SECOND UPDATE TO THE 2016 REGISTRATION DOCUMENT AND HALF YEAR FINANCIAL REPORT FILED WITH THE AMF ON JULY, 31TH 2017

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The English language version of this report is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

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Only the French version of the second update to the 2016 Registration document has been submitted to the AMF. It is therefore the only version that is binding in law.

The original document was filed with the AMF (French Securities Regulator) on 31th July 2017, in accordance with article 212–13 of the AMF's General Regulations. It may be used in support of a financial transaction only if supplemented by a Transaction Note that has received approval from the AMF. This document was prepared by the issuer and its signatories assume responsibility for it.

1. Half year management report

1.1 Group presentation

BNP Paribas, Europe's leading provider of banking and financial services, has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.
It operates in 74 countries and has more than 190,000 employees, including close to 145,000 in Europe.
BNP Paribas holds key positions in its two main businesses:

- **Retail Banking and Services, which includes:**
  - Domestic Markets, comprising:
    - French Retail Banking (FRB);
    - BNL banca commerciale (BNL bc), Italian retail banking;
    - Belgian Retail Banking (BRB);
    - Other Domestic Markets activities including Luxembourg Retail Banking (LRB)
  - International Financial Services, comprising:
    - Europe-Mediterranean;
    - BancWest;
    - Personal Finance;
    - Insurance;
    - Wealth and Asset Management;
- **Corporate and Institutional Banking (CIB).**
  - Corporate Banking;
  - Global Markets;
  - Securities Services.

BNP Paribas SA is the parent company of the BNP Paribas Group.

1.2 First half 2017 results

VERY GOOD OPERATING PERFORMANCE IN THE FIRST SEMESTER

BNP Paribas delivered a very good operating performance this semester in an improving economic environment in Europe.

Revenues totalled 22,235 million euros, up by 0.3% compared to the first half 2016. They included the exceptional impact of -207 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) (compared to +161 million euros in the first half 2016) as well as a total of +233 million euros in capital gains from the sale of Shinhan and Euronext shares. They included in the first half 2016 a +597 million euros capital gain from the sale of Visa Europe shares.

The revenues of the operating divisions grew by 4.7%. They were down slightly by 0.3% at Domestic Markets[1] due to the low interest rate environment, partly offset by good business development, rose by 4.5% at International Financial Services which benefitted from a good business drive and were up sharply by 11.8% at CIB whose market environment was challenging at the beginning of 2016.

At 15,190 million euros, operating expenses were up by 3.2% compared to the first half 2016. They included the exceptional 36 million euro impact of the acquisitions' restructuring costs[2] (74 million euros in the first half 2016) as well as 243 million euros in transformation costs of businesses (80 million euros in the first half 2016), which amount was still limited this semester due to the gradual launch of the 2020 transformation plan programs.

Operating expenses included 1,067 million euros in banking taxes and contributions (989 million euros in the first half 2016), mainly booked in the first quarter for the entire year pursuant to IFRIC 21 "Taxes".

The operating expenses of the operating divisions rose by 2.4% compared to the first half 2016: +1.9% for Domestic Markets[1], +2.7% for International Financial Services and +2.8% for CIB. They included the impact of the application of IFRIC 21 recalled above.

The gross operating income of the Group was thus down by 5.4%, to 7,045 million euros. It was up by 9.5% for the operating divisions.

The cost of risk was at a low level, at 1,254 million euros (1,548 million euros in the first half 2016) or 34 basis points of outstanding customer loans. This 19.0% decline reflects in particular the good control of risk at loan origination, the low interest rate environment and the continued improvement in Italy as a result in particular to the repositioning on the better corporate clients.

The Group's operating income was down by 1.9%, at 5,791 million euros (5,901 million euros in the first half 2016). It was up by 20.3% for the operating divisions.

Non operating items totalled 424 million euros (262 million euros in the first half 2016 which included share depreciations).

Pre-tax income thus came to 6,215 million euros compared to 6,163 million euros in the first half 2016 (+0.8%). It was up sharply by 20.9% for the operating divisions.

Net income attributable to equity holders was 4,290 million euros, down by 1.9% compared to the first half 2016. Excluding the effect of one-off items[3], it came to 4,384 million euros, up sharply by 15.5%, reflecting the Group's very good operating performance in the first half of the year.

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[1] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)
[2] In particular, LaSer, Bank BGZ, DAB Bank and GE LLD
[3] Effect of exceptional items after tax: -94 million euros (+578 million euros in the first half of 2016)

The annualised return on equity was 10.6%. The annualised return on tangible equity came to 12.5%.

As at 30 June 2017, the fully loaded Basel 3 common equity Tier 1 ratio[1] was 11.7% (11.5% as at 31 December 2016). The fully loaded Basel 3 leverage ratio[2] came to 4.2%. The Liquidity Coverage Ratio was 116% as at 30 June 2017. Lastly, the Group's immediately available liquidity reserve was 344 billion euros (305 billion euros as at 31 December 2016), equivalent to over one year of room to manoeuvre in terms of wholesale funding.

The net book value per share reached 73.3 euros, equivalent to a compounded annual growth rate of 5.7% since 31 December 2008, illustrating the continuous value creation throughout the cycle. The €2.70 dividend per share was paid entirely in cash on 1st June 2017.

The Group is actively implementing the 2020 transformation plan, an ambitious programme of new customer experience, digital transformation and operating efficiency. It also continues to reinforce its internal control and compliance systems. Lastly, it is carrying out an ambitious corporate social policy of engagement in the society aimed at financing the economy in an ethical manner, being a positive agent for change, developing our people and engaging, and combating climate change: the Group just decided to create a Company Engagement Department, that will be represented in the Group Executive Committee, in order to strengthen its actions in this area.

[1] Ratio taking into account all the CRD4 rules with no transitory provisions
[2] Ratio taking into account all the rules of the CRD4 at 2019 with no transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014

RETAIL BANKING & SERVICES

DOMESTIC MARKETS

Domestic Markets reported a good business drive. Outstanding loans were up by 5.5% compared to the first half 2016 with good growth in loans in the retail banking networks and in the specialised businesses. Deposits were up by 9.1% with sharp rise in all countries. Private banking reported a rise in its assets under management of +7.9% compared to the level as at 30 June 2016 and good net asset inflows (+2.8 billion euros this semester).

The operating division finalised this semester the acquisition of Compte-Nickel in France[1] which will add up to the set-up dedicated to new banking usage. With Compte-Nickel, whose exclusive partnership with the French *Confédération des Buralistes* was extended, the division will have, alongside Hello bank!, the retail banking digital offering and the branch network, a full range of solutions adapted to the needs of various customer segments. With over 630,000 accounts opened in 3 years, Compte-Nickel has had real success in France. The objective is to speed up the acquisition of new customers with a target of 2 million accounts opened by 2020.

Domestic Markets also continued its digital transformation, launching this semester in France with Crédit Mutuel[2] and in partnership with leading retail groups such as Carrefour, Auchan and Total, a new high-valued added app called Lyf pay, a universal mobile payment solution that combines payment cards, loyalty programmes and discount offers.

Revenues[3] were down slightly (-0.3%) compared to the first half 2016 at 7,903 million euros, the effect of business growth being offset by the impact of low interest rates. The division reported increased fees in all the networks.

Operating expenses[3] (5,368 million euros) were up by 1.9% compared to the first half last year. Excluding the impact of IFRIC 21[4], they were up by only 1.1% in connection with the development of the specialised businesses (only +0.5% on average for FRB, BNL bc and BRB).

Gross operating income[3] was thus down by 4.6%, at 2,535 million euros, compared to the same half last year.

The cost of risk was down significantly (-14.4% compared to the first half 2016), due in particular to a significant decrease at BNL bc.

Thus, after allocating one-third of Domestic Markets Private Banking's net income to the Wealth Management business (International Financial Services division), the division reported 1,759 million euros in pre-tax income[5], down 0.4% compared to the first half 2016.

French Retail Banking (FRB)

FRB showed a very good business drive. Outstanding loans were up by 7.7% compared to a low base in the first half 2016 with a sustained growth in loans to individual and corporate clients. Deposits were up by 12.5% compared to the first half 2016, driven by the strong growth in current accounts. Life insurance reported good growth (4.5% rise in outstandings compared to what they were as at 30 June 2016) and private banking's assets under management were up sharply (+10.3%) with good net asset inflows this semester (1,715 million euros).

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[1] Closing of the deal on 12 July 2017
[2] CM11-CIC
[3] Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg
[4] In particular booking in the first quarter 2017 of the increases of banking contributions and taxes accounted in the second quarter 2016 in Corporate Centre and at BRB in the third quarter 2016
[5] Excluding PEL/CEL effects of -1 million euros compared to -3 million euros in the first half 2016

The business also continued to expand its digital footprint with the good development of Hello bank! and launched the contactless mobile phone payment of "*paylib".*

The business also announced this semester the delayering to come of the network organisation with a gradual move from four to three management levels in the branch network in 2018 in order to streamline costs, shorten decision-making processes and improve customer satisfaction.

Revenues[1] totalled 3,226 million euros, down by 0.8% compared to the first half 2016. Net interest income[1] was down by 3.1% given the impact of persistently low interest rates partly offset by business growth. For their part, fees[1] rose by 2.2% with a rise in particular of financial fees.

At 2,299 million euros, operating expenses[1] were up by 0.9% compared to the first half 2016. Excluding the impact of IFRIC 21[2], they were up by only 0.6%.

Gross operating income[1] thus came to 927 million euros, down by 4.7% compared to the same half last year.

The cost of risk[1] was still low, at 158 million euros (146 million euros in the first half 2016). It was 21 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 690 million euros in pre-tax income[3], down by 8.9% compared to first half 2016.

BNL banca commerciale (BNL bc)

The outstanding loans of BNL bc were up by 1.5% compared to the first half 2016, driven by growth in individual clients. Deposits rose by 11.0% with a sharp rise in current accounts. BNL bc delivered a good performance in off balance sheet savings: life insurance outstandings rose by 6.4% and mutual fund outstandings were up by 13.3% compared to 30 June 2016. Private banking reported good growth in assets under management (+5.3% compared to 30 June 2016). BNL bc continued to develop digital banking with close to 20% of new clients acquired through digital channels.

Revenues[4] were down by 2.1% compared to the first half 2016, at 1,456 million euros. Net interest income[4] was down by 6.1% due to the persistently low interest rate environment. Fees[4] were up by 5.5% in connection with the good development of off balance sheet savings and private banking.

Operating expenses[4], at 899 million euros, rose by 0.5% (+0.3% excluding the impact of IFRIC 21[2]), which reflects good control.

Gross operating income[4] thus totalled 557 million euros, down by 5.9% compared to the same half last year.

The cost of risk[4], at 114 basis points of outstanding customer loans, was down by 66 million euros compared to the first half 2016, reflecting a gradual improvement of the quality of the loan portfolio.

Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc generated 83 million euros in pre-tax income, up sharply compared to the first half 2016 (+46.5%).

[1] Including 100% of Private Banking in France (excluding PEL/CEL effects)
[2] Booking in particular in the first quarter of the increase of the contribution to the Single Resolution Fund accounted in the second quarter 2016 in Corporate Centre
[3] Excluding PEL/CEL effects of -1 million euros compared to -3 million euros in the first half 2016
[4] Including 100% of Private Banking in Italy

Belgian Retail Banking

BRB reported sustained business activity. Loans were up by 5.1% compared to the first half 2016 with good growth in loans to corporate customers and growth in mortgages. For their part, deposits rose by 3.5% thanks in particular to growth in current accounts. There was good growth in mutual fund outstandings (+8.6% compared to 30 June 2016) and private banking reported significant growth in assets under management (+6.5% compared to 30 June 2016).

Revenues[1] were up by 1.2%, compared to the first half 2016, at 1,861 million euros: net interest income[1] were down by 1.4%, the effect of the persistently low interest rate environment being only partly offset by volume growth. Fees[1] were up by 9.1% compared to a low level in the first half last year.

Operating expenses[1] rose by 2.7% compared to the first half 2016, to 1,383 million euros. Excluding the impact of IFRIC 21[2], they rose by only 0.5%, reflecting good control.

At 479 million euros, gross operating income[1] was down by 3.0% compared to the same semester last year.

The cost of risk[1] was down substantially at 27 million euros (70 million euros in the first half 2016) given in particular provision write-backs in the first half of this year.

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 422 million euros in pre-tax income, up by 8.1% compared to the first half 2016.

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

Domestic Markets' specialised businesses reported good growth in their activity: business development at Arval was sustained and the financed fleet showed strong growth (+7.7% compared to the first half 2016), there was solid growth in the financing outstandings of Leasing Solutions and Personal Investors saw a good level of new client acquisition.

Luxembourg Retail Banking's outstanding loans rose by 4.6% compared to the first half 2016, with growth in mortgages and corporate loans, and deposits were up by 16.9% with good inflows in particular on the corporate segment.

Revenues[3] were up on the whole by 1.0% compared to the first half 2016, at 1,360 million euros. Excluding a non-recurring item, they were up by 1.7%.

Operating expenses[3] rose by 5.3% compared to the first half 2016, to 787 million euros. Excluding the impact of IFRIC 21[4], they rose by 4.9% as a result of the development of the businesses and the costs to launch this semester new digital services in Arval.

The cost of risk[3] was down by 17 million euros compared to the first half 2016, at 39 million euros.

Thus, the contribution of these four business units, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was 565 million euros, up by 0.3% compared to the first half 2016.

[1] Including 100% of Private Banking in Belgium
[2] In particular booking in the first quarter 2017 of the new tax on lending institutions accounted in the 3rd quarter 2016
[3] Including 100% of Private Banking in Luxembourg
[4] In particular booking of the increase of the contribution to the Single Resolution Fund accounted in the second quarter 2016 in Corporate Centre

INTERNATIONAL FINANCIAL SERVICES

International Financial Services delivered a very good performance.

All its businesses reported a strong business drive: Personal Finance showed good growth and the business announced this semester the joint acquisition with PSA of General Motors Europe's financing activities; Europe-Mediterranean and BancWest posted good growth in their activity; the Insurance and Wealth and Asset Management businesses generated very good asset inflows (+6.8% compared to the level as at 30 June 2016).

Revenues were up by 4.5% compared to the first half 2016 at 7,844 million euros. It was up by 5.1% at constant scope and exchange rates with a rise in all the businesses as a result of good business development.

Operating expenses (4,873 million euros) were up by 2.7% compared to the same half last year (+3.5% at constant scope and exchange rates), producing a very positive jaws effect.

Gross operating income thus came to 2,971 million euros, up by 7.5% compared to the same half last year (+7.8% at constant scope and exchange rates).

The cost of risk was at a low level, at 645 million euros, down by 50 million compared to the first half 2016.

International Financial Services' pre-tax income was thus up significantly by 13.5% compared to the first half 2016, at 2,627 million euros (+14.1% at constant scope and exchange rates).

Personal Finance

Personal Finance continued its very good drive. Outstanding loans were up by +11.5% compared to the first half 2016 in connection with the increase in demand in a favourable environment in Europe and the effect of new partnerships. Pursuant to its development plan, the business signed this quarter business agreements in new sectors (tourism with TUI in France) and in new countries (Austria in home furnishings). The business continued its innovations with the launch of new credit card features in Italy and Spain and the development of digital with already 23% of digital signatures on mobile phones in Italy after the launch of the feature in the first quarter 2017.

Personal Finance announced this semester the joint acquisition with PSA of General Motors Europe's financing activities[1]. The acquisition price for 50% of the capital was 450 million euros equivalent to a multiple of 0.8 times the pro forma book value. Under the partnership agreement, BNP Paribas will fully consolidate the entity. General Motors Europe's financing activities meet the financing needs of close to 1,800 car dealers in 11 European countries and amounted to about 9.6 billion euros in outstandings at the end of 2016, of which about 5.8 billion euros are financed with deposits or securitisation.

Finally, the business announced this semester the acquisition of SevenDay Finans AB, a consumer credit specialist in Sweden. SevenDay Finans AB has 70,000 clients and its outstanding loans totalled 579 million euros as at 30 June 2017.

Revenues of Personal Finance were up by 4.5% compared to the first half 2016, to 2,421 million euros, in connection with the rise in volumes and the growing positioning on products with a better risk profile.

[1] Closing expected in the 4th quarter 2017 subject to regulatory approvals

Operating expenses were up by 5.0% compared to the first half 2016, at 1,213 million euros. Excluding the impact of IFRIC 21[1] and non-recurring items, they were up by 3.7% as a result of good business development.

Gross operating income thus came to 1,208 million euros, up by 4.0% compared to the same half last year.

The cost of risk was at a low level, at 465 million euros (470 million euros in the first half 2016), or 139 basis points of outstanding customer loans, due to the low interest rate environment and the growing positioning on products with a better risk profile.

After taking into account the income of the associated companies, up significantly[2], Personal Finance's pre-tax income thus came to 798 million euros, up by 14.6% compared to the first half 2016.

Europe-Mediterranean

Europe-Mediterranean continued its growth. Outstanding loans rose by 5.4%[3] compared to the first half 2016 with growth in all regions and deposits were up by 9.5%[3]. There was a sustained development in digital with 420,000 clients already for CEPTETEB in Turkey and more than 205,000 clients for BGZ OPTIMA in Poland.

At 1,183 million euros, revenues[4] were up by 5.1%[3] compared to the first half 2016, as a result of higher volumes.

Operating expenses[4], at 845 million euros, rose by 4.7%[3] compared to the same half last year, due to good business development.

The cost of risk[4] totalled 137 million euros (183 million euros in the first half 2016), or 71 basis points of outstanding customer loans. It benefited this semester from 61 million euros in provision write-backs.

After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean generated 300 million euros in pre-tax income, up sharply (19.6%[5]) compared to the same half last year.

BancWest

BancWest continued its strong commercial drive. Loans were up by 7.5%[3] compared to the first half 2016 with sustained growth in loans to corporate and individuals. Deposits were up by 11.3%[3] with a good rise in current and savings accounts. Private banking's assets under management (12.6 billion U.S. dollars as at 30 June 2017) were up by 15.8%[3] compared to the level as at 30 June 2016. BancWest continued the development of its digital banking and already has 385,000 users of its online services. Lastly, the business is developing its cooperation with the whole Group ("One Bank for Corporates", Leasing Solutions and Personal Finance).

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[1] In particular booking this semester of the increase of the contribution to the Single Resolution Fund accounted in the second quarter 2016 in Corporate Centre

[2] Reminder: depreciation of the shares of a subsidiary in the 2nd quarter 2016

[3] At constant scope and exchange rates

[4] Including 100% of Private Banking in Turkey

[5] At constant scope and exchange rates (+7.2% at historical scope and exchange rates given an unfavourable foreign exchange effect)

This semester was also marked by the successful placement of 20.6% of First Hawaiian Bank in the market. Now 62.0% owned, FHB will continue to be fully consolidated as long as the Group maintains its control.

Revenues[1] were up by +1.0%[2] at 1,523 million euros, compared to the first half 2016 which included significant capital gains from the sale of securities and loans. Excluding this effect, they were up by 6.7%[2], as a result of volume growth and higher rates.

At 1,069 million euros, operating expenses[1] rose by 2.3%[2] compared to the first half 2016, reflecting good cost control.

The cost of risk[1] (59 million euros) was still low, at 18 basis points of outstanding customer loans (48 million euros in the first half 2016).

Thus, after allocating one-third of U.S. Private Banking's net income to Wealth Management business, BancWest posted 384 million euros in pre-tax income (-7.9%[3] compared to the first half 2016 and +13.8%[4] excluding capital gains from the sale of securities and loans in the first half 2016).

Insurance and Wealth and Asset Management

Insurance and Wealth and Asset Management's assets under management[5] reached 1,033 billion euros as at 30 June 2017 (+6.8% compared to 30 June 2016). They rose by 23 billion euros compared to 31 December 2016 due in particular to good net asset inflows totalling 16.2 billion euros (strong asset inflows at Wealth Management in particular in France and in Asia; positive net asset inflows at Asset Management, in particular into diversified funds; good asset inflows in Insurance particularly in unit-linked policies) and a strong performance effect (22.8 billion euros) partly offset by an unfavourable foreign exchange effect (-16.2 billion euros).

As at 30 June 2017, assets under management[5] broke down as follows: Asset Management (421 billion euros), Wealth Management (355 billion euros), Insurance (232 billion euros) and Real Estate Services (24 billion euros).

Insurance's revenues, at 1,216 million euros, rebounded by 14.0% compared to the first half 2016. The business reported a good performance of the activity, in particular the protection insurance and the savings business in Asia. Operating expenses, at 623 million euros, rose by 6.2%, as a result of good business development. At 702 million euros, pre-tax income was thus up sharply by 19.7% compared to the same half last year.

Wealth and Asset Management's revenues (1,533 million euros) were up across all the businesses and rose by 4.6% compared to the first half 2016. Operating expenses were well under control and were down by 0.1% at 1,143 million euros. Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, was thus up sharply at 443 million euros compared to the first half 2016 (+27.0%).

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[1] Including 100% of Private Banking in the United States
[2] At constant scope and exchange rates
[3] At constant scope and exchange rates (-4.5% at historical scope and exchange rates)
[4] At constant scope and exchange rates (+17.9% at historical scope and exchange rates)
[5] Including distributed assets

CORPORATE AND INSTITUTIONAL BANKING (CIB)

CIB had very good semester.

Revenues were up by 11.8% compared to the first half 2016 at 6,420 million euros which saw an unfavourable market environment at the beginning of the year.

Revenues were up sharply in all the businesses.

Global Markets' revenues were up strongly compared to the first half 2016 (+14.0%) at 3,277 million euros, with a significant pick-up in client business compared to a very challenging market context at the beginning of the year 2016.

The revenues of FICC[1] were up by 6.1% at 2,057 million euros. The business ranked number 1 for all bond issues in euros and number 9 for all international bond issues. The revenues of the Equity and Prime Services were up sharply by 30.2% at 1,220 million euros driven by a rebound in client business in derivative and good growth of Prime Services.

The VaR, which measures market risks, was very low (29 million euros compared to 38 million euros in the first semester 2016). The business also continued the optimisation of resources this semester with the sale of a sub-profitable portfolio accounting for 2.5 billion euros in risk-weighted assets.

Securities Services' revenues rose by 8.2% compared to the first half 2016 at 975 million euros, due to volume growth and the effect of new mandates. Assets under custody were up by 10.7% compared to 30 June 2016. The business won significant new mandates: Mapfre (60 billion euros in assets under custody), Actiam (56 billion euros in assets under custody) and Asian Infrastructure Investment Bank (18 billion euros in assets under custody).

Corporate Banking's revenues were up by 10.3% at 2,167 million euros compared to the first half 2016 with good growth in all regions. Loans, at 133.3 billion euros, were up by 4.9% compared to the first semester 2016. Deposits continued their growth, at 133.4 billion euros (+19.4% compared to the first semester 2016), as a result of the good growth of cash management.

CIB's operating expenses were up by 2.8% compared to the first half 2016 at 4,494 million euros. They benefitted from cost saving measures implemented since the launch of the CIB's transformation plan as early as the beginning of 2016. CIB thus produced a very positive jaws effect, reflecting the strong improvement of its operating efficiency.

CIB's gross operating income was thus up very sharply by 40.6% at 1,926 million euros. CIB booked 172 million euros in net write-backs (net provision of 74 million euros in the first half 2016): Corporate Banking booked a net write-back of 135 million euros (net provision of 98 million euros in the first half 2016) and Global Markets of 36 million euros (net write-back of 23 million euros in the first half 2016). CIB thus reported an excellent performance and generated 2,126 million euros in pre-tax income, recording a strong rebound (+62.3%) compared to a low base in the same half last year.

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[1] Fixed Income, Currencies and Commodities

CORPORATE CENTRE

Corporate Centre revenues totalled 360 million euros compared to 1,268 million euros in the first half 2016. They included -207 million euros in Own Credit Adjustment (OCA) and Debit Valuation Adjustment (DVA) (+161 million euros in the first half 2016), and capital gain from the sale of Shinhan and Euronext shares for a total of +233 million euros. There was also a very good contribution by Principal Investments. They included in the first half 2016 a capital gain of +597 million euros from the sale of Visa Europe shares.

Operating expenses totalled 608 million euros compared to 477 million euros in the first half 2016. They included the exceptional impact of 36 million euros in the acquisitions' restructuring costs[1] (74 million euros in the first half 2016) and 243 million euros in transformation costs of the businesses (80 million in the first half 2016).

The cost of risk totalled 106 million euros (3 million euros in net write-backs in the first half 2016).

Non-operating items totalled 57 million euros (-18 million euros in the first half 2016) due in particular to the goodwill depreciation of the shares of a subsidiary.

The Corporate Centre's pre-tax income was thus -296 million euros compared to 776 million euros in the first half 2016.

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[1] In particular LaSer, Bank BGZ, DAB Bank and GEE LLD

FINANCIAL STRUCTURE

The Group's balance sheet is very solid.

The fully loaded Basel 3 common equity Tier 1 ratio[1] was 11.7% as at 30 June 2017, up by 20 basis points compared to 31 December 2016, due primarily to the net income of the semester after taking into account a 50% dividend pay-out ratio.

The Basel 3 fully loaded leverage ratio[2], calculated on total Tier 1 capital, totalled 4.2% as at 30 June 2017.

The Liquidity Coverage Ratio stood at 116% as at 30 June 2017.

The Group's liquid and asset reserve immediately available totalled 344 billion euros (305 billion euros as at 31 December 2016), which is equivalent to more than one year of room to manoeuvre in terms of wholesale funding.

The evolution of these ratios illustrates the Group's ability to manage its balance sheet in a disciplined manner within the constraints of the regulatory framework.

[1] Taking into account all the rules of the CRD4 directives with no transitory provisions. Subject to the provisions of Article 26.2 of Regulation (EU) No 575/2013

[2] Taking into account all the rules of the CRD4 directives in 2019 with no transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014

BNP PARIBAS
SECOND QUARTER 2017 RESULTS

28 JULY 2017

The bank for a changing world

Disclaimer

The figures included in this presentation are unaudited.

