BNP Paribas

BEST IN CLASS RETURNS IN EUROPE AND STRONG CAPITAL GENERATION

Fixed Income Presentation

November 2016

BNP PARIBAS

The bank for a changing world

Disclaimer

The figures included in this presentation are unaudited. On 29 March 2016, BNP Paribas issued a restatement of its quarterly results for 2015 reflecting, in particular (i) an increase in the capital allocated to each business line to 11% of risk-weighted assets, compared to 9% previously, (ii) the charge of subordination costs of Additional Tier 1 and Tier 2 debt issued by the Group to the divisions and business lines, a review of the way it charges and remunerates liquidity between the Corporate Centre and the business lines and the adaptation of the allocation practices for revenues and operating expenses of Treasury activities within CIB, (iii) the allocation to the divisions and business lines of the contribution to the Single Resolution Fund, the reduction of the French systemic tax and new contributions to the deposit guarantee funds of BNL and Luxembourg Retail Banking which had been temporarily booked in the operating expenses of the Corporate Centre and (iv) some limited internal transfers of business activities and results. The 2015 quarterly result series have been restated reflecting these effects as if they had occurred on 1st January 2015. This presentation is based on the restated 2015 quarterly series.

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

Strong Solvency and Capital Generation Capacity

Focus on Medium and Long Term Funding

3Q16 Results Highlights

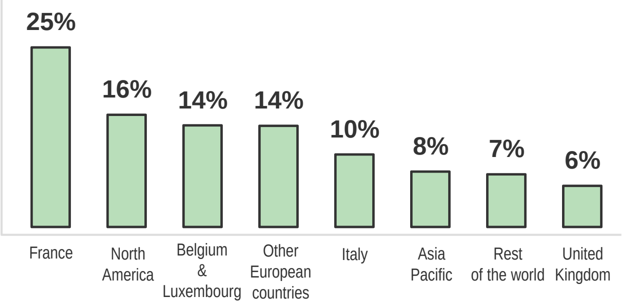
Appendix

The Strength of a Diversified and Integrated Business Model…

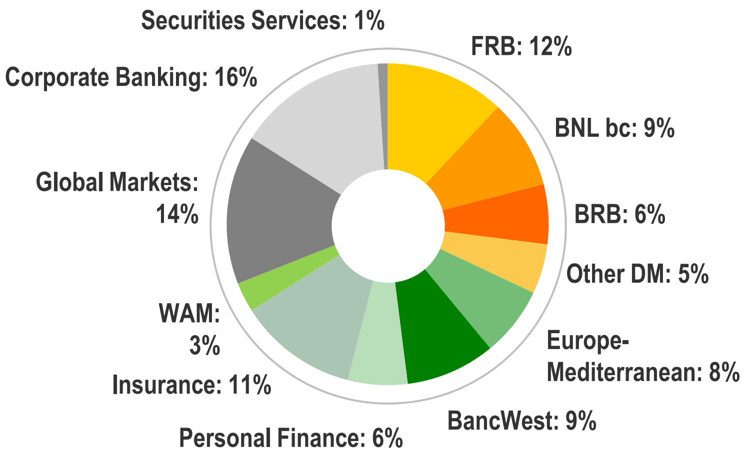
- A business model diversified by country and business
  - No country, business or industry concentration
  - Presence primarily in developed countries (>85% of revenues)
  - No business unit >16% of allocated equity
  - Business units and regions evolving according to different cycles
- An integrated business model fuelled by cross-selling
- Strong resilience in changing environments

> ***"World's best bank 2016"***
> *"Fine-tuned BNP Paribas excels at the business of banking "*
> *"A large bank actually delivering on its promises to stakeholders…*
> *…all while proving the benefits of a diversified business model"*

Gross commitments* by region: €1,399bn as at 31.12.2015



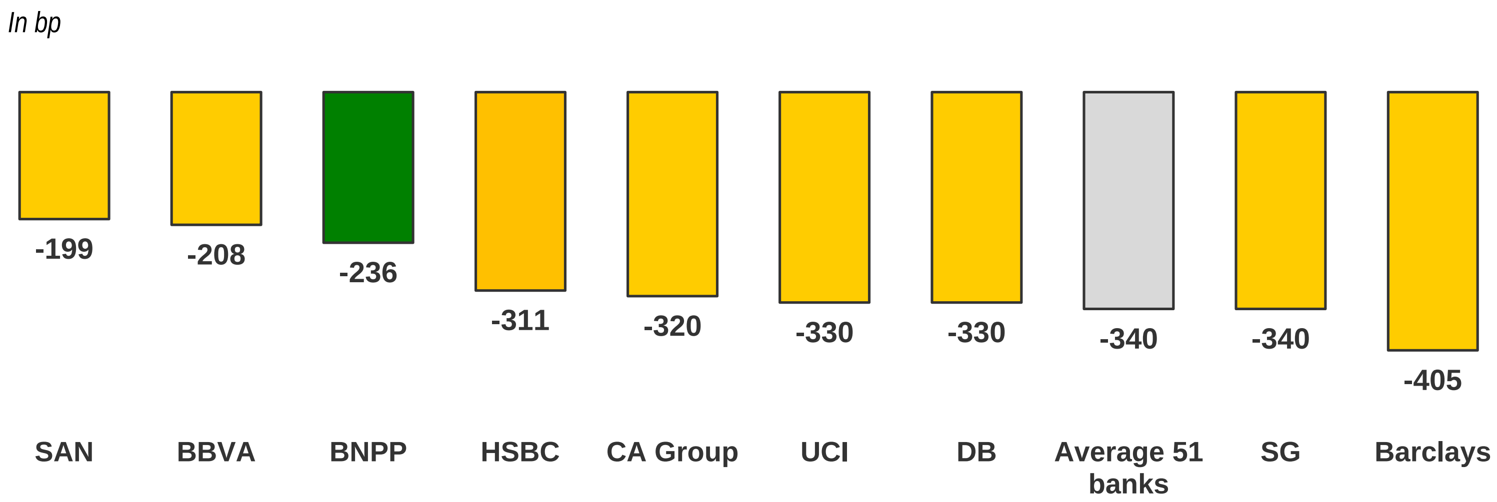
Allocated equity by business as at 31.12.2015



* Total gross commitments, on and off balance sheet, unweighted

…Resulting in Strong Resilience in Stress Tests

2016 European Stress Tests
Impact of Adverse scenario on CET1 ratio - peer group*



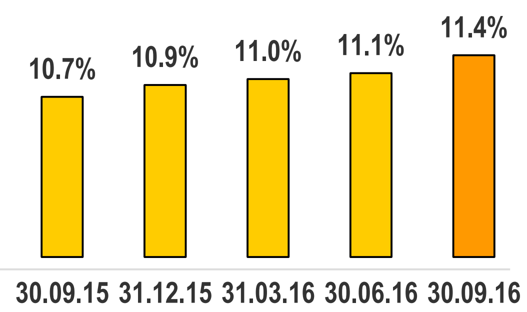
Adverse scenario impact for BNPP was ~100bp lower than the average of the 51 European banks tested

* *Based on the fully loaded ratio as at 31.12.2015*

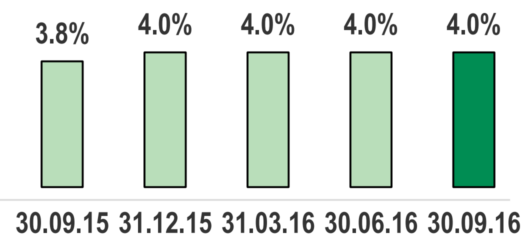
Financial Structure

- Fully loaded Basel 3 CET1 ratio*: 11.4% as at 30.09.16 (+30 bp vs. 30.06.16) of which
  - 3Q16 results after taking into account a 45% dividend pay-out ratio: ~+20 bp
  - Effect of the initial public offering of 17.4% of First Hawaiian Bank: ~+5 bp
  - Risk-weighted assets stable excluding the foreign exchange effect
  - Reminder: overall negligible foreign exchange effect on the ratio
- Fully loaded Basel 3 leverage**: 4.0% as at 30.09.16
  - Calculated on total Tier 1 Capital
- Liquidity Coverage Ratio: 127% as at 30.09.16
- Immediately available liquidity reserve: €326bn*** (€291bn as at 30.06.16)
  - Equivalent to over one year of room to manœuvre in terms of wholesale funding

