-114	-8,157
Gross Operating Income		**1,226**	**1,613**	**1,904**	**4,743**	**-406**	**4,337**
	2Q19	1,367	1,703	1,102	4,172	**-383**	3,789
	1Q20	872	1,287	560	2,719	**12**	2,731
Cost of Risk		-329	-765	-319	-1,414	-33	-1,447
	2Q19	-213	-390	-24	-628	7	-621
	1Q20	-311	-739	-363	-1,413	-13	-1,426
Operating Income		**897**	**848**	**1,585**	**3,329**	**-439**	**2,890**
	2Q19	1,154	1,313	1,078	3,545	**-377**	3,168
	1Q20	561	548	197	1,306	**-1**	1,305
Share of Earnings of Equity-Method Entities		1	116	-3	113	17	130
	2Q19	2	149	5	156	24	180
	1Q20	0	75	3	77	18	95
Other Non Operating Items		1	-3	6	4	102	106
	2Q19	-6	-21	-25	-52	81	29
	1Q20	0	12	2	14	381	395
Pre-Tax Income		**899**	**960**	**1,587**	**3,446**	**-320**	**3,126**
	2Q19	1,149	1,442	1,058	3,649	**-272**	3,377
	1Q20	561	634	202	1,397	**398**	1,795
Corporate Income Tax							-746
Net Income Attributable to Minority Interests							-81
Net Income Attributable to Equity Holders							**2,299**

1H20 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group
Revenues		**7,359**	**8,080**	**7,076**	**22,515**	**48**	**22,563**
	%Change 1H19	-3.5%	-5.4%	+15.9%	+1.1%	-46.5%	+0.9%
Operating Expenses and Dep.		-5,260	-5,180	-4,612	-15,053	-442	-15,495
	%Change 1H19	-1.5%	-1.3%	+3.4%	+0.0%	-47.1%	-2.4%
Gross Operating Income		**2,099**	**2,900**	**2,463**	**7,462**	**-394**	**7,068**
	%Change 1H19	-8.2%	-12.0%	+49.5%	+3.2%	-47.2%	+9.0%
Cost of Risk		-641	-1,505	-682	-2,827	-46	-2,873
	%Change 1H19	+23.7%	+83.8%	n.s.	n.s.	n.s.	n.s.
Operating Income		**1,458**	**1,396**	**1,781**	**4,635**	**-440**	**4,195**
	%Change 1H19	-17.5%	-43.7%	+11.9%	-20.6%	-40.9%	-17.6%
Share of Earnings of Equity-Method Entities		0	190	0	190	35	225
Other Non Operating Items		1	9	7	18	483	501
Pre-Tax Income		**1,460**	**1,595**	**1,789**	**4,843**	**78**	**4,921**
	%Change 1H19	-17.0%	-41.4%	+13.8%	-20.0%	n.s.	-18.8%
Corporate Income Tax							-1,157
Net Income Attributable to Minority Interests							-183
Net Income Attributable to Equity Holders							3,581

QUARTERLY SERIES

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
GROUP						
Revenues	**11,675**	**10,888**	**11,333**	**10,896**	**11,224**	**11,144**
Operating Expenses and Dep.	-7,338	-8,157	-8,032	-7,421	-7,435	-8,449
Gross Operating Income	**4,337**	**2,731**	**3,301**	**3,475**	**3,789**	**2,695**
Cost of Risk	-1,447	-1,426	-966	-847	-621	-769
Operating Income	**2,890**	**1,305**	**2,335**	**2,628**	**3,168**	**1,926**
Share of Earnings of Equity-Method Entities	130	95	129	143	180	134
Other Non Operating Items	106	395	65	34	29	623
Pre-Tax Income	**3,126**	**1,795**	**2,529**	**2,805**	**3,377**	**2,683**
Corporate Income Tax	-746	-411	-582	-767	-795	-667
Net Income Attributable to Minority Interests	-81	-102	-98	-100	-114	-98
Net Income Attributable to Equity Holders	**2,299**	**1,282**	**1,849**	**1,938**	**2,468**	**1,918**
Cost/Income	**62.9%**	**74.9%**	**70.9%**	**68.1%**	**66.2%**	**75.8%**