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2Q17 Key Messages

Good growth in the revenues of the operating divisions	**Revenues of the operating divisions: +2.5% vs. 2Q16**
Decrease in operating expenses thanks to the efficiency measures	**Operating expenses of the operating divisions: -0.4% vs. 2Q16**
Significant decrease in the cost of risk	**-16.3% vs. 2Q16 36 bp***
Sharp increase in Net Income attributable to equity holders excluding exceptional items**	**Net income Group share: €2.4bn (+17.2% excluding exceptional items**)**
Continued increase in the CET1 ratio***	**11.7% (11.6% as at 31.03.17)**

Good business and income drive

** Cost of risk/Customer loans at the beginning of the period (in annualised bp); ** See slide 5; *** As at 30 June 2017, CRD4 ("fully loaded» ratio")*

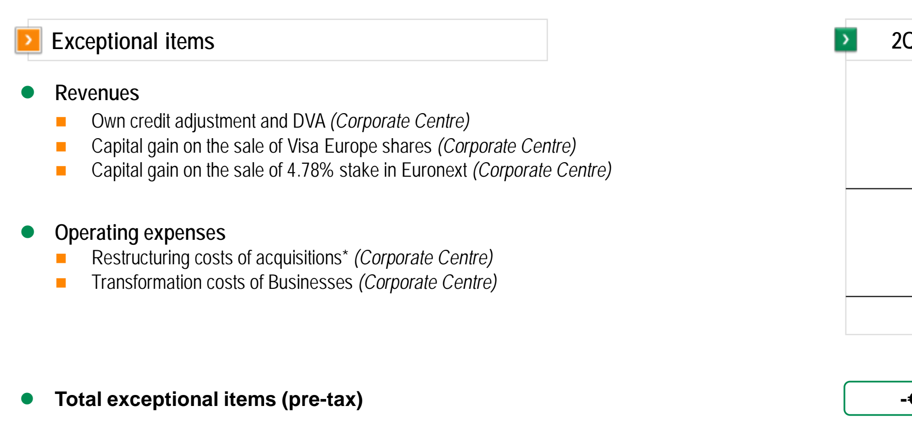
Group Results

Division Results

1H17 Detailed Results

Appendix

Main Exceptional Items - 2Q17



Exceptional items	2Q17	2Q16
Revenues		
Own credit adjustment and DVA *(Corporate Centre)*	-€200m	-€204m
Capital gain on the sale of Visa Europe shares *(Corporate Centre)*		+€597m
Capital gain on the sale of 4.78% stake in Euronext *(Corporate Centre)*	+€85m	
	-€115m	*+393 M€*
Operating expenses		
Restructuring costs of acquisitions* *(Corporate Centre)*	-€15m	-€50m
Transformation costs of Businesses *(Corporate Centre)*	-€153m	-€58m
	-€168m	*-€108m*
Total exceptional items (pre-tax)	**-€283m**	**+€285m**
Total exceptional items (after tax)**	**-€170m**	**+€370m**

Negative impact of the exceptional items vs. 2Q16

* Restructuring costs in particular of LaSer, Bank BGZ, DAB Bank, and GE LLD; ** Group share

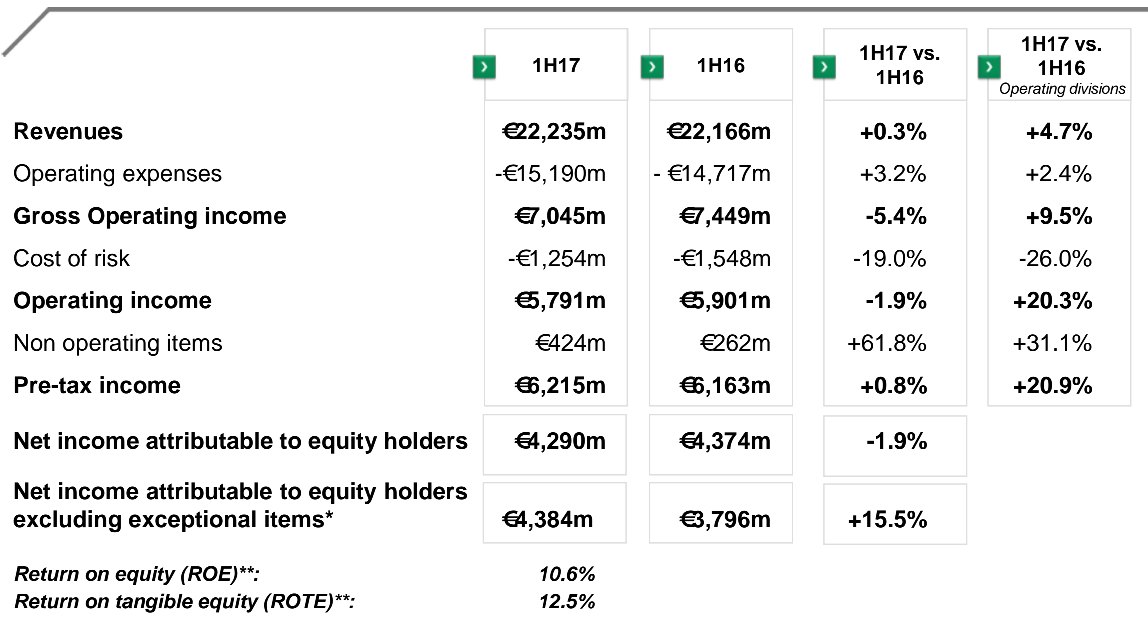
Consolidated Group - 2Q17

	2Q17	2Q16	2Q17 vs. 2Q16	2Q17 vs. 2Q16 *Operating divisions*
Revenues	**€10,938m**	**€11,322m**	**-3.4%**	**+2.5%**
Operating expenses	-€7,071m	-€7,090m	-0.3%	-0.4%
Gross Operating Income	**€3,867m**	**€4,232m**	**-8.6%**	**+7.4%**
Cost of risk	-€662m	-€791m	-16.3%	-27.7%
Operating income	**€3,205m**	**€3,441m**	**-6.9%**	**+16.4%**
Non operating items	€256m	€84m	n.s.	n.s.
Pre-tax income	**€3,461m**	**€3,525m**	**-1.8%**	**+18.1%**
Net income attributable to equity holders	**€2,396m**	**€2,560m**	**-6.4%**	
Net income attributable to equity holders excluding exceptional items*	**€2,566m**	**€2,190m**	**+17.2%**	

Very good performance of the operating divisions
Significant rise in net income excluding exceptional items

* See slide 5

Consolidated Group - 1H17



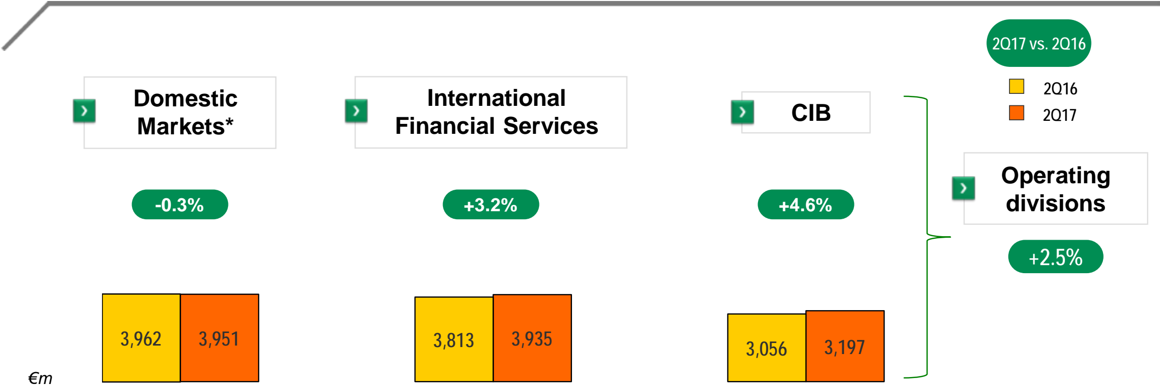
	1H17	1H16	1H17 vs. 1H16	1H17 vs. 1H16 Operating divisions
Revenues	**€22,235m**	**€22,166m**	**+0.3%**	**+4.7%**
Operating expenses	-€15,190m	- €14,717m	+3.2%	+2.4%
Gross Operating income	**€7,045m**	**€7,449m**	**-5.4%**	**+9.5%**
Cost of risk	-€1,254m	-€1,548m	-19.0%	-26.0%
Operating income	**€5,791m**	**€5,901m**	**-1.9%**	**+20.3%**
Non operating items	€424m	€262m	+61.8%	+31.1%
Pre-tax income	**€6,215m**	**€6,163m**	**+0.8%**	**+20.9%**
Net income attributable to equity holders	**€4,290m**	**€4,374m**	**-1.9%**	
Net income attributable to equity holders excluding exceptional items*	**€4,384m**	**€3,796m**	**+15.5%**	

Return on equity (ROE)**: ***10.6%***
Return on tangible equity (ROTE)**: ***12.5%***

Very good operating performance in the first half of the year

** Exceptional items: see slide 36; ** Contribution to the Single Resolution Fund, systemic taxes and exceptional items non annualised*

Revenues of the Operating Divisions - 2Q17

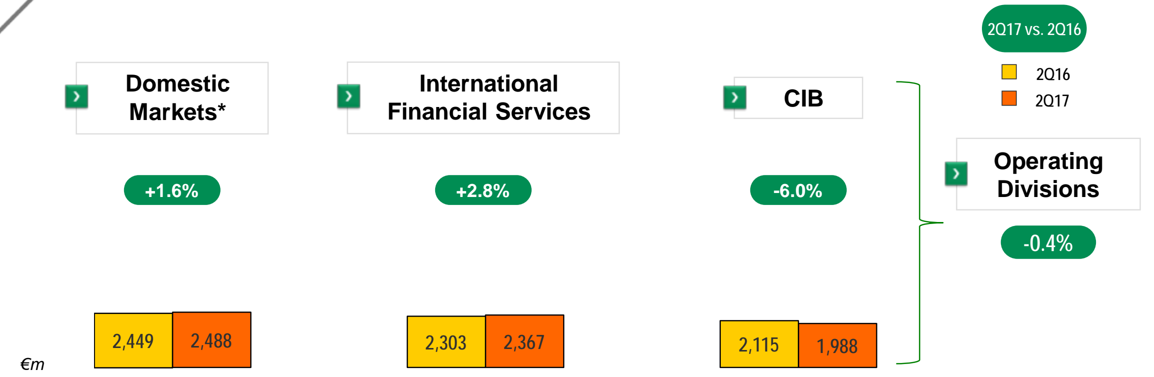


- Significant growth at IFS and CIB
- Slight decrease in the revenues of Domestic Markets due to the low interest rate environment but good business development

Good growth in the revenues of the operating divisions

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

Operating expenses of the Operating Divisions - 2Q17



- Effects of the cost savings measures
- Decrease at CIB (reminder: CIB transformation plan launched as early as 2016)
- Impact of business growth at IFS
- Domestic Markets: rise as a result of the development of the specialised businesses (only +0.5% on average for FRB, BNL bc and BRB)

Decrease in costs thanks to the operating efficiency plan

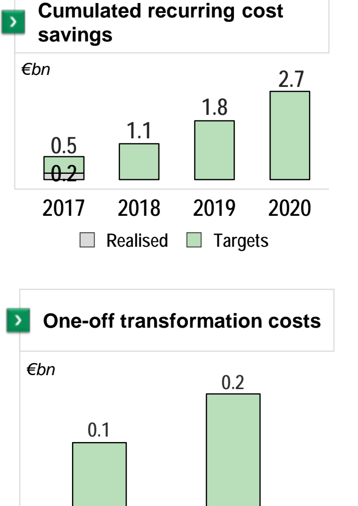
* Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg

2020 Transformation Plan

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

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

- An ambitious programme of new customer experience, digital transformation & savings
  - Build the bank of the future by accelerating the digital transformation
- Active implementation of the transformation plan throughout the entire Group
  - ~150 significant programmes identified*
- Cost savings: €186m since the launch of the project
  - Of which €112m booked in 2Q17
  - Breakdown of cost savings by operating division: 63% at CIB (reminder: launch of the savings plan as early as 2016 at CIB); 15% at Domestic Markets; 22% at IFS
  - Reminder: target of €0.5bn in savings this year
- Transformation costs: €153m in 2Q17**
  - €243m in 1H17
  - Gradual increase to an average level of about €250m per quarter
  - Reminder: €3bn in transformation costs by 2019

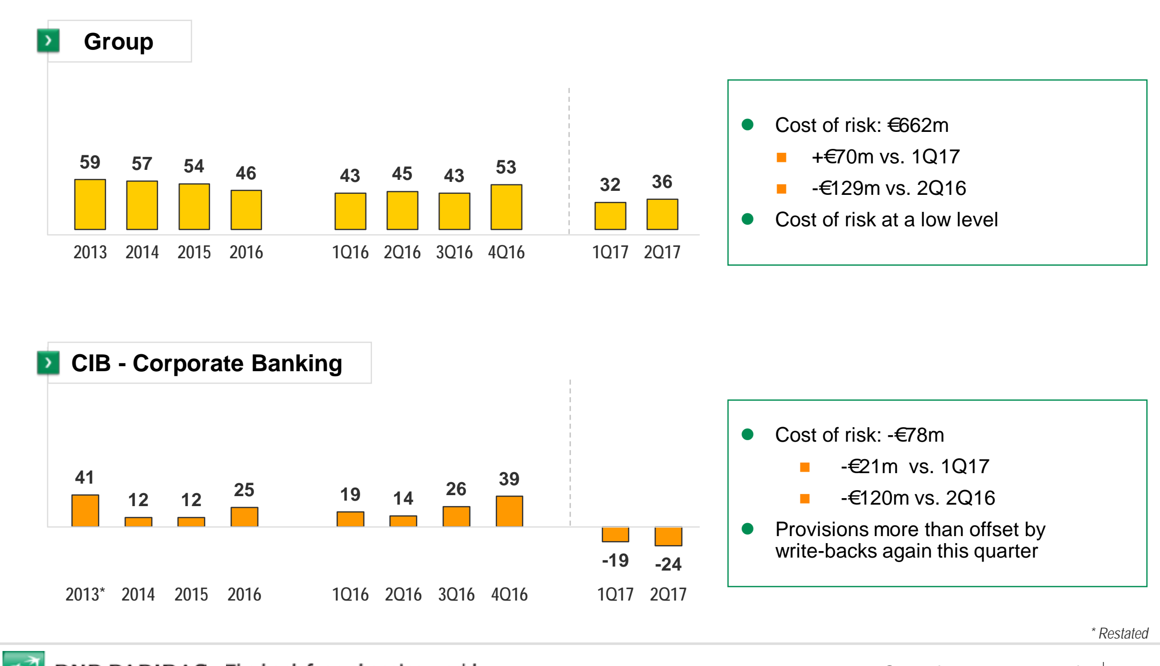


Active implementation of the 2020 transformation plan

* Savings generated > €5m; ** Breakdown of the transformation costs of the businesses presented in the Corporate Centre: slide 70

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)



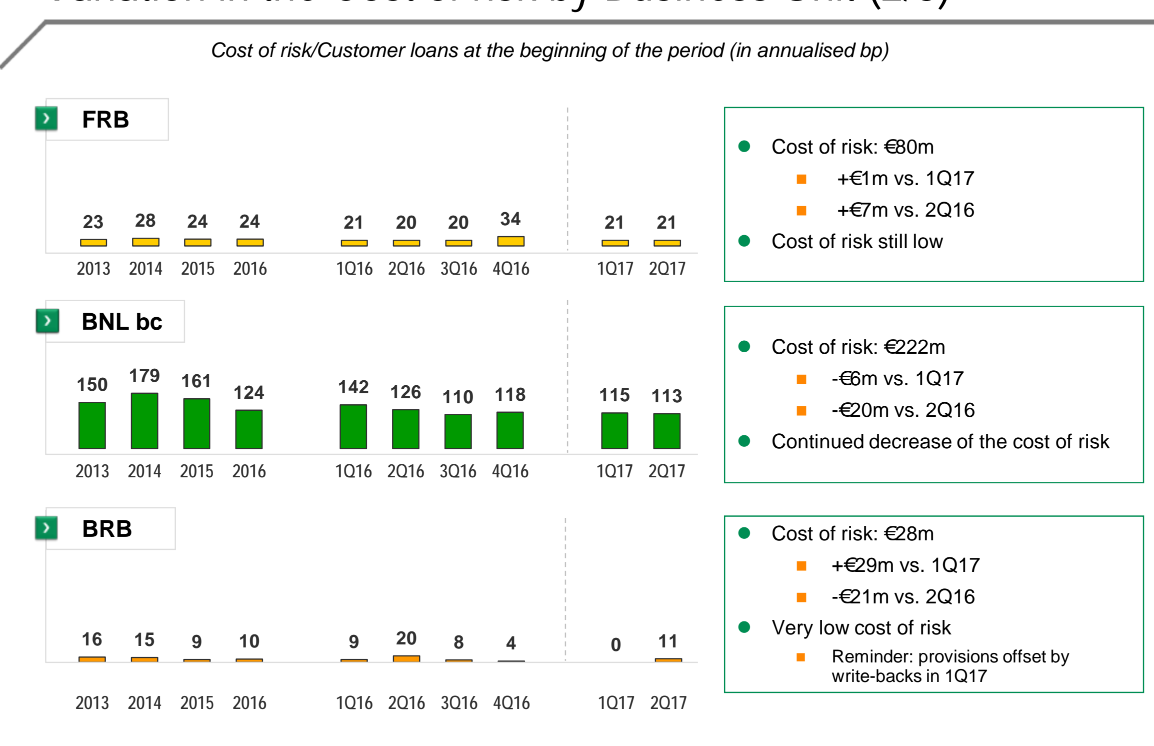
- Cost of risk: €662m
  - +€70m vs. 1Q17
  - -€129m vs. 2Q16
- Cost of risk at a low level

- Cost of risk: -€78m
  - -€21m vs. 1Q17
  - -€120m vs. 2Q16
- Provisions more than offset by write-backs again this quarter

* 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)

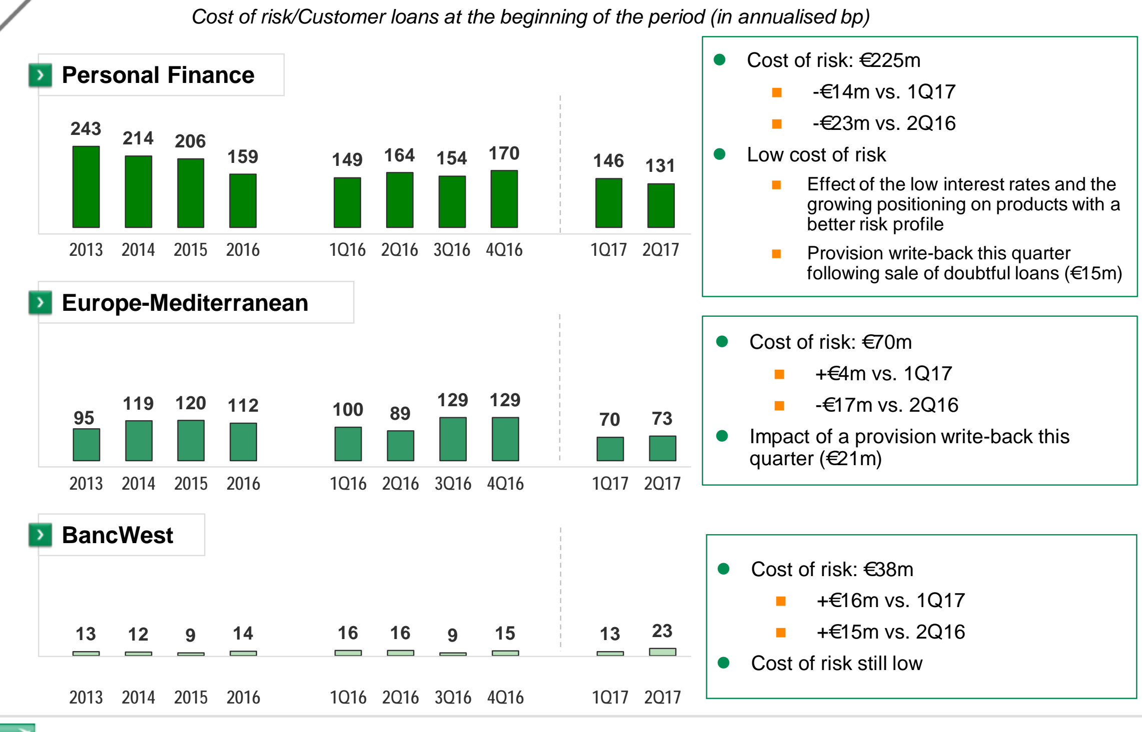


- Cost of risk: €80m
  - +€1m vs. 1Q17
  - +€7m vs. 2Q16
- Cost of risk still low

- Cost of risk: €222m
  - -€6m vs. 1Q17
  - -€20m vs. 2Q16
- Continued decrease of the cost of risk

- Cost of risk: €28m
  - +€29m vs. 1Q17
  - -€21m vs. 2Q16
- Very low cost of risk
  - Reminder: provisions offset by write-backs in 1Q17

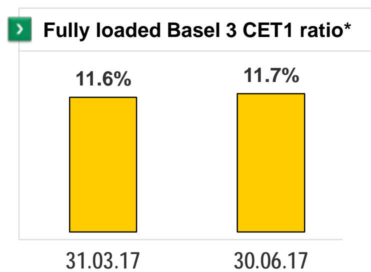
Variation in the Cost of risk by Business Unit (3/3)



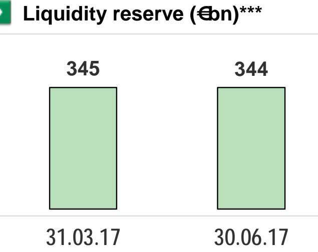
Financial Structure

- Fully loaded Basel 3 CET1 ratio*: 11.7% as at 30.06.17 (+10 bp vs. 31.03.17)
  - 2Q17 results after taking into account a 50% dividend pay-out ratio (+20 bp)
  - Increase in risk-weighted assets excluding foreign exchange effect (-10 bp)
  - Overall negligible foreign exchange effect on the ratio
- Fully loaded Basel 3 leverage**: 4.2% as at 30.06.17
- Liquidity Coverage Ratio: 116% as at 30.06.17
- Immediately available liquidity reserve: €344bn*** (€345bn as at 31.03.17)
  - Equivalent to over one year of room to manœuvre in terms of wholesale funding

Fully loaded Basel 3 CET1 ratio*



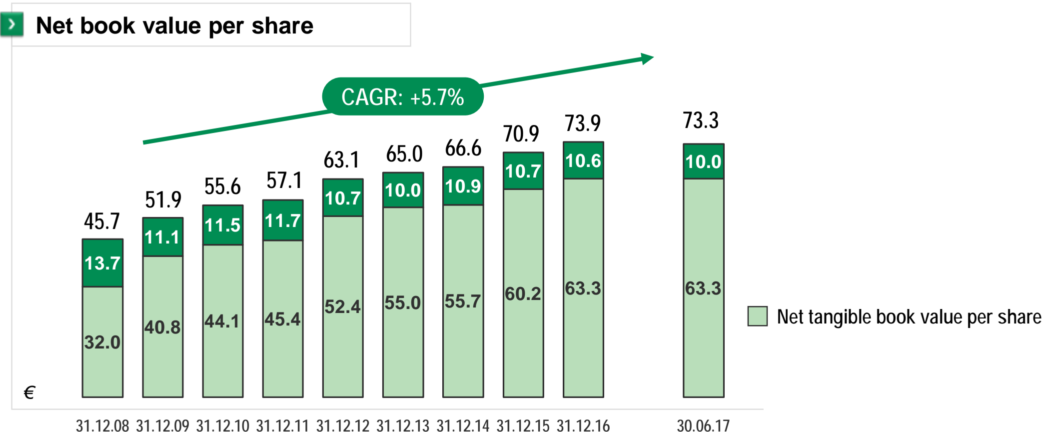
Liquidity reserve (€bn)***



Increase in the fully loaded 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 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

Net Book Value per Share



- Payment on 1st June 2017 of a €2.70 dividend per share, fully in cash

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

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Settlements in the US on Past Activity in the FX Markets
A Reinforced Internal Control System

- Settlements with U.S. supervisory authorities* concerning past misconduct in foreign exchange activities
  - Including the payment of a total of $596m (€525m) in fines, covered by existing provisions
  - Conduct which led to these settlements occurred during the period 2007-2013
  - Implementation since that time of extensive measures to strengthen the compliance and control systems: in reaching the settlements, these improvements were acknowledged by the U.S. authorities
- Reinforcement of Compliance and control procedures
  - Increased staffing of the Compliance function (>3,600 people as at 30.06.17, +126% vs. 31.12.13) and General Inspection (>1,230 people as at 30.06.17, +28% vs. 31.12.13)
  - New Code of Conduct distributed to employees and bolstered operational implementation of a stronger culture of compliance with in particular the introduction of compulsory training programmes
  - Increase in the number of controls performed by General Inspection
- Continued implementation of the remediation plan agreed in the June 2014 comprehensive settlement with the U.S. authorities
  - 75% of the 47 projects already completed, in line with the timetable defined

* *Settlement on 24 May 2017 with the New York State Department of Financial Services and on 17 July 2017 with the U.S. Federal Reserve*

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An Ambitious Policy of Engagement in our Society

OUR ECONOMIC RESPONSIBILITY	OUR SOCIAL RESPONSIBILITY	OUR CIVIC RESPONSIBILITY	OUR ENVIRONMENTAL RESPONSIBILITY
Financing the economy in an ethical manner	Developing and engaging our people responsibly	Being a positive agent for change	Combating climate change

Creation of a Company Engagement Department

- Represented in the Group Executive Committee
- Will define and implement the company's engagement strategy relating to economic development, environmental and energy transition, social inclusion and regional development, diversity and respect of human rights

A corporate culture marked by ethical responsibility

- Publication of a declaration of compliance with the UK Modern Slavery Act aimed in particular at making sure there is no traffic of human beings in the supply chain

A positive impact for society through our financing and our philanthropic actions

- One of the 4 founding companies of the charitable foundation, *La France s'engage*, that supports social innovation initiatives
- Investment of €20m by BNP Paribas Cardif in *Hémisphère*, a €100m social impact fund, that focuses on welcoming, housing and supporting people facing difficulties

A major role in the transition towards a low carbon economy

- Lead arranger for Barry Callebaut of a 5 year syndicated loan of €750m which price is linked to the client's sustainable development performances
- Green bonds: equivalent of $3.2bn placement in 1H17 (+88% vs. 1H16)

Group Results

Division Results

1H17 Detailed Results

Appendix

Domestic Markets - 2Q17

- Growth in business activity
  - Loans: +5.7% vs. 2Q16, good growth in loans in the retail banking networks and in the specialised businesses
  - Deposits: +9.2% vs. 2Q16, strong growth in all countries
  - Private banking: increase in assets under management (+7.9% vs. 30.06.16) and good net asset inflows (€1.5bn in 2Q17)
  - Hello bank!: continued growth and good level of customer acquisition in particular in France (+18% / 2Q16*)
  - New customer experience and accelerating digital transformation: acquisition of Compte-Nickel and launch of Lyf pay

- Revenues**: €3,951m (-0.3% vs. 2Q16)
  - Growth in the business but impact of the low interest rate environment
  - Growth in fees in all the networks
- Operating expenses**: €2,488m (+1.6% vs. 2Q16)
  - As a result of business development investments this quarter in the specialised businesses
  - +0.5% on average for FRB, BNL bc and BRB
- Pre-tax income***: €1,052m (-2.3% vs. 2Q16)
  - Decrease in the cost of risk, in particular at BNL bc

Loans (€bn) — +5.7%

	2Q16	2Q17
Other DM	39	41
BRB	96	101
BNL bc	78	78
FRB	143	155
Total	355	375

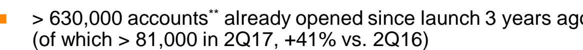
Deposits (€bn) — +9.2%

	2Q16	2Q17
Other DM	36	40
BRB	116	119
BNL bc	37	41
FRB	142	161
Total	330	361

Good drive in the business activity
Income at a high level

* Evolution of the number of new clients in France; ** Including 100% of Private Banking, excluding PEL/CEL; *** Including 2/3 of Private Banking, excluding PEL/CEL

Domestic Markets: New Customer Experience & Accelerating Digital Transformation



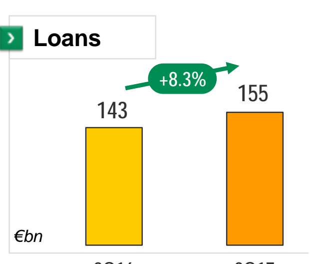
- Acquisition of Compte-Nickel* in France
  - > 630,000 accounts** already opened since launch 3 years ago (of which > 81,000 in 2Q17, +41% vs. 2Q16)
  - Extended the exclusive partnership with the French *Confédération des Buralistes:* already 2,675 points of sale (expected to increase to ~10,000)
- Rationale: differentiated service models adapted to client needs
  - Strengthen the Group set-up designed to new banking uses: a distinct offering complementary to BNP Paribas branch network and Hello bank!
  - Accelerate Compte-Nickel's development: targeting 2 million accounts by 2020

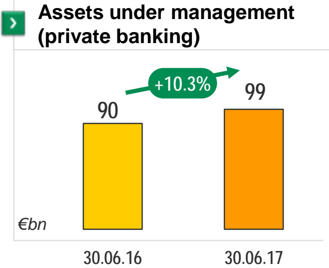
- New high value-added app launched in France***
  - Universal mobile payment solution combining payment cards, loyalty programmes and discount offers
  - Resulting from the merger of Wa! by BNP Paribas and Fivory by Crédit Mutuel****
  - In partnership with leading retail groups such as Carrefour, Auchan and Total
  - Providing a service platform that can be customised according to partners' preferences

* Closing of the acquisition on 12 July 2017 (results will be accounted in Other Domestic Markets); ** As at 12 July 2017; *** May 2017; **** CM11-CIC

Domestic Markets
French Retail Banking - 2Q17

- Very good business drive
  - Loans: +8,3% vs. low base in 2Q16, sustained growth in loans to individual and corporate customers
  - Deposits: +13.1% vs. 2Q16, strong growth in current accounts
  - Off balance sheet savings: good growth in life insurance outstandings (+4.5% vs. 30.06.16)
  - Private banking: strong increase in assets under management (+10.3% vs. 30.06.16), good net asset inflows this quarter (€623m)
- Announced the delayering of the network organisation to streamline costs and decision-making processes & improve customer satisfaction
  - Gradual move from 4 to 3 management levels in the branch network in 2018
- Revenues*: -0.1% vs. 2Q16
  - Net interest income: -1.7%, effect of the low interest rate environment partly offset by growth in the business activity
  - Fees: +1.8%, rise in financial fees
- Operating expenses*: +0.8% vs. 2Q16
  - Good cost containment
- Pre-tax income**: €371m (-6.8% vs. 2Q16)



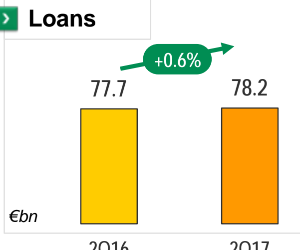


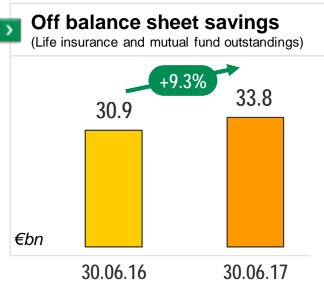
Strong drive in the business activity

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

Domestic Markets
BNL banca commerciale - 2Q17

- Growth in business activity
  - Loans: +0.6% vs. 2Q16, growth on individual clients
  - Deposits: +10.7% vs. 2Q16, sharp rise in current accounts
  - Off balance sheet savings: good performance (life insurance outstandings: +6.4% vs. 30.06.16, mutual fund outstandings: +13.3% vs. 30.06.16)
  - Private banking: good growth in assets under management (+5.3% vs. 30.06.16)
  - Digital development: nearly 20% of new clients acquired via digital channels
- Revenues*: -2.8% vs. 2Q16
  - Net interest income: -6.7% vs. 2Q16, impact of the low interest rate environment
  - Fees: +4.3% vs. 2Q16, rise in fees in connection with the good growth in off balance sheet savings and private banking
- Operating expenses*: -0.6% vs. 2Q16
  - Good cost containment
- Pre-tax income**: €65m (-0.3% vs. 2Q16)
  - Continued decrease in the cost of risk



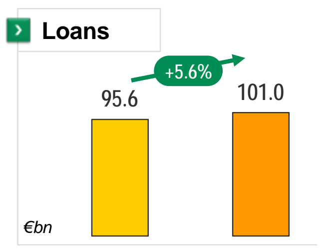


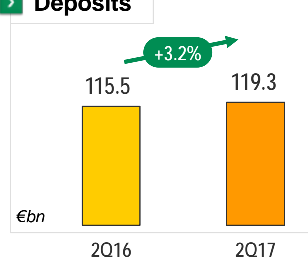
Growth in business activity
Continued decrease in the cost of risk

* Including 100% of Italian Private Banking; ** Including 2/3 of Italian Private Banking

Domestic Markets
Belgian Retail Banking - 2Q17

- Sustained business activity
  - Loans: +5.6% vs. 2Q16, good growth in loans to corporate customers; rise in mortgage loans
  - Deposits: +3.2% vs. 2Q16, growth in current accounts
  - Off balance sheet savings: good rise in mutual fund outstandings (+8.6% vs. 30.06.16)
  - Private banking: good growth in assets under management (+6.5% vs. 30.06.16)
  - Digital development: already over 1 million users of the Easy Banking app
- Revenues*: +0.8% vs.2Q16
  - Net interest income: -3.4% vs. 2Q16, impact of the low interest rate environment partly offset by volume growth
  - Fees: +13.8% vs. 2Q16, sharp rise in fees (reminder: low base in 2Q16)
- Operating expenses*: +0.9% vs. 2Q16
  - Good cost containment
- Pre-tax income**: €325m (+7.7% vs. 2Q16)
  - Decline in the cost of risk vs. 2Q16