Fully loaded Basel 3 CET1 ratio*



Fully loaded Basel 3 leverage ratio**



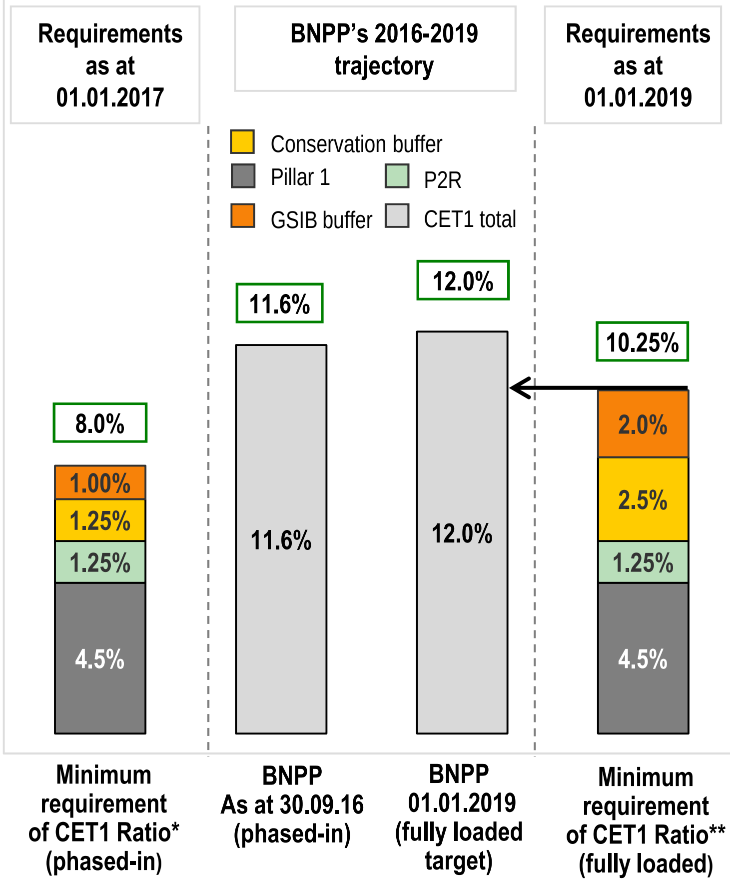
Solid capital generation
Continued increase of the Basel 3 CET1 ratio

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

2016 Supervisory Review and Evaluation Process (SREP) CET1 Ratio

- New CET1 ratio requirement following the SREP performed by the ECB*: 8.0% in 2017 (phased-in)
  - Of which a G-SIB buffer of 1.0% and a Conservation buffer of 1.25%
  - Of which a Pillar 2 requirement (P2R) of 1.25%
  - Excluding a Pillar 2 guidance (P2G), non public
  - Phased-in CET1 ratio of 11.6% as at 30.09.16, well above the regulatory requirement
- Anticipated level of a fully loaded Basel 3 CET1 ratio requirement of 10.25% in 2019 (excluding P2G)
  - Given the gradual phasing-in of the Conservation buffer to 2.5% and the assumption of a 2.0% G-SIB buffer**
  - Will constitute the CET1 requirement taken into account*** for the restrictions applicable to distributions (Maximum Distributable Amount – MDA)
- Target maintained of a fully loaded CET1 ratio of 12.0%

CET1 Ratio



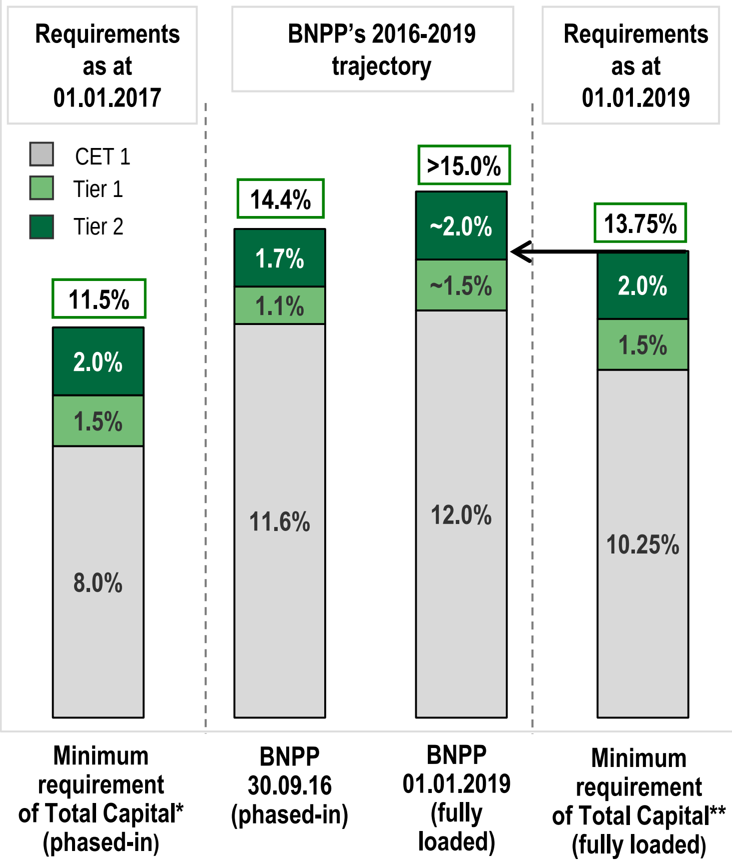
CET1 ratio already well above 2019 requirement

* Subject to the confirmation of the pre-notification received from ECB; ** Assuming P2R remains constant between 2017 and 2019; *** As of 2019 (8% in 2017)

2016 Supervisory Review and Evaluation Process (SREP) Total Capital Ratio

- New Total Capital ratio requirement following the SREP performed by the ECB*: 11.5% in 2017 (phased-in)
  - Of which a CET1 ratio requirement of 8%
  - And a Tier 1 capital requirement of 9.5%
  - Phased-in Total Capital ratio of 14.4% as at 30.09.16, well above the regulatory requirement
- Anticipated level of a fully loaded Total Capital ratio requirement of 13.75% in 2019
  - Given the gradual phasing-in of the Conservation buffer to 2.5% and the assumption of a 2.0% G-SIB buffer**
  - Will constitute the Total Capital requirement taken into account*** for the restrictions applicable to distributions (MDA)
- Target maintained of a Total capital ratio above 15%
  - Tier 1 and Total Capital ratios requirements are on a cumulative basis
  - Tier 1 and Total Capital ratios requirements now include the P2R but do not include the P2G
- Target of ~1.5% of AT1 and ~2.0% of Tier 2
  - Overall Capital instruments target > 3%

Total Capital Ratio



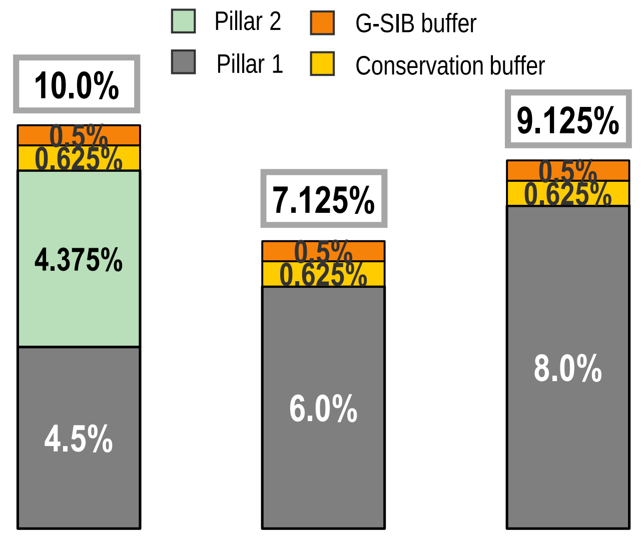
Total Capital ratio already above 2019 requirement

** Subject to the confirmation of the pre-notification received from ECB; ** Assuming P2R remains constant between 2017 and 2019; *** As of 2019 (11.50% in 2017)*

Buffers to Maximum Distributable Amount Restrictions as at 30.09.2016 based on 2015 SREP

- Applicable only until year end 2016
- Pillar 2 limited to the CET1 ratio
  - Pillar 2 not applicable to Tier 1 and Total Capital ratio requirements*
- 2016 CET1 requirement: 10.0%
- 2016 Tier 1 requirement: 7.125%
- 2016 Total Capital requirement: 9.125%
- Buffer as at 30.09.16 to Maximum Distributable Amount (MDA**) restrictions: the lowest level amongst the 3 calculated amounts
  - CET1: 1.6% or €9.9bn***
  - Tier1: 5.6% or €35.3bn***
  - Total Capital: 5.2% or €33.1bn***

2016 Capital requirement



	CET1	TIER 1	TOTAL CAPITAL
BNP Paribas phased-in ratios as at 30.09.2016	11.6%	12.7%	14.4%
Buffers as at 30.09.2016 to MDA** restrictions	1.6% €9.9bn	5.6% €35.3bn	5.2% €33.1bn