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
RETAIL BANKING & SERVICES Excl. PEL/CEL						
Revenues	**7,615**	**7,823**	**8,286**	**8,006**	**8,045**	**8,096**
Operating Expenses and Dep.	-4,790	-5,650	-5,274	-5,084	-5,002	-5,586
Gross Operating Income	**2,825**	**2,172**	**3,012**	**2,922**	**3,042**	**2,510**
Cost of Risk	-1,095	-1,050	-826	-765	-604	-733
Operating Income	**1,730**	**1,122**	**2,187**	**2,158**	**2,439**	**1,777**
Share of Earnings of Equity-Method Entities	116	74	111	119	151	108
Other Non Operating Items	-2	12	-4	3	-27	1
Pre-Tax Income	**1,845**	**1,208**	**2,294**	**2,280**	**2,563**	**1,886**
Allocated Equity (€bn, year to date)	55.8	55.8	54.9	54.7	54.6	54.3

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
RETAIL BANKING & SERVICES						
Revenues	**7,630**	**7,810**	**8,278**	**7,997**	**8,072**	**8,099**
Operating Expenses and Dep.	-4,790	-5,650	-5,274	-5,084	-5,002	-5,586
Gross Operating Income	**2,840**	**2,159**	**3,004**	**2,913**	**3,070**	**2,513**
Cost of Risk	-1,095	-1,050	-826	-765	-604	-733
Operating Income	**1,745**	**1,109**	**2,178**	**2,148**	**2,467**	**1,780**
Share of Earnings of Equity-Method Entities	116	74	111	119	151	108
Other Non Operating Items	-2	12	-4	3	-27	1
Pre-Tax Income	**1,859**	**1,195**	**2,286**	**2,270**	**2,591**	**1,889**
Allocated Equity (€bn, year to date)	55.8	55.8	54.9	54.7	54.6	54.3

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
DOMESTIC MARKETS (including 100% of PB in France, Italy, Belgium and Luxembourg)[1] Excluding PEL/CEL Effects						
Revenues	**3,721**	**3,913**	**4,036**	**3,892**	**3,925**	**3,961**
Operating Expenses and Dep.	-2,446	-2,970	-2,635	-2,607	-2,516	-2,983
Gross Operating Income	**1,276**	**943**	**1,402**	**1,285**	**1,408**	**978**
Cost of Risk	-331	-313	-254	-245	-214	-307
Operating Income	**944**	**630**	**1,147**	**1,040**	**1,194**	**671**
Share of Earnings of Equity-Method Entities	1	0	4	1	2	-6
Other Non Operating Items	1	1	4	2	-6	1
Pre-Tax Income	**946**	**630**	**1,156**	**1,043**	**1,190**	**666**
Income Attributable to Wealth and Asset Management	62	56	62	67	68	58
Pre-Tax Income of Domestic Markets	**884**	**574**	**1,093**	**975**	**1,122**	**608**
Allocated Equity (€bn, year to date)	26.1	26.0	25.7	25.7	25.7	25.5

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
DOMESTIC MARKETS (including 2/3 of PB in France, Italy, Belgium and Luxembourg)						
Revenues	**3,602**	**3,757**	**3,887**	**3,748**	**3,810**	**3,816**
Operating Expenses and Dep.	-2,376	-2,885	-2,559	-2,539	-2,443	-2,897
Gross Operating Income	**1,226**	**872**	**1,328**	**1,209**	**1,367**	**919**
Cost of Risk	-329	-311	-252	-246	-213	-305
Operating Income	**897**	**561**	**1,077**	**963**	**1,154**	**615**
Share of Earnings of Equity-Method Entities	1	0	4	1	2	-6
Other Non Operating Items	1	0	4	2	-6	1
Pre-Tax Income	**899**	**561**	**1,085**	**966**	**1,149**	**610**
Allocated Equity (€bn, year to date)	26.1	26.0	25.7	25.7	25.7	25.5