Good business drive
but impact of the low interest rate environment

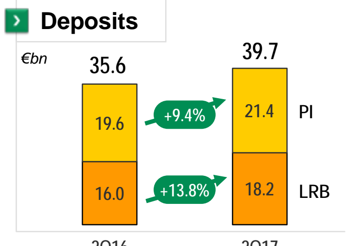
* Including 100% of Belgian Private Banking; ** Including 2/3 of Belgian Private Banking

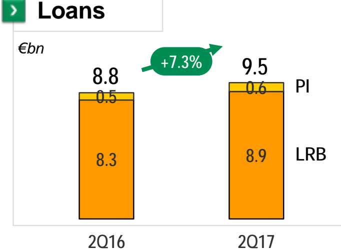
Domestic Markets
Other Activities - 2Q17

- Good overall drive of the specialised businesses
  - Arval: good growth in the financed fleet vs. 2Q16
  - Leasing Solutions: solid rise in outstandings
  - Personal Investors (PI): good level of new client acquisition; strong asset inflows (+€3.6bn)
- Luxembourg Retail Banking (LRB):
  - Good deposit inflows
  - Growth in mortgage loans
- Revenues* : +0.7% vs. 2Q16
- Operating expenses*: +7.8% vs. 2Q16
  - Costs this quarter to launch new digital services at Arval (in particular the Total Fleet reporting platform)
- Pre-tax income**: €291m (-6.6% vs. 2Q16)

BGL BNP Paribas named Best Bank in Luxembourg 2017 by the magazine Euromoney

EUROMONEY AWARDS FOR EXCELLENCE 2017





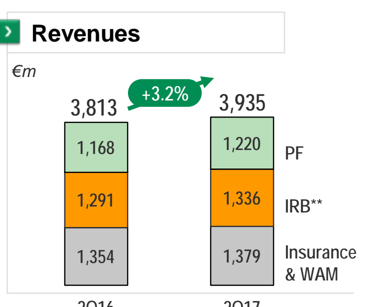
Good business growth

* Including 100% of Private Banking in Luxembourg; ** Including 2/3 of Private Banking in Luxembourg

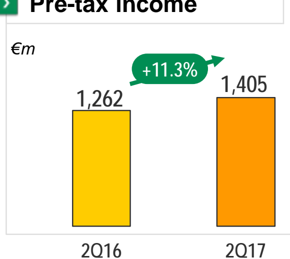
International Financial Services - 2Q17

- Good business activity
  - Personal Finance: continued its very good drive
  - International Retail Banking*: good business growth
  - Insurance and WAM: good growth in assets under management (+6.8% vs. 30.06.16)
- Revenues: €3,935m (+3.2% vs. 2Q16)
  - +4.2% at constant scope and exchange rates
  - Rise in all the businesses
- Operating expenses: €2,367m (+2.8% vs. 2Q16)
  - +4.1% at constant scope and exchange rates
  - Positive jaws effect
- GOI: €1,568m (+3.8% vs. 2Q16)
  - +4.4% at constant scope and exchange rates
- Pre-tax income: €1,405m (+11.3% vs. 2Q16)
  - Decrease in the cost of risk

Revenues



Pre-tax income



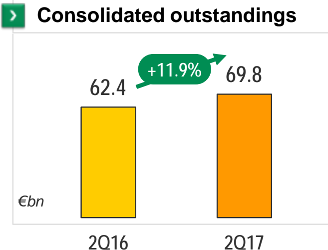
Good business activity and significant rise in income

* Europe Med and BancWest; ** Including 2/3 of Private Banking in Turkey and in the United States

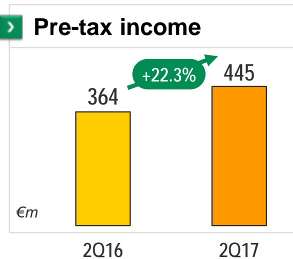
International Financial Services Personal Finance - 2Q17

- Acquisition of SevenDay Finans AB*, a consumer credit specialist in Sweden
  - 70,000 clients; outstandings loans: €579m at the end of June 2017
- Continued the very good sales and marketing drive
  - Outstanding loans: +11.9%, increase in demand in a favourable context in Europe and effect of new partnerships
  - Innovation: launch of new features on credit card and more flexible renewable accounts in Italy and Spain
  - Digital development: already 23% of digital signatures on mobile phones in Italy after the introduction of the feature in 1Q17
- Revenues: +4.4% vs. 2Q16
  - In connection with the rise in volumes and the positioning on products with a better risk profile
  - Good revenue growth in particular in Italy, Spain and Germany
- Operating expenses: +5.9% vs. 2Q16
  - +4.3% excluding non-recurring items
  - As a result of the good business development
- Pre-tax income: €445m (+22.3% vs. 2Q16)
  - Decrease in the cost of risk and rise in income from associated companies**

Consolidated outstandings



Pre-tax income

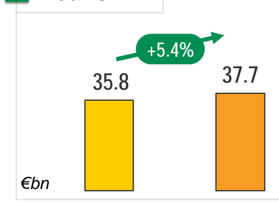


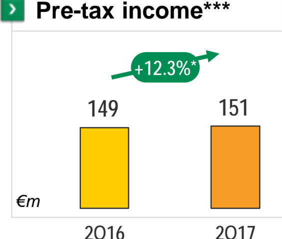
Very good sales and marketing drive and sharp rise in income

* Full consolidation of the entity starting on 1st July 2017; ** Reminder: depreciation of the shares of a subsidiary in the 2nd quarter 2016

International Financial Services Europe-Mediterranean - 2Q17

- Good business growth
  - Loans: +5.4%* vs. 2Q16, up in all regions
  - Deposits: +7.9%* vs. 2Q16, good growth
  - Digital: 420,000 clients for *Cepteteb* in Turkey and 205,000 clients for *BGZ Optima* in Poland
  - Innovation: launch of new secured payment solutions for e-commerce in sub-Saharan Africa (Senegal, Ivory Coast)
- Revenues**: +4.0%* vs. 2Q16
  - Effect of volume growth
- Operating expenses**: +4.5%* vs. 2Q16
  - As a result of the good business growth
- Pre-tax income***: €151m (+12.3%* vs. 2Q16)
  - +1.6% at historical scope and exchange rates (unfavourable exchange rate effect)
  - Decrease in the cost of risk (impact of a provision write-back)





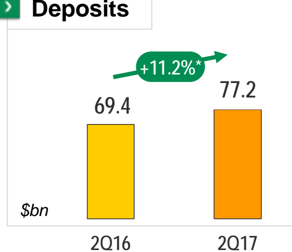
Good business growth

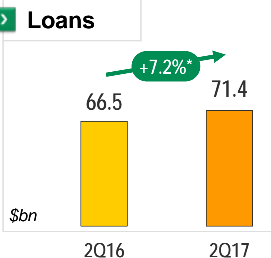
* At constant scope and exchange rates (see data at historical scope and exchange rates in the Appendix); ** Including 100% of Turkish Private Banking; *** Including 2/3 of Turkish Private Banking

BNP PARIBAS The bank for a changing world — Second quarter 2017 results | 27

International Financial Services BancWest - 2Q17

- Continued strong business drive
  - Deposits: +11.2%* vs. 2Q16, good rise in current and savings accounts
  - Loans: +7.2%* vs. 2Q16, sustained growth in individual and corporate loans
  - Private Banking: +15.8%* increase in assets under management vs. 30.06.16 ($12.6bn as at 30.06.17)
  - Digital banking: already more than 385,000 customers using on-line banking services
  - Development of cooperation with the whole Group (*One Bank for Corporates*, Leasing Solutions and Personal Finance)
- Revenues**: +7.9%* vs. 2Q16
  - Effect of volume growth and higher interest rates
  - Increase in commissions
- Operating expenses**: +3.9%* vs. 2Q16
  - Related to the good business drive
  - Very positive jaws effect
- Pre-tax income***: €206m (+11.1%* vs. 2Q16)
  - +14.2% at historical scope and exchange rate (positive exchange rate effect)





Strong sales and marketing drive
Very good operating performance

* At constant scope and exchange rates (USD vs. EUR average rates: +2.6% vs. 2Q16; figures at historical scope and exchange rates in the Appendix); ** Including 100% of Private Banking in the United States; *** Including 2/3 of Private Banking in the United States

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International Financial Services
Insurance and WAM - Asset Flows and AuM - 2Q17

- Assets under management*: €1,033bn as at 30.06.17
  - +6.8% vs. 30.06.16 (+2.2% vs. 31.12.16)
  - Good net asset inflows
  - Strong performance effect partly offset by an unfavourable foreign exchange effect
- Net asset flows: +€16.2bn in 1H17 (of which +€1.0bn in 2Q17)
  - Wealth Management: good asset inflows, in particular in France and in Asia
  - Asset Management: asset inflows in particular into diversified funds
  - Insurance: good asset inflows particularly in unit-linked policies
- Asset Management
  - Adoption of the single brand BNP Paribas Asset Management
  - Creation of a specialised team to manage "private debt and real assets" (in particular infrastructure and real estate)
- Wealth Management awards' winner at the WealthBriefing European Awards 2017
  - Named "Best Private Bank in Europe and Asia"

Evolution of assets under management*

€bn

31.12.16	Net asset flows	Performance effect	Foreign exchange effect	Others	TOTAL 30.06.17
1,010	+16.2	+22.8	-16.2	-0.1	1,033

Assets under management*

€bn

+€139bn (of which: +€87bn of net asset flows)

31.12.14	31.12.15	31.12.16	30.06.17
894	954	1,010	1,033

As at 30.06.17: Insurance 232; Real Estate Services 24; Wealth Management 355; Asset Management 421

Continued good business development

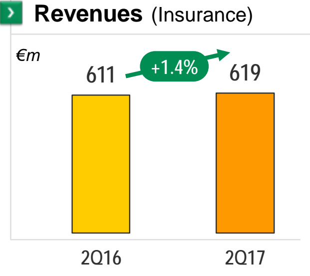
* Including distributed assets

International Financial Services
Insurance and WAM - 2Q17

Insurance

- Revenues: €619m; +1.4% vs. 2Q16
  - Positive market evolution; good performance of protection insurance and savings in Asia
  - Reminder: high level of capital gains realised in 2Q16
- Operating expenses: €297m; +7.0% vs. 2Q16
  - As a result of the good development of the business
- Pre-tax income: €376m; -2.9% vs. 2Q16

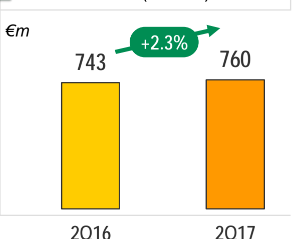
Revenues (Insurance)



Wealth and Asset Management*

- Revenues: €760m; +2.3% vs. 2Q16
  - Rise in revenues in particular in Asset Management
- Operating expenses: €567m; -1.7% vs. 2Q16
  - Good cost containment
  - Positive jaws effect
- Pre-tax income: €226m; +24.6% vs. 2Q16

Revenues (WAM*)



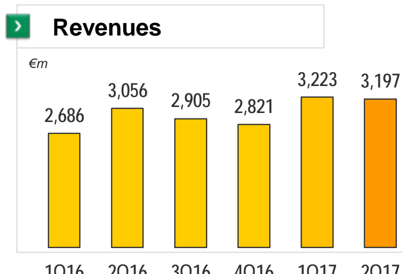
Insurance: revenue growth vs. high base in 2Q16
WAM: good performance of all businesses

* Asset Management, Wealth Management, Real Estate Services

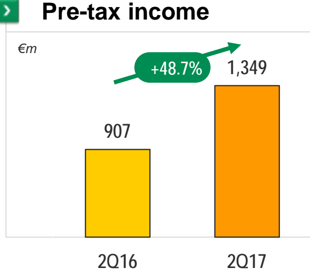
Corporate and Institutional Banking - 2Q17 Summary

- Revenues: €3,197m (+4.6% vs. 2Q16)
  - Significant rise in revenues compared to a high base in 2Q16
  - Revenue growth at Corporate Banking (+13.5%) and Securities Services (+7.9%)
  - Global Markets held up well (-2.3%): lacklustre environment for FICC but sharp rise for Equity & Prime Services
- Operating expenses: €1,988m (-6.0% vs. 2Q16)
  - Effect of the cost-savings measures (reminder: launch of the CIB transformation plan at the beginning of 2016)
- Gross operating income: €1,209m (+28.4% vs. 2Q16)
  - Very positive jaws effect for the 4th consecutive quarter
- Pre-tax income: €1,349m (+48.7% vs. 2Q16)
  - Provisions more than offset by write-backs again this quarter

Revenues



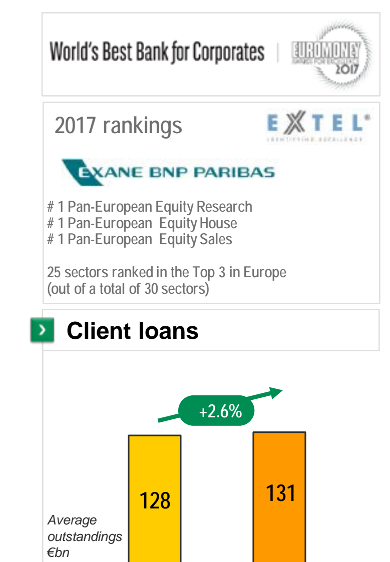
Pre-tax income



Significant rise in income
Continuous improvement of the operating efficiency

Corporate and Institutional Banking - 2Q17 Business Activity

- Recognised expertise
  - Euromoney 2017 awards: named 'World's Best Bank for Corporates" and "Best Digital Bank in Western Europe"
  - Exane-BNP Paribas: leading pan-European equity house, sales and research (#1 in Extel Survey 2017)
- Global Markets: less favourable environment this quarter
  - Lacklustre environment for FICC but good client volumes in equity derivatives
  - #1 for all bonds in EUR and #9 for all International bonds*
  - VaR again at a very low level (€27m)
- Securities Services: sustained business drive
  - Assets under custody: +10.7% vs. 2Q16; number of transactions: +6.5% vs. 2Q16
  - Gained global custody mandate from the Asian Infrastructure Investment Bank (€18bn in assets under custody)
- Corporate Banking: good business activity
  - Client loans: €131.3bn, +2.6% vs. 2Q16
  - Client deposits: €134.0bn, +18.3% vs. 2Q16, growth driven by the development of cash management



Good overall performance

* Source: Dealogic 1H17 in volume

Corporate and Institutional Banking - 2Q17 Revenues by Business Unit

- Global Markets: €1,523m (-2.3% vs. 2Q16)
  - Equity & Prime Services: +25.8% vs. 2Q16, strong growth sustained by the good performance of equity derivatives and the development of Prime Services
  - FICC: -15.9% vs. 2Q16, low business activity in all the segments (rates, forex, credit business and bond issues) compared to a favourable environment in 2Q16
- Securities Services: €498m (+7.9% vs. 2Q16)
  - Growth in assets under custody and in the number of transactions
  - Positive effect of the new mandates

Revenues by business unit

€m

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	
Total	2,687	3,056	2,905	2,821	3,223	3,197	+4.6% vs. 2Q16
Equity & Prime Services	428	509	408	446	580	640	+25.8% vs. 2Q16
FICC	890	1,050	1,082	838	1,174	883	-15.9% vs. 2Q16
Securities Services	440	461	457	466	478	498	+7.9% vs. 2Q16
Corporate Banking	929	1,037	958	1,071	991	1,176	+13.5% vs. 2Q16

- Corporate Banking: €1,176m (+13.5% vs. 2Q16)
  - Growth in the EMEA* and Asia-Pacific regions, stability in the Americas region
  - Growth in transaction banking (cash management, trade finance)
  - Good level of capital gains realised in the day-to-day business

Good revenue growth vs. high base in 2Q16

* Europe, Middle East, Africa

Conclusion

Good business drive

Sharp rise in the income of the operating divisions

Fully loaded Basel 3 CET1 ratio at 11.7%

Good start of the 2020 plan

Group Results

Division Results

1H17 Detailed Results

Appendix

Main Exceptional Items - 1H17

Exceptional items	1H17	1H16
Revenues		
Own credit adjustment and DVA (*Corporate Centre*)	-€207m	+€161m
Capital gain on the sale of Visa Europe shares *(Corporate Centre)*		+€597m
Capital gain on the sale of 1.8% stake in Shinhan *(Corporate Centre)*	+€148m	
Capital gain on the sale of 4.78% stake in Euronext *(Corporate Centre)*	+€85m	
	+€26m	*+€758m*
Operating expenses		
Restructuring costs of acquisitions* *(Corporate Centre)*	-€36m	-€74m
Transformation costs of Businesses *(Corporate Centre)*	-€243m	-€80m
	-€279m	*-€154m*
Total exceptional items (pre-tax)	**-€253m**	**+€604m**
Total exceptional items (after tax)**	**-€94m**	**+€578m**

** Restructuring costs in particular of LaSer, Bank BGZ, DAB Bank, and GE LLD; ** Group share*

BNP Paribas Group - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	**10,938**	**11,322**	**-3.4%**	**11,297**	**-3.2%**	**22,235**	**22,166**	**+0.3%**
Operating Expenses and Dep.	-7,071	-7,090	-0.3%	-8,119	-12.9%	-15,190	-14,717	+3.2%
Gross Operating Income	**3,867**	**4,232**	**-8.6%**	**3,178**	**+21.7%**	**7,045**	**7,449**	**-5.4%**
Cost of Risk	-662	-791	-16.3%	-592	+11.8%	-1,254	-1,548	-19.0%
Operating Income	**3,205**	**3,441**	**-6.9%**	**2,586**	**+23.9%**	**5,791**	**5,901**	**-1.9%**
Share of Earnings of Equity-Method Entities	223	165	+35.2%	165	+35.2%	388	319	+21.6%
Other Non Operating Items	33	-81	n.s.	3	n.s.	36	-57	n.s.
Non Operating Items	**256**	**84**	**n.s.**	**168**	**+52.4%**	**424**	**262**	**+61.8%**
Pre-Tax Income	**3,461**	**3,525**	**-1.8%**	**2,754**	**+25.7%**	**6,215**	**6,163**	**+0.8%**
Corporate Income Tax	-943	-864	+9.2%	-752	+25.4%	-1,695	-1,584	+7.0%
Net Income Attributable to Minority Interests	-122	-101	+20.8%	-108	+13.0%	-230	-205	+12.2%
Net Income Attributable to Equity Holders	**2,396**	**2,560**	**-6.4%**	**1,894**	**+26.5%**	**4,290**	**4,374**	**-1.9%**
Cost/Income	64.6%	62.6%	+2.0 pt	71.9%	-7.3 pt	68.3%	66.4%	+1.9 pt

- Corporate income tax: average tax rate of 29.1% in 1H17
  - Positive effect of low taxation on the capital gains from the sales of Shinhan and Euronext shares
- Operating divisions:
  - Revenues: +4.7% vs. 1H16
  - Operating expenses: +2.4% vs. 1H16
  - Gross operating income: +9.5% vs. 1H16
  - Cost of risk: -26.0% vs. 1H16
  - Pre-tax income: +20.9% vs. 1H16

Retail Banking and Services - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	**7,737**	**7,636**	**+1.3%**	**7,719**	**+0.2%**	**15,456**	**15,158**	**+2.0%**
Operating Expenses and Dep.	-4,784	-4,681	+2.2%	-5,305	-9.8%	-10,088	-9,867	+2.2%
Gross Operating Income	**2,953**	**2,956**	**-0.1%**	**2,414**	**+22.3%**	**5,368**	**5,291**	**+1.4%**
Cost of Risk	-686	-740	-7.3%	-634	+8.2%	-1,320	-1,478	-10.6%
Operating Income	**2,267**	**2,216**	**+2.3%**	**1,780**	**+27.4%**	**4,047**	**3,813**	**+6.1%**
Share of Earnings of Equity-Method Entities	174	124	+39.4%	139	+25.2%	312	261	+19.8%
Other Non Operating Items	16	-2	n.s.	11	+46.5%	27	7	n.s.
Pre-Tax Income	**2,457**	**2,339**	**+5.0%**	**1,930**	**+27.3%**	**4,386**	**4,081**	**+7.5%**
Cost/Income	61.8%	61.3%	+0.5 pt	68.7%	-6.9 pt	65.3%	65.1%	+0.2 pt
Allocated Equity (€bn)						50.7	48.6	+4.3%

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

Domestic Markets - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	3,951	3,962	-0.3%	3,952	-0.0%	7,903	7,925	-0.3%
Operating Expenses and Dep.	-2,488	-2,449	+1.6%	-2,880	-13.6%	-5,368	-5,268	+1.9%
Gross Operating Income	1,463	1,513	-3.3%	1,072	+36.5%	2,535	2,657	-4.6%
Cost of Risk	-355	-388	-8.6%	-319	+11.2%	-674	-787	-14.4%
Operating Income	1,108	1,124	-1.5%	753	+47.2%	1,860	1,870	-0.5%
Share of Earnings of Equity-Method Entities	21	13	+56.2%	11	+89.0%	32	22	+43.8%
Other Non Operating Items	1	2	-30.9%	5	-70.4%	6	0	n.s.
Pre-Tax Income	1,130	1,140	-0.8%	769	+47.0%	1,899	1,893	+0.3%
Income Attributable to Wealth and Asset Management	-78	-63	+23.6%	-61	+27.2%	-139	-126	+10.6%
Pre-Tax Income of Domestic Markets	1,052	1,076	-2.3%	707	+48.7%	1,759	1,767	-0.4%
Cost/Income	63.0%	61.8%	+1.2 pt	72.9%	-9.9 pt	67.9%	66.5%	+1.4 pt
Allocated Equity (€bn)						24.1	22.9	+5.2%

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

- Revenues: -0.3% vs. 1H16
  - Growth in the business but impact of the persistently low interest rate environment
  - Growth in fees in all the networks
- Operating expenses: +1.9% vs. 1H16
  - +1.1% excluding the impact of IFRIC 21*
  - As a result of the development of the specialised businesses (Arval, Personal Investors, Leasing Solutions), growth of only +0.5%** on average for FRB, BNL bc and BRB
- Pre-tax income: -0.4% vs. 1H16
  - Decrease in the cost of risk, in particular in Italy

** In particular booking in 1Q17 of the increases of contributions and banking taxes accounted in 2016; ** Excluding the impact of IFRIC 21*

Domestic Markets
French Retail Banking - 1H17 (excluding PEL/CEL effects)

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	1,606	1,608	-0.1%	1,620	-0.9%	3,226	3,252	-0.8%
Incl. Net Interest Income	*885*	*900*	*-1.7%*	*912*	*-3.0%*	*1,797*	*1,854*	*-3.1%*
Incl. Commissions	*721*	*709*	*+1.8%*	*708*	*+1.8%*	*1,429*	*1,398*	*+2.2%*
Operating Expenses and Dep.	-1,116	-1,106	+0.8%	-1,184	-5.7%	-2,299	-2,280	+0.9%
Gross Operating Income	490	502	-2.3%	436	+12.4%	927	972	-4.7%
Cost of Risk	-80	-72	+10.2%	-79	+1.3%	-158	-146	+8.6%
Operating Income	411	430	-4.4%	358	+14.8%	769	827	-7.0%
Non Operating Items	0	1	-94.3%	0	-89.2%	0	2	-70.8%
Pre-Tax Income	411	430	-4.6%	358	+14.7%	769	828	-7.1%
Income Attributable to Wealth and Asset Management	-40	-32	+22.8%	-39	+1.4%	-79	-71	+11.5%
Pre-Tax Income of French Retail Banking	371	398	-6.8%	319	+16.3%	690	757	-8.9%
Cost/Income	69.5%	68.8%	+0.7 pt	73.1%	-3.6 pt	71.3%	70.1%	+1.2 pt
Allocated Equity (€bn)						9.3	8.5	+8.9%

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

- Revenues: -0.8% vs.1H16
  - Net interest income: -3.1% vs.1H16, effect of the low interest rate environment partly offset by the growth in the business
  - Fees: +2.2% vs. 1H16, rise in financial fees as a result of the good performance of private banking
- Operating expenses: +0.9% vs.1H16
  - +0.6% excluding the impact of IFRIC 21**
  - Good cost containment

** PEL/CEL effect : -€1m in 1H17 (-€3m in 1H16) and +€1m in 2Q17 (-€21m in 2Q16);*
*** In particular booking in 1Q17 of the increase of the contribution to SRF accounted in 2Q16 in the Corporate Centre*

Domestic Markets
French Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 2Q17	%Var/2Q16	%Var/1Q17	Outstandings 1H17	%Var/1H16
LOANS	**154.9**	**+8.3%**	**+2.3%**	**153.1**	**+7.7%**
Individual Customers	85.5	+12.6%	+3.4%	84.1	+11.1%
Incl. Mortgages	75.0	+13.4%	+3.7%	73.6	+11.7%
Incl. Consumer Lending	10.5	+6.9%	+1.4%	10.4	+7.1%
Corporates	69.4	+3.6%	+1.0%	69.1	+3.9%
DEPOSITS AND SAVINGS	**160.8**	**+13.1%**	**+4.6%**	**157.3**	**+12.5%**
Current Accounts	94.8	+22.6%	+7.2%	91.6	+23.3%
Savings Accounts	59.4	+1.5%	+1.5%	58.9	+1.2%
Market Rate Deposits	6.6	+2.9%	-2.2%	6.7	-6.9%

€bn	30.06.17	%Var/ 30.06.16	%Var/ 31.03.17
OFF BALANCE SHEET SAVINGS			
Life Insurance	87.5	+4.5%	+1.0%
Mutual Funds	41.7	-1.4%	-8.0%

- Loans: +8.3% vs. 2Q16, significant rise in loans to individual and corporate customers compared to a low base in 2Q16
- Deposits: +13.1% vs. 2Q16, strong growth in current accounts
- Off-balance sheet savings
  - Good growth in life insurance
  - Decrease in money market funds

Domestic Markets
BNL banca commerciale - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	**729**	**749**	**-2.8%**	**727**	**+0.2%**	**1,456**	**1,486**	**-2.1%**
Operating Expenses and Dep.	-430	-433	-0.6%	-469	-8.4%	-899	-894	+0.5%
Gross Operating Income	**299**	**317**	**-5.7%**	**258**	**+15.8%**	**557**	**592**	**-5.9%**
Cost of Risk	-222	-242	-8.4%	-228	-2.7%	-450	-516	-12.8%
Operating Income	**77**	**74**	**+3.3%**	**30**	**n.s.**	**107**	**76**	**+40.8%**
Non Operating Items	0	0	n.s.	0	n.s.	0	0	n.s.
Pre-Tax Income	**77**	**74**	**+4.0%**	**30**	**n.s.**	**107**	**76**	**+41.6%**
Income Attributable to Wealth and Asset Management	-12	-9	+34.8%	-12	+6.1%	-24	-19	+26.7%
Pre-Tax Income of BNL bc	**65**	**65**	**-0.3%**	**18**	**n.s.**	**83**	**57**	**+46.5%**
Cost/Income	59.0%	57.7%	+1.3 pt	64.5%	-5.5 pt	61.8%	60.2%	+1.6 pt
Allocated Equity (€bn)						5.7	5.9	-3.6%

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

- Revenues: -2.1% vs. 1H16
  - Net interest income: -6.1% vs. 1H16, impact of the low interest rate environment
  - Fees: +5.5% vs. 1H16, rise in fees in connection with the good growth in off balance sheet savings and private banking
- Operating expenses: +0.5% vs. 1H16
  - +0.3% excluding the impact of IFRIC 21*
  - Good control of operating expenses
- Cost of risk: -12.8% vs. 1H16
  - Continued decrease in the cost of risk
- Pre-tax income: €83m (+46.5% vs. 1H16)

* In particular booking in 1Q17 of the increase of the contribution to SRF accounted in 2Q16 in the Corporate Centre

Domestic Markets
BNL banca commerciale - Volumes

Average outstandings (€bn)	Outstandings 2Q17	%Var/2Q16	%Var/1Q17	Outstandings 1H17	%Var/1H16
LOANS	**78.2**	**+0.6%**	**-1.1%**	**78.6**	**+1.5%**
Individual Customers	40.2	+3.0%	+0.1%	40.2	+3.0%
Incl. Mortgages	25.0	+0.7%	+1.1%	24.9	-0.1%
Incl. Consumer Lending	4.2	+1.6%	-0.3%	4.2	+2.2%
Corporates	38.0	-1.7%	-2.3%	38.4	-0.0%
DEPOSITS AND SAVINGS	**41.1**	**+10.7%**	**+0.7%**	**40.9**	**+11.0%**
Individual Deposits	27.8	+9.7%	+1.1%	27.6	+10.4%
Incl. Current Accounts	27.5	+9.9%	+1.1%	27.3	+10.7%
Corporate Deposits	13.3	+13.1%	-0.2%	13.3	+12.2%

€bn	30.06.17	%Var/ 30.06.16	%Var/ 31.03.17
OFF BALANCE SHEET SAVINGS			
Life Insurance	18.8	+6.4%	+1.6%
Mutual Funds	15.0	+13.3%	+3.5%

- Loans: +0.6% vs. 2Q16
  - Individuals: +3.0% vs. 2Q16, recovery in volumes
  - Corporates: -1.7% vs. 2Q16, decrease this quarter
- Deposits: +10.7% vs. 2Q16
  - Individuals and corporates: strong growth in current accounts
- Off balance sheet savings: good asset inflows in life insurance, strong rise in mutual fund outstandings