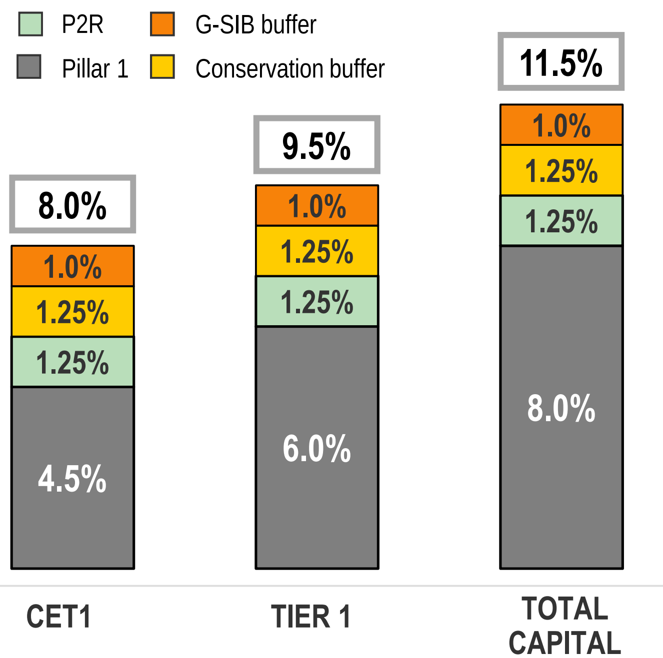
MDA buffer as at 30.09.16 of €9.9bn based on 2015 SREP (applicable only until year end 2016)

** Confirmed by the ECB as part of the 2015 SREP; ** As defined in Art. 141 of CRD4; *** Calculated based on €630bn of risk-weighted assets (phased-in)*

Pro Forma Buffers to MDA Restrictions as at 30.09.2016 based on 2016 SREP*

- From 2016 SREP*, Pillar 2 composed of:
  - Pillar 2 Requirement (P2R)
  - Pillar 2 Guidance (P2G) which is not MDA (Maximum Distributable Amount) relevant
- P2R applicable to CET1, Tier 1 and Total Capital ratios
- 2017 CET1 requirement: 8.0%
- 2017 Tier 1 requirement: 9.5%
- 2017 Total Capital requirement: 11.5%
- Pro forma buffers as at 30.09.16 to MDA** restrictions based on 2016 SREP*: the lowest level amongst the 3 calculated amounts
  - CET1: 3.6% or €22.5bn***
  - Tier1: 3.2% or €20.3bn***
  - Total Capital: 2.9% or €18.1bn***

Capital requirement as at 01.01.2017 based on 2016 SREP*



	CET1	TIER 1	TOTAL CAPITAL
BNP Paribas phased-in ratios as at 30.09.2016	11.6%	12.7%	14.4%
Pro forma buffers as at 30.09.2016 to MDA restrictions**	3.6% €22.5bn	3.2% €20.3bn	2.9% €18.1bn

Pro forma MDA buffer as at 30.09.16 of €18.1bn*

** 2016 SREP subject to the confirmation of the pre-notification received from ECB; ** As defined in Art. 141 of CRD4, subject to revision; *** Calculated based on €630bn of risk-weighted assets (phased-in)*

Strong Solvency and Capital Generation Capacity

Focus on Medium and Long Term Funding

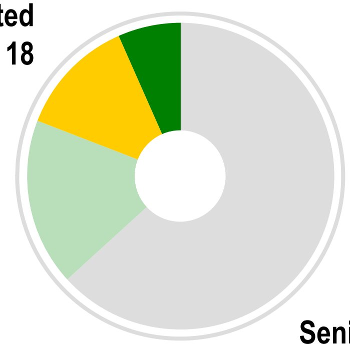
3Q16 Results Highlights

Appendix

Wholesale Medium/Long-Term Funding

- 2016 MLT funding programme of €25bn
- Additional Tier 1: €1.3bn issued*
  - Reminder: success of the AT1 issuance in USD on 23 March, 325 investors across Europe, Americas and Asia, $1.5bn, perpetual Non Call 5, coupon of 7.625%
- Tier 2: €4.5bn issued*
  - Mid-swap +198 bp on average, average maturity of ~10 years**
- Senior debt: €16.0bn issued*
  - Average maturity of 6.1 years, mid-swap +54 bp on average
  - Of which €6.0bn of senior unsecured debt eligible to the 2.5% MREL as at 01.01.2019
  - Of which €500m issued in Covered Bond at 7 years, mid-swap -10 bp by BNP Paribas Fortis in October 2016

Wholesale MLT funding structure breakdown: €136bn as at 30.09.16
(excluding TLTRO)

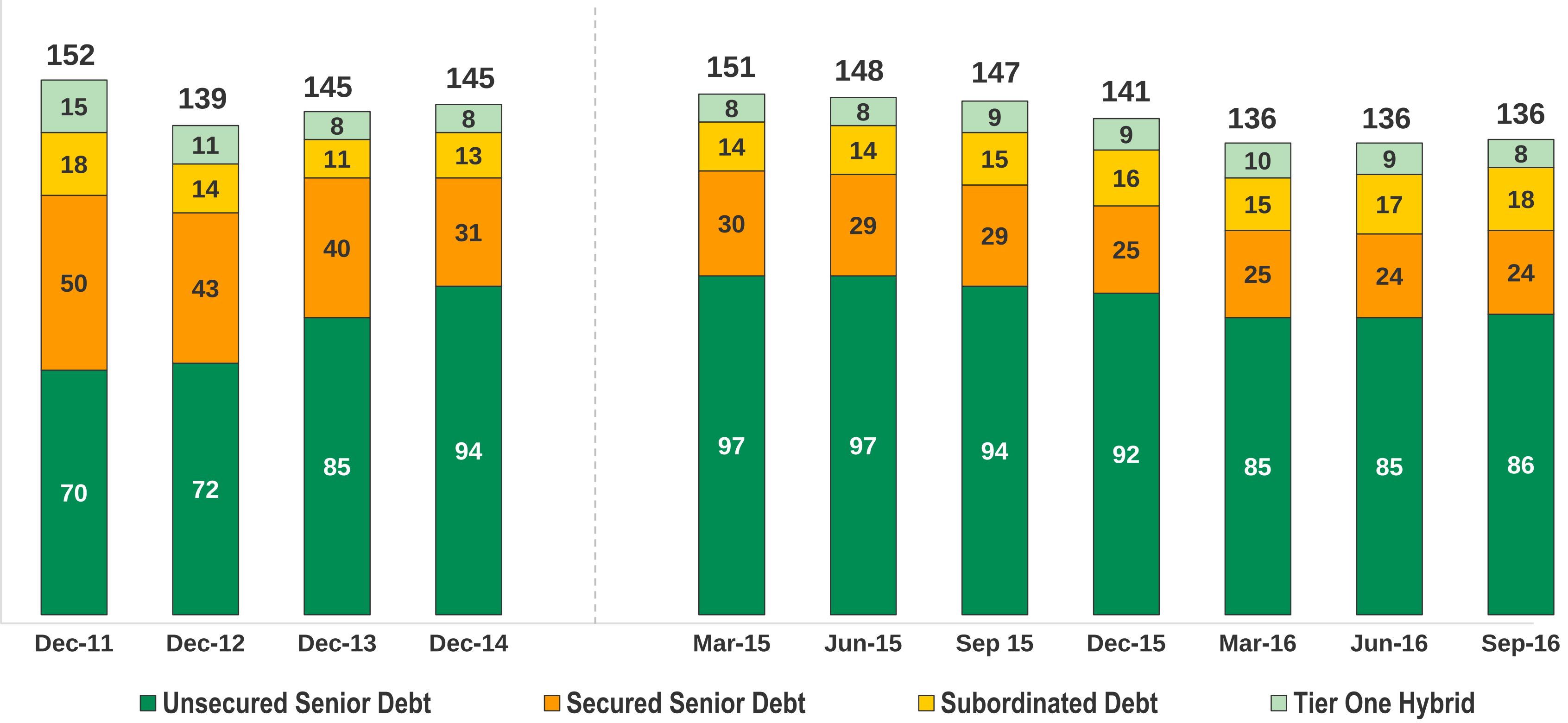


Issuance programme proceeding well despite volatile markets in the first half of the year

*As at 17 October 2016; ** Including the Tier 2 prefunding of €750m issued in November 2015; *** Debt qualified prudentially as Tier 1 booked as subordinated debt or as equity*

Medium/Long Term Funding Outstanding

Wholesale MLT funding outstanding* (€bn)



Overall MLT funding stable over the period

* Source: ALM funding

Focus on Capital Instruments

- Target of ~1.5% of AT1 and ~2.0% of Tier 2 by 01.01.2019*
  - Overall Capital instruments target: > 3%
  - AT1 level as at 30.09.16: 1.1%
  - Tier 2 level as at 30.09.16: 1.7%

Evolution of current Tier 1 & Tier 2 instruments outstanding (grandfathered and eligible)**

in €bn	30.09.2016	01.01.2017	01.01.2018	01.01.2019
AT1	8	8	7	6
T2	13	13	12	12

- Additional Tier 1: €1.3bn issued as at 17.10.2016
  - USD1.5bn transaction in March, perpetual NC5, 7.625% coupon
  - Given the current stock, €6bn of instruments will still be outstanding as at 01.01.2019, of which €3bn grandfathered