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
FRENCH RETAIL BANKING (including 100% of Private Banking in France)[1]						
Revenues	**1,423**	**1,511**	**1,560**	**1,558**	**1,624**	**1,597**
Incl. Net Interest Income	*788*	*810*	*881*	*891*	*916*	*915*
Incl. Commissions	*634*	*702*	*679*	*667*	*708*	*682*
Operating Expenses and Dep.	-1,074	-1,166	-1,152	-1,163	-1,102	-1,186
Gross Operating Income	**349**	**345**	**408**	**396**	**522**	**412**
Cost of Risk	-90	-101	-98	-75	-83	-72
Operating Income	**259**	**244**	**310**	**320**	**440**	**340**
Non Operating Items	0	-1	6	0	0	1
Pre-Tax Income	**259**	**244**	**316**	**320**	**440**	**340**
Income Attributable to Wealth and Asset Management	-33	-35	-32	-40	-37	-34
Pre-Tax Income of BDDF	**226**	**209**	**283**	**281**	**402**	**306**
Allocated Equity (€bn, year to date)	10.8	10.6	10.1	10.0	9.9	9.8

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
FRENCH RETAIL BANKING (including 100% of Private Banking in France)[1] Excluding PEL/CEL Effects						
Revenues	**1,408**	**1,524**	**1,569**	**1,568**	**1,596**	**1,595**
Incl. Net Interest Income	*774*	*823*	*889*	*901*	*889*	*912*
Incl. Commissions	*634*	*702*	*679*	*667*	*708*	*682*
Operating Expenses and Dep.	-1,074	-1,166	-1,152	-1,163	-1,102	-1,186
Gross Operating Income	**334**	**358**	**417**	**405**	**495**	**409**
Cost of Risk	-90	-101	-98	-75	-83	-72
Operating Income	**244**	**257**	**318**	**330**	**412**	**337**
Non Operating Items	0	-1	6	0	0	1
Pre-Tax Income	**245**	**257**	**324**	**330**	**412**	**338**
Income Attributable to Wealth and Asset Management	-33	-35	-32	-40	-37	-34
Pre-Tax Income of BDDF	**212**	**222**	**292**	**290**	**374**	**304**
Allocated Equity (€bn, year to date)	10.8	10.6	10.1	10.0	9.9	9.8

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)						
Revenues	**1,354**	**1,437**	**1,489**	**1,490**	**1,549**	**1,522**
Operating Expenses and Dep.	-1,040	-1,129	-1,116	-1,133	-1,065	-1,147
Gross Operating Income	**314**	**308**	**373**	**357**	**484**	**376**
Cost of Risk	-88	-99	-96	-77	-81	-70
Operating Income	**226**	**209**	**277**	**281**	**402**	**305**
Non Operating Items	0	-1	6	0	0	1
Pre-Tax Income	**226**	**209**	**283**	**281**	**402**	**306**
Allocated Equity (€bn, year to date)	10.8	10.6	10.1	10.0	9.9	9.8

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

2. 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	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
PEL-CEL Effects	15	-13	-9	-10	28	2

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BNL banca commerciale (Including 100% of Private Banking in Italy)[1]						
Revenues	**649**	**659**	**755**	**663**	**684**	**675**
Operating Expenses and Dep.	-422	-465	-450	-446	-433	-470
Gross Operating Income	**227**	**194**	**305**	**217**	**251**	**205**
Cost of Risk	-122	-120	-109	-109	-107	-165
Operating Income	**105**	**74**	**196**	**108**	**144**	**40**
Non Operating Items	-2	0	-4	0	0	0
Pre-Tax Income	**104**	**73**	**191**	**108**	**144**	**40**
Income Attributable to Wealth and Asset Management	-9	-10	-10	-10	-11	-10
Pre-Tax Income of BNL bc	**95**	**64**	**181**	**98**	**133**	**30**
Allocated Equity (€bn, year to date)	5.3	5.3	5.3	5.3	5.3	5.3