Domestic Markets
Belgian Retail Banking - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	**930**	**923**	**+0.8%**	**931**	**-0.1%**	**1,861**	**1,840**	**+1.2%**
Operating Expenses and Dep.	-560	-555	+0.9%	-823	-31.9%	-1,383	-1,346	+2.7%
Gross Operating Income	**370**	**367**	**+0.7%**	**108**	**n.s.**	**479**	**494**	**-3.0%**
Cost of Risk	-28	-49	-43.6%	1	n.s.	-27	-70	-61.8%
Operating Income	**343**	**318**	**+7.6%**	**109**	**n.s.**	**452**	**424**	**+6.6%**
Non Operating Items	8	4	+78.4%	-3	n.s.	5	1	n.s.
Pre-Tax Income	**351**	**323**	**+8.5%**	**106**	**n.s.**	**457**	**425**	**+7.5%**
Income Attributable to Wealth and Asset Management	-25	-21	+20.0%	-10	n.s.	-35	-35	+0.6%
Pre-Tax Income of Belgian Retail Banking	**325**	**302**	**+7.7%**	**96**	**n.s.**	**422**	**390**	**+8.1%**
Cost/Income	60.2%	60.2%	+0.0 pt	88.3%	-28.1 pt	74.3%	73.2%	+1.1 pt
Allocated Equity (€bn)						5.2	4.7	+11.2%

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

- Revenues: +1.2% vs. 1H16
  - Net interest income: -1.4% vs. 1H16, impact of the low interest rate environment partly offset by volume growth
  - Fees: +9.1% vs. 1H16, sharp rise in fees vs. low base in 1H16
- Operating expenses: +2.7% vs. 1H16
  - +0.5% excluding impact of IFRIC 21*
  - Good cost containment
- Cost of risk: -61.8% vs. 1H16
  - Very low cost of risk this semester (reminder: provisions offset by write-backs in 1Q17)

** In particular booking in 1Q17 of the new tax on credit institutions accounted in 3Q16*

Domestic Markets
Belgian Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 2Q17	%Var/2Q16	%Var/1Q17	Outstandings 1H17	%Var/1H16
LOANS	**101.0**	**+5.6%**	**+1.9%**	**100.1**	**+5.1%**
Individual Customers	66.4	+2.8%	+1.1%	66.0	+3.0%
Incl. Mortgages	47.5	+3.6%	+0.7%	47.4	+3.6%
Incl. Consumer Lending	0.3	+1.6%	n.s.	0.2	+3.1%
Incl. Small Businesses	18.5	+0.9%	+0.7%	18.5	+1.4%
Corporates and Local Governments	34.6	+11.3%	+3.4%	34.0	+9.7%
DEPOSITS AND SAVINGS	**119.3**	**+3.2%**	**+2.3%**	**117.9**	**+3.5%**
Current Accounts	47.9	+6.6%	+5.5%	46.7	+7.7%
Savings Accounts	68.2	+3.3%	+0.5%	68.1	+3.2%
Term Deposits	3.1	-30.9%	-3.9%	3.2	-31.6%

€bn	30.06.17	%Var/ 30.06.16	%Var/ 31.03.17
OFF BALANCE SHEET SAVINGS			
Life Insurance	24.5	-3.0%	-0.4%
Mutual Funds	32.0	+8.6%	+1.6%

- Loans: +5.6% vs. 2Q16
  - Individuals: +2.8% vs. 2Q16, rise in particular in mortgage loans
  - Corporates: +11.3% vs. 2Q16, strong increase in loans to corporates
- Deposits: +3.2% vs. 2Q16
  - Rise in particular in individuals' current accounts
- Off balance sheet savings: rise in mutual fund outstandings

Domestic Markets: Other Activities - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	**686**	**681**	**+0.7%**	**674**	**+1.8%**	**1,360**	**1,347**	**+1.0%**
Operating Expenses and Dep.	-382	-355	+7.8%	-405	-5.6%	-787	-747	+5.3%
Gross Operating Income	**304**	**327**	**-7.0%**	**269**	**+12.9%**	**573**	**600**	**-4.5%**
Cost of Risk	-26	-25	+4.7%	-14	+91.6%	-39	-56	-29.6%
Operating Income	**278**	**302**	**-8.0%**	**256**	**+8.7%**	**533**	**544**	**-1.9%**
Share of Earnings of Equity-Method Entities	14	8	+83.0%	14	+1.7%	28	20	+44.3%
Other Non Operating Items	0	3	n.s.	5	n.s.	4	1	n.s.
Pre-Tax Income	**292**	**312**	**-6.5%**	**274**	**+6.4%**	**566**	**564**	**+0.3%**
Income Attributable to Wealth and Asset Management	-1	-1	+19.6%	-1	+66.4%	-2	-2	-0.6%
Pre-Tax Income of Other Domestic Markets	**291**	**311**	**-6.6%**	**274**	**+6.3%**	**565**	**563**	**+0.3%**
Cost/Income	55.7%	52.1%	+3.6 pt	60.1%	-4.4 pt	57.9%	55.5%	+2.4 pt
Allocated Equity (€bn)						3.9	3.8	+3.1%

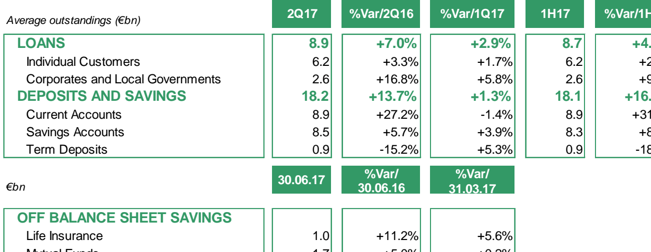
Including 100% of Private Banking in Luxembourg for the Revenues to Pre-tax income line items

- Revenues*: +1.0% vs. 1H16
  - +1.7% excluding a non-recurring item
- Operating expenses*: +5.3% vs. 1H16
  - +4.9% excluding the impact of IFRIC 21**
  - As a result of business development and costs to launch new digital services at Arval
- Pre-tax income***: +0.3% vs. 1H16
  - Decrease in the cost of risk

** Including 100% of Private Banking in Luxembourg;*
*** In particular booking in 1Q17 of the increase of the contribution to the Single Resolution Fund accounted in 2Q16 in the Corporate Centre; *** Including 2/3 of Private Banking in Luxembourg*

Domestic Markets
LRB - Personal Investors

Luxembourg Retail Banking (LRB)



Average outstandings (€bn)	2Q17	%Var/2Q16	%Var/1Q17	1H17	%Var/1H16
LOANS	8.9	+7.0%	+2.9%	8.7	+4.6%
Individual Customers	6.2	+3.3%	+1.7%	6.2	+2.8%
Corporates and Local Governments	2.6	+16.8%	+5.8%	2.6	+9.5%
DEPOSITS AND SAVINGS	18.2	+13.7%	+1.3%	18.1	+16.9%
Current Accounts	8.9	+27.2%	-1.4%	8.9	+31.8%
Savings Accounts	8.5	+5.7%	+3.9%	8.3	+8.5%
Term Deposits	0.9	-15.2%	+5.3%	0.9	-18.1%

€bn	30.06.17	%Var/ 30.06.16	%Var/ 31.03.17
OFF BALANCE SHEET SAVINGS			
Life Insurance	1.0	+11.2%	+5.6%
Mutual Funds	1.7	+5.0%	+0.2%

- Loans vs. 2Q16: increase in mortgage and corporate loans
- Deposits vs. 2Q16: increase in sight deposits and savings accounts particularly in the corporate client segment
- Off-balance sheet savings: good growth in life insurance

Personal Investors

Average outstandings (€bn)	2Q17	%Var/2Q16	%Var/1Q17	1H17	%Var/1H16
LOANS	0.6	+14.0%	+22.5%	0.5	+3.5%
DEPOSITS	21.4	+9.4%	+2.2%	21.2	+7.9%

€bn	30.06.17	%Var/ 30.06.16	%Var/ 31.03.17
ASSETS UNDER MANAGEMENT	89.2	+20.7%	+1.2%
European Customer Orders (millions)	4.1	-4.4%	-9.7%

- Deposits vs. 2Q16: good level of new client acquisition
- Assets under management vs. 30.06.16: good asset inflows and effect of the rise of financial markets; effect of the acquisition of Sharekhan*

* Closed on 23 November 2016 (€4.7bn in assets under management as at 30.06.17)

Domestic Markets
Arval - Leasing Solutions

BNP Paribas Leasing Solutions and Arval together ranked Top European Leasing Company by Leaseurope

Arval

Average outstandings (€bn)	2Q17	%Var*/2Q16	%Var*/1Q17	1H17	%Var*/1H16
Consolidated Outstandings	14.7	+11.3%	+2.2%	14.6	+11.6%
Financed vehicles ('000 of vehicles)	1,065	+8.1%	+2.0%	1,054	+7.7%

- Consolidated outstandings: +11.3%* vs. 2Q16, good growth in all regions
- Financed fleet: +8.1%* vs. 2Q16, very good sales and marketing drive

Leasing Solutions

Average outstandings (€bn)	2Q17	%Var*/2Q16	%Var*/1Q17	1H17	%Var*/1H16
Consolidated Outstandings	17.1	+5.4%	+0.7%	17.0	+5.8%

- Consolidated outstandings: +5.4%* vs. 2Q16, good business and marketing drive

* At constant scope and exchange rates

International Financial Services - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	**3,935**	**3,813**	**+3.2%**	**3,909**	**+0.7%**	**7,844**	**7,508**	**+4.5%**
Operating Expenses and Dep.	-2,367	-2,303	+2.8%	-2,506	-5.5%	-4,873	-4,744	+2.7%
Gross Operating Income	**1,568**	**1,510**	**+3.8%**	**1,404**	**+11.7%**	**2,971**	**2,764**	**+7.5%**
Cost of Risk	-331	-355	-6.9%	-315	+4.9%	-645	-695	-7.1%
Operating Income	**1,237**	**1,155**	**+7.2%**	**1,089**	**+13.7%**	**2,326**	**2,069**	**+12.4%**
Share of Earnings of Equity-Method Entities	153	111	+37.4%	128	+19.5%	281	239	+17.6%
Other Non Operating Items	14	-4	n.s.	6	n.s.	20	6	n.s.
Pre-Tax Income	**1,405**	**1,262**	**+11.3%**	**1,222**	**+14.9%**	**2,627**	**2,314**	**+13.5%**
Cost/Income	60.2%	60.4%	-0.2 pt	64.1%	-3.9 pt	62.1%	63.2%	-1.1 pt
Allocated Equity (€bn)						26.6	25.7	+3.4%

- Foreign exchange effect due in particular to the depreciation of the Turkish lira
  - TRY vs. EUR*: -16.9% vs. 2Q16, stable vs. 1Q17, -17.2% vs. 1H16
- At constant scope and exchange rates vs. 1H16
  - Revenues: +5.1%, growth in all the businesses as a result of good business growth
  - Operating expenses: +3.5%, largely positive jaws effect
  - Cost of risk: -6.6%
  - Operating income: +12.6%
  - Pre-tax income: +14.1%

** Average rates*

International Financial Services Personal Finance - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	**1,220**	**1,168**	**+4.4%**	**1,201**	**+1.5%**	**2,421**	**2,317**	**+4.5%**
Operating Expenses and Dep.	-579	-547	+5.9%	-634	-8.6%	-1,213	-1,155	+5.0%
Gross Operating Income	**641**	**621**	**+3.1%**	**568**	**+12.9%**	**1,208**	**1,161**	**+4.0%**
Cost of Risk	-225	-248	-9.3%	-240	-6.0%	-465	-470	-1.0%
Operating Income	**415**	**373**	**+11.4%**	**328**	**+26.6%**	**743**	**692**	**+7.4%**
Share of Earnings of Equity-Method Entities	30	-8	n.s.	20	+49.2%	50	5	n.s.
Other Non Operating Items	0	-1	-85.1%	5	n.s.	5	0	n.s.
Pre-Tax Income	**445**	**364**	**+22.3%**	**353**	**+26.0%**	**798**	**697**	**+14.6%**
Cost/Income	47.5%	46.8%	+0.7 pt	52.8%	-5.3 pt	50.1%	49.9%	+0.2 pt
Allocated Equity (€bn)						5.4	4.8	+11.9%

- Revenues: +4,5% vs.1H16
  - In connection with the rise in volumes and the positioning on products with a better risk profile
- Operating expenses: +5.0% vs. 1H16
  - +3.7% excluding the impact of IFRIC 21* and non-recurring items
  - As a result of good business development
- Associated companies: depreciation of the shares of a subsidiary in 2Q16
- Pre-tax income: +14.6% vs.1H16

** In particular booking in 1Q17 of the increase of the contribution to SRF accounted in 2016 in Corporate Centre*

International Financial Services
Personal Finance - Volumes and Risks

Average outstandings (€bn)	Outstandings	%Var/2Q16		%Var/1Q17		Outstandings	%Var/1H16	
	2Q17	historical	at constant scope and exchange rates	historical	at constant scope and exchang	1H17	historical	at constant scope and exchange rates
TOTAL CONSOLIDATED OUTSTANDINGS	69.8	+11.9%	+11.6%	+3.5%	+3.3%	68.6	+11.5%	+11.2%
TOTAL OUTSTANDINGS UNDER MANAGEMENT (1)	79.9	+10.2%	+8.6%	+3.3%	+3.1%	78.6	+9.8%	+8.4%

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

Cost of risk/outstandings

Annualised cost of risk/outstandings as at beginning of period	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
France	2.23%	1.62%	1.35%	1.46%	1.59%	1.65%
Italy	0.94%	1.84%	1.17%	1.44%	0.55%	0.87%
Spain	0.40%	1.04%	1.72%	1.93%	1.84%	1.17%
Other Western Europe	0.91%	1.35%	1.28%	1.47%	1.22%	0.85%
Eastern Europe	0.57%	0.22%	0.77%	1.77%	0.59%	0.31%
Brazil	7.76%	5.65%	6.89%	6.15%	6.63%	4.82%
Others	1.20%	2.03%	2.15%	1.89%	2.00%	1.95%
Personal Finance	**1.49%**	**1.64%**	**1.54%**	**1.70%**	**1.46%**	**1.31%**

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International Financial Services
Europe-Mediterranean - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	590	616	-4.2%	592	-0.4%	1,183	1,225	-3.4%
Operating Expenses and Dep.	-420	-429	-2.1%	-424	-1.0%	-845	-861	-1.9%
Gross Operating Income	170	187	-9.2%	168	+1.2%	338	363	-7.0%
Cost of Risk	-70	-87	-19.0%	-67	+5.6%	-137	-183	-25.1%
Operating Income	100	100	-0.8%	101	-1.7%	201	180	+11.3%
Non Operating Items	52	49	+6.4%	49	+7.0%	101	101	+0.0%
Pre-Tax Income	152	149	+1.6%	150	+1.1%	302	282	+7.3%
Income Attributable to Wealth and Asset Management	-1	-1	-3.4%	-1	-24.2%	-1	-1	+21.7%
Pre-Tax Income of Europe-Mediterranean	151	149	+1.6%	149	+1.3%	300	280	+7.2%
Cost/Income	71.2%	69.6%	+1.6 pt	71.6%	-0.4 pt	71.4%	70.3%	+1.1 pt
Allocated Equity (€bn)						5.0	5.2	-3.1%

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

- Foreign exchange effect due in particular to the depreciation of the Turkish lira
  - TRY vs. EUR* : -16.9% vs. 2Q16, stable vs. 1Q17, -17.2% vs. 1H16
- At constant scope and exchange rates vs.1H16
  - Revenues**: +5.1%, effect of volume growth
  - Operating expenses**: +4.7%, as a result of the good business development
  - Cost of risk**: -17.0%, positive effect of write-backs
  - Pre-tax income***: +19.6%

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

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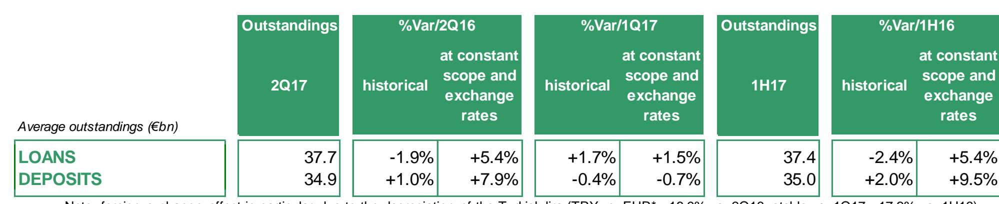
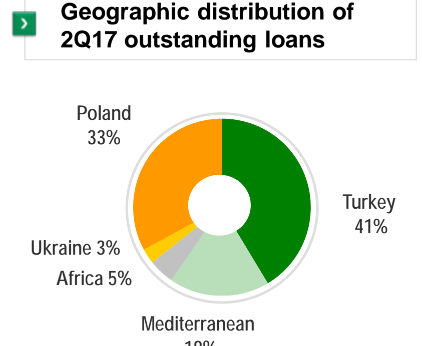
International Financial Services Europe-Mediterranean - Volumes and Risks



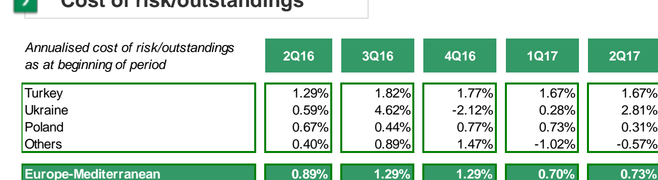
Average outstandings (€bn)	Outstandings	%Var/2Q16		%Var/1Q17		Outstandings	%Var/1H16	
	2Q17	historical	at constant scope and exchange rates	historical	at constant scope and exchange rates	1H17	historical	at constant scope and exchange rates
LOANS	37.7	-1.9%	+5.4%	+1.7%	+1.5%	37.4	-2.4%	+5.4%
DEPOSITS	34.9	+1.0%	+7.9%	-0.4%	-0.7%	35.0	+2.0%	+9.5%

Note: foreign exchange effect in particular due to the depreciation of the Turkish lira (TRY vs. EUR*: -16.9% vs. 2Q16; stable vs. 1Q17; -17.2% vs. 1H16)

Geographic distribution of 2Q17 outstanding loans

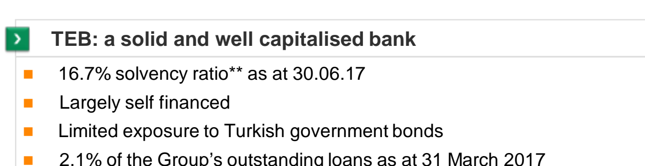


Cost of risk/outstandings



Annualised cost of risk/outstandings as at beginning of period	2Q16	3Q16	4Q16	1Q17	2Q17
Turkey	1.29%	1.82%	1.77%	1.67%	1.67%
Ukraine	0.59%	4.62%	-2.12%	0.28%	2.81%
Poland	0.67%	0.44%	0.77%	0.73%	0.31%
Others	0.40%	0.89%	1.47%	-1.02%	-0.57%
Europe-Mediterranean	0.89%	1.29%	1.29%	0.70%	0.73%

TEB: a solid and well capitalised bank



- 16.7% solvency ratio** as at 30.06.17
- Largely self financed
- Limited exposure to Turkish government bonds
- 2.1% of the Group's outstanding loans as at 31 March 2017

* Average rates; ** Capital Adequacy Ratio (CAR)

International Financial Services BancWest - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	762	688	+10.6%	761	+0.0%	1,523	1,461	+4.2%
Operating Expenses and Dep.	-513	-482	+6.5%	-556	-7.8%	-1,069	-1,016	+5.3%
Gross Operating Income	249	207	+20.3%	205	+21.3%	453	446	+1.7%
Cost of Risk	-38	-23	+63.5%	-22	+71.2%	-59	-48	+24.8%
Operating Income	211	184	+14.9%	183	+15.3%	394	398	-1.0%
Non Operating Items	1	1	+50.6%	-1	n.s.	0	11	-99.1%
Pre-Tax Income	212	184	+15.0%	182	+16.3%	394	409	-3.6%
Income Attributable to Wealth and Asset Management	-5	-3	+56.6%	-5	+12.0%	-10	-7	+48.8%
Pre-Tax Income of Bancwest	206	181	+14.2%	177	+16.4%	384	402	-4.5%
Cost/Income	67.4%	70.0%	-2.6 pt	73.1%	-5.7 pt	70.2%	69.5%	+0.7 pt
Allocated Equity (€bn)						6.6	6.3	+5.0%

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

- Foreign exchange effect : USD vs. EUR*: +2.6% vs. 2Q16, -3.2% vs. 1Q17, +3.1% vs. 1H16
- Revenues**:+1.0%*** vs. 1H16
  - +6.7%*** excluding capital gains on securities and loan sales in 1Q16
  - Increase due to volume growth and higher interest rates
- Operating expenses**: +2.3%*** vs. 1H16
  - Good cost control
  - Very positive jaws effect excluding capital gains on securities and loan sales
- Pre-tax income****: -7.9%*** vs. 1H16
  - +13.8%*** excluding capital gains on securities and loan sales in 1Q16

* Average rates; ** Including 100% of Private Banking in the United States; *** At constant scope and exchange rates; **** Including 2/3 of Private Banking in the United States

International Financial Services
BancWest - Volumes

Average outstandings (€bn)	Outstandings	%Var/2Q16		%Var/1Q17		Outstandings	%Var/1H16	
	2Q17	historical	at constant scope and exchange rates	historical	at constant scope and exchange rates	1H17	historical	at constant scope and exchange rates
LOANS	**64.8**	**+10.0%**	**+7.2%**	**-2.0%**	**+1.3%**	**65.5**	**+10.8%**	**+7.5%**
Individual Customers	28.6	+9.6%	+6.9%	-1.9%	+1.4%	28.9	+10.2%	+6.9%
Incl. Mortgages	11.7	+12.8%	+10.0%	-1.3%	+2.0%	11.8	+13.1%	+9.7%
Incl. Consumer Lending	16.9	+7.4%	+4.8%	-2.2%	+1.0%	17.1	+8.3%	+5.0%
Commercial Real Estate	18.1	+12.7%	+9.9%	-0.9%	+2.4%	18.2	+12.9%	+9.5%
Corporate Loans	18.1	+8.0%	+5.3%	-3.2%	+0.0%	18.4	+9.7%	+6.4%
DEPOSITS AND SAVINGS	**70.1**	**+14.1%**	**+11.2%**	**-1.8%**	**+1.4%**	**70.8**	**+14.7%**	**+11.3%**
Deposits Excl. Jumbo CDs	59.3	+12.0%	+9.2%	-0.4%	+2.9%	59.4	+11.7%	+8.3%

- Loans: +7.2%* vs. 2Q16
  - Increase in individual and corporate loans
- Deposits: +11.2%* vs. 2Q16
  - Good growth in current and savings accounts

* At constant scope and exchange rates

International Financial Services
Insurance and WAM* - Business

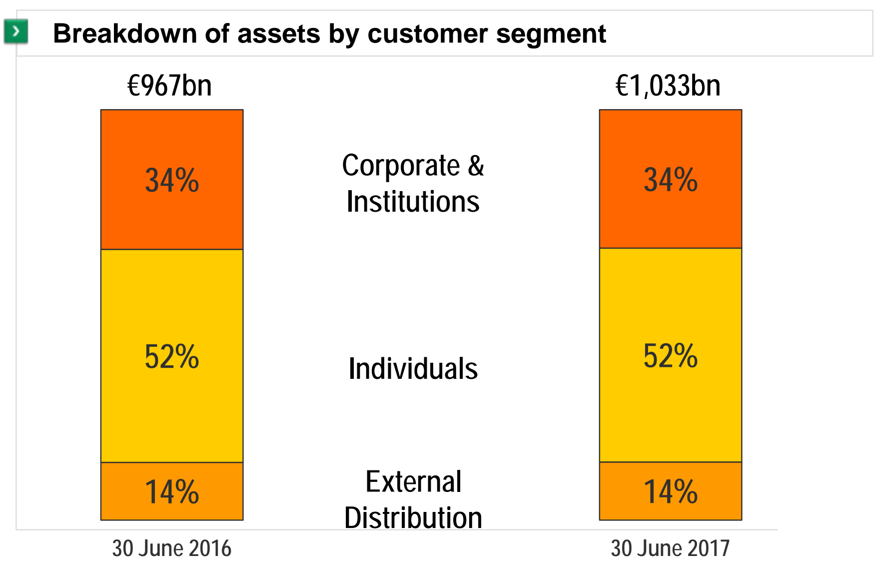
	30.06.17	30.06.16	%Var/ 30.06.16	31.03.17	%Var/ 31.03.17
Assets under management (€bn)	1,033	967	+6.8%	1,042	-0.9%
Asset Management	421	393	+7.1%	433	-2.8%
Wealth Management	355	331	+7.2%	355	+0.2%
Real Estate Services	24	22	+9.3%	24	+0.3%
Insurance	232	220	+5.3%	230	+1.0%

	2Q17	2Q16	%Var/ 2Q16	1Q17	%Var/ 1Q17
Net asset flows (€bn)	1.0	13.4	-92.8%	15.2	-93.6%
Asset Management	-6.5	8.2	n.s.	10.9	n.s.
Wealth Management	5.9	3.6	+65.5%	2.4	n.s.
Real Estate Services	0.1	0.3	-67.8%	0.4	-76.5%
Insurance	1.5	1.3	+13.6%	1.5	+0.8%

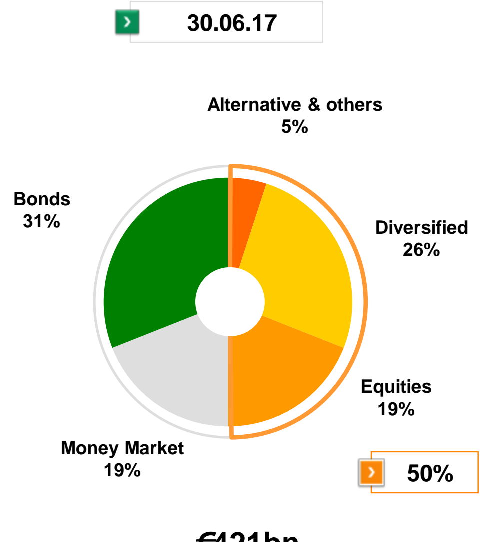
- Assets under management: -€9.2bn vs. 31.03.17 (+€65.5bn vs.30.06.16), including in particular
  - Net asset inflows: +€1.0bn, good inflows in Wealth Management and Insurance
  - Performance effect: +€6.7bn, due to the favourable evolution of financial markets
  - Foreign exchange effect: -€16.0bn, in particular due to the appreciation of the euro in 2Q17

* Wealth and Asset Management

International Financial Services - Insurance & WAM Breakdown of Assets by Customer Segment



International Financial Services - Asset Management Breakdown of Managed Assets



International Financial Services
Insurance - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	**619**	**611**	**+1.4%**	**597**	**+3.7%**	**1,216**	**1,067**	**+14.0%**
Operating Expenses and Dep.	-297	-278	+7.0%	-326	-8.7%	-623	-587	+6.2%
Gross Operating Income	**322**	**333**	**-3.3%**	**271**	**+18.7%**	**593**	**480**	**+23.7%**
Cost of Risk	-1	1	n.s.	-1	+40.3%	-2	0	n.s.
Operating Income	**321**	**334**	**-3.8%**	**271**	**+18.6%**	**592**	**480**	**+23.3%**
Share of Earnings of Equity-Method Entities	55	54	+2.5%	54	+1.2%	109	109	+0.2%
Other Non Operating Items	0	0	-91.7%	1	-99.2%	1	-3	n.s.
Pre-Tax Income	**376**	**387**	**-2.9%**	**326**	**+15.4%**	**702**	**586**	**+19.7%**
Cost/Income	48.0%	45.5%	+2.5 pt	54.6%	-6.6 pt	51.2%	55.0%	-3.8 pt
Allocated Equity (€bn)						7.7	7.4	+4.5%

- Technical reserves: +6.7% vs. 1H16
- Revenues: +14.0% vs. 1H16
  - Rebound due to the favourable market evolution vs. low base in 1H16
  - Good performance of the business, in particular protection insurance and savings in Asia
- Operating expenses: +6.2% vs. 1H16
  - As a result of the good development of the business
- Pre-tax income: +19.7% vs. 1H16

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International Financial Services
Wealth and Asset Management - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	**760**	**743**	**+2.3%**	**773**	**-1.7%**	**1,533**	**1,465**	**+4.6%**
Operating Expenses and Dep.	-567	-577	-1.7%	-576	-1.6%	-1,143	-1,144	-0.1%
Gross Operating Income	**193**	**166**	**+16.3%**	**198**	**-2.3%**	**391**	**322**	**+21.4%**
Cost of Risk	4	3	+43.2%	14	-73.4%	18	6	n.s.
Operating Income	**197**	**169**	**+16.7%**	**212**	**-7.0%**	**408**	**328**	**+24.7%**
Share of Earnings of Equity-Method Entities	15	13	+17.2%	5	n.s.	20	21	-5.6%
Other Non Operating Items	14	0	n.s.	0	n.s.	14	0	n.s.
Pre-Tax Income	**226**	**181**	**+24.6%**	**217**	**+4.2%**	**443**	**349**	**+27.0%**
Cost/Income	74.6%	77.6%	-3.0 pt	74.5%	+0.1 pt	74.5%	78.1%	-3.6 pt
Allocated Equity (€bn)						1.9	2.1	-8.7%

- Revenues: +4.6% vs. 1H16
  - Rise in revenues in all the businesses
- Operating expenses: -0.1% vs. 1H16
  - Good cost containment
- Pre-tax income: +27.0% vs. 1H16
  - Other non-operating items: sale of a building in 2Q17 (€12m)