- Tier 2: €4.5bn*** issued under the 2016 programme as at 17.10.2016
  - Given the current stock, €12bn of instruments will still be outstanding as at 01.01.2019

Capital instruments issuance in line with targets

** Depending on market conditions; ** Assuming callable institutional instruments are called at the first call date, taking into account prudential amortisation of instruments, and excluding, in particular, prudential deductions not related to instruments; *** Including the Tier 2 prefunding of €750m issued in November 2015*

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Focus on Medium and Long Term Funding

3Q16 Results Highlights

Appendix

3Q16 Key Messages

Good revenue growth of the operating divisions	**Revenues of the operating divisions: +4.8% vs. 3Q15**
Strong rise of the gross operating income of the operating divisions	**GOI of the operating divisions: +8.8% vs. 3Q15**
Continued decrease in the cost of risk	**-13.4% vs. 3Q15 (43 bp*)**
Rise in net income Group share	**Net income Group share: €1,886m (+15.0% vs. 3Q15 excluding exceptional items**)**
Continued increase in the CET1 ratio* **	**11.4% (+30 bp vs. 30.06.16)**

Good results and solid capital generation

** Cost of risk/Customer loans at the beginning of the period (in annualised bp); ** Exceptional items after tax Group share: -€306m in 3Q16 and -€80m in 3Q15; *** As at 30 September 2016, CRD4 ("fully loaded" ratio)*

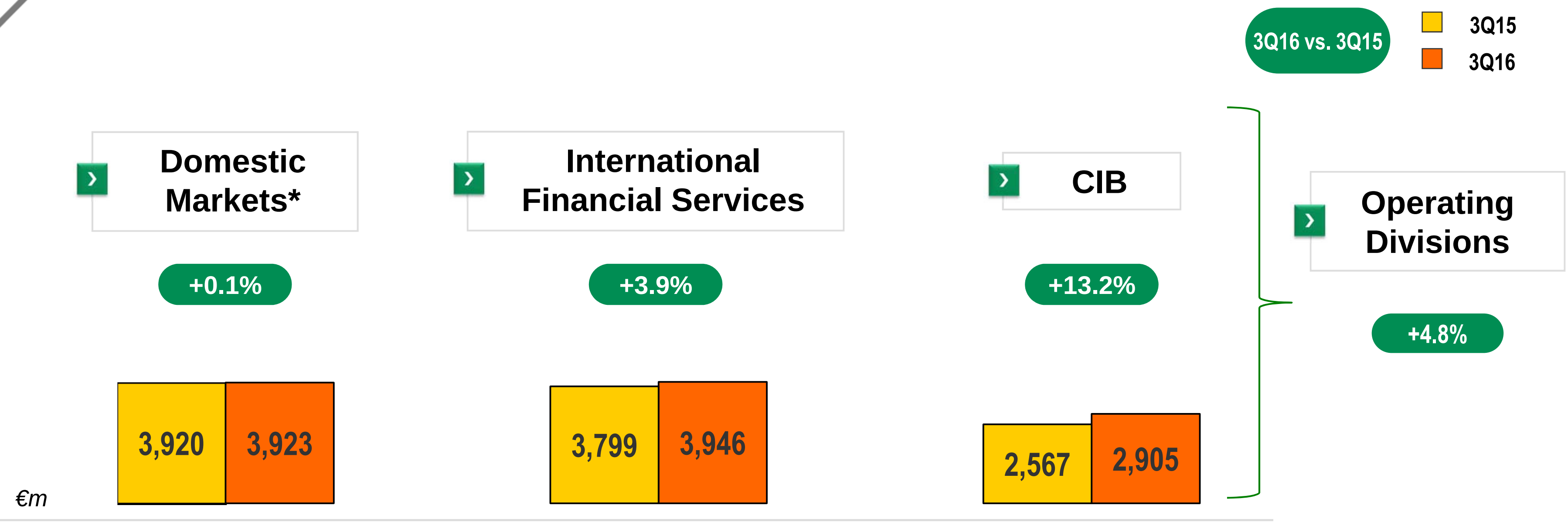
Consolidated Group - 3Q16

	3Q16	3Q15	3Q16 vs. 3Q15	3Q16 vs. 3Q15 *Operating Divisions*
Revenues	**€10,589m**	**€10,345m**	**+2.4%**	**+4.8%**
Operating expenses	-€7,217m	-€6,957m	+3.7%	+2.7%
Gross Operating income	**€3,372m**	**€3,388m**	**-0.5%**	**+8.8%**
Cost of risk	-€764m	-€882m	-13.4%	-11.3%
Operating income	**€2,608m**	**€2,506m**	**+4.1%**	**+15.5%**
Non operating items	€172m	€163m	+5.5%	+8.7%
Pre-tax income	**€2,780m**	**€2,669m**	**+4.2%**	**+15.2%**
Net income attributable to equity holders	**€1,886m**	**€1,826m**	**+3.3%**	
Net income attributable to equity holders excluding exceptional items*	**€2,192m**	**€1,906m**	**+15.0%**	

Good overall performance

** Exceptional items after tax Group share: -€306m in 3Q16 and -€80m in 3Q15*

Revenues of the Operating Divisions - 3Q16

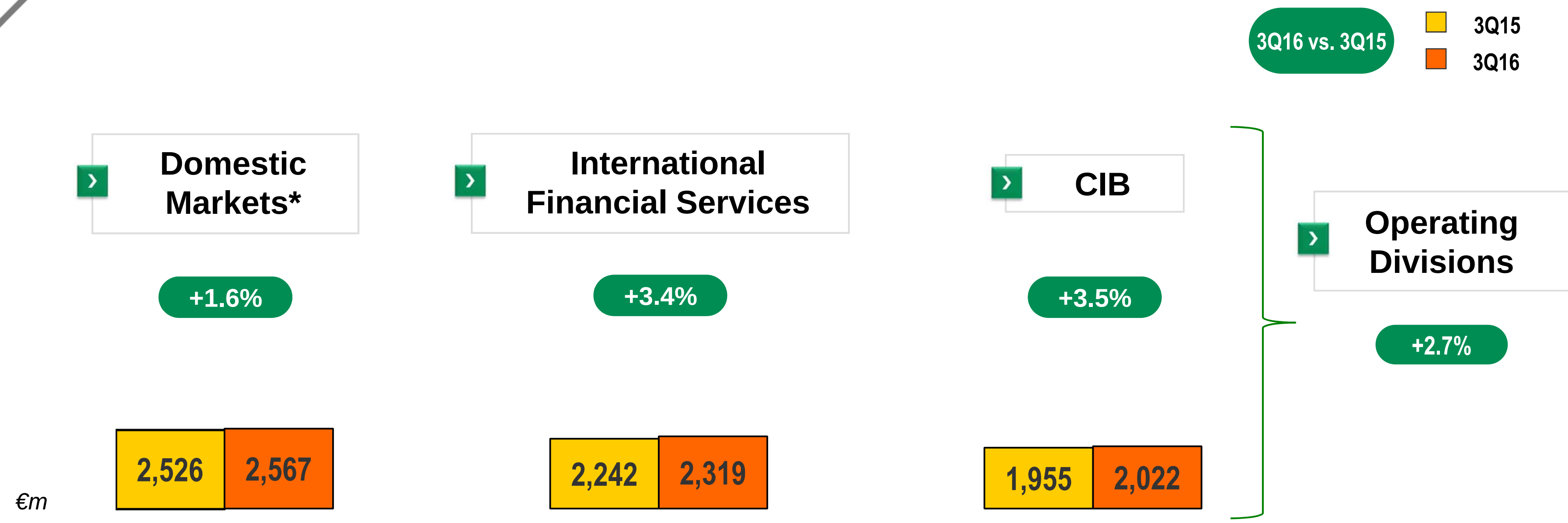


- Stability of the revenues of Domestic Markets despite a low interest rate environment
- Rise in the revenues of IFS
- Strong growth in the revenues of CIB

Good growth of the operating divisions in the low interest rate environment: effect of the integrated and diversified business model

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

Operating Expenses of the Operating Divisions - 3Q16



- Impact of the new regulations and the strengthening of compliance
- Effects of business growth in some activities
- Effects of the Simple & Efficient savings plan offsetting the natural costs' drift (inflation, etc.)