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BNL banca commerciale (Including 2/3 of Private Banking in Italy)						
Revenues	**629**	**637**	**732**	**641**	**663**	**654**
Operating Expenses and Dep.	-410	-453	-438	-434	-422	-460
Gross Operating Income	**218**	**184**	**295**	**207**	**241**	**195**
Cost of Risk	-122	-120	-109	-109	-108	-164
Operating Income	**96**	**64**	**186**	**98**	**133**	**30**
Non Operating Items	-2	0	-4	0	0	0
Pre-Tax Income	**95**	**64**	**181**	**98**	**133**	**30**
Allocated Equity (€bn, year to date)	5.3	5.3	5.3	5.3	5.3	5.3

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium)[1]						
Revenues	**835**	**885**	**878**	**853**	**878**	**915**
Operating Expenses and Dep.	-499	-830	-560	-541	-535	-844
Gross Operating Income	**336**	**55**	**318**	**312**	**342**	**71**
Cost of Risk	-80	-54	-5	-20	3	-34
Operating Income	**256**	**0**	**313**	**292**	**345**	**37**
Share of Earnings of Equity-Method Entities	4	4	6	5	5	-3
Other Non Operating Items	2	1	2	1	-6	0
Pre-Tax Income	**262**	**5**	**321**	**298**	**344**	**35**
Income Attributable to Wealth and Asset Management	-19	-10	-19	-17	-19	-14
Pre-Tax Income of Belgian Retail Banking	**243**	**-4**	**302**	**281**	**325**	**21**
Allocated Equity (€bn, year to date)	5.6	5.7	5.8	5.8	5.9	5.8

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)						
Revenues	**794**	**842**	**836**	**813**	**836**	**868**
Operating Expenses and Dep.	-477	-797	-536	-519	-512	-811
Gross Operating Income	**317**	**45**	**300**	**295**	**323**	**57**
Cost of Risk	-79	-54	-5	-20	3	-33
Operating Income	**237**	**-9**	**294**	**275**	**326**	**24**
Share of Earnings of Equity-Method Entities	4	4	6	5	5	-3
Other Non Operating Items	2	1	2	1	-6	0
Pre-Tax Income	**243**	**-4**	**302**	**281**	**325**	**21**
Allocated Equity (€bn, year to date)	5.6	5.7	5.8	5.8	5.9	5.8

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

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)[1]						
Revenues	**829**	**845**	**834**	**807**	**767**	**776**
Operating Expenses and Dep.	-451	-508	-473	-457	-447	-483
Gross Operating Income	**378**	**337**	**362**	**351**	**320**	**292**
Cost of Risk	-40	-38	-42	-41	-27	-37
Operating Income	**339**	**299**	**320**	**310**	**293**	**256**
Share of Earnings of Equity-Method Entities	-3	-4	-2	-4	-4	-3
Other Non Operating Items	0	0	0	1	0	0
Pre-Tax Income	**336**	**295**	**318**	**307**	**290**	**253**
Income Attributable to Wealth and Asset Management	-1	-2	-1	-1	-1	0
Pre-Tax Income of Other Domestic Markets	**335**	**293**	**318**	**306**	**289**	**253**
Allocated Equity (€bn, year to date)	4.4	4.4	4.5	4.6	4.6	4.5

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)						
Revenues	**825**	**841**	**830**	**804**	**763**	**772**
Operating Expenses and Dep.	-448	-505	-469	-454	-444	-480
Gross Operating Income	**377**	**335**	**361**	**350**	**319**	**292**
Cost of Risk	-40	-38	-42	-41	-27	-37
Operating Income	**337**	**297**	**319**	**309**	**292**	**255**
Share of Earnings of Equity-Method Entities	-3	-4	-2	-4	-4	-3
Other Non Operating Items	0	0	0	1	0	0
Pre-Tax Income	**335**	**293**	**318**	**306**	**289**	**253**
Allocated Equity (€bn, year to date)	4.4	4.4	4.5	4.6	4.6	4.5