BNP PARIBAS The bank for a changing world

Corporate and Institutional Banking - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	3,197	3,056	+4.6%	3,223	-0.8%	6,420	5,743	+11.8%
Operating Expenses and Dep.	-1,988	-2,115	-6.0%	-2,506	-20.7%	-4,494	-4,373	+2.8%
Gross Operating Income	1,209	942	+28.4%	717	+68.8%	1,926	1,370	+40.6%
Cost of Risk	118	-46	n.s.	54	n.s.	172	-74	n.s.
Operating Income	1,328	896	+48.1%	770	+72.4%	2,098	1,296	+61.9%
Share of Earnings of Equity-Method Entities	5	13	-58.1%	8	-28.8%	13	10	+33.5%
Other Non Operating Items	15	-2	n.s.	0	n.s.	15	4	n.s.
Pre-Tax Income	1,349	907	+48.7%	778	+73.4%	2,126	1,310	+62.3%
Cost/Income	62.2%	69.2%	-7.0 pt	77.8%	-15.6 pt	70.0%	76.1%	-6.1 pt
Allocated Equity (€bn)						21.9	22.0	-0.4%

- Revenues: +11.8% vs. 1H16
  - Strong growth in all the business units
  - Reminder: low comparison basis in 1H16 due to the lacklustre environment at the beginning of the year
- Operating expenses: +2.8% vs. 1H16
  - Very good cost containment: effect of cost-saving measures implemented since the launch of the CIB transformation plan at the beginning of 2016
  - Very positive jaws effect: significant improvement of operating efficiency
  - Reminder: impact of IFRIC 21 in 1Q17*
- Cost of risk: net write-back of provisions this semester
- Allocated equity: -0.4% vs. 1H16 driven by good control of risk-weighted assets

** €451m in taxes and contributions in 2017 booked in 1Q17 for the year 2017 (€431m in 1Q16)*

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Corporate and Institutional Banking Global Markets - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	1,523	1,558	-2.3%	1,754	-13.2%	3,277	2,876	+14.0%
incl. FICC	*883*	*1,050*	-15.9%	*1,174*	-24.8%	*2,057*	*1,940*	+6.1%
incl. Equity & Prime Services	*640*	*509*	+25.8%	*580*	+10.3%	*1,220*	*937*	+30.2%
Operating Expenses and Dep.	-997	-1,139	-12.5%	-1,424	-30.0%	-2,421	-2,323	+4.2%
Gross Operating Income	526	419	+25.6%	330	+59.4%	856	553	+54.9%
Cost of Risk	39	-4	n.s.	-3	n.s.	36	23	+57.8%
Operating Income	565	415	+36.2%	327	+73.0%	892	575	+55.0%
Share of Earnings of Equity-Method Entities	-1	11	n.s.	0	n.s.	-1	7	n.s.
Other Non Operating Items	3	-2	n.s.	0	n.s.	2	4	-40.0%
Pre-Tax Income	567	424	+33.8%	326	+73.6%	893	586	+52.3%
Cost/Income	65.5%	73.1%	-7.6 pt	81.2%	-15.7 pt	73.9%	80.8%	-6.9 pt
Allocated Equity (€bn)						8.4	9.0	-7.4%

- Revenues: +14.0% vs. 1H16
  - Reminder: low base last year due to a very challenging market environment in 1Q16
  - Increase in FICC and strong growth in Equity & Prime Services driven by an upturn in client business in equity derivatives as well as the good development of Prime Services
- Operating expenses: +4.2% vs. 1H16
  - As a result of good business development
  - Very positive jaws effect due to cost-saving measures: significant improvement of operating efficiency
- Allocated equity: -7.4% vs. 1H16
  - Decrease in the Value at Risk vs. 1H16 and sale in 1Q17 of a sub-profitable portfolio (€2.5bn in risk-weighted assets)

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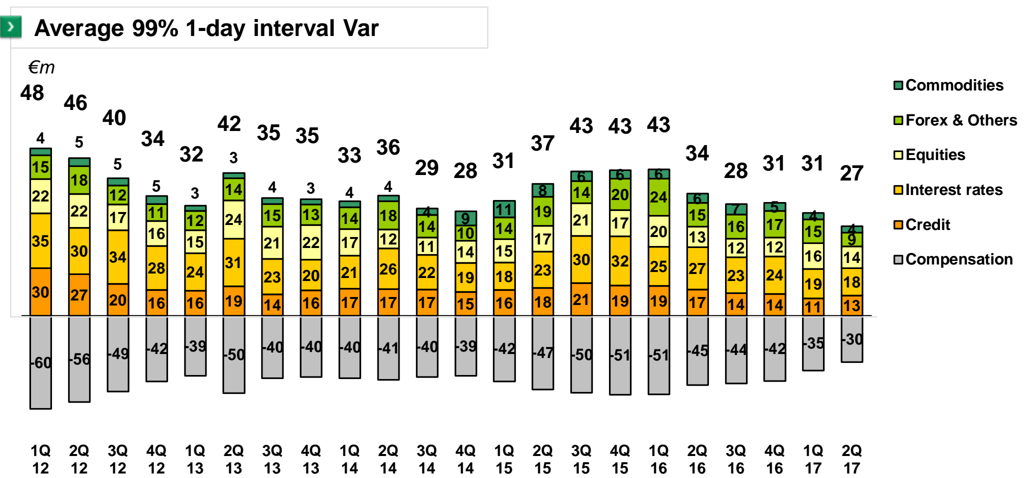
Corporate and Institutional Banking
Market Risks - 2Q17



- VaR still at a very low level*
  - Decrease this quarter in particular on forex and equities
  - One minor backtesting event reported this quarter (hypothetical loss** greater than VaR)
  - Reminder: only 16 days of losses greater than VaR since 01.01.2007, or less than 2 per year over a long period including the crisis, confirming the soundness of the internal VaR calculation model (1 day, 99%)

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

Corporate and Institutional Banking
Corporate Banking - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	1,176	1,037	+13.5%	991	+18.7%	2,167	1,965	+10.3%
Operating Expenses and Dep.	-590	-601	-1.8%	-691	-14.7%	-1,282	-1,293	-0.9%
Gross Operating Income	586	436	+34.4%	299	+95.8%	886	672	+31.8%
Cost of Risk	78	-42	n.s.	57	+36.5%	135	-98	n.s.
Operating Income	664	394	+68.7%	356	+86.3%	1,021	574	+77.8%
Non Operating Items	19	2	n.s.	7	n.s.	26	3	n.s.
Pre-Tax Income	683	396	+72.6%	364	+87.9%	1,047	577	+81.5%
Cost/Income	50.2%	57.9%	-7.7 pt	69.8%	-19.6 pt	59.1%	65.8%	-6.7 pt
Allocated Equity (€bn)						12.7	12.3	+3.4%

- Revenues: +10.3% vs. 1H16
  - Good growth in all regions
  - Reminder: lacklustre environment at the beginning of 2016
- Operating expenses: -0.9% vs. 1H16
  - Decrease in costs due to cost-cutting measures implemented
  - Very positive jaws effect: significant improvement in the operating efficiency
- Cost of risk
  - Provisions more than offset by write-backs this quarter
- Non operating items
  - Effect in particular of a capital gain from the sale of a building in 2Q17

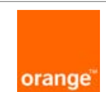
Corporate and Institutional Banking Securities Services - 1H17

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	498	461	+7.9%	478	+4.2%	975	901	+8.2%
Operating Expenses and Dep.	-400	-374	+6.9%	-390	+2.6%	-791	-756	+4.6%
Gross Operating Income	97	87	+12.1%	87	+11.5%	185	145	+27.0%
Cost of Risk	1	1	+34.6%	0	n.s.	1	1	-10.0%
Operating Income	99	88	+12.3%	87	+12.9%	186	147	+26.6%
Non Operating Items	0	0	n.s.	0	-30.1%	1	0	n.s.
Pre-Tax Income	99	87	+12.9%	88	+12.7%	186	147	+27.2%
Cost/Income	80.5%	81.2%	-0.7 pt	81.7%	-1.2 pt	81.1%	83.9%	-2.8 pt
Allocated Equity (€bn)						0.9	0.7	+22.3%

Securities Services	30.06.17	30.06.16	%Var/ 30.06.16	31.03.17	%Var/ 31.03.17
Assets under custody (€bn)	9,001	8,134	+10.7%	8,939	+0.7%
Assets under administration (€bn)	2,191	1,857	+17.9%	2,098	+4.4%
	2Q17	2Q16	2Q17/2Q16	1Q17	2Q17/1Q17
Number of transactions (in million)	22.9	21.5	+6.5%	22.6	+1.3%

- Revenues: +8.2% vs. 1H16
  - Effect of the rise in volumes and of the new mandates
- Operating expenses: +4.6% vs. 1H16
  - As a result of the development of the business
  - Very positive jaws effect thanks to cost saving measures: significant improvement in the operating efficiency

Corporate and Institutional Banking Transactions – 2Q17



France / UK - Orange / BT Group
GBP 900m combined offering of stock and exchangeable bond into BT Group shares
Joint Global Coordinator and Joint-Bookrunner
June 2017

USA – Altice USA, Inc
USD 2.151bn Initial Public offering
Joint Bookrunner
June 2017

Sweden - Telia
Triple tranche EUR and SEK (Fixed and Floating) eq. SEK 15bn hybrid issue - the first euro-denominated corporate hybrid in 2017 - Global Coordinator and Joint Bookrunner -
April 2017

USA – Becton, Dickinson and Company
USD 9.675bn multi-tranche + EUR 700m 2y Senior Notes to fund the company's pending acquisition of C.R. Bard and refinance existing debt - Active Bookrunner
May 2017

France - Vivendi
Advisor to Vivendi for the acquisition of Bolloré's 60% stake in Havas
June 2017

USA – AT&T
EUR 7bn - 5th largest EUR deal on record, a 5-tranche Senior Unsecured transaction
Active Bookrunner
May 2017

France / USA - Legrand
Commitment letter for a bridge loan up to EUR 800m and EUR1bn bond issue to finance the acquisition of Milestone AV Technologies - Sole Underwriter & Active Bookrunner
June 2017

China – Asian Infrastructure Investment Bank
BNP Paribas awarded global custody mandate from AIIB with up to USD 20bn of AIIB assets
Sole Global Custodian
May 2017

Italy – UniCredit
EUR 1.25bn PerpNC6 AT1
Joint lead manager
May 2017

China – TCL
USD 250m Acquisition of 100% China Display Optoelectronics Technology (CDOT)
Joint Financial Advisor
May 2017

UK - The Sage Group
Cash Management mandate in 9 European countries
April 2017

India / China – Siemens Gamesa
First Sustainable Finance & Investment Initiative in APAC
Structured Working Capital Optimization Solution in Renewable Energy space in APAC INR 1500m / RMB 150m – Supplier Finance - Bilateral - MNC Coverage - *April 2017*

Corporate and Institutional Banking Rankings and Awards - 2Q17

- **Recognised expertise:**
  - World Best Bank for Corporates and Best Digital Bank in Western Europe *(Euromoney Award – June 2017)*
  - Exane BNP Paribas named #1 Pan-European Equity Research (ranked #1 in 15 sectors and within Top3 across 25 sectors), #1 in Pan-European Sales and #1 Pan-European Equity House *(Extel Survey 2017)*
- **Global Markets:**
  - #1 All bonds in EUR and #1 Investment Grade Corporate bonds in EUR *(Dealogic – June 2017)*
  - #9 All International bonds All Currencies *(Dealogic – June 2017)*
  - Corporate Bond House of the Year and #1 in 20 categories (*Global Capital Bond Awards 2017*)
- **Securities Services:**
  - Best Administrator for Funds of Hedge Funds in Europe (*HFM Week European Awards – April 2017*)
- **Corporate Banking:**
  - #2 EMEA Syndicated Loans Bookrunner and MLA by number of deal *(Dealogic – June 2017)*
  - #1 EMEA Media Telecom Loans Bookrunner and MLA by volume and number of deal *(Dealogic – June 2017)*
  - #3 EMEA Equity-Linked Bookrunner and #9 EMEA ECM Bookrunner *(Dealogic – June 2017)*

Corporate Centre - 2Q17

€m	2Q17	2Q16	1Q17	1H17	1H16
Revenues	3	650	358	360	1,268
Operating Expenses and Dep.	-300	-295	-308	-608	-477
Incl. Restructuring and Transformation Costs	-168	-108	-110	-278	-154
Gross Operating income	-297	356	49	-248	791
Cost of Risk	-94	-5	-11	-106	3
Operating Income	-391	350	38	-353	795
Share of Earnings of Equity-Method Entities	44	28	19	63	49
Other non operating items	2	-77	-8	-6	-67
Pre-Tax Income	-346	301	49	-296	776

- Revenues
  - Own Credit Adjustment (OCA)* and own credit risk included in derivatives (DVA)*: -€200m (-€204m au 2Q16)
  - Capital gain on the sale of Euronext shares: +€85m
  - Good contribution of Principal Investments
  - 2Q16 reminder: capital gain on the sale of Visa shares: +€597m
- Operating expenses
  - Restructuring costs related to acquisitions (in particular LaSer, Bank BGZ, DAB Bank et GE LLD): -€15m (-€50m in 2Q16)
  - Transformation costs of Businesses: -€153m (-€58m in 2Q16)
- Other non operating items
  - 2Q16 reminder: depreciation of the shares of a subsidiary (-€54m)

** Fair value takes into account any change in value attributable to issuer risk relating to the BNP Paribas Group. It is the replacement value of instruments, calculated by discounting the expected liabilities' profile, stemming from derivatives or securities issued by the Bank, using a discount rate corresponding to that of a similar instrument that could be issued by the BNP Paribas Group at the closing date.*

Corporate Centre - 1H17

- Revenues
  - Own Credit Adjustment (OCA)* and own credit risk included in derivatives (DVA)*: -€207m (+€161m in 1H16)
  - Capital gains from the sale of Shinhan shares (+€148m) and Euronext shares (+€85m)
  - 1H16 reminder: capital gains from the sale of Visa shares: +€597m
  - Very good contribution of Principal Investments
- Operating expenses
  - Restructuring costs related to acquisitions (in particular LaSer, Bank BGZ, DAB Bank and GE LLD): -€36m (-€74m in 1H16)
  - Transformation costs of the Businesses: -€243m (-€80m in 1H16)
- Other non operating items
  - 1H16 reminder: goodwill impairment of the shares of a subsidiary (-€54m)

* Fair value takes into account any change in value attributable to issuer risk relating to the BNP Paribas Group. It is the replacement value of instruments, calculated by discounting the expected liabilities' profile, stemming from derivatives or securities issued by the Bank, using a discount rate corresponding to that of a similar instrument that could be issued by the BNP Paribas Group at the closing date

Breakdown of the Transformation Costs of the Businesses Presented in the Corporate Centre - 1H17

m€	1H17	2Q17	1Q17
Retail Banking & Services	**-138**	**-93**	**-45**
Domestic Markets	**-59**	**-42**	**-17**
French Retail Banking	-40	-28	-12
BNL bc	-3	-2	-1
Belgian Retail Banking	-10	-8	-2
Other Activities	-7	-5	-2
International Financial Services	**-79**	**-51**	**-28**
Personal Finance	-21	-14	-7
International Retail Banking	-34	-20	-13
Insurance	-10	-6	-3
Wealth and Asset Management	-14	-10	-5
Corporate & Institutional Banking	**-104**	**-61**	**-43**
Corporate Banking	-29	-17	-12
Global Markets	-59	-35	-24
Securities Services	-16	-9	-7
Corporate Centre	**-1**	**1**	**-1**
TOTAL	-243	-153	-90

Group Results

Division Results

1H17 Detailed Results

Appendix

Number of Shares and Earnings per Share

Number of Shares

in millions	30-Jun-17	31-Dec-16
Number of Shares (end of period)	1,248	1,247
Number of Shares excluding Treasury Shares (end of period)	1,247	1,246
Average number of Shares outstanding excluding Treasury Shares	1,246	1,244

Earnings per Share

in millions	30-Jun-17	30-Jun-16
Average number of Shares outstanding excluding Treasury Shares	1,246	1,246
Net income attributable to equity holders	4,290	4,374
Remuneration net of tax of Undated Super Subordinated Notes	-184	-177
Exchange rate effect on reimbursed Undated Super Subordinated Notes	0	80
Net income attributable to equity holders, after remuneration and exchange rate effect on Undated Super Subordinated Notes	4,106	4,277
Net Earnings per Share (EPS) in euros	3.30	3.43

Capital Ratios and Book Value per Share

Capital Ratios

	30-Jun-17	31-Dec-16
Total Capital Ratio (a)	14.7%	14.5%
Tier 1 Ratio (a)	13.1%	12.9%
Common equity Tier 1 ratio (a)	11.8%	11.6%

(a) Basel 3 (CRD4), taking into consideration CRR transitory provisions (but with full deduction of goodwill), on risk-weighted assets of €638 bn as at 31.12.16 and €638 bn as at 30.06.17. Subject to the provisions of article 26.2 of (EU) regulation n° 575/2013.

Book value per Share

in millions of euros	30-Jun-17	31-Dec-16	
Shareholders' Equity Group share	99,319	100,665	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	4,237	6,169	
of which Undated Super Subordinated Notes	7,825	8,430	(2)
of which remuneration net of tax payable to holders of Undated Super Subordinated Notes	126	91	(3)
Net Book Value (a)	91,368	92,144	(1)-(2)-(3)
Goodwill and intangibles	12,417	13,218	
Tangible Net Book Value (a)	78,951	78,926	
Number of Shares excluding Treasury Shares (end of period) in millions	1,247	1,246	
Book Value per Share (euros)	73.3	73.9	
of which book value per share excluding valuation reserve (euros)	*69.9*	*69.0*	
Net Tangible Book Value per Share (euros)	63.3	63.3	

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

Return on Equity and Permanent Shareholders' Equity

Calculation of Return on Equity

in millions of euros	1H17	1H16	
Net income Group share	4,290	4,374	(1)
Exceptional items (after tax) (a)	-94	578	(2)
Contribution to the Single Resolution Fund (SRF) and systemic banking taxes after tax	-699	-587	(3)
UK systemic banking tax		-57	(4)
Annualised net income Group share (exceptional items, contribution to SRF and systemic banking taxes not annualised) (b)	9,373	8,700	(5)
Remuneration net of tax of Undated Super Subordinated Notes	-361	-357	
Exchange rate effect on reimbursed Undated Super Subordinated Notes	0	80	
Average permanent shareholders' equity, not revaluated (c)	85,161	80,953	
Return on Equity (ROE)	10.6%	10.4%	
Average tangible permanent shareholders' equity, not revaluated (d)	72,343	67,582	
Return on Tangible Equity (ROTE)	12.5%	12.5%	

(a) See slide 36 of Q2 2017 results;
(b) As at 30.06.17 and 30.06.16, (5) =2*[(1)-(2)-(3)]+(2) +(3) +(4); Reminder for UK tax: estimated amount in 2Q16 to be paid in 4Q16;
(c) Average Permanent shareholders' equity: average of beginning of the year and end of the period, including notably annualised net income with exceptional items, contribution to SRF and systemic banking taxes not annualised (Permanent Shareholders' equity = Shareholders' equity attributable to shareholders - changes in assets and liabilities recognised directly in equity - Undated Super Subordinated Notes - remuneration net of tax payable to holders of Undated Super Subordinated Notes - dividend distribution assumption);
(d) Average Tangible permanent shareholders' equity: average of beginning of the year and end of the period including notably annualised net income with exceptional items, contribution to SRF and syste banking taxes not annualised (Tangible permanent shareholders' equity = permanent shareholders' equity - goodwill - intangible assets).

Permanent Shareholders' Equity Group share, not revaluated (used for the calculation of return of Equity)

in millions of euros	30-Jun-17	31-Dec-16	
Net Book Value	91,368	92,144	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	4,237	6,169	(2)
of which 2016 dividend	0	3,364	(3)
of which 2017 dividend distribution assumption	4,551	0	(4)
Annualisation of restated result (a)	5,084	0	(5)
Restatement of remuneration of Undated Super Subordinated Notes for the annualised calculation	46		(6)
Permanent shareholders' equity, not revaluated (b)	87,710	82,611	(1)-(2)-(3)-(4)+(5)+(6)
Tangible permanent shareholders' equity, not revaluated (b)	75,293	69,393	

(a) 1H17 Net income Group share excluding exceptional items and contribution to the SRF and systemic banking taxes;
(b) Excluding Undated Super Subordinated Notes, remuneration net of tax payable to holders of Undated Super Subordinated Notes and after dividend distribution assumption

A Solid Financial Structure

Doubtful loans/gross outstandings

	30-Jun-17	31-Dec-16
Doubtful loans (a) / Loans (b)	3.4%	3.8%

(a) Doubtful loans to customers and credit institutions excluding repos, netted of guarantees
(b) Gross outstanding loans to customers and credit institutions excluding repos

Coverage ratio

€bn	30-Jun-17	31-Dec-16
Doubtful loans (a)	28.2	31.2
Allowance for loan losses (b)	25.1	27.8
Coverage ratio	89%	89%

(a) Gross doubtful loans, balance sheet and off-balance sheet, netted of guarantees and collaterals
(b) Specific and on a portfolio basis

Immediately available liquidity reserve

€bn	30-Jun-17	31-Dec-16
Immediately available liquidity reserve (counterbalancing capacity) (a)	344	305

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

Ratio Common Equity Tier 1

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

€bn	30-Jun-17	31-Mar-17
Consolidated Equity	104.4	107.3
Undated super subordinated notes	-7.8	-8.5
2016 dividend not paid yet		-3.4
2017 project of dividend distribution	-2.1	-0.9
Regulatory adjustments on equity**	-1.6	-1.6
Regulatory adjustments on minority interests	-2.8	-2.8
Goodwill and intangible assets	-12.9	-13.3
Deferred tax assets related to tax loss carry forwards	-0.8	-0.9
Other regulatory adjustments	-1.3	-1.3
Common Equity Tier One capital	75.1	74.6
Risk-weighted assets	640	642
Common Equity Tier 1 Ratio	11.7%	11.6%

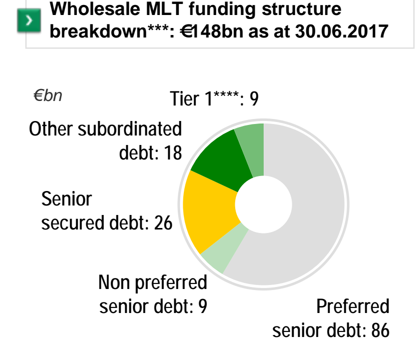
** CRD4, taking into account all the rules of the CRD4 with no transitory provisions. Subject to the provisions of article 26.2 of (EU) regulation n°575/2013; ** Including Prudent Valuation Adjustment*

Wholesale Medium/Long-Term Funding 2017 Programme

2017 MLT funding programme of €25bn

- Issues of capital instruments in relation with the total target of 3% by 2020*
  - $1.25bn of 10 year bullet Tier 2 issued in March 2017 at Treasuries + 215bp
- Senior debt: €22bn** issued at mid-swap + 59bp on average (4.4 year average maturity)
  - Of which non preferred senior debt: 90%** of the €10bn programme already issued in various currencies (EUR, USD, JPY, SGD, AUD,...)
  - Of which senior secured debt: €1.5bn** issued in covered bonds and securitisations

Wholesale MLT funding structure breakdown***: €148bn as at 30.06.2017



Over 90% of the 2017 issuance programme already completed

* Subject to market conditions; ** As at 13 July 2017; *** Figures restated according to the new broader definition of wholesale funding (€143bn as at 31.12.16), covering all funds, excluding those provided by retail customers, SMEs and corporates, institutional clients for their operating needs, monetary policy and funding secured by market assets; **** Debt qualified prudentially as Tier 1 booked as subordinated debt or as equity

Cost of Risk on Outstandings (1/2)

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

	2014	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17
Domestic Markets*									
Loan outstandings as of the beg. of the quarter (€bn)	335.2	339.2	341.4	341.1	347.2	348.0	344.4	356.4	359.2
Cost of risk (€m)	2,074	1,812	399	388	329	399	1,515	319	355
Cost of risk (in annualised bp)	62	53	47	46	38	46	44	36	40
FRB*									
Loan outstandings as of the beg. of the quarter (€bn)	143.4	144.7	142.9	142.0	145.4	146.8	144.3	151.5	154.2
Cost of risk (€m)	402	343	73	72	72	124	342	79	80
Cost of risk (in annualised bp)	28	24	21	20	20	34	24	21	21
BNL bc*									
Loan outstandings as of the beg. of the quarter (€bn)	78.1	77.4	77.3	76.9	78.1	77.4	77.4	79.4	78.5
Cost of risk (€m)	1,398	1,248	274	242	215	229	959	228	222
Cost of risk (in annualised bp)	179	161	142	126	110	118	124	115	113
BRB*									
Loan outstandings as of the beg. of the quarter (€bn)	88.4	91.5	95.0	96.1	97.4	97.1	96.4	98.7	99.3
Cost of risk (€m)	131	85	21	49	19	9	98	-1	28
Cost of risk (in annualised bp)	15	9	9	20	8	4	10	0	11

With Private Banking at 100%

Cost of Risk on Outstandings (2/2)

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

	2014	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17
BancWest*									
Loan outstandings as of the beg. of the quarter (€bn)	43.3	55.0	60.1	58.0	61.1	61.8	60.3	67.3	66.7
Cost of risk (€m)	50	50	25	23	14	23	85	22	38
Cost of risk (in annualised bp)	12	9	16	16	9	15	14	13	23
Europe-Mediterranean*									
Loan outstandings as of the beg. of the quarter (€bn)	30.0	38.8	38.6	39.0	39.5	39.3	39.1	38.3	38.3
Cost of risk (€m)	357	466	96	87	127	127	437	67	70
Cost of risk (in annualised bp)	119	120	100	89	129	129	112	70	73
Personal Finance									
Loan outstandings as of the beg. of the quarter (€bn)	51.3	57.0	59.4	60.6	62.3	63.4	61.4	65.9	68.9
Cost of risk (€m)	1,095	1,176	221	248	240	269	979	240	225
Cost of risk (in annualised bp)	214	206	149	164	154	170	159	146	131
CIB - Corporate Banking									
Loan outstandings as of the beg. of the quarter (€bn)	105.3	116.5	117.9	118.2	120.4	118.3	118.7	123.4	128.6
Cost of risk (€m)	131	138	55	42	79	115	292	-57	-78
Cost of risk (in annualised bp)	12	12	19	14	26	39	25	-19	-24
Group**									
Loan outstandings as of the beg. of the quarter (€bn)	647.2	698.9	703.2	702.2	717.5	716.1	709.8	737.6	742.9
Cost of risk (€m)	3,705	3,797	757	791	764	950	3,262	592	662
Cost of risk (in annualised bp)	57	54	43	45	43	53	46	32	36

** With Private Banking at 100%; ** Including cost of risk of market activities, Investment Solutions (until end 2014), International Financial Services and Corporate Centre*

Basel 3* Risk-Weighted Assets

- Basel 3* Risk-Weighted Assets: €640bn (€642bn as at 31.03.17)
  - Slight decrease in the risk-weighted assets due to the foreign exchange effect

Switch of the Basel 3* risk-weighted assets by type of risk Old definition → new EBA definition

€bn	Old Definition 30.06.17	Adjustments	EBA Definition 30.06.17
Credit Risk	475	+43-5-9	505**
*of which Equity Risk***		*+43*	
of which Securitisation positions in the banking book	5	-5	
of which Reclassification of DTA in the category Others	9	-9	
Operational Risk	64		**64**
Counterparty Risk	29		**29**
Market / Foreign Exchange Risk	20		**20**
Securitisation positions in the banking book NC		+5	**5**
Others*** NC		+9+9	**18**
Equity Risk**	52	-52	
of which Equity Risk	*43*	*-43*	
of which Investments in certain entities of the financial sector	*9*	*-9*	
Total of Basel 3* RWA	**640**	**0**	**640**

NC : new categories

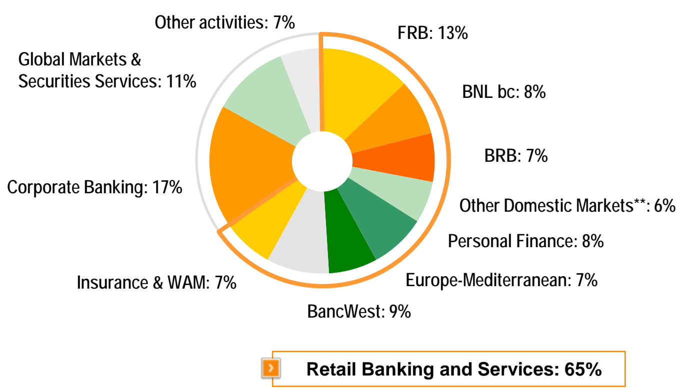
Basel 3* risk-weighted assets by type of risk (new EBA definition)

€bn	31.12.16	31.03.17	30.06.17
Credit Risk	494	500	505
Operational Risk	64	64	64
Counterparty Risk	33	33	29
Market / Foreign exchange Risk	23	20	20
Securitisation positions in the banking book	8	5	5
Others***	19	19	18
Total of Basel 3* RWA	**641**	**642**	**640**

** CRD4; ** The Equity Risk, previously identified as a separate category, is now broken down between the Credit Risk category for equity risks treated using the simple weighting method or an internal model approach (€43bn as at 30.06.17) and the Others category for significant investments in entities in the financial sector subject to 250% weighting (€9bn as at 30.06.17); *** Including the DTAs and significant investments in entities in the financial sector subject to 250% weighting*

Basel 3* Risk-Weighted Assets

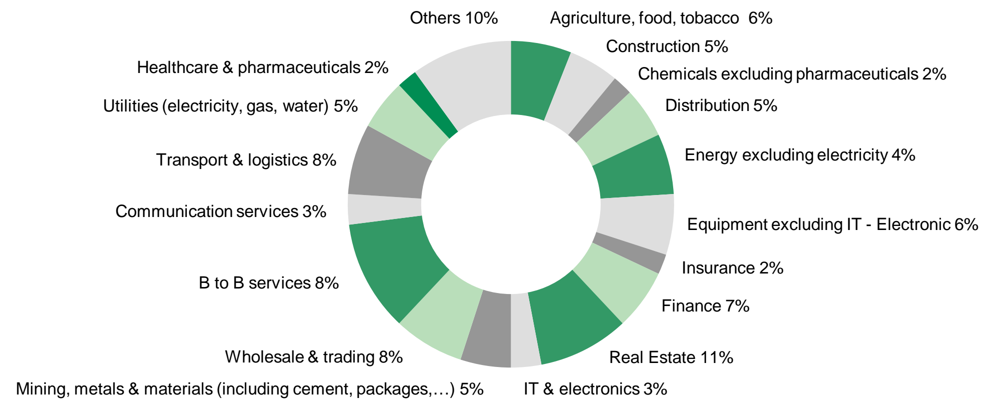
Basel 3* risk-weighted assets by business as at 30.06.2017



Retail Banking and Services: 65%

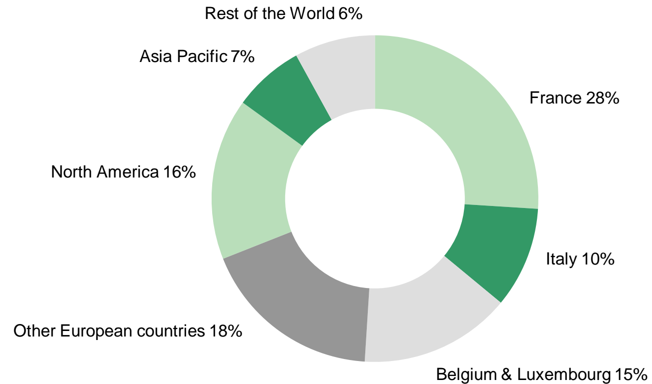
* CRD4; ** Including Luxembourg

Breakdown of Commitments by Industry (Corporate Asset Class)



Total gross commitments on and off-balance sheet, unweighted (corporate asset class) = €618bn as at 30.06.2017

Breakdown of Commitments by Region



Total gross commitments on and off balance sheet, unweighted = €1,512bn as at 30.06.2017

CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	2Q17	2Q16	2Q17 / 2Q16	1Q17	2Q17 / 1Q17	1H17	1H16	1H17 / 1H16
Revenues	**10,938**	**11,322**	**-3.4%**	**11,297**	**-3.2%**	**22,235**	**22,166**	**+0.3%**
Operating Expenses and Dep.	-7,071	-7,090	-0.3%	-8,119	-12.9%	-15,190	-14,717	+3.2%
Gross Operating Income	**3,867**	**4,232**	**-8.6%**	**3,178**	**+21.7%**	**7,045**	**7,449**	**-5.4%**
Cost of Risk	-662	-791	-16.3%	-592	+11.8%	-1,254	-1,548	-19.0%
Operating Income	**3,205**	**3,441**	**-6.9%**	**2,586**	**+23.9%**	**5,791**	**5,901**	**-1.9%**
Share of Earnings of Equity-Method Entities	223	165	+35.2%	165	+35.2%	388	319	+21.6%
Other Non Operating Items	33	-81	n.s.	3	n.s.	36	-57	n.s.
Non Operating Items	**256**	**84**	**n.s.**	**168**	**+52.4%**	**424**	**262**	**+61.8%**
Pre-Tax Income	**3,461**	**3,525**	**-1.8%**	**2,754**	**+25.7%**	**6,215**	**6,163**	**+0.8%**
Corporate Income Tax	-943	-864	+9.2%	-752	+25.4%	-1,695	-1,584	+7.0%
Net Income Attributable to Minority Interests	-122	-101	+20.8%	-108	+13.0%	-230	-205	+12.2%
Net Income Attributable to Equity Holders	**2,396**	**2,560**	**-6.4%**	**1,894**	**+26.5%**	**4,290**	**4,374**	**-1.9%**
Cost/Income	64.6%	62.6%	+2.0 pt	71.9%	-7.3 pt	68.3%	66.4%	+1.9 pt

BNP Paribas' financial disclosures for the second quarter 2017 are contained in this press release and in the presentation attached herewith.
All legally required disclosures, including the Registration document, are available online at http://invest.bnpparibas.com in the "Results" section and are made public by BNP Paribas pursuant to the requirements under Article L.451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the Autorité des Marchés Financiers' general rules.