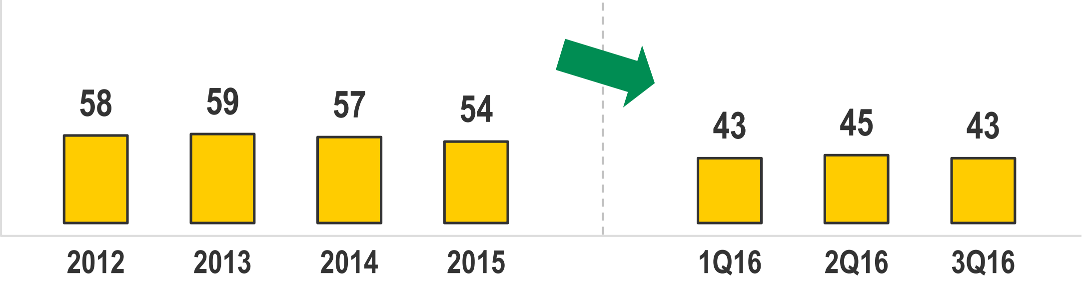
Increase due to business growth and rise in regulatory costs

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

Group Cost of Risk - 3Q16

Group Cost of Risk

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



- Significant decrease in the cost of risk this quarter
  - Good control of risk at loan origination and effect of the low interest rate environment
  - Positive impact in particular in Personal Finance
  - Continued decrease of the cost of risk in Italy

Decline in the cost of risk

Consolidated Group - 9M16

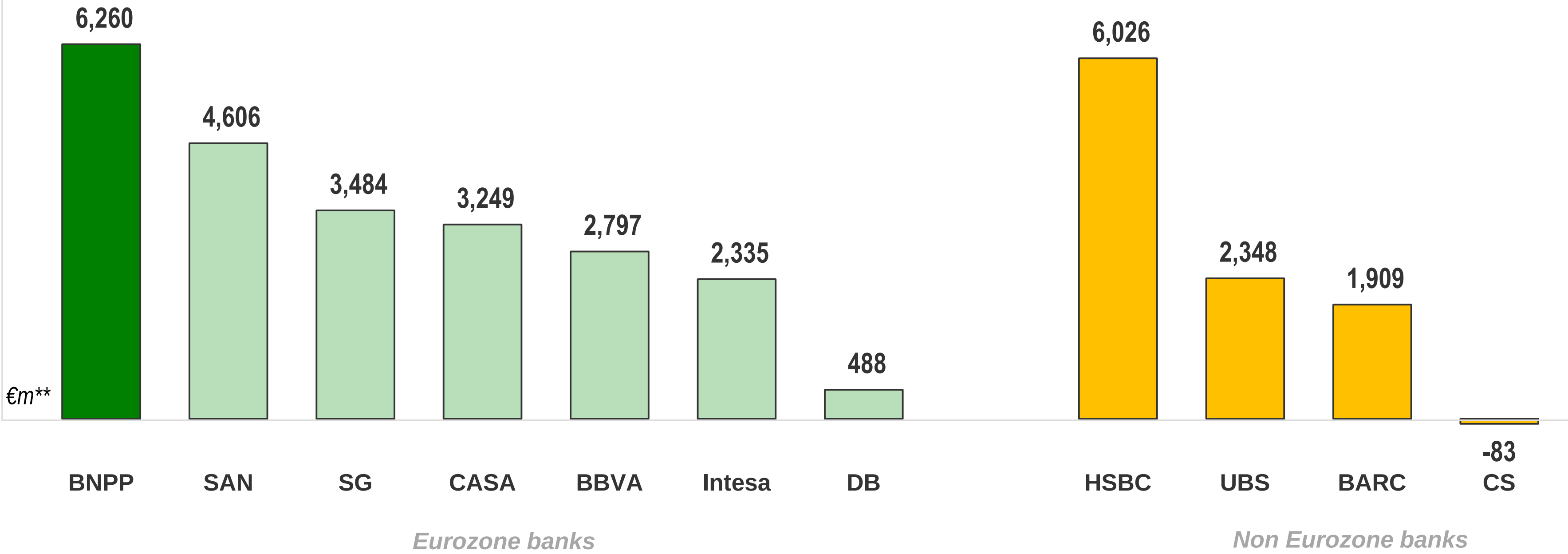
	9M16	9M15	9M16 vs. 9M15	9M16 vs. 9M15 *Operating Divisions*
Revenues	**€32,755m**	**€32,489m**	**+0.8%**	**-0.6%**
Operating expenses	€21,934m	€21,848m	+0.4%	+0.9%
Gross Operating income	**€10,821m**	**€10,641m**	**+1.7%**	**-3.5%**
Cost of risk	€2,312m	€2,829m	-18.3%	-16.9%
Operating income	**€8,509m**	**€7,812m**	**+8.9%**	**+1.1%**
Non operating items	€434m	€1,094m	-60.3%	-22.3%
Pre-tax income	**€8,943m**	**€8,906m**	**+0.4%**	**-0.4%**
Net income attributable to equity holders	**€6,260m**	**€6,029m**	**+3.8%**	
Net income attributable to equity holders excluding exceptional items*	**€5,989m**	**€5,751m**	**+4.1%**	

ROE (ROTE) excluding exceptional items**: 9.8% (11.7%)

** Exceptional items after tax Group share: +€272m in 9M16 and +€278m in 9M15; ** ROE: return on equity; ROTE: return on tangible equity; contribution to the Single Resolution Fund and systemic taxes non annualised*

9M16 - Strong Profitability

9M16 Net Income*



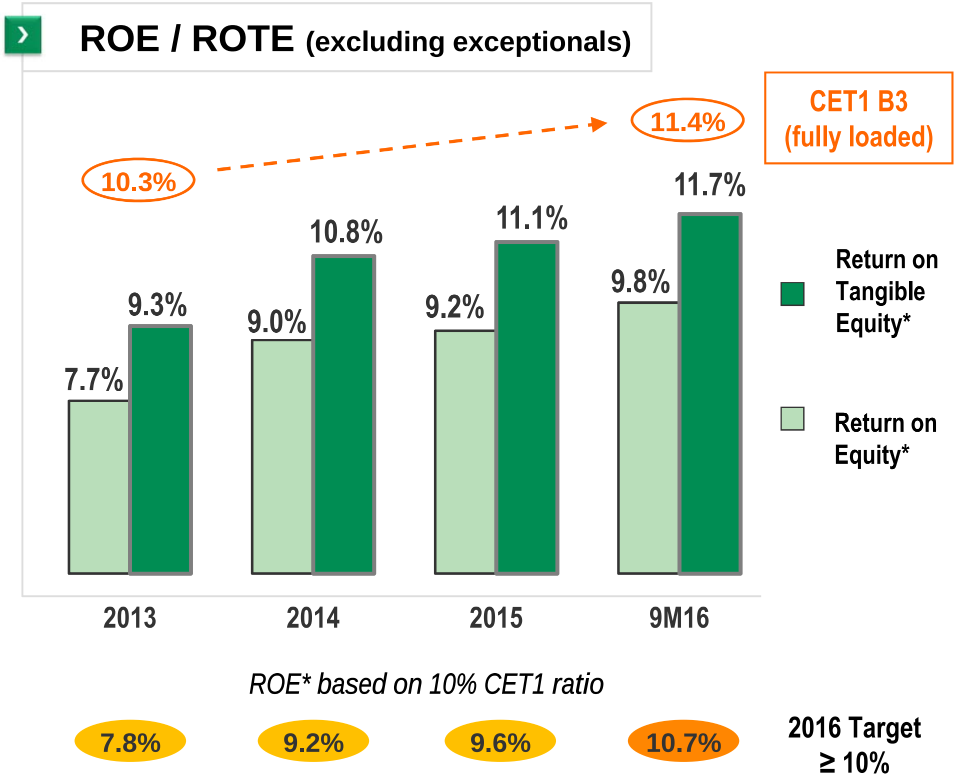
- ROE excluding exceptional items***: 9.8%
- ROTE excluding exceptional items***: 11.7%

Strong profit generation capacity & best in class ROE and ROTE

*Attributable to equity holders, as disclosed by banks; **Average quarterly exchange rates; *** Excluding one-off items (positive in 9M16: +€272m after tax), contribution to the Single Resolution Fund and systemic taxes not annualised

Delivering on 2016 ROE Target

- Several levers contributing to Return on Equity improvement…
  - Simple & Efficient: ramping up of recurrent cost savings
  - Progressive loan volumes pick up in the context of a better European economy
  - Success of the regional plans
  - BNL balance sheet de-risking
- … despite headwinds
  - Low interest rates environment
  - New taxes and regulations
  - Higher capital requirements
- 2016 ROE target of the plan confirmed
  (reminder: 10% ROE calculated on 10% CET1 ratio)



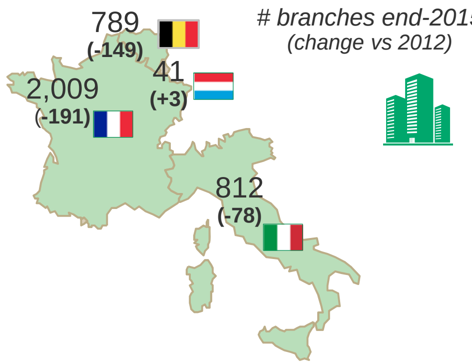
Steady increase of the ROE and ROTE over 2014-2016 together with higher CET1 ratio

** Excluding exceptionals. For 9M16, with contribution to the Single Resolution Fund and systemic taxes not annualised*

Appendix

Domestic Markets
Transformation of the Networks - Development of Hello bank!