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
INTERNATIONAL FINANCIAL SERVICES						
Revenues	**4,027**	**4,053**	**4,391**	**4,248**	**4,262**	**4,282**
Operating Expenses and Dep.	-2,414	-2,766	-2,715	-2,545	-2,559	-2,688
Gross Operating Income	**1,613**	**1,287**	**1,675**	**1,704**	**1,703**	**1,594**
Cost of Risk	-765	-739	-574	-518	-390	-428
Operating Income	**848**	**548**	**1,101**	**1,186**	**1,313**	**1,165**
Share of Earnings of Equity-Method Entities	116	75	107	118	149	113
Other Non Operating Items	-3	12	-8	1	-21	0
Pre-Tax Income	**960**	**634**	**1,201**	**1,305**	**1,442**	**1,279**
Allocated Equity (€bn, year to date)	29.8	29.8	29.2	29.1	28.9	28.8

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
Personal Finance						
Revenues	**1,302**	**1,475**	**1,485**	**1,444**	**1,440**	**1,427**
Operating Expenses and Dep.	-641	-787	-721	-664	-702	-770
Gross Operating Income	**661**	**688**	**764**	**781**	**738**	**656**
Cost of Risk	-450	-582	-370	-366	-289	-329
Operating Income	**211**	**105**	**394**	**415**	**449**	**327**
Share of Earnings of Equity-Method Entities	-5	8	-9	19	17	13
Other Non Operating Items	4	0	-11	0	-13	0
Pre-Tax Income	**210**	**113**	**374**	**434**	**454**	**340**
Allocated Equity (€bn, year to date)	8.1	8.1	7.9	8.0	7.9	7.8

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey)[1]						
Revenues	**609**	**665**	**702**	**657**	**674**	**665**
Operating Expenses and Dep.	-414	-490	-459	-439	-445	-456
Gross Operating Income	**196**	**175**	**243**	**218**	**230**	**210**
Cost of Risk	-143	-86	-113	-112	-97	-77
Operating Income	**53**	**89**	**129**	**107**	**132**	**133**
Share of Earnings of Equity-Method Entities	53	55	61	44	66	53
Other Non Operating Items	-25	3	8	-1	0	0
Pre-Tax Income	**80**	**147**	**198**	**150**	**198**	**186**
Income Attributable to Wealth and Asset Management	-1	-3	-1	-1	-1	-1
Pre-Tax Income of EM	**79**	**144**	**197**	**150**	**197**	**185**
Allocated Equity (€bn, year to date)	5.3	5.3	5.3	5.3	5.3	5.3

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey)						
Revenues	**606**	**660**	**699**	**655**	**672**	**663**
Operating Expenses and Dep.	-411	-488	-458	-438	-444	-455
Gross Operating Income	**194**	**172**	**241**	**217**	**228**	**209**
Cost of Risk	-143	-86	-113	-111	-97	-77
Operating Income	**51**	**86**	**128**	**106**	**131**	**132**
Share of Earnings of Equity-Method Entities	53	55	61	44	66	53
Other Non Operating Items	-25	3	8	-1	0	0
Pre-Tax Income	**79**	**144**	**197**	**150**	**197**	**185**
Allocated Equity (€bn, year to date)	5.3	5.3	5.3	5.3	5.3	5.3