2Q17 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**3,803**	**3,935**	**3,197**	**10,935**	**3**	**10,938**
	%Change/2Q16	+0.0%	+3.2%	+4.6%	+2.5%	-99.6%	-3.4%
	%Change/1Q17	-0.1%	+0.7%	-0.8%	-0.0%	-99.3%	-3.2%
Operating Expenses and Dep.		-2,417	-2,367	-1,988	-6,771	-300	-7,071
	%Change/2Q16	+1.6%	+2.8%	-6.0%	-0.4%	+1.7%	-0.3%
	%Change/1Q17	-13.7%	-5.5%	-20.7%	-13.3%	-2.8%	-12.9%
Gross Operating Income		**1,387**	**1,568**	**1,209**	**4,164**	**-297**	**3,867**
	%Change/2Q16	-2.7%	+3.8%	+28.4%	+7.4%	n.s.	-8.6%
	%Change/1Q17	+37.5%	+11.7%	+68.8%	+33.1%	n.s.	+21.7%
Cost of Risk		-356	-331	118	-568	-94	-662
	%Change/2Q16	-7.6%	-6.9%	n.s.	-27.7%	n.s.	-16.3%
	%Change/1Q17	+11.4%	+4.9%	n.s.	-2.2%	n.s.	+11.8%
Operating Income		**1,031**	**1,237**	**1,328**	**3,596**	**-391**	**3,205**
	%Change/2Q16	-0.8%	+7.2%	+48.1%	+16.4%	n.s.	-6.9%
	%Change/1Q17	+49.6%	+13.7%	+72.4%	+41.1%	n.s.	+23.9%
Share of Earnings of Equity-Method Entities		21	153	5	179	44	223
Other Non Operating Items		1	14	15	31	2	33
Pre-Tax Income		**1,053**	**1,405**	**1,349**	**3,807**	**-346**	**3,461**
	%Change/2Q16	-0.2%	+11.3%	+48.7%	+18.1%	n.s.	-1.8%
	%Change/1Q17	+49.4%	+14.9%	+73.4%	+40.7%	n.s.	+25.7%

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**3,803**	**3,935**	**3,197**	**10,935**	**3**	**10,938**
	2Q16	3,803	3,813	3,056	10,672	650	11,322
	1Q17	3,807	3,909	3,223	10,939	358	11,297
Operating Expenses and Dep.		-2,417	-2,367	-1,988	-6,771	-300	-7,071
	2Q16	-2,378	-2,303	-2,115	-6,795	-295	-7,090
	1Q17	-2,799	-2,506	-2,506	-7,811	-308	-8,119
Gross Operating Income		**1,387**	**1,568**	**1,209**	**4,164**	**-297**	**3,867**
	2Q16	1,425	1,510	942	3,876	356	4,232
	1Q17	1,008	1,404	717	3,129	49	3,178
Cost of Risk		-356	-331	118	-568	-94	-662
	2Q16	-385	-355	-46	-786	-5	-791
	1Q17	-319	-315	54	-581	-11	-592
Operating Income		**1,031**	**1,237**	**1,328**	**3,596**	**-391**	**3,205**
	2Q16	1,040	1,155	896	3,091	350	3,441
	1Q17	689	1,089	770	2,548	38	2,586
Share of Earnings of Equity-Method Entities		21	153	5	179	44	223
	2Q16	13	111	13	137	28	165
	1Q17	11	128	8	146	19	165
Other Non Operating Items		1	14	15	31	2	33
	2Q16	2	-4	-2	-4	-77	-81
	1Q17	5	6	0	11	-8	3
Pre-Tax Income		**1,053**	**1,405**	**1,349**	**3,807**	**-346**	**3,461**
	2Q16	1,055	1,262	907	3,224	301	3,525
	1Q17	705	1,222	778	2,705	49	2,754
Corporate Income Tax							-943
Net Income Attributable to Minority Interests							-122
Net Income Attributable to Equity Holders							**2,396**

1H17 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**7,611**	**7,844**	**6,420**	**21,875**	**360**	**22,235**
	%Change/1H2016	-0.5%	+4.5%	+11.8%	+4.7%	-71.6%	+0.3%
Operating Expenses and Dep.		-5,215	-4,873	-4,494	-14,582	-608	-15,190
	%Change/1H2016	+1.8%	+2.7%	+2.8%	+2.4%	+27.4%	+3.2%
Gross Operating Income		**2,395**	**2,971**	**1,926**	**7,293**	**-248**	**7,045**
	%Change/1H2016	-5.1%	+7.5%	+40.6%	+9.5%	n.s.	-5.4%
Cost of Risk		-675	-645	172	-1,148	-106	-1,254
	%Change/1H2016	-13.8%	-7.1%	n.s.	-26.0%	n.s.	-19.0%
Operating Income		**1,720**	**2,326**	**2,098**	**6,144**	**-353**	**5,791**
	%Change/1H2016	-1.2%	+12.4%	+61.9%	+20.3%	n.s.	-1.9%
Share of Earnings of Equity-Method Entities		31	281	13	325	63	388
Other Non Operating Items		6	20	15	42	-6	36
Pre-Tax Income		**1,758**	**2,627**	**2,126**	**6,512**	**-296**	**6,215**
	%Change/1H2016	-0.3%	+13.5%	+62.3%	+20.9%	n.s.	+0.8%
Corporate Income Tax							-1,695
Net Income Attributable to Minority Interests							-230
Net Income Attributable to Equity Holders							**4,290**

QUARTERLY SERIES

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
GROUP						
Revenues	**10,938**	**11,297**	**10,656**	**10,589**	**11,322**	**10,844**
Operating Expenses and Dep.	-7,071	-8,119	-7,444	-7,217	-7,090	-7,627
Gross Operating Income	**3,867**	**3,178**	**3,212**	**3,372**	**4,232**	**3,217**
Cost of Risk	-662	-592	-950	-764	-791	-757
Operating Income	**3,205**	**2,586**	**2,262**	**2,608**	**3,441**	**2,460**
Share of Earnings of Equity-Method Entities	223	165	151	163	165	154
Other Non Operating Items	33	3	-146	9	-81	24
Pre-Tax Income	**3,461**	**2,754**	**2,267**	**2,780**	**3,525**	**2,638**
Corporate Income Tax	-943	-752	-721	-790	-864	-720
Net Income Attributable to Minority Interests	-122	-108	-104	-104	-101	-104
Net Income Attributable to Equity Holders	**2,396**	**1,894**	**1,442**	**1,886**	**2,560**	**1,814**
Cost/Income	64.6%	71.9%	69.9%	68.2%	62.6%	70.3%

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
RETAIL BANKING & SERVICES Excluding PEL/CEL Effects						
Revenues	**7,737**	**7,719**	**7,758**	**7,735**	**7,636**	**7,522**
Operating Expenses and Dep.	-4,784	-5,305	-5,200	-4,813	-4,681	-5,187
Gross Operating Income	**2,953**	**2,414**	**2,558**	**2,922**	**2,956**	**2,335**
Cost of Risk	-686	-634	-824	-704	-740	-738
Operating Income	**2,267**	**1,780**	**1,733**	**2,218**	**2,216**	**1,598**
Share of Earnings of Equity-Method Entities	174	139	130	140	124	136
Other Non Operating Items	16	11	-5	9	-2	8
Pre-Tax Income	**2,457**	**1,930**	**1,858**	**2,367**	**2,339**	**1,742**
Allocated Equity (€bn, year to date)	50.7	50.6	49.0	48.8	48.6	48.7

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
RETAIL BANKING & SERVICES						
Revenues	**7,738**	**7,717**	**7,765**	**7,728**	**7,615**	**7,540**
Operating Expenses and Dep.	-4,784	-5,305	-5,200	-4,813	-4,681	-5,187
Gross Operating Income	**2,955**	**2,412**	**2,565**	**2,915**	**2,935**	**2,353**
Cost of Risk	-686	-634	-824	-704	-740	-738
Operating Income	**2,269**	**1,778**	**1,741**	**2,212**	**2,195**	**1,616**
Share of Earnings of Equity-Method Entities	174	139	130	140	124	136
Other Non Operating Items	16	11	-5	9	-2	8
Pre-Tax Income	**2,458**	**1,927**	**1,866**	**2,360**	**2,318**	**1,760**
Allocated Equity (€bn, year to date)	50.7	50.6	49.0	48.8	48.6	48.7

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
DOMESTIC MARKETS (including 100% of Private Banking in France, Italy, Belgium and Luxembourg)* Excluding PEL/CEL Effects						
Revenues	**3,951**	**3,952**	**3,866**	**3,923**	**3,962**	**3,963**
Operating Expenses and Dep.	-2,488	-2,880	-2,794	-2,567	-2,449	-2,818
Gross Operating Income	**1,463**	**1,072**	**1,072**	**1,356**	**1,513**	**1,145**
Cost of Risk	-355	-319	-399	-329	-388	-399
Operating Income	**1,108**	**753**	**674**	**1,028**	**1,124**	**746**
Share of Earnings of Equity-Method Entities	21	11	14	18	13	9
Other Non Operating Items	1	5	-6	8	2	-2
Pre-Tax Income	**1,130**	**769**	**681**	**1,054**	**1,140**	**753**
Income Attributable to Wealth and Asset Management	-78	-61	-59	-61	-63	-63
Pre-Tax Income of Domestic Markets	**1,052**	**707**	**622**	**993**	**1,076**	**690**
Allocated Equity (€bn, year to date)	24.1	23.8	23.0	22.9	22.9	22.9

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
DOMESTIC MARKETS (including 2/3 of Private Banking in France, Italy, Belgium and Luxembourg)						
Revenues	**3,803**	**3,807**	**3,740**	**3,782**	**3,803**	**3,844**
Operating Expenses and Dep.	-2,417	-2,799	-2,719	-2,494	-2,378	-2,745
Gross Operating Income	**1,387**	**1,008**	**1,022**	**1,288**	**1,425**	**1,099**
Cost of Risk	-356	-319	-399	-327	-385	-398
Operating Income	**1,031**	**689**	**623**	**961**	**1,040**	**701**
Share of Earnings of Equity-Method Entities	21	11	13	18	13	9
Other Non Operating Items	1	5	-6	8	2	-2
Pre-Tax Income	**1,053**	**705**	**630**	**987**	**1,055**	**708**
Allocated Equity (€bn, year to date)	24.1	23.8	23.0	22.9	22.9	22.9

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

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
FRENCH RETAIL BANKING (including 100% of Private Banking in France)*						
Revenues	**1,607**	**1,618**	**1,556**	**1,594**	**1,587**	**1,661**
Incl. Net Interest Income	*886*	*909*	*907*	*916*	*879*	*972*
Incl. Commissions	*721*	*708*	*649*	*678*	*709*	*689*
Operating Expenses and Dep.	-1,116	-1,184	-1,216	-1,178	-1,106	-1,173
Gross Operating Income	**492**	**434**	**340**	**416**	**481**	**488**
Cost of Risk	-80	-79	-124	-72	-72	-73
Operating Income	**412**	**355**	**215**	**345**	**408**	**415**
Non Operating Items	0	0	1	0	1	1
Pre-Tax Income	**412**	**356**	**217**	**345**	**409**	**416**
Income Attributable to Wealth and Asset Management	-40	-39	-32	-34	-32	-39
Pre-Tax Income of French Retail Banking	**372**	**316**	**184**	**310**	**377**	**377**
Allocated Equity (€bn, year to date)	9.3	9.2	8.7	8.6	8.5	8.6

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
FRENCH RETAIL BANKING (including 100% of Private Banking in France)* Excluding PEL/CEL Effects						
Revenues	**1,606**	**1,620**	**1,548**	**1,601**	**1,608**	**1,643**
Incl. Net Interest Income	*885*	*912*	*899*	*923*	*900*	*954*
Incl. Commissions	*721*	*708*	*649*	*678*	*709*	*689*
Operating Expenses and Dep.	-1,116	-1,184	-1,216	-1,178	-1,106	-1,173
Gross Operating Income	**490**	**436**	**332**	**423**	**502**	**470**
Cost of Risk	-80	-79	-124	-72	-72	-73
Operating Income	**411**	**358**	**208**	**351**	**430**	**397**
Non Operating Items	0	0	1	0	1	1
Pre-Tax Income	**411**	**358**	**209**	**351**	**430**	**398**
Income Attributable to Wealth and Asset Management	-40	-39	-32	-34	-32	-39
Pre-Tax Income of French Retail Banking	**371**	**319**	**177**	**317**	**398**	**359**
Allocated Equity (€bn, year to date)	9.3	9.2	8.7	8.6	8.5	8.6

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)						
Revenues	**1,531**	**1,541**	**1,485**	**1,523**	**1,516**	**1,588**
Operating Expenses and Dep.	-1,079	-1,146	-1,178	-1,141	-1,068	-1,139
Gross Operating Income	**452**	**395**	**307**	**382**	**448**	**450**
Cost of Risk	-80	-79	-124	-71	-72	-73
Operating Income	**372**	**316**	**183**	**311**	**376**	**377**
Non Operating Items	0	0	1	0	1	1
Pre-Tax Income	**372**	**316**	**184**	**310**	**377**	**377**
Allocated Equity (€bn, year to date)	9.3	9.2	8.7	8.6	8.5	8.6

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

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

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
PEL/CEL effects	1	-2	8	-7	-21	18

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BNL banca commerciale (Including 100% of Private Banking in Italy)*						
Revenues	**729**	**727**	**745**	**741**	**749**	**737**
Operating Expenses and Dep.	-430	-469	-543	-448	-433	-462
Gross Operating Income	**299**	**258**	**202**	**293**	**317**	**275**
Cost of Risk	-222	-228	-229	-215	-242	-274
Operating Income	**77**	**30**	**-27**	**78**	**74**	**1**
Non Operating Items	0	0	0	0	0	0
Pre-Tax Income	**77**	**30**	**-27**	**78**	**74**	**1**
Income Attributable to Wealth and Asset Management	-12	-12	-10	-9	-9	-10
Pre-Tax Income of BNL bc	**65**	**18**	**-36**	**70**	**65**	**-8**
Allocated Equity (€bn, year to date)	5.7	5.7	5.7	5.8	5.9	6.0

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BNL banca commerciale (Including 2/3 of Private Banking in Italy)						
Revenues	**707**	**706**	**725**	**721**	**730**	**718**
Operating Expenses and Dep.	-420	-460	-533	-438	-423	-453
Gross Operating Income	**287**	**247**	**192**	**284**	**307**	**265**
Cost of Risk	-222	-228	-229	-214	-242	-274
Operating Income	**65**	**18**	**-36**	**70**	**65**	**-8**
Non Operating Items	0	0	0	0	0	0
Pre-Tax Income	**65**	**18**	**-36**	**70**	**65**	**-8**
Allocated Equity (€bn, year to date)	5.7	5.7	5.7	5.8	5.9	6.0

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium)*						
Revenues	**930**	**931**	**908**	**914**	**923**	**917**
Operating Expenses and Dep.	-560	-823	-661	-575	-555	-791
Gross Operating Income	**370**	**108**	**247**	**339**	**367**	**126**
Cost of Risk	-28	1	-9	-19	-49	-21
Operating Income	**343**	**109**	**237**	**320**	**318**	**106**
Share of Earnings of Equity-Method Entities	6	-4	2	5	5	-4
Other Non Operating Items	2	0	-1	-2	0	0
Pre-Tax Income	**351**	**106**	**239**	**323**	**323**	**102**
Income Attributable to Wealth and Asset Management	-25	-10	-17	-18	-21	-14
Pre-Tax Income of Belgian Retail Banking	**325**	**96**	**222**	**305**	**302**	**88**
Allocated Equity (€bn, year to date)	5.2	5.1	4.7	4.7	4.7	4.6

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)						
Revenues	**882**	**889**	**867**	**871**	**878**	**875**
Operating Expenses and Dep.	-537	-790	-636	-550	-534	-763
Gross Operating Income	**346**	**99**	**230**	**321**	**344**	**112**
Cost of Risk	-28	1	-10	-19	-46	-20
Operating Income	**317**	**99**	**221**	**302**	**297**	**92**
Share of Earnings of Equity-Method Entities	6	-4	2	5	5	-4
Other Non Operating Items	2	0	-1	-2	0	0
Pre-Tax Income	**325**	**96**	**222**	**305**	**302**	**88**
Allocated Equity (€bn, year to date)	5.2	5.1	4.7	4.7	4.7	4.6

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

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)*						
Revenues	**686**	**674**	**666**	**669**	**681**	**666**
Operating Expenses and Dep.	-382	-405	-374	-367	-355	-393
Gross Operating Income	**304**	**269**	**292**	**302**	**327**	**273**
Cost of Risk	-26	-14	-37	-23	-25	-31
Operating Income	**278**	**256**	**255**	**279**	**302**	**242**
Share of Earnings of Equity-Method Entities	14	14	10	13	8	12
Other Non Operating Items	0	5	-6	10	3	-2
Pre-Tax Income	**292**	**274**	**260**	**301**	**312**	**252**
Income Attributable to Wealth and Asset Management	-1	-1	0	0	-1	-1
Pre-Tax Income of Other Domestic Markets	**291**	**274**	**259**	**301**	**311**	**251**
Allocated Equity (€bn, year to date)	3.9	3.9	3.8	3.8	3.8	3.8

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)						
Revenues	**683**	**671**	**663**	**666**	**679**	**663**
Operating Expenses and Dep.	-381	-403	-372	-365	-353	-391
Gross Operating Income	**303**	**269**	**291**	**301**	**326**	**272**
Cost of Risk	-26	-14	-36	-23	-25	-31
Operating Income	**277**	**255**	**255**	**278**	**301**	**241**
Share of Earnings of Equity-Method Entities	14	14	10	13	8	12
Other Non Operating Items	0	5	-6	10	3	-2
Pre-Tax Income	**291**	**274**	**259**	**301**	**311**	**251**
Allocated Equity (€bn, year to date)	3.9	3.9	3.8	3.8	3.8	3.8

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

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
INTERNATIONAL FINANCIAL SERVICES						
Revenues	**3,935**	**3,909**	**4,025**	**3,946**	**3,813**	**3,696**
Operating Expenses and Dep.	-2,367	-2,506	-2,481	-2,319	-2,303	-2,442
Gross Operating Income	**1,568**	**1,404**	**1,544**	**1,627**	**1,510**	**1,254**
Cost of Risk	-331	-315	-425	-376	-355	-339
Operating Income	**1,237**	**1,089**	**1,118**	**1,251**	**1,155**	**915**
Share of Earnings of Equity-Method Entities	153	128	116	122	111	127
Other Non Operating Items	14	6	1	1	-4	10
Pre-Tax Income	**1,405**	**1,222**	**1,236**	**1,373**	**1,262**	**1,052**
Allocated Equity (€bn, year to date)	26.6	26.7	26.1	25.9	25.7	25.8

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
PERSONAL FINANCE						
Revenues	**1,220**	**1,201**	**1,185**	**1,177**	**1,168**	**1,149**
Operating Expenses and Dep.	-579	-634	-598	-544	-547	-609
Gross Operating Income	**641**	**568**	**587**	**632**	**621**	**540**
Cost of Risk	-225	-240	-269	-240	-248	-221
Operating Income	**415**	**328**	**317**	**392**	**373**	**319**
Share of Earnings of Equity-Method Entities	30	20	18	18	-8	13
Other Non Operating Items	0	5	-2	0	-1	1
Pre-Tax Income	**445**	**353**	**334**	**411**	**364**	**333**
Allocated Equity (€bn, year to date)	5.4	5.3	4.9	4.9	4.8	4.8

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey)*						
Revenues	**590**	**592**	**630**	**659**	**616**	**608**
Operating Expenses and Dep.	-420	-424	-431	-413	-429	-432
Gross Operating Income	**170**	**168**	**200**	**245**	**187**	**176**
Cost of Risk	-70	-67	-127	-127	-87	-96
Operating Income	**100**	**101**	**73**	**118**	**100**	**80**
Share of Earnings of Equity-Method Entities	53	48	49	48	53	50
Other Non Operating Items	-1	0	-1	0	-4	2
Pre-Tax Income	**152**	**150**	**121**	**166**	**149**	**132**
Income Attributable to Wealth and Asset Management	-1	-1	-1	0	-1	-1
Pre-Tax Income of Europe-Mediterranean	**151**	**149**	**120**	**165**	**149**	**132**
Allocated Equity (€bn, year to date)	5.0	5.0	5.2	5.2	5.2	5.1

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey)						
Revenues	**588**	**590**	**628**	**656**	**614**	**606**
Operating Expenses and Dep.	-419	-423	-429	-411	-428	-431
Gross Operating Income	**169**	**167**	**199**	**245**	**187**	**176**
Cost of Risk	-70	-67	-127	-127	-87	-96
Operating Income	**99**	**100**	**72**	**118**	**100**	**80**
Share of Earnings of Equity-Method Entities	53	48	49	48	53	50
Other Non Operating Items	-1	0	-1	0	-4	2
Pre-Tax Income	**151**	**149**	**120**	**165**	**149**	**132**
Allocated Equity (€bn, year to date)	5.0	5.0	5.2	5.2	5.2	5.1

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

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BANCWEST (Including 100% of Private Banking in United States)*						
Revenues	**762**	**761**	**795**	**728**	**688**	**773**
Operating Expenses and Dep.	-513	-556	-521	-501	-482	-534
Gross Operating Income	**249**	**205**	**274**	**227**	**207**	**239**
Cost of Risk	-38	-22	-23	-14	-23	-25
Operating Income	**211**	**183**	**251**	**213**	**184**	**214**
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0
Other Non Operating Items	1	-1	4	1	1	10
Pre-Tax Income	**212**	**182**	**255**	**214**	**184**	**225**
Income Attributable to Wealth and Asset Management	-5	-5	-5	-4	-3	-3
Pre-Tax Income of Bancwest	**206**	**177**	**251**	**210**	**181**	**221**
Allocated Equity (€bn, year to date)	6.6	6.7	6.3	6.2	6.3	6.4

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BANCWEST (Including 2/3 of Private Banking in United States)						
Revenues	**748**	**748**	**782**	**716**	**677**	**762**
Operating Expenses and Dep.	-505	-548	-513	-493	-474	-526
Gross Operating Income	**243**	**200**	**269**	**223**	**203**	**236**
Cost of Risk	-38	-22	-23	-14	-23	-25
Operating Income	**206**	**178**	**246**	**209**	**180**	**211**
Non Operating Items	1	-1	4	1	1	10
Pre-Tax Income	**206**	**177**	**251**	**210**	**181**	**221**
Allocated Equity (€bn, year to date)	6.6	6.7	6.3	6.2	6.3	6.4

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
INSURANCE						
Revenues	**619**	**597**	**636**	**679**	**611**	**456**
Operating Expenses and Dep.	-297	-326	-315	-299	-278	-309
Gross Operating Income	**322**	**271**	**321**	**380**	**333**	**147**
Cost of Risk	-1	-1	-1	3	1	-1
Operating Income	**321**	**271**	**320**	**383**	**334**	**146**
Share of Earnings of Equity-Method Entities	55	54	36	44	54	55
Other Non Operating Items	0	1	0	0	0	-3
Pre-Tax Income	**376**	**326**	**356**	**427**	**387**	**199**
Allocated Equity (€bn, year to date)	7.7	7.8	7.5	7.4	7.4	7.4

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
WEALTH AND ASSET MANAGEMENT						
Revenues	**760**	**773**	**794**	**718**	**743**	**723**
Operating Expenses and Dep.	-567	-576	-626	-572	-577	-567
Gross Operating Income	**193**	**198**	**168**	**146**	**166**	**156**
Cost of Risk	4	14	-5	3	3	3
Operating Income	**197**	**212**	**163**	**149**	**169**	**159**
Share of Earnings of Equity-Method Entities	15	5	13	12	13	8
Other Non Operating Items	14	0	0	0	0	0
Pre-Tax Income	**226**	**217**	**176**	**161**	**181**	**167**
Allocated Equity (€bn, year to date)	1.9	1.9	2.1	2.1	2.1	2.1

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

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
CORPORATE AND INSTITUTIONAL BANKING						
Revenues	**3,197**	**3,223**	**2,821**	**2,905**	**3,056**	**2,686**
Operating Expenses and Dep.	-1,988	-2,506	-1,914	-2,022	-2,115	-2,258
Gross Operating Income	**1,209**	**717**	**907**	**883**	**942**	**428**
Cost of Risk	118	54	-70	-74	-46	-28
Operating Income	**1,328**	**770**	**837**	**809**	**896**	**400**
Share of Earnings of Equity-Method Entities	5	8	9	2	13	-3
Other Non Operating Items	15	0	-5	1	-2	6
Pre-Tax Income	**1,349**	**778**	**841**	**812**	**907**	**403**
Allocated Equity (€bn, year to date)	21.8	22.1	22.2	22.2	22.0	21.9

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
CORPORATE BANKING						
Revenues	**1,176**	**991**	**1,071**	**958**	**1,037**	**929**
Operating Expenses and Dep.	-590	-691	-567	-591	-601	-693
Gross Operating Income	**586**	**299**	**504**	**368**	**436**	**236**
Cost of Risk	78	57	-115	-79	-42	-55
Operating Income	**664**	**356**	**388**	**289**	**394**	**181**
Non Operating Items	19	7	14	-3	2	0
Pre-Tax Income	**683**	**364**	**402**	**285**	**396**	**181**
Allocated Equity (€bn, year to date)	12.6	12.6	12.4	12.3	12.3	12.2

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
GLOBAL MARKETS						
Revenues	**1,523**	**1,754**	**1,284**	**1,490**	**1,558**	**1,318**
incl. FICC	*883*	*1,174*	*838*	*1,082*	*1,050*	*890*
incl. Equity & Prime Services	*640*	*580*	*446*	*408*	*509*	*428*
Operating Expenses and Dep.	-997	-1,424	-967	-1,065	-1,139	-1,184
Gross Operating Income	**526**	**330**	**317**	**425**	**419**	**134**
Cost of Risk	39	-3	44	5	-4	27
Operating Income	**565**	**327**	**361**	**430**	**415**	**160**
Share of Earnings of Equity-Method Entities	-1	0	-3	5	11	-4
Other Non Operating Items	3	0	-8	0	-2	6
Pre-Tax Income	**567**	**326**	**350**	**435**	**424**	**163**
Allocated Equity (€bn, year to date)	8.4	8.7	9.0	9.1	9.0	9.1

€m	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
SECURITIES SERVICES						
Revenues	**498**	**478**	**466**	**457**	**461**	**440**
Operating Expenses and Dep.	-400	-390	-380	-367	-374	-382
Gross Operating Income	**97**	**87**	**86**	**90**	**87**	**59**
Cost of Risk	1	0	2	0	1	0
Operating Income	**99**	**87**	**87**	**90**	**88**	**59**
Non Operating Items	0	0	1	1	0	0
Pre-Tax Income	**99**	**88**	**88**	**91**	**87**	**59**
Allocated Equity (€bn, year to date)	0.9	0.8	0.8	0.8	0.7	0.7

€m	**2Q17**	**1Q17**	**4Q16**	**3Q16**	**2Q16**	**1Q16**
CORPORATE CENTRE						
Revenues	**3**	**358**	**70**	**-45**	**650**	**618**
Operating Expenses and Dep.	-300	-308	-330	-381	-295	-182
Incl. Restructuring and Transformation Costs	*-168*	*-110*	*-154*	*-253*	*-108*	*-46*
Gross Operating Income	**-297**	**49**	**-260**	**-426**	**356**	**435**
Cost of Risk	-94	-11	-56	13	-5	9
Operating Income	**-391**	**38**	**-316**	**-413**	**350**	**444**
Share of Earnings of Equity-Method Entities	44	19	13	22	28	21
Other Non Operating Items	2	-8	-136	0	-77	10
Pre-Tax Income	**-346**	**49**	**-440**	**-391**	**301**	**475**

Alternative Performance Measures (APM) Article 223-1 of the AMF's General Regulation

Alternative Performance Measures	Definition	Reason for use
Revenues of the operating divisions	Sum of the revenues of Domestic Markets (with Revenues of Domestic Markets including 2/3 of Private Banking in France, Italy, Belgium and Luxembourg), IFS and CIB Revenues for BNP Paribas Group = Revenues of the operating divisions + Revenues of Corporate Centre	Representative measure of the BNP Paribas Group's operating performance
Revenues excluding PEL/CEL effects	Revenues excluding PEL/CEL effects	Representative measure of the revenues of the period excluding changes in the provision that accounts for the risk generated by PEL and CEL accounts during their lifetime
Profit & Loss account of retail banking activitywith 100% of Private Banking	Profit & Loss account of a retail banking activity including the whole Profit & Loss account of private banking	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))
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
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 Own Credit valuation Adjustments for debts (OCA) and for derivatives (Debit Valuation Adjustment - DVA) as well as transformation and restructuring costs
Return on Equity (ROE)	Details of the calculation of ROE 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 calculation of ROTE 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 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.