Continued footprint optimisation



Lighter branch formats

France	Belgium	Italy
EXPRESS		
ADVISORY	ADVISORY	OPEN BNL
PROJECTS	FULL	FULL

*% of branches already revamped**

France	Belgium	Italy
63%	95%**	43%

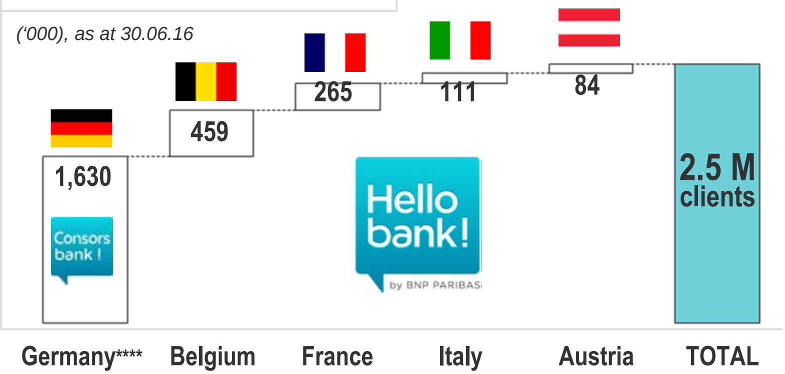
Digitalised branches

Video-conference support	Wi-Fi for customers	New mobile workstation tablet-based

*% of branches already equipped**

Video-conference support	Wi-Fi for customers	New mobile workstation tablet-based
56%	52%	62%

Hello Bank! client base



- Strong organic client acquisition (~+700,000 vs. 31.12.14)
- Acquisition of DAB Bank in Germany in 2014 merged in 2015 with Consorsbank!
- Brand positioning "100% mobile", new features and services
- Generating 8.7% of individual clients revenues*** in 2015 (x2 vs. 2014)
- Shared assets with the network (use of existing infrastructures and resources)

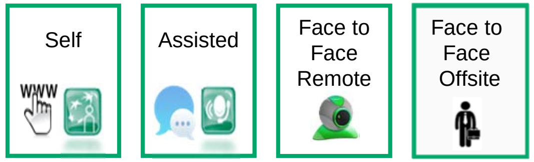
Strong complementarity between physical and digital set-up

* As at 31.12.15; ** % of targeted branches; *** FRB, BRB, BNLbc and Personal Investors revenues, excluding Private Banking; **** Including DAB customers

Domestic Markets - Medium-term Ambitions
More Digitalisation, More Customisation

Create digitalised service models

- **Differentiated models** with choice offered to customers
- **More digital** and **adapted interactions**
- **Common platforms** for product offering, remote expertise…



Reinvent customer journeys

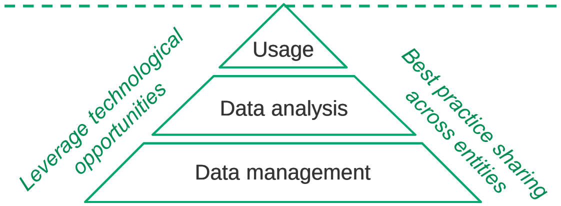
- **Effortless & value-added** client experience, tailored to client needs end-to-end
- **Efficiency improvement**: process optimisation
- Further development of **cross-selling** within the Group

Already launched

I NEED CASH NOW | I WANT TO BECOME A CORPORATE CUSTOMER | I WANT TO BUY MY HOME / I WANT TO BUY MY TV

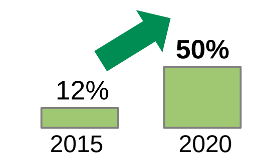
Enhance customer knowledge

- Optimize **commercial proactivity and reactivity**
- Improve **pricing and risk scoring** management



Boost digital acquisition & sales

- **Digitalisation of the whole product offering subscriptions**
- Boost digital communication and marketing
- **Specific client acquisition offers** with ambitious targets



Develop comprehensive service offers

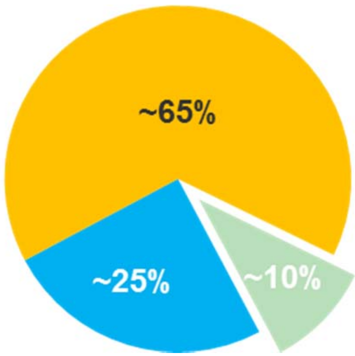
- New **aggregation service offers** (e.g. Arval Active Link, Wa!)
- **Innovation** and **FinTechs partnerships**

Corporate and Institutional Banking 2016-2019 Transformation Plan

Three Levers Across All Regions & Business Lines

Focus	Improve	Grow
Free-up capital and balance sheet to fuel targeted growth	**Optimize CIB operating model**	**Specific strategic growth initiatives**
■ Reduce unproductive RWAs through portfolios' optimisation ■ Selective rightsizing of businesses, countries and client portfolios ■ Reinvest to capture market growth and increase market share	■ Industrialise the set up ■ Improve operating efficiency ■ Deliver enough savings to support growth, while structurally reducing C/I ratio	■ Further develop strategic clients ■ Invest in processing businesses: i.e. Securities Services and Transaction Banking ■ Specific investments in Americas and APAC
RWA gross reduction: -€20bn **RWA reinvestment: +€10bn** **+€~0.2bn in pre-tax income[3]**	**No RWA impact** **12% total cost savings[1,2]** **+€0.95bn in pre-tax income[3]**	**+€21bn RWAs** **+€~0.5bn in pre-tax income[3]**

Contribution to RONE improvement coming essentially from Improve and Focus



Reminder: €800m one-off costs to achieve transformation[4]

1. Gross savings based on 2015 total CIB costs base including €50m savings linked to Focus initiatives; 2. Incl. ~€90m of residual S&E savings; 3. Before effects of the 29 March 2016 restatement; 4. Booked in Corporate Centre

Corporate and Institutional Banking
Implementation of the Transformation Plan

- Improve cost efficiency: >€1bn savings vs. 2015
  - Implementation of the plan in all regions in accordance with local regulations
  - Industrialisation of platforms: 55 projects launched to align IT systems in Global Markets
- Focus: improve capital productivity
  - Sale or securitisation of ~€6bn of RWA as at 30 June 2016 (target €20bn by 2019)
  - Repositioning of cash equity business in Asia

Evolution of CIB cost base

In €bn, excl. variable compensation

- Grow less capital-intensive businesses
  - Cash management: on-boarding of 215 business groups* in the context of the RBS referral agreement
  - Shift from voice to electronic: good development of Centric, the Transaction Banking & Global Markets' online and mobile portal, >9,000 clients*, 22 applications and 35 countries
  - Securities Services: launch of a platform for unlisted & private stocks using blockchain technology by end 2016

** As at 15 October 2016*

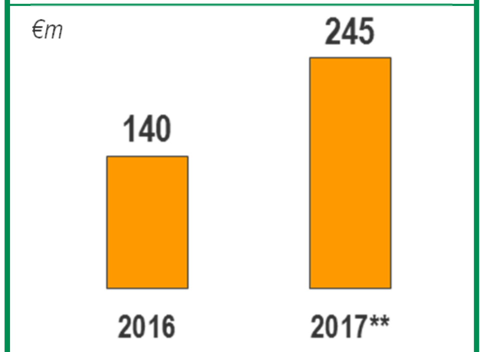
ROE Accretive Bolt-on Acquisitions in 2014 and 2015

Year of acquisition

Bolting onto existing businesses

Year	Acquisition	Details	Bolting onto
2014	**Bank BGZ** Poland	• Creation of the 7th largest bank in Poland with ~4% market share • Broadening Group's digital banking offer BGZoptima	**BNPP Polska**
2014	**50% of LaSer** Europe - France	• Merger completed on 1.09.2015 • Targeting 1% market share growth per year in France in 2016-2018	**Cetelem**
2014	**DAB Bank** Germany	• ~1.6 million clients • #1 online broker*** and Top 5 digital bank in Germany	**Consors bank!**
2015	**GE Fleet Services** Europe	• +164,000 vehicles • Arval now #1 in Europe with strengthened positions in all countries, ~950,000 vehicles	**Arval**

Additional synergies expected by 2017*



Levers for additional profit generation going forward

** Excluding restructuring costs ; ** Cumulated ; *** In terms of retail trades and securities accounts*

Simple & Efficient

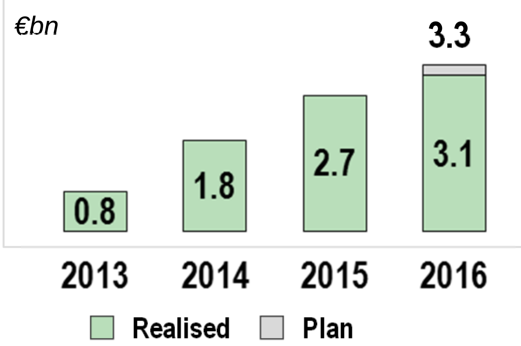
- Continued the momentum throughout the entire Group
  - 1,386 programmes identified including 2,699 projects
  - 90% of projects initiated since 2013 already completed