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BANCWEST (Including 100% of Private Banking in United States)[1]						
Revenues	**629**	**611**	**611**	**601**	**593**	**569**
Operating Expenses and Dep.	-432	-465	-406	-433	-431	-442
Gross Operating Income	**197**	**146**	**205**	**168**	**162**	**127**
Cost of Risk	-167	-62	-84	-43	-2	-18
Operating Income	**30**	**83**	**121**	**125**	**160**	**109**
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0
Other Non Operating Items	-3	0	-5	1	1	0
Pre-Tax Income	**27**	**83**	**116**	**126**	**161**	**109**
Income Attributable to Wealth and Asset Management	-5	-5	-6	-7	-7	-8
NRBI	**22**	**78**	**110**	**119**	**153**	**101**
Allocated Equity (€bn, year to date)	5.7	5.7	5.4	5.4	5.3	5.3

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BANCWEST (Including 2/3 of Private Banking in United States)						
Revenues	**614**	**596**	**595**	**585**	**576**	**553**
Operating Expenses and Dep.	-422	-455	-396	-423	-421	-433
Gross Operating Income	**192**	**141**	**199**	**161**	**155**	**119**
Cost of Risk	-167	-62	-84	-43	-2	-18
Operating Income	**25**	**78**	**115**	**118**	**152**	**101**
Non Operating Items	-3	0	-5	1	1	0
Pre-Tax Income	**22**	**78**	**110**	**119**	**153**	**101**
Allocated Equity (€bn, year to date)	5.7	5.7	5.4	5.4	5.3	5.3

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
Insurance						
Revenues	**828**	**579**	**654**	**761**	**779**	**874**
Operating Expenses and Dep.	-339	-393	-380	-370	-360	-389
Gross Operating Income	**489**	**186**	**274**	**390**	**419**	**484**
Cost of Risk	-2	1	-1	-2	1	-2
Operating Income	**487**	**187**	**273**	**389**	**420**	**482**
Share of Earnings of Equity-Method Entities	39	1	30	43	57	37
Other Non Operating Items	21	9	0	0	-16	0
Pre-Tax Income	**548**	**197**	**304**	**432**	**461**	**520**
Allocated Equity (€bn, year to date)	8.5	8.6	8.4	8.4	8.3	8.4

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
WEALTH AND ASSET MANAGEMENT						
Revenues	**678**	**743**	**957**	**803**	**795**	**766**
Operating Expenses and Dep.	-601	-642	-760	-649	-632	-641
Gross Operating Income	**77**	**101**	**197**	**154**	**163**	**125**
Cost of Risk	-4	-9	-6	4	-2	-2
Operating Income	**74**	**92**	**191**	**157**	**161**	**123**
Share of Earnings of Equity-Method Entities	28	11	25	12	10	10
Other Non Operating Items	0	0	-1	0	7	0
Pre-Tax Income	**102**	**102**	**216**	**170**	**177**	**132**
Allocated Equity (€bn, year to date)	2.1	2.1	2.1	2.1	2.1	2.0

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
CORPORATE AND INSTITUTIONAL BANKING						
Revenues	**4,123**	**2,953**	**3,101**	**2,873**	**3,099**	**3,008**
Operating Expenses and Dep.	-2,220	-2,393	-2,229	-1,974	-1,997	-2,463
Gross Operating Income	**1,904**	**560**	**871**	**898**	**1,102**	**545**
Cost of Risk	-319	-363	-80	-81	-24	-32
Operating Income	**1,585**	**197**	**791**	**817**	**1,078**	**513**
Share of Earnings of Equity-Method Entities	-3	3	4	5	5	2
Other Non Operating Items	6	2	6	11	-25	-2
Pre-Tax Income	**1,587**	**202**	**801**	**834**	**1,058**	**514**
Allocated Equity (€bn, year to date)	24.3	22.3	21.7	21.6	21.3	20.7

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
CORPORATE BANKING						
Revenues	**1,258**	**1,070**	**1,210**	**1,039**	**1,094**	**969**
Operating Expenses and Dep.	-632	-748	-668	-600	-607	-724
Gross Operating Income	**627**	**321**	**541**	**440**	**487**	**245**
Cost of Risk	-366	-201	-80	-88	-21	-35
Operating Income	**261**	**121**	**461**	**352**	**467**	**210**
Non Operating Items	-2	3	3	4	3	3
Pre-Tax Income	**259**	**124**	**464**	**356**	**470**	**213**
Allocated Equity (€bn, year to date)	13.6	13.0	12.5	12.5	12.4	12.2