1.3 Long term credit ratings

Long Term/Short Term Rating	S&P	Fitch	Moody's	DBRS
As at 3 May 2017	A/A-1 (stable outlook)	A+/F1 (stable outlook)	A1/Prime-1 (stable outlook)	AA (low)/R-1 (middle) (stable outlook)
As at 31 July 2017	A/A-1 (stable outlook)	A+/F1 (stable outlook)	A1/Prime-1 (stable outlook)	AA (low)/R-1 (middle) (stable outlook)
Date of last review	31 July 2017	13 December 2016	28 May 2015	8 August 2016

1.4 Related parties

There has been no significant change in BNP Paribas' main related party transactions relative to those described in note 7.h of its consolidated financial statements for the financial year ending on 31 December 2016.

1.5 Risk factors

Save as disclosed in this document, there has been no significant change in BNP Paribas' risk factors relative to those described in chapters 5.1 to 5.10 of the 2016 Registration document and annual financial report.

1.6 Recent events

Save as disclosed in this document, no significant event that may appear in this section has occurred since the first update to the 2016 Registration document and annual financial report was issued on 3 May 2017.

2. Governance

2.1 The Board of Directors

Jean LEMIERRE
Jean-Laurent BONNAFE
Pierre André DE CHALENDAR
Monique COHEN
Wouter De PLOEY
Jane Fields WICKER-MIURIN
Marion GUILLOU
Denis KESSLER
Jacques ASCHENBROICH
Nicole MISSON
Laurence PARISOT
Daniela SCHWARZER
Michel TILMANT
Sandrine VERRIER

En italique : administrateurs répondant aux critères d'indépendance selon les recommandations de place

2.2 The Executive Committee

As at 31 July 2017, the BNP Paribas Executive Committee had the following members:

Jean-Laurent Bonnafé, Director and Chief Executive Officer;
Philippe Bordenave, Chief Operating Officer;
Jacques d'Estais, Deputy Chief Operating Officer, International Financial Services;
Michel Konczaty, Deputy Chief Operating Officer;
Thierry Laborde, Deputy Chief Operating Officer; Domestic Markets;
Alain Papiasse, Deputy Chief Operating Officer, North America, Corporate and Institutional Banking;
Marie-Claire Capobianco, Head of French Retail Banking;
Laurent David, Head of BNP Paribas Personal Finance;
Stefaan Decraene, Head of International Retail Banking;
Renaud Dumora, Chief Executive Officer of BNP Paribas Cardif**;**
Yann Gérardin, Head of Corporate and Institutional Banking;
Maxime Jadot, Head of BNP Paribas Fortis;
Éric Martin, Head of Compliance;
Yves Martrenchar, Head of Group Human Resources;
Andrea Munari, Country Head for Italy, and Director and Chief Executive officer of BNL;
Éric Raynaud, Head of the Asia Pacific region;
Frank Roncey, Head of Risk;
Thierry Varène, Head of Key Accounts, Chairman of Corporate Clients Financing and Advisory EMEA.

The Executive Committee of BNP Paribas has been assisted by a permanent secretariat since November 2007.

3. Financial information as at 30 june 2017

3.1 Consolidated financial statements as at 30 june 2017

CONSOLIDATED FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2017
STATEMENT OF NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY
BALANCE SHEET AT 30 JUNE 2017
CASH FLOW STATEMENT FOR THE FIRST HALF OF 2017
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY BETWEEN 1 JAN. 2016 AND 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE GROUP
1.a Accounting standards
1.b Consolidation
1.c Financial assets and financial liabilities
1.d Accounting standards specific to the insurance business
1.e Property, plant, equipment and intangible assets
1.f Leases
1.g Non-current assets held for sale and discontinued operations
1.h Employee benefits
1.i Share-based payments
1.j Provisions recorded under liabilities
1.k Current and deferred taxes
1.l Cash flow statement
1.m Use of estimates in the preparation of the financial statements

2. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2017
2.a Net interest income
2.b Commission income and expense
2.c Net gain on financial instruments at fair value through profit or loss
2.d Net gain on available-for-sale financial assets and other financial assets not measured at fair value
2.e Net income from other activities
2.f Other operating expenses
2.g Cost of risk
2.h Corporate income tax

3. SEGMENT INFORMATION

4. NOTES TO THE BALANCE SHEET AT 30 JUNE 2017
4.a Financial assets, financial liabilities and derivatives at fair value through profit or loss
4.b Available-for-sale financial assets
4.c Measurement of the fair value of financial instruments
4.d Interbank and money-market items
4.e Customer items
4.f Debt securities and subordinated debt
4.g Current and deferred taxes
4.h Accrued income/expense and other assets/liabilities
4.i Goodwill
4.j Provisions for contingencies and charges
4.k Offsetting of financial assets and liabilities

5. ADDITIONAL INFORMATION
5.a Changes in share capital and earnings per share
5.b Contingent liabilities : legal proceedings and arbitration
5.c Business combinations
5.d Minority interests
5.e Fair value of financial instruments carried at amortised cost
5.f Scope of consolidation

CONSOLIDATED FINANCIAL STATEMENTS

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

The consolidated financial statements of the BNP Paribas Group are presented for the first halves of 2017 and 2016. In accordance with Article 20.1 of Annex I of European Commission Regulation (EC) 809/2004, the consolidated financial statements for the first half of 2015 are provided in the update, registered on 1 August 2016 under number D.16-0126-A02, to the registration document filed with the Autorité des marchés financiers on 9 March 2016 under number D.16-0126.

PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2017

In millions of euros	Notes	First half 2017	First half 2016
Interest income	2.a	20,633	20,144
Interest expense	2.a	(9,935)	(8,829)
Commission income	2.b	6,659	6,285
Commission expense	2.b	(2,884)	(2,715)
Net gain on financial instruments at fair value through profit or loss	2.c	3,262	2,919
Net gain on available-for-sale financial assets and other financial assets not measured at fair value	2.d	1,537	1,649
Income from other activities	2.e	21,898	18,478
Expense on other activities	2.e	(18,935)	(15,765)
REVENUES		22,235	22,166
Salary and employee benefit expense		(8,337)	(8,049)
Other operating expenses	2.f	(6,048)	(5,864)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		(805)	(804)
GROSS OPERATING INCOME		7,045	7,449
Cost of risk	2.g	(1,254)	(1,548)
OPERATING INCOME		5,791	5,901
Share of earnings of equity-method entities		388	319
Net gain on non-current assets		29	(3)
Goodwill		7	(54)
PRE-TAX INCOME		6,215	6,163
Corporate income tax	2.h	(1,695)	(1,584)
NET INCOME		4,520	4,579
Net income attributable to minority interests		230	205
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		4,290	4,374
Basic earnings per share	5.a	3.30	3.43
Diluted earnings per share	5.a	3.30	3.43

STATEMENT OF NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY

In millions of euros	First half 2017	First half 2016
Net income for the period	4,520	4,579
Changes in assets and liabilities recognised directly in equity	(1,944)	(275)
Items that are or may be reclassified to profit or loss	**(2,057)**	**305**
- Changes in exchange rate items	(1,468)	(2)
- Changes in fair value of available-for-sale financial assets, including those reclassified as loans and receivables	413	1,126
- Changes in fair value of available-for-sale financial assets reported in net income, including those reclassified as loans and receivables	(728)	(1,048)
- Changes in fair value of hedging instruments	(98)	763
- Changes in fair value of hedging instruments reported in net income	3	(32)
- Income tax	233	(457)
- Changes in equity-method investments	(412)	(45)
Items that will not be reclassified to profit or loss	**113**	**(580)**
- Remeasurement gains (losses) related to post-employment benefit plans	155	(800)
- Income tax	(42)	232
- Changes in equity-method investments		(12)
Total	2,576	4,304
- Attributable to equity shareholders	2,470	4,105
- Attributable to minority interests	106	199

BALANCE SHEET AT 30 JUNE 2017

In millions of euros	Notes	30 June 2017	31 December 2016
ASSETS			
Cash and amounts due from central banks		243,384	160,400
Financial instruments at fair value through profit or loss			
Trading securities	4.a	161,885	123,679
Loans and repurchase agreements	4.a	179,045	152,242
Instruments designated as at fair value through profit or loss	4.a	94,487	87,644
Derivative financial instruments	4.a	253,559	328,162
Derivatives used for hedging purposes		15,373	18,133
Available-for-sale financial assets	4.b	247,455	267,559
Loans and receivables due from credit institutions	4.d	46,345	47,411
Loans and receivables due from customers	4.e	715,466	712,233
Remeasurement adjustment on interest-rate risk hedged portfolios		3,288	4,664
Held-to-maturity financial assets		6,114	6,100
Current and deferred tax assets	4.g	6,944	7,966
Accrued income and other assets	4.h	125,244	115,967
Equity-method investments		6,769	6,910
Investment property		1,915	1,911
Property, plant and equipment		22,792	22,523
Intangible assets		3,105	3,239
Goodwill	4.i	9,791	10,216
TOTAL ASSETS		2,142,961	2,076,959
LIABILITIES			
Due to central banks		3,785	233
Financial instruments at fair value through profit or loss			
Trading securities	4.a	81,220	70,326
Borrowings and repurchase agreements	4.a	236,678	183,206
Instruments designated as at fair value through profit or loss	4.a	55,067	54,076
Derivative financial instruments	4.a	251,976	318,740
Derivatives used for hedging purposes		16,909	19,626
Due to credit institutions	4.d	108,803	75,660
Due to customers	4.e	793,384	765,953
Debt securities	4.f	157,757	153,422
Remeasurement adjustment on interest-rate risk hedged portfolios		2,578	4,202
Current and deferred tax liabilities	4.g	3,149	3,087
Accrued expenses and other liabilities	4.h	98,336	99,407
Technical reserves of insurance companies		198,864	193,626
Provisions for contingencies and charges	4.j	11,362	11,801
Subordinated debt	4.f	18,669	18,374
TOTAL LIABILITIES		2,038,537	1,971,739
CONSOLIDATED EQUITY			
Share capital, additional paid-in capital and retained earnings		*90,792*	*86,794*
Net income for the period attributable to shareholders		*4,290*	*7,702*
Total capital, retained earnings and net income for the period attributable to shareholders		95,082	94,496
Changes in assets and liabilities recognised directly in equity		4,236	6,169
Shareholders' equity		99,318	100,665
Retained earnings and net income for the period attributable to minority interests		5,135	4,460
Changes in assets and liabilities recognised directly in equity		(29)	95
Total minority interests		5,106	4,555
TOTAL CONSOLIDATED EQUITY		104,424	105,220
TOTAL LIABILITIES AND EQUITY		2,142,961	2,076,959

CASH FLOW STATEMENT FOR THE FIRST HALF OF 2017

In millions of euros	Notes	First half 2017	First half 2016
Pre-tax income		6,215	6,163
Non-monetary items included in pre-tax net income and other adjustments		11,753	6,856
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		2,245	2,135
Impairment of goodwill and other non-current assets		(22)	34
Net addition to provisions		5,110	5,000
Share of earnings of equity-method entities		(388)	(319)
Net expense from investing activities		35	20
Net expense from financing activities		185	1,437
Other movements		4,588	(1,451)
Net increase (decrease) in cash related to assets and liabilities generated by operating activities		68,794	(2,982)
Net increase (decrease) in cash related to transactions with credit institutions		36,536	(3,126)
Net increase in cash related to transactions with customers		33,043	22,120
Net increase (decrease) in cash related to transactions involving other financial assets and liabilities		2,336	(18,979)
Net decrease in cash related to transactions involving non-financial assets and liabilities		(2,622)	(2,435)
Taxes paid		(499)	(562)
NET INCREASE IN CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		86,762	10,037
Net increase (decrease) in cash related to acquisitions and disposals of consolidated entities		685	(6)
Net decrease related to property, plant and equipment and intangible assets		(527)	(709)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS RELATED TO INVESTING ACTIVITIES		158	(715)
Decrease in cash and equivalents related to transactions with shareholders		(3,823)	(2,193)
Increase (decrease) in cash and equivalents generated by other financing activities		1,951	(3,647)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO FINANCING ACTIVITIES		(1,872)	(5,840)
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS		(4,990)	2,852
NET INCREASE IN CASH AND EQUIVALENTS		80,058	6,334
Balance of cash and equivalent accounts at the start of the period		155,963	133,174
Cash and amounts due from central banks		160,400	134,547
Due to central banks		(233)	(2,385)
On demand deposits with credit institutions	4.d	6,513	9,346
On demand loans from credit institutions	4.d	(10,775)	(8,527)
Deduction of receivables and accrued interest on cash and equivalents		58	193
Balance of cash and equivalent accounts at the end of the period		236,021	139,508
Cash and amounts due from central banks		243,384	147,834
Due to central banks		(3,785)	(3,666)
On demand deposits with credit institutions	4.d	6,966	8,475
On demand loans from credit institutions	4.d	(10,508)	(13,004)
Deduction of receivables and accrued interest on cash and equivalents		(36)	(131)
NET INCREASE IN CASH AND EQUIVALENTS		80,058	6,334

STATEMENT OF CHANGES IN SHAREHOLDERS'

	Capital and retained earnings						
	Attributable to shareholders				Minority interests		
In millions of euros	Share capital and additional paid-in capital	Undated Super Subordinated Notes	Non-distributed reserves	Total	Capital and retained earnings	Preferred shares eligible as Tier 1 capital	Total
Capital and retained earnings at 31 December 2015	26,897	7,855	54,781	89,533	3,618	73	3,691
Appropriation of net income for 2015			(2,877)	(2,877)	(97)		(97)
Increases in capital and issues	3	1,325	(2)	1,326			-
Reduction or redemption of capital		(1,199)	80	(1,119)			-
Movements in own equity instruments	103	(12)	(40)	51			-
Share-based payment plans			1	1			-
Remuneration on preferred shares and undated super subordinated notes			(145)	(145)	(1)		(1)
Impact of internal transactions on minority shareholders (note 5.d)			3	3	(3)		(3)
Movements in consolidation scope impacting minority shareholders				-	9		9
Acquisitions of additional interests or partial sales of interests (note 5.d)			(103)	(103)	37		37
Change in commitments to repurchase minority shareholders' interests			1	1	(4)		(4)
Other movements			(3)	(3)	(17)		(17)
Changes in assets and liabilities recognised directly in equity			(576)	(576)	(4)		(4)
Net income for first half of 2016			4,374	4,374	205		205
Capital and retained earnings at 30 June 2016	27,003	7,969	55,494	90,466	3,743	73	3,816
Appropriation of net income for 2015				-	(15)		(15)
Increases in capital and issues	26	710	(3)	733			-
Reduction or redemption of capital	(3)	(238)	45	(196)			-
Movements in own equity instruments	(78)	(11)	43	(46)			-
Remuneration on preferred shares and undated super subordinated notes			(220)	(220)	(1)		(1)
Impact of internal transactions on minority shareholders (note 5.d)			1	1	(1)		(1)
Movements in consolidation scope impacting minority shareholders				-	(6)		(6)
Acquisitions of additional interests or partial sales of interests (note 5.d)			71	71	457		457
Change in commitments to repurchase minority shareholders' interests			(3)	(3)	(3)		(3)
Other movements			(4)	(4)	7		7
Changes in assets and liabilities recognised directly in equity			366	366	(2)		(2)
Net income for second half of 2016			3,328	3,328	208		208
Capital and retained earnings at 31 December 2016	26,948	8,430	59,118	94,496	4,387	73	4,460
Appropriation of net income for 2016			(3,369)	(3,369)	(117)		(117)
Increases in capital and issues	66			66			-
Reduction or redemption of capital		(638)		(638)			-
Movements in own equity instruments	(38)	33	33	28			-
Share-based payment plans			2	2	1		1
Remuneration on preferred shares and undated super subordinated notes			(149)	(149)	(1)		(1)
Impact of internal transactions on minority shareholders (note 5.d)			1	1	(1)		(1)
Acquisitions of additional interests or partial sales of interests (note 5.d)			242	242	591		591
Change in commitments to repurchase minority shareholders' interests				-	(6)		(6)
Other movements				-	(1)		(1)
Changes in assets and liabilities recognised directly in equity			113	113			-
Net income for first half of 2017			4,290	4,290	230		230
Interim dividend payments				-	(21)		(21)
Capital and retained earnings at 30 June 2017	26,976	7,825	60,281	95,082	5,062	73	5,135

EQUITY BETWEEN 1 JAN. 2016 AND 30 JUNE 2017

Changes in assets and liabilities recognised directly in equity					Total equity
Attributable to shareholders				Minority interests	
Exchange rates	Financial assets available for sale and reclassified as loans and receivables	Derivatives used for hedging purposes	Total		
325	5,066	1,345	6,736	117	100,077
					(2,974)
					1,326
					(1,119)
					51
					1
					(146)
					-
					9
					(66)
					(3)
					(20)
(1)	(129)	437	307	(2)	(275)
					4,579
324	4,937	1,782	7,043	115	101,440
					(15)
					733
					(196)
					(46)
					(221)
					-
					(6)
					528
					(6)
					3
321	(565)	(630)	(874)	(20)	(530)
					3,536
645	4,372	1,152	6,169	95	105,220
					(3,486)
					66
					(638)
					28
					3
					(150)
					-
					833
					(6)
					(1)
(1,669)	(304)	40	(1,933)	(124)	(1,944)
					4,520
					(21)
(1,024)	4,068	1,192	4,236	(29)	104,424

NOTES TO THE FINANCIAL STATEMENTS

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE GROUP

1.a ACCOUNTING STANDARDS

1.a.1 APPLICABLE ACCOUNTING STANDARDS

The consolidated financial statements of the BNP Paribas Group have been prepared in accordance with international accounting standards (International Financial Reporting Standards – IFRS), as adopted for use in the European Union[34]. Accordingly, certain provisions of IAS 39 on hedge accounting have been excluded, and certain recent texts have not yet undergone the approval process.

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The Group did not choose to early-adopt the new standards, amendments, and interpretations adopted by the European Union, whose application in 2017 was optional.

1.a.2 NEW MAJOR ACCOUNTING STANDARDS, PUBLISHED BUT NOT YET APPLICABLE

IFRS 9 "Financial Instruments"

IFRS 9 "Financial Instruments", issued by the IASB in July 2014, will replace IAS 39 Financial Instruments: recognition and measurement, related to the classification and measurement of financial instruments. It sets out the new principles for the classification and measurement of financial instruments, for impairment for credit risk on debt instruments measured at amortised cost or at fair value through shareholders' equity, loan commitments given, financial guarantee contracts, lease receivables and contract assets, as well as for general hedge accounting (i.e. micro hedging).

IFRS 9, which was adopted by the European Union on 22 November 2016, is mandatory for annual periods beginning on or after 1 January 2018.

[1] The full set of standards adopted for use in the European Union can be found on the website of the European Commission at: http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission.

Classification and measurement

According to IFRS 9, classification and measurement of financial assets will depend on the business model and the contractual characteristics of the instruments. On initial recognition, financial assets will be measured at amortised cost, at fair value through shareholders' equity (on a separate line), or at fair value through profit or loss.

It will no longer be possible to recognise derivatives embedded in financial assets separately from the host contract.

Application of the criteria relating to the business model and the contractual characteristics of the instruments may lead to different classification and measurement of some financial assets compared with IAS 39.

Debt instruments (loans, receivables or debt securities) will be classified at amortised cost, at fair value through shareholders' equity (on a separate line), or at fair value through profit or loss.

- They will be classified at amortised cost if the business model objective is to hold the financial assets in order to collect contractual cash flows, and if the contractual cash flows solely consist of payments relating to principal and interest on the principal.
- They will be classified at fair value through shareholders' equity if the business model is achieved by both holding the financial assets in order to collect contractual cash flows and selling the assets and if the cash flows solely consist of payments relating to principal and interest on the principal. Upon disposal, amounts previously recognised in shareholders' equity will be transferred to profit or loss.
- All debt instruments not eligible for classification at amortised cost or at fair value through shareholders' equity will be presented at fair value through profit or loss.

Debt instruments may only be designated as at fair value through profit or loss if the use of this option enables the entity to eliminate or significantly reduce an accounting mismatch in profit or loss.

Investments in equity instruments such as shares will be classified as instruments at fair value through profit or loss, or, as an option, as instruments at fair value through shareholders' equity (on a separate line). In the latter case, upon disposal of equity instruments classified at fair value through shareholders' equity, amounts previously recognised in shareholders' equity shall not be transferred to profit or loss. Only dividends will be recognised in profit or loss.

With respect to financial liabilities, the only change introduced by IFRS 9 relates to recognition of changes in fair value attributable to changes in the credit risk of the liabilities designated as at fair value through profit or loss (fair value option), which will be recognised on a separate line in shareholders' equity and no longer through profit or loss.

The provisions of IAS 39 concerning the derecognition of financial assets and financial liabilities have been maintained in IFRS 9 without any modification. Moreover, IFRS 9 provides details on the accounting treatment of modified assets, depending on whether they are derecognised or not.

Based on existing business models, the main classifications would be expected to be as follows:

- Apart from those not complying with the contractual characteristics criterion, loans and receivables due from credit institutions and customers and repurchase agreements recognised in "Loans and receivables" under IAS 39 should be eligible to amortised cost under IFRS 9;
- Treasury bills, Government bonds and other fixed-income securities classified as "Available-for-sale financial assets" under IAS 39 should be recognised at amortised cost or at fair value through shareholders' equity depending on the business model, apart from those not complying with the contractual characteristics criterion;
- Financial assets classified at fair value through profit or loss under IAS 39 should remain in this category under IFRS 9;
- The majority of investments in equity instruments are likely to be classified as instruments at fair value through profit or loss, making income more volatile than under IAS 39. However, some of these investments are likely to be classified at fair value through shareholders' equity.

Impairment

IFRS 9 establishes a new credit risk impairment model based on expected losses.

This model will apply to loans and debt instruments measured at amortised cost or at fair value through shareholders' equity (on a separate line), to loan commitments and financial guarantees not recognised at fair value, as well as to lease receivables.

Under the impairment model in IAS 39 based on incurred loss, an impairment loss is recognised when there is an objective evidence of a decrease in value. Counterparties that are not individually impaired are risk-assessed on the basis of portfolios with similar characteristics, and groups of counterparties which, as a result of events occurring since inception of the loans, present objective indication of impairment, are subject to a portfolio-based impairment. Moreover, the Group may recognise additional collective impairment with respect to a given economic sector or geographic area affected by exceptional economic events.

The new impairment model under IFRS 9 requires accounting for 12-month expected credit losses (that result from the risk of default in the next 12 months) on the financial instruments issued or acquired, as of the date of initial recognition on the balance sheet.

Expected credit losses at maturity (that result from the risk of default over the life of the financial instrument) must be recognised if the credit risk has increased significantly since initial recognition.

Financial assets for which a 12-month expected credit loss will be recognised, will be included in "Stage 1". Interest income will be measured according to the effective interest method using the financial asset's gross value (before impairment).

Financial assets for which the credit risk has increased significantly since the initial recognition will be included in "Stage 2". Interest income will be measured according to the effective interest method using the financial asset's gross value (before impairment).

Significant increase in the credit risk will be assessed on an individual basis or on a collective basis (by grouping the financial instruments according to common credit risk characteristics) by taking into consideration all reasonable and supportable information and comparing the default risk of the financial instrument at the reporting date with the default risk on the date of its initial recognition.

Assessment of deterioration will be measured by comparing probability of default/ratings on the date of initial recognition and those existing on the reporting date.

Under the standard, there is also a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The standard suggests that it may be assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if this risk is considered to be low on the reporting date (for example, a financial instrument which has an 'investment grade' rating). This provision could be applied to debt securities.

The amount of expected credit loss will be measured on the basis of probability-weighted scenarios, in view of past events, current conditions and reasonable and supportable economic forecasts.

Financial assets for which there is objective evidence of a decrease in value as a result of an event occurring after inception of the loan or acquisition of the asset will be considered as impaired and be included in "Stage 3". Criteria for identifying impaired assets will be similar to those prevailing under IAS 39. Interest income will be measured according to the effective interest method using the financial asset's net value (after impairment).

Accounting principles of restructuring for financial difficulties are likely to remain similar to those prevailing under IAS 39.

Methods of measuring expected credit losses will be based on 3 main parameters: the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") in light of amortisation profiles. Expected credit losses will be measured as the product of the PD, LGD and EAD.

The Group is considering using existing concepts and methods (in particular the Basel framework) on exposures for which the capital requirement for credit risk is measured according to the IRBA methodology. This method will also need to be applied to portfolios for which the capital requirement for credit risk is measured according to the standardised approach. Moreover, the Basel framework will need to be supplemented with the specific provisions of IFRS 9, in particular the use of forward-looking information.

The new impairment model is likely to result in an increase in impairment for credit risk since all financial assets will be subject to a 12-month expected credit loss assessment. Moreover, the scope of the assets for which there is a significant increase in credit risk could be different from the scope of assets for which portfolio-based impairment was recognised under IAS 39.

Furthermore, the impairment model of IFRS 9 is based on more forward-looking information than that of IAS 39, inducing a more volatile amount of expected credit losses.

Hedge accounting

The objective of the hedge accounting model under IFRS 9 is to better reflect risk management, especially by expanding the eligible hedging instruments and eliminating some overly prescriptive rules. On initial application of IFRS 9, the Group may choose either to apply the new hedge accounting provisions or to maintain the hedge accounting principles under IAS 39 until the new macro hedging standard comes into force. Irrespective of the chosen hedge accounting option, additional information will be required in the notes to the financial statements concerning risk management and the impacts of the hedge accounting on the financial statements.

IFRS 9 does not explicitly address the fair value hedge of the interest rate risk on a portfolio of financial assets or liabilities. The provisions of IAS 39 for these portfolio hedges, as adopted by the European Union, will continue to apply.

Based on the analyses made to date, the Group is considering maintaining all the provisions of IAS 39 for hedge accounting.

Transition

The IFRS 9 classification and measurement provisions, as well as its new impairment model, are applicable retrospectively as at 1 January 2018, and the standard introduces the option not to restate the comparative figures for prior periods. BNP Paribas Group is considering retaining this option.

IFRS 9 allows early application of the requirements for the presentation of gains and losses attributable to changes in the credit risk of the financial liabilities designated as at fair value through profit or loss (fair value option). However, the Group does not envisage an early application of these requirements.

Implementation of IFRS 9 within the Group

The implementation of IFRS 9 within the Group relies on a set of projects corresponding to each of the different phases of the standard. Steering committees bringing together the heads of the Risk and Finance functions have been set up, as well as operational committees dedicated to the various issues associated with the implementation of the new standard.

The project on classification and measurement is managed by the Finance Department, through dedicated governance.

The work relating to the analysis of business models and the contractual cash flows characteristics of the Group's assets, as well as the required IT developments and adaptations are being finalised.

The project on the impairment model is conducted under the joint responsibility of the Finance and Risk Departments.