- Cost savings: €3,070m realised since the launch of the plan
  - Of which €332m booked in 1H16
  - Reminder: cost savings target raised from €3.0bn to €3.3bn

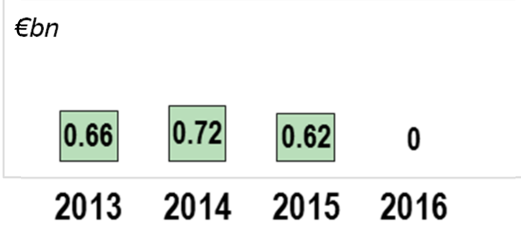
- Breakdown of cost savings by division since 2013
  - Domestic Markets (43%), IFS (27%) and CIB (30%)

- Reminder: no transformation costs in 2016

Cumulative recurring cost savings



One-off transformation costs

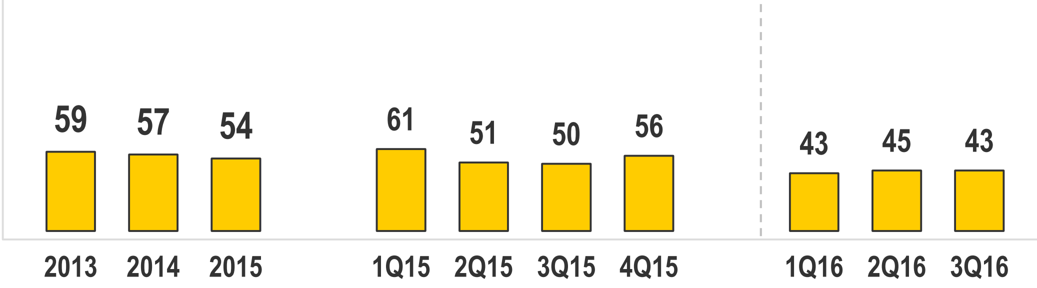


Cost savings achieved in line with the new target

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

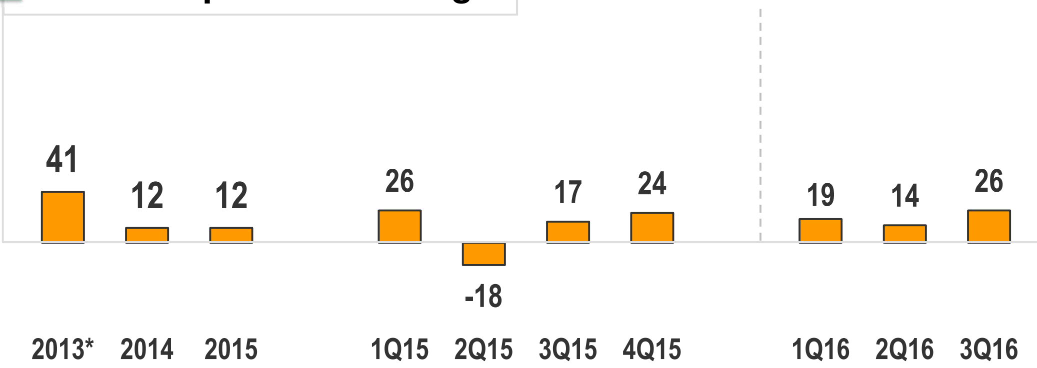
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

Group



- Cost of risk: €764m
  - -€27m vs. 2Q16
  - -€118m vs. 3Q15
- Decrease in the cost of risk vs. 3Q15

CIB - Corporate Banking

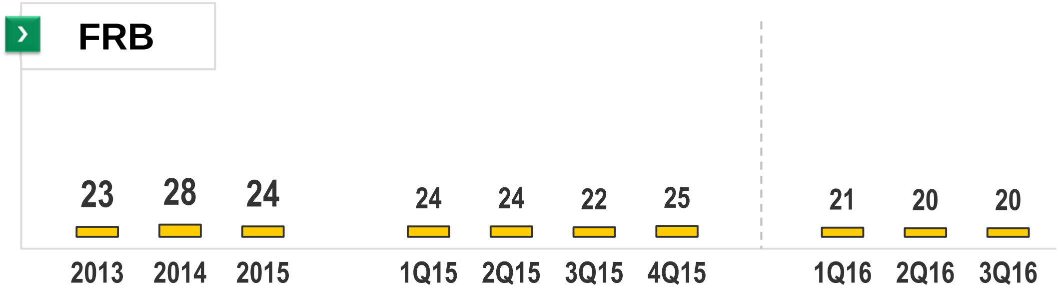


- Cost of risk: €79m
  - +€36m vs. 2Q16
  - +€28m vs. 3Q15
- Low cost of risk

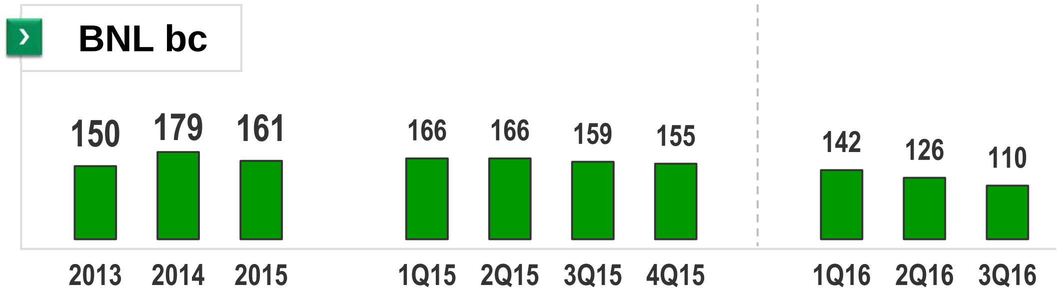
** Restated*

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

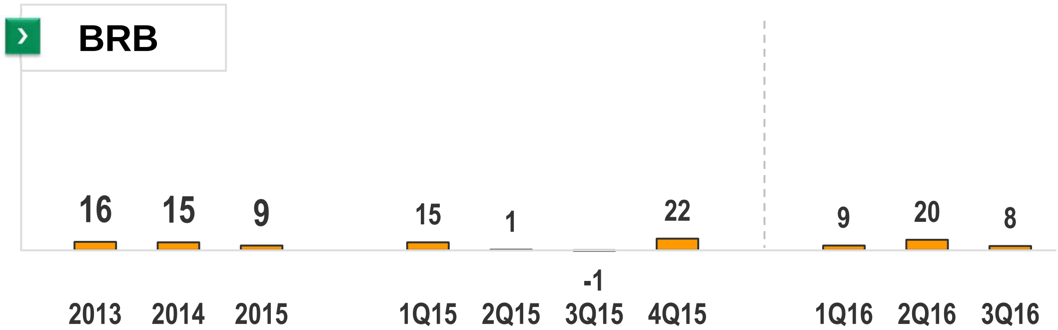
Cost of risk/Customer loans at the beginning of the period (in annualised bp)



- Cost of risk: €72m
  - -€1m vs. 2Q16
  - -€7m vs. 3Q15
- Cost of risk still low



- Cost of risk: €215m
  - -€28m vs. 2Q16
  - -€94m vs. 3Q15
- Continued decrease in the cost of risk

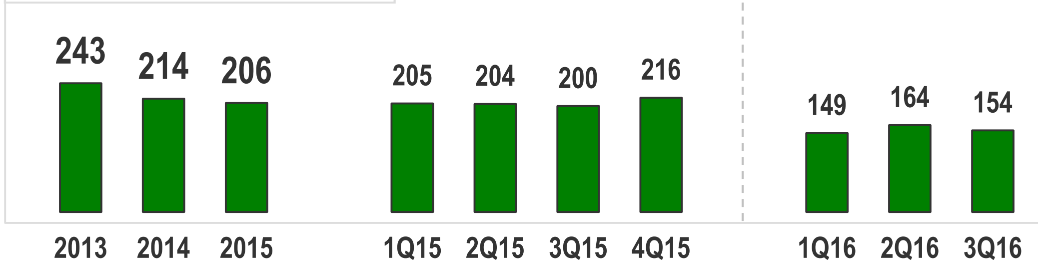


- Cost of risk: €19m
  - -€30m vs. 2Q16
  - +€21m vs. 3Q15
- Very low cost of risk
  - Reminder: provisions offset by write-backs in 3Q15