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
GLOBAL MARKETS						
Revenues	**2,304**	**1,306**	**1,340**	**1,299**	**1,409**	**1,523**
incl. FICC	*2,013*	*1,392*	*820*	*915*	*793*	*1,035*
incl. Equity & Prime Services	*290*	*-87*	*520*	*384*	*615*	*488*
Operating Expenses and Dep.	-1,137	-1,162	-1,117	-926	-913	-1,276
Gross Operating Income	**1,167**	**143**	**223**	**373**	**496**	**248**
Cost of Risk	45	-161	0	4	-6	3
Operating Income	**1,212**	**-17**	**222**	**377**	**491**	**251**
Share of Earnings of Equity-Method Entities	-2	1	0	1	1	0
Other Non Operating Items	3	0	6	9	-25	1
Pre-Tax Income	**1,214**	**-17**	**229**	**387**	**467**	**252**
Allocated Equity (€bn, year to date)	9.8	8.4	8.3	8.1	8.0	7.7

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
SECURITIES SERVICES						
Revenues	**561**	**577**	**551**	**535**	**596**	**516**
Operating Expenses and Dep.	-451	-482	-444	-449	-477	-463
Gross Operating Income	**109**	**95**	**107**	**86**	**119**	**53**
Cost of Risk	2	-2	0	2	2	-1
Operating Income	**111**	**93**	**108**	**88**	**121**	**52**
Non Operating Items	3	2	0	2	0	-3
Pre-Tax Income	**114**	**95**	**108**	**91**	**121**	**50**
Allocated Equity (€bn, year to date)	1.0	0.9	0.9	0.9	0.9	0.8

€m	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
CORPORATE CENTRE						
Revenues	**-78**	**126**	**-45**	**27**	**53**	**37**
Operating Expenses and Dep.	*-329*	*-114*	*-529*	*-363*	*-436*	*-400*
'Incl. Transformation, Restructuring and Adaptation Costs	*-75*	*-79*	*-420*	*-256*	*-335*	*-206*
Gross Operating Income	**-406**	**12**	**-574**	**-336**	**-383**	**-363**
Cost of Risk	-33	-13	-60	-1	7	-4
Operating Income	**-439**	**-1**	**-634**	**-337**	**-377**	**-367**
Share of Earnings of Equity-Method Entities	17	18	14	19	24	24
Other Non Operating Items	102	381	62	20	81	623
Pre-Tax Income	**-320**	**398**	**-558**	**-299**	**-272**	**280**

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

Alternative Performance Measures	Definition	Reason for use
Operating division profit and loss account aggregates (revenues, operating expenses, gross operating income, operating income, pre-tax income)	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
Profit and loss account aggregates, excluding PEL/CEL effect (revenues, gross operating income, operating income, pre-tax income)	Profit and loss account aggregates, 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
Profit and loss account aggregates of Retail Banking activity with 100% of Private Banking	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)
Evolution of operating expenses excluding IFRIC 21	Change in operating expenses excluding taxes and contributions subject to IFRIC 21.	Representative measure of the change in operating expenses excluding the taxes and contributions subject to IFRIC 21 booked almost entirely in the first half of the year, given in order to avoid any confusion compared to other periods
Cost/income ratio	Costs to income ratio	Measure of operational efficiency in the banking sector
Cost of risk/Customer loans at the beginning of the period (in basis points)	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
Doubtful loans' coverage ratio	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
Net income Group share excluding exceptional items	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 restructuring, adaptation, IT reinforcement and transformation costs.

Alternative Performance Measures	Definition	Reason for use
Return on Equity (ROE)	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
Return on Tangible Equity (ROTE)	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.

The figures included in this presentation are unaudited.

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