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

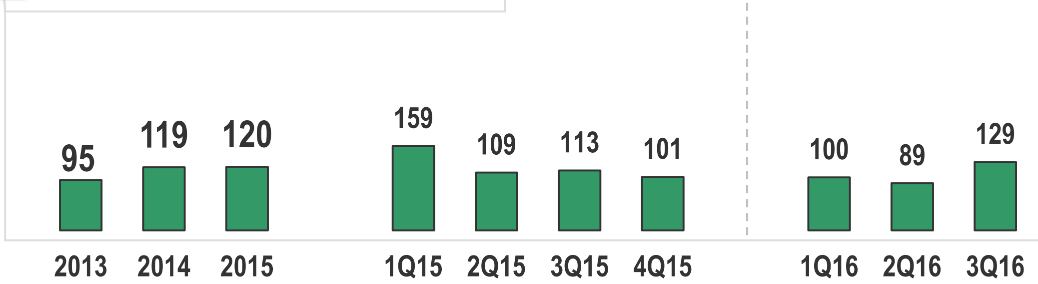
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

Personal Finance



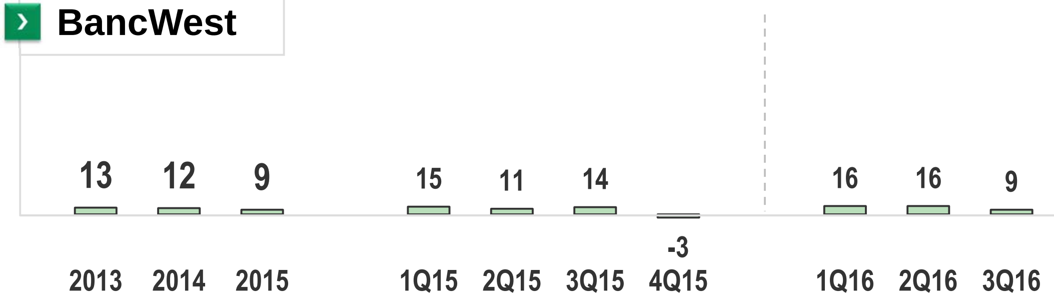
- Cost of risk: €240m
  - -€8m vs. 2Q16
  - -€47m vs. 3Q15
- Sharp decline in the cost of risk vs. 3Q15
  - Effect of the low interest rates and the growing positioning on products with a better risk profile (car loans notably)

Europe-Mediterranean



- Cost of risk: €127m
  - +€41m vs. 2Q16
  - +€16m vs. 3Q15
- Increase in the cost of risk in Turkey

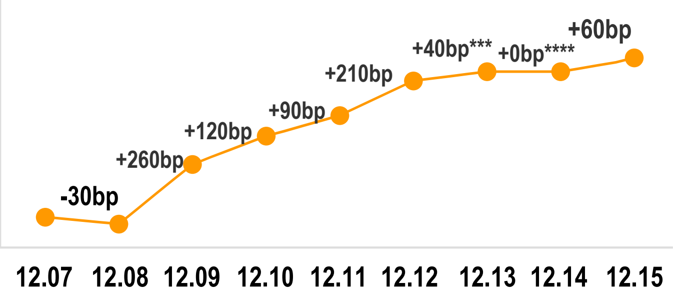
BancWest



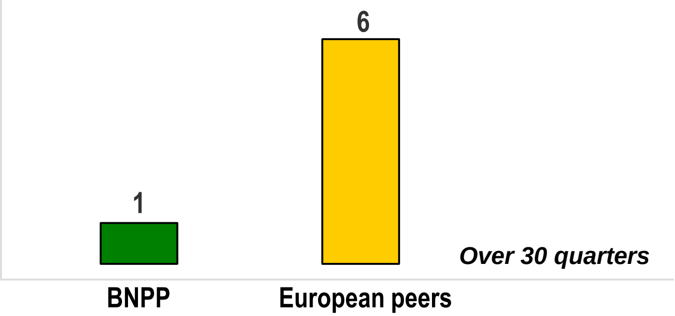
- Cost of risk: €14m
  - -€9m vs. 2Q16
  - -€5m vs. 3Q15
- Cost of risk still very low

Evolution of the CET1 Ratio

Annual evolution of the CET1 ratio*



Number of quarters of negative CET1 ratio evolution (2009-2Q16, European peers)**



Steady organic growth of CET1 ratio across the cycle

** Basel 2 from December 2007 to December 2011, Basel 2.5 as at December 2012, then fully loaded Basel 3 for the years after; ** Q/Q-1 CET1 ratio evolution restated of capital increases and acquisitions; average number of quarters of negative CET1 ratio evolution for 10 European peers; *** Including the buy-back of the Fortis shares held by the minority shareholders (~-50bp); **** +100bp excluding costs related to the comprehensive settlement with the U.S. authorities*

Long-Term Ratings

	As of 9 November 2016		Expected rating for the new senior non preferred	Rating for Additional Tier 1
	Senior unsecured			
Standard & Poor's	A	Stable outlook	A-	BBB-
Fitch	A+	Stable outlook	A+	BBB-
Moody's	A1	Stable outlook	Baa2	Ba1
DBRS	AA (low)	Stable outlook	[A+]	NC

Any rating action may occur at any time

S&P – Rating Benchmark

As of 9 November 2016

AA-	**HSBC Bank plc** (negative)	**Royal Bank of Canada** (negative)
A+	**Rabobank** (stable)	**UBS** (stable)
A	**BNP Paribas** (stable) **Crédit Agricole** (stable) **Wells Fargo & Co*** (negative)	**Crédit Suisse** (stable) **Société Générale** (stable) **Lloyds Bank plc** (negative)
A-	**Santander** (stable) **Barclays Bank plc** (negative)	**JP Morgan Chase & Co*** (stable)
BBB+	**RBS plc** (stable) **BBVA** (stable) **Bank of America Corp.*** (stable) **Goldman Sachs Group*** (stable)	**Commerzbank** (stable) **Citigroup*** (stable) **Morgan Stanley Holding*** (stable) **Deutsche Bank** (negative)
BBB-	**Unicredit** (stable)	**Intesa San Paolo** (stable)

Any rating action may occur at any time

** Holding company as main issuer of senior debt. Bank entities are rated as follows: Wells Fargo Bank NA: AA- (negative), JP Morgan Chase Bank NA: A+ (stable), Citibank NA: A (CreditWatch positive), Bank of America NA: A (CreditWatch positive), Morgan Stanley Bank: A (CreditWatch positive); Data Source: Bloomberg*

Moody's – Rating Benchmark

As of 9 November 2016

Aa2	**Rabobank** (stable)	**HSBC Bank plc** (negative)
Aa3	**Royal Bank of Canada** (negative)	
A1	**BNP Paribas** (stable) **UBS** (stable)	**Lloyds Bank plc** (stable) **Crédit Agricole** (stable)
A2	**Crédit Suisse** (stable) **Wells Fargo & Co*** (stable)	**Barclays Bank plc** (negative) **Société Générale** (stable)
A3	**RBS plc** (positive) **Morgan Stanley Holding*** (stable) **JPMorgan Chase & Co*** (stable)	**Santander** (stable) **Goldman Sachs Group*** (stable)
Baa1	**Commerzbank** (stable) **Bank of America Corp.*** (stable) **Intesa San Paolo** (stable)	**Citigroup*** (stable) **BBVA** (stable) **Unicredit** (stable)
Baa2	**Deutsche Bank** (stable)	

Any rating action may occur at any time

** Holding company as main issuer of senior debt. Bank entities are rated as follows: Wells Fargo Bank NA: Aa2 (Stable), JP Morgan Chase Bank NA: Aa3 (stable), Citibank NA: A1 (stable), Bank of America NA: A1 (stable), Morgan Stanley Bank: A1 (stable); Data Source: Bloomberg*

Fitch – Rating Benchmark

As of 9 November 2016

AA	**Royal Bank of Canada** (negative)	
AA-	**HSBC Bank plc** (stable) **Rabobank** (stable)	**Wells Fargo & Co*** (negative)
A+	**BNP Paribas** (stable) **Lloyds Bank plc** (stable)	**JPMorgan Chase & Co*** (stable) **UBS** (stable)
A	**Crédit Agricole** (positive) **Barclays Bank plc** (stable) **Morgan Stanley Holding*** (stable) **Société Générale** (stable)	**Crédit Suisse** (stable) **Citigroup*** (stable) **Goldman Sachs Group** (stable) **Bank of America Corp.*** (stable)
A-	**Santander** (stable) **Deutsche Bank** (creditWatch negative)	**BBVA** (stable)
BBB+	**Intesa San Paolo** (negative) **Commerzbank** (stable)	**RBS plc** (stable) **Unicredit** (negative)

Any rating action may occur at any time

** Holding company as main issuer of senior debt. Bank entities are rated as follows: Wells Fargo Bank NA: AA (negative), JP Morgan Chase Bank NA: AA- (stable), Citibank NA: A+ (stable), Bank of America NA: A+ (stable), Morgan Stanley Bank: A (stable); Data Source: Bloomberg*