The work conducted to this day has led to the definition of the Group methodology for the new impairment model (see above). The model is currently being adapted to operational requirements and refined.

Operational implementation is based on the convergence of Finance, Risk and Liquidity reporting streams with the aim of guaranteeing high quality data.

IFRS 15 Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers, issued in May 2014, will supersede a number of standards and interpretations on revenue recognition (in particular IAS 18 Revenue and IAS 11 Construction Contracts). Revenues from lease contracts, insurance contracts or financial instruments are excluded from the scope of this standard.

Adopted by the European Union on 22 September 2016, IFRS 15 will become mandatory for years beginning on, or after, 1 January 2018.

IFRS 15 defines a single model for recognising revenue based on five-step principles. These five steps make it notably possible to identify the distinct performance obligations in the contracts with customers and to allocate the transaction price to them. The transaction price amounts that are allocated to the different performance obligations are recognised as revenue when the performance obligations are satisfied, namely when the control of the promised goods or services has been transferred.

The Group is in the process of analysing the standard and its potential impacts. Revenues from net banking income falling within the scope of application concern in particular the commissions received for banking and similar services provided (except those arising from the effective interest rate), revenues from property development and revenues from services provided in connection with lease contracts.

The implementation of IFRS 15 within the Group is based on a project structure managed by the Finance Department. The analysis of the standard and the documentation and identification of its potential impacts are being finalised. Impacts are not expected to be material.

IFRS 16 Leases

IFRS 16 Leases, issued in January 2016, will supersede IAS 17 Leases and the interpretations relating to the accounting of such contracts. The new definition of leases relies on both the identification of an asset and the right to control the identified asset by the lessee.

From the lessor's point of view, the expected impact should be limited, as the requirements of IFRS 16 remain mostly unchanged from the current IAS 17.

For the lessee, IFRS 16 will require recognition in the balance sheet of all leases, in the form of a right-of-use on the leased asset presented under fixed assets, along with the recognition of a financial liability for the rent and other payments to be made over the leasing period. The right-of-use assets will be amortised on a straight-line basis and the financial liabilities will be amortised on an actuarial basis over the lease period. The main change induced by this new standard is related to contracts which, under IAS 17, met the definition of operating leases, and as such, did not require recognition in the balance sheet of the leased assets.

IFRS 16 will become mandatory for annual periods beginning on or after 1 January 2019, after its adoption by the European Union for application in Europe. Following the publication of the standard, the Group has started to analyse the standard and define its potential impacts.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts, issued in May 2017, will replace IFRS 4 Insurance Contracts and will become mandatory for annual periods beginning on or after 1 January 2021, after its adoption by the European Union for application in Europe.

1.b CONSOLIDATION

1.b.1 SCOPE OF CONSOLIDATION

The consolidated financial statements of BNP Paribas include entities that are controlled by the Group, jointly controlled, and under significant influence, with the exception of those entities whose consolidation is regarded as immaterial to the Group. The consolidation of an entity is regarded as immaterial if its contribution to the consolidated financial statements is below the following three thresholds: EUR 15 million of consolidated revenues, EUR 1 million of consolidated net income before tax, EUR 500 million of total consolidated assets. Companies that hold shares in consolidated companies are also consolidated.

Subsidiaries are consolidated from the date on which the Group obtains effective control. Entities under temporary control are included in the consolidated financial statements until the date of disposal.

1.b.2 CONSOLIDATION METHODS

Controlled enterprises are fully consolidated. The Group controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

For entities governed by voting rights, the Group generally controls the entity if it directly or indirectly holds the majority of voting rights and if there are no other agreements altering the power of these voting rights.

Structured entities are defined as entities that are not governed by voting rights, such as when those voting rights relate to administrative tasks only, whereas the relevant activities are directed by means of contractual arrangements. They often have the following features or attributes: restricted activities, a narrow and well-defined objective and insufficient equity to permit them to finance their activities without subordinated financial support.

For these entities, the analysis of control shall consider the purpose and design of the entity, the risks to which the entity is designed to be exposed and to what extent the Group absorbs the related variability. The assessment of control shall consider all facts and circumstances able to determine the Group's practical ability to make decisions that could significantly affect its returns, even if such decisions are contingent on uncertain future events or circumstances.

In assessing whether it has power, the Group considers only substantive rights which it holds or which are held by third parties. For a right to be substantive, the holder must have the practical ability to exercise that right when decisions about the relevant activities of the entity need to be made.

Control shall be reassessed if facts and circumstances indicate that there are changes to one or more of the elements of control.

Where the Group contractually holds the decision-making power, for instance where the Group acts as fund manager, it shall determine whether it is acting as agent or principal. Indeed, when associated with a certain level of exposure to the variability of returns, this decision-making power may indicate that the Group is acting on its own account and that it thus has control over those entities.

Where the Group carries out an activity with one or more partners, sharing control by virtue of a contractual agreement which requires unanimous consent on relevant activities (those that significantly affect the entity's returns), the Group exercises joint control over the activity. Where the jointly controlled activity is structured through a separate vehicle in which the partners have rights to the net assets, this joint venture is accounted for using the equity method. Where the jointly controlled activity is not structured through a separate vehicle or where the partners have rights to the assets and obligations for the liabilities of the jointly controlled activity, the Group accounts for its share of the assets, liabilities, revenues and expenses in accordance with the applicable IFRSs.

Enterprises over which the Group exercises significant influence (associates) are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of an enterprise without exercising control. Significant influence is presumed to exist when the Group holds, directly or indirectly, 20% or more of the voting power of an enterprise. Interests of less than 20% are excluded from consolidation unless they represent a strategic investment and the Group effectively exercises significant influence. This applies to companies developed in partnership with other groups, where the BNP Paribas Group participates in strategic decisions of the enterprise through representation on the Board of Directors or equivalent governing body, exercises influence over the enterprise's operational management by supplying management systems or senior managers, or provides technical assistance to support the enterprise's development.

Changes in the net assets of associates (companies accounted for under the equity method) are recognised on the assets side of the balance sheet under "Investments in equity-method entities" and in the relevant component of shareholders' equity. Goodwill on associates is also included under "Investments in equity-method entities".

Whenever there is an indication of impairment, the carrying amount of the investment consolidated under the equity method (including goodwill) is subjected to an impairment test, by comparing its recoverable value (the higher of value-in-use and market value less costs to sell) to its carrying amount. Where appropriate, impairment is recognised under "Share of earnings of equity-method entities" in the consolidated income statement and can be reversed at a later date.

If the Group's share of losses of an equity-method entity equals or exceeds the carrying amount of its investment in this entity, the Group discontinues including its share of further losses. The investment is reported at nil value. Additional losses of the equity-method entity are provided for only to the extent that the Group has a legal or constructive obligation to do so, or has made payments on behalf of this entity.

Minority interests are presented separately in the consolidated profit and loss account and balance sheet within consolidated equity. The calculation of minority interests takes into account the outstanding cumulative preferred shares classified as equity instruments issued by subsidiaries, when such shares are held outside the Group.

As regards fully consolidated funds, units held by third-party investors are recognised as debts at fair value through profit or loss, inasmuch as they are redeemable at market value at the subscriber's initiative.

For transactions resulting in a loss of control, any equity interest retained by the Group is remeasured at its fair value through profit or loss.

Realised gains and losses on investments in consolidated undertakings are recognised in the profit and loss account under "Net gain on non-current assets".

1.b.3 CONSOLIDATION PROCEDURES

The consolidated financial statements are prepared using uniform accounting policies for reporting like transactions and other events in similar circumstances.

- **Elimination of intragroup balances and transactions**

Intragroup balances arising from transactions between consolidated enterprises, and the transactions themselves (including income, expenses and dividends), are eliminated. Profits and losses arising from intragroup sales of assets are eliminated, except where there is an indication that the asset sold is impaired. Unrealised gains and losses included in the value of available-for-sale assets are maintained in the consolidated financial statements.

- **Translation of financial statements expressed in foreign currencies**

The consolidated financial statements of BNP Paribas are prepared in euros.

The financial statements of enterprises whose functional currency is not the euro are translated using the closing rate method. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expense items are translated at the average rate for the period.

The same method is applied to the financial statements of enterprises located in hyperinflationary economies, after adjusting for the effects of inflation by applying a general price index.

Differences arising from the translation of balance sheet items and profit and loss items are recorded in shareholders' equity under "Exchange rates" for the portion attributable to shareholders, and in "Minority interests" for the portion attributable to outside investors. Under the optional treatment permitted by IFRS 1, the Group has reset to zero all translation differences, by booking all cumulative translation differences attributable to shareholders and to minority interests in the opening balance sheet at 1 January 2004 to retained earnings.

On liquidation or disposal of some or all of an interest held in a foreign enterprise located outside the euro zone, leading to a change in the nature of the investment (loss of control, loss of significant influence or loss of joint control without keeping a significant influence), the cumulative translation adjustment at the date of liquidation or sale, determined according to the step method, is recognised in the profit and loss account.

Should the interest percentage held change without any modification in the nature of the investment, the translation adjustment is reallocated between the portion attributable to shareholders and that attributable to minority interests, if the enterprise is fully consolidated. For enterprises consolidated under the equity method, the portion related to the interest sold is recognised in the profit and loss account.

1.b.4 BUSINESS COMBINATIONS AND MEASUREMENT OF GOODWILL

- **Business combinations**

Business combinations are accounted for using the purchase method.

Under this method, the acquiree's identifiable assets and liabilities assumed are measured at fair value at the acquisition date except for non-current assets classified as assets held for sale, which are accounted for at fair value less costs to sell.

The acquiree's contingent liabilities are not recognised in the consolidated balance sheet unless they represent a present obligation on the acquisition date and their fair value can be measured reliably.

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued to obtain control of the acquiree. Costs directly attributable to the business combination are treated as a separate transaction and recognised through profit or loss.

Any contingent consideration is included in the cost, as soon as control is obtained, at fair value on the date when control was acquired. Subsequent changes in the value of any contingent consideration recognised as a financial liability are recognised through profit or loss.

The Group may recognise any adjustments to the provisional accounting within 12 months of the acquisition date.

Goodwill represents the difference between the cost of the combination and the acquirer's interest in the net fair value of the identifiable assets and liabilities of the acquiree at the acquisition date. Positive goodwill is recognised in the acquirer's balance sheet, while negative goodwill is recognised immediately in profit or loss, on the acquisition date. Minority interests are measured at their share of the fair value of the acquiree's identifiable assets and liabilities. However, for each business combination, the Group can elect to measure minority interests at fair value, in which case a proportion of goodwill is allocated to them. To date, the Group has never used this latter option.

Goodwill is recognised in the functional currency of the acquiree and translated at the closing exchange rate.

On the acquisition date, any previously held equity interest in the acquiree is remeasured at its fair value through profit or loss. In the case of a step acquisition, the goodwill is therefore determined by reference to the acquisition-date fair value.

Since the revised IFRS 3 is applied prospectively, business combinations completed prior to 1 January 2010 were not restated for the effects of changes to IFRS 3.

As permitted under IFRS 1, business combinations that took place before 1 January 2004 and were recorded in accordance with the previously applicable accounting standards (French GAAP), have not been restated in accordance with the principles of IFRS 3.

- **Measurement of goodwill**

The BNP Paribas Group tests goodwill for impairment on a regular basis.

- Cash-generating units

The BNP Paribas Group has split all its activities into cash-generating units[35] representing major business lines. This split is consistent with the Group's organisational structure and management methods, and reflects the independence of each unit in terms of results and management approach. It is reviewed on a regular basis in order to take account of events likely to affect the composition of cash-generating units, such as acquisitions, disposals and major reorganisations.

- Testing cash-generating units for impairment

Goodwill allocated to cash-generating units is tested for impairment annually and whenever there is an indication that a unit may be impaired, by comparing the carrying amount of the unit with its recoverable amount. If the recoverable amount is less than the carrying amount, an irreversible impairment loss is recognised, and the goodwill is written down by the excess of the carrying amount of the unit over its recoverable amount.

- Recoverable amount of a cash-generating unit

The recoverable amount of a cash-generating unit is the higher of the fair value of the unit less costs to sell, and its value in use.

Fair value is the price that would be obtained from selling the unit at the market conditions prevailing at the date of measurement, as determined mainly by reference to actual prices of recent transactions involving similar entities or on the basis of stock market multiples for comparable companies.

Value in use is based on an estimate of the future cash flows to be generated by the cash-generating unit, derived from the annual forecasts prepared by the unit's management and approved by Group Executive Management, and from analyses of changes in the relative positioning of the unit's activities on their market. These cash flows are discounted at a rate that reflects the return that investors would require from an investment in the business sector and region involved.

[2] As defined by IAS 36.

1.c FINANCIAL ASSETS AND FINANCIAL LIABILITIES

1.c.1 LOANS AND RECEIVABLES

Loans and receivables include credit provided by the Group, the Group's share in syndicated loans, and purchased loans that are not quoted in an active market, unless they are held for trading purposes. Loans that are quoted in an active market are classified as "Available-for-sale financial assets" and measured using the methods applicable to this category.

Loans and receivables are initially measured at fair value or equivalent, which is usually the net amount disbursed at inception including directly attributable origination costs and certain types of fees or commission (syndication commission, commitment fees and handling charges) that are regarded as an adjustment to the effective interest rate on the loan.

Loans and receivables are subsequently measured at amortised cost. The income from the loan, representing interest plus transaction costs and fees/commission included in the initial value of the loan, is calculated using the effective interest method and taken to profit or loss over the life of the loan.

Commission earned on financing commitments prior to the inception of a loan is deferred and included in the value of the loan when the loan is made.

Commission earned on financing commitments when the probability of drawdown is low, or when there is uncertainty as to the timing and amount of drawdowns, is recognised on a straight-line basis over the life of the commitment.

1.c.2 REGULATED SAVINGS AND LOAN CONTRACTS

Home savings accounts (*Comptes Épargne-Logement* – "CEL") and home savings plans *(Plans d'Épargne Logement* – "PEL") are government-regulated retail products sold in France. They combine a savings phase and a loan phase which are inseparable, with the loan phase contingent upon the savings phase.

These products contain two types of obligations for BNP Paribas: an obligation to pay interest on the savings for an indefinite period, at a rate set by the government at the inception of the contract (in the case of PEL products) or at a rate reset every six months using an indexation formula set by law (in the case of CEL products); and an obligation to lend to the customer (at the customer's option) an amount contingent upon the rights acquired during the savings phase, at a rate set at the inception of the contract (in the case of PEL products) or at a rate contingent upon the savings phase (in the case of CEL products).

The Group's future obligations with respect to each generation (in the case of PEL products, a generation comprises all products with the same interest rate at inception; in the case of CEL products, all such products constitute a single generation) are measured by discounting potential future earnings from at-risk outstandings for that generation.

At-risk outstandings are estimated on the basis of a historical analysis of customer behaviour, and are equivalent to:

- for the loan phase: statistically probable loans outstanding and actual loans outstanding;
- for the savings phase: the difference between statistically probable outstandings and minimum expected outstandings, with minimum expected outstandings being deemed equivalent to unconditional term deposits.

Earnings for future periods from the savings phase are estimated as the difference between the reinvestment rate and the fixed savings interest rate on at-risk savings outstanding for the period in question. Earnings for future periods from the loan phase are estimated as the difference between the refinancing rate and the fixed loan interest rate on at-risk loans outstanding for the period in question.

The reinvestment rate for savings and the refinancing rate for loans are derived from the swap yield curve and from the spreads expected on financial instruments of similar type and maturity. Spreads are determined on the basis of actual spreads on fixed rate home loans in the case of the loan phase and products offered to individual clients in the case of the savings phase. In order to reflect the uncertainty

of future interest rate trends, and the impact of such trends on customer behaviour models and on at-risk outstandings, the obligations are estimated using the Monte-Carlo method.

Where the sum of the Group's estimated future obligations with respect to the savings and loan phases of any generation of contracts indicates a potentially unfavourable situation for the Group, a provision is recognised (with no offset between generations) in the balance sheet in "Provisions for contingencies and charges". Movements in this provision are recognised as interest income in the profit and loss account.

1.c.3 SECURITIES

- **Categories of securities**

Securities held by the Group are classified into one of four categories.

- Financial assets at fair value through profit or loss

Apart from derivative instruments, financial assets at fair value through profit or loss are composed of:

- financial assets held for trading purposes;
- financial assets that the Group has designated, on initial recognition, at fair value through profit or loss using the fair value option available under IAS 39. The conditions for applying the fair value option are set out in section 1.c.11.

Securities in this category are measured at fair value at the balance sheet date. Transaction costs are directly posted in the profit and loss account. Changes in fair value (excluding accrued interest on fixed-income securities) are presented in the profit and loss account under "Net gain/loss on financial instruments at fair value through profit or loss", along with dividends from variable-income securities and realised gains and losses on disposal.

Income earned on fixed-income securities classified into this category is shown under "Interest income" in the profit and loss account.

- Loans and receivables

Securities with fixed or determinable payments that are not traded on an active market, apart from securities for which the owner may not recover almost all of its initial investment due to reasons other than credit deterioration, are classified as "Loans and receivables" if they do not meet the criteria to be classified as "Financial assets at fair value through profit or loss". These securities are measured and recognised as described in section 1.c.1.

- Held-to-maturity financial assets

Held-to-maturity financial assets are investments with fixed or determinable payments and fixed maturity that the Group has the intention and ability to hold until maturity. Hedges contracted to cover assets in this category against interest rate risk do not qualify for hedge accounting as defined in IAS 39.

Assets in this category are accounted for at amortised cost using the effective interest method, which builds in amortisation of premium and discount (corresponding to the difference between the purchase price and redemption value of the asset) and acquisition costs (where material). Income earned from this category of assets is included in "Interest income" in the profit and loss account.

- Available-for-sale financial assets

Available-for-sale financial assets are fixed-income and variable-income securities other than those classified as “fair value through profit or loss” or “held-to-maturity” or “loans and receivables”.

Assets included in the available-for-sale category are initially recorded at fair value, plus transaction costs where material. At the balance sheet date, they are remeasured at fair value, with changes in fair value (excluding accrued interest) shown on a separate line in shareholders’ equity. Upon disposal, these unrealised gains and losses are transferred from shareholders’ equity to the profit and loss account, where they are shown on the line “Net gain/loss on available-for-sale financial assets”. The same applies in the event of impairment.

Income recognised using the effective interest method for fixed-income available-for-sale securities is recorded under “Interest income” in the profit and loss account. Dividend income from variable-income securities is recognised under “Net gain/loss on available-for-sale financial assets” when the Group’s right to receive payment is established.

- **Repurchase agreements and securities lending/borrowing**

Securities temporarily sold under repurchase agreements continue to be recorded in the Group’s balance sheet in the category of securities to which they belong. The corresponding liability is recognised in the appropriate debt category on the balance sheet except in the case of repurchase agreements contracted for trading purposes where the corresponding liability is classified under “Financial liabilities at fair value through profit or loss”.

Securities temporarily acquired under reverse repurchase agreements are not recognised in the Group’s balance sheet. The corresponding receivable is recognised under “Loans and receivables” except in the case of reverse repurchase agreements contracted for trading purposes, where the corresponding receivable is recognised under “Financial assets at fair value through profit or loss”.

Securities lending transactions do not result in derecognition of the lent securities, and securities borrowing transactions do not result in recognition of the borrowed securities on the balance sheet. In cases where the borrowed securities are subsequently sold by the Group, the obligation to deliver the borrowed securities on maturity is recognised on the balance sheet under “Financial liabilities at fair value through profit or loss”.

- **Date of recognition for securities transactions**

Securities classified as at fair value through profit or loss, held-to-maturity or available-for-sale financial assets are recognised at the trade date.

Regardless of their classification (at fair value through profit or loss, loans and receivables or debt), temporary sales of securities as well as sales of borrowed securities are initially recognised at the settlement date. For reverse repurchase agreements and repurchase agreements, a financing commitment, respectively given and received, is recognized between the trade date and the settlement date when the transactions are recognised, respectively, as "Loans and receivables" and "Liabilities". When reverse repurchase agreements and repurchase agreements are recognised, respectively, as "Financial assets at fair value through profit or loss" and "Financial liabilities at fair value through profit or loss", the repurchase commitment is recognised as a derivative financial instrument.

Securities transactions are carried on the balance sheet until the Group’s rights to receive the related cash flows expire, or until the Group has substantially transferred all the risks and rewards related to ownership of the securities.

1.c.4 FOREIGN CURRENCY TRANSACTIONS

The methods used to account for assets and liabilities relating to foreign currency transactions entered into by the Group, and to measure the foreign exchange risk arising on such transactions, depend on whether the asset or liability in question is classified as a monetary or a non-monetary item.

- Monetary assets and liabilities[36] expressed in foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into the functional currency of the relevant Group entity at the closing rate. Translation differences are recognised in the profit and loss account, except for those arising from financial instruments designated as a cash flow hedge or a net foreign investment hedge, which are recognised in shareholders' equity.

- Non-monetary assets and liabilities expressed in foreign currencies

Non-monetary assets may be measured either at historical cost or at fair value. Non-monetary assets expressed in foreign currencies are translated using the exchange rate at the date of the transaction if they are measured at historical cost, and at the closing rate if they are measured at fair value.

Translation differences on non-monetary assets expressed in foreign currencies and measured at fair value (variable-income securities) are recognised in the profit and loss account if the asset is classified under "Financial assets at fair value through profit or loss", and in shareholders' equity if the asset is classified under "Available-for-sale financial assets", unless the financial asset in question is designated as an item hedged against foreign exchange risk in a fair value hedging relationship, in which case the translation difference is recognised in the profit and loss account.

1.c.5 IMPAIRMENT AND RESTRUCTURING OF FINANCIAL ASSETS

- **Doubtful assets**

Doubtful assets are defined as assets where the Bank considers that there is a risk that the debtors will be unable to honour all or part of their commitments.

- **Impairment of loans and receivables and held-to-maturity financial assets, provisions for financing and guarantee commitments**

An impairment loss is recognised against loans and held-to-maturity financial assets where (i) there is objective evidence of a decrease in value as a result of an event occurring after inception of the loan or acquisition of the asset; (ii) the event affects the amount or timing of future cash flows; and (iii) the consequences of the event can be reliably measured. Loans are initially assessed for evidence of impairment on an individual basis, and subsequently on a portfolio basis. Similar principles are applied to financing and guarantee commitments given by the Group, with the probability of drawdown taken into account in any assessment of financing commitments.

At an individual level, objective evidence that a financial asset is impaired includes observable data regarding the following events:

[(3)] Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.

- the existence of accounts that are more than three months past due;
- knowledge or indications that the borrower meets significant financial difficulty, such that a risk can be considered to have arisen regardless of whether the borrower has missed any payments;
- concessions with respect to the credit terms granted to the borrower that the lender would not have considered had the borrower not been meeting financial difficulty (see section “Restructuring of assets classified as "Loans and receivables"”).

The amount of the impairment is the difference between the carrying amount before impairment and the present value, discounted at the original effective interest rate of the asset, of those components (principal, interest, collateral, etc.) regarded as recoverable. Changes in the amount of impairment losses are recognised in the profit and loss account under “Cost of risk”. Any subsequent decrease in an impairment loss that can be related objectively to an event occurring after the impairment loss was recognised is credited to the profit and loss account, also under “Cost of risk”. Once an asset has been impaired, the theoretical income earned on the carrying amount of the asset calculated at the original effective interest rate used to discount the estimated recoverable cash flows is recognised under “Interest income” in the profit and loss account.

Impairment losses on loans and receivables are usually recorded in a separate provision account which reduces the amount for which the loan or receivable was recorded in assets upon initial recognition. Provisions relating to off-balance sheet financial instruments, financing and guarantee commitments or disputes are recognised in liabilities. Impaired receivables are written off in whole or in part and the corresponding provision is reversed for the amount of the loss when all other means available to the Bank for recovering the receivables or guarantees have failed, or when all or part of the receivables have been waived.

Counterparties that are not individually impaired are risk-assessed on a portfolio basis with similar characteristics. This assessment draws upon an internal rating system based on historical data, adjusted as necessary to reflect circumstances prevailing at the balance sheet date. It enables the Group to identify groups of counterparties which, as a result of events occurring since inception of the loans, have collectively acquired a probability of default at maturity that provides objective evidence of impairment of the entire portfolio, but without it being possible at that stage to allocate the impairment to individual counterparties. This assessment also estimates the amount of the loss on the portfolios in question, taking account of trends in the economic cycle during the assessment period. Changes in the amount of portfolio impairments are recognised in the profit and loss account under “Cost of risk”.

Based on the experienced judgement of the Bank’s divisions or Risk Management, the Group may recognise additional collective impairment provisions with respect to a given economic sector or geographic area affected by exceptional economic events. This may be the case when the consequences of these events cannot be measured with sufficient accuracy to adjust the parameters used to determine the collective provision recognised against affected portfolios of loans with similar characteristics.

- **Impairment of available-for-sale financial assets**

Impairment of available-for-sale financial assets (which mainly comprise securities) is recognised on an individual basis if there is objective evidence of impairment as a result of one or more events occurring since acquisition.

In the case of variable-income securities quoted in an active market, the control system identifies securities that may be impaired on a long term basis and is based on criteria such as a significant decline in quoted price below the acquisition cost or a prolonged decline, which prompts the Group to carry out an additional individual qualitative analysis. This may lead to the recognition of an impairment loss calculated on the basis of the quoted price.

Apart from the identification criteria, the Group has determined three indications of impairment, one being a significant decline in price, defined as a fall of more than 50% of the acquisition price, another being a prolonged decline over two consecutive years and the final one being a decline on average of at

least 30% over an observation period of one year. The Group believes that a period of two years is what is necessary for a moderate decline in price below the purchase cost to be considered as something more than just the effect of random volatility inherent in the stock markets or a cyclical change lasting a few years, but which represents a lasting phenomenon justifying an impairment.

A similar method is applied for variable-income securities not quoted in an active market. Any impairment is then determined based on the model value.

In the case of fixed-income securities, impairment is assessed based on the same criteria applied to individually impaired loans and receivables. For securities quoted in an active market, impairment is determined based on the quoted price. For all the others, it is determined based on model value.

Impairment losses taken against variable-income securities are recognised as a component of Revenues on the line “Net gain/loss on available-for-sale financial assets”, and may not be reversed through the profit and loss account until these securities are sold. Any subsequent decline in fair value constitutes an additional impairment loss, recognised in the profit and loss account.

Impairment losses taken against fixed-income securities are recognised under “Cost of risk”, and may be reversed through the profit and loss account in the event of an increase in fair value that relates objectively to an event occurring after the last impairment was recognised.

- **Restructuring of assets classified as "Loans and receivables"**

The restructuring of an asset classified in loans and receivables is considered to be a troubled debt restructuring when the Bank, for economic or legal reasons related to the borrower's financial difficulties, agrees to a modification of terms of the original transaction that it would not otherwise consider, resulting in the borrower's contractual obligation to the Bank, measured at present value, being reduced compared with the original terms.

At the time of restructuring, a discount is applied to the loan to reduce its carrying amount to the present value of the new expected future cash flows discounted at the original effective interest rate.

The decrease in the asset value is recognised in the profit and loss account under "Cost of risk".

When the restructuring consists of a partial or full settlement with other substantially different assets, the original debt (see note 1.c.14) and the assets received in settlement are recognised at their fair value on the settlement date. The difference in value is recognised in profit or loss under "Cost of risk".

1.c.6 RECLASSIFICATION OF FINANCIAL ASSETS

The only authorised reclassifications of financial assets are the following:

- For a non-derivative financial asset which is no longer held for the purposes of selling it in the near-term, out of "Financial assets at fair value through profit or loss" and into:
  - "Loans and receivables" if the asset meets the definition for this category and the Group has the intention and ability to hold the asset for the foreseeable future or until maturity; or
  - Other categories only under rare circumstances when justified and provided that the reclassified assets meet the conditions applicable to the host portfolio.
- Out of "Available-for-sale financial assets" and into:
  - "Loans and receivables" with the same conditions as set out above for "Financial assets at fair value through profit or loss";
  - "Held-to-maturity financial assets," for assets that have a maturity, or "Financial assets at cost," for unlisted variable-income assets.

Financial assets are reclassified at fair value, or at the value calculated by a model, on the reclassification date. Any derivatives embedded in the reclassified financial assets are recognised separately and changes in fair value are recognised through profit or loss.

After reclassification, assets are recognised according to the provisions applied to the host portfolio. The transfer price on the reclassification date is deemed to be the initial cost of the asset for the purpose of determining any impairment.

In the event of reclassification from "Available-for-sale financial assets" to another category, gains or losses previously recognised through equity are amortised to profit or loss over the residual life of the instrument using the effective interest method.

Any upward revisions to the estimated recoverable amounts are recognised through an adjustment to the effective interest rate as of the date on which the estimate is revised. Downward revisions are recognised through an adjustment to the financial asset's carrying amount.

1.c.7 ISSUES OF DEBT SECURITIES

Financial instruments issued by the Group are qualified as debt instruments if the Group company issuing the instruments has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. The same applies if the Group is required to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group, or to deliver a variable number of the Group's own equity instruments.

Issues of debt securities are initially recognised at the issue value including transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Bonds redeemable for or convertible into equity instruments of the Group are accounted for as hybrid instruments with a debt component and an equity component, determined on initial recognition.

1.c.8 OWN EQUITY INSTRUMENTS AND OWN EQUITY INSTRUMENT DERIVATIVES

The term "own equity instruments" refers to shares issued by the parent company (BNP Paribas SA) and by its fully consolidated subsidiaries. External costs that are directly attributable to an issue of new shares are deducted from equity net of all related taxes.

Own equity instruments held by the Group, also known as treasury shares, are deducted from consolidated shareholders' equity irrespective of the purpose for which they are held. Gains and losses arising on such instruments are eliminated from the consolidated profit and loss account.

When the Group acquires equity instruments issued by subsidiaries under the exclusive control of BNP Paribas, the difference between the acquisition price and the share of net assets acquired is recorded in retained earnings attributable to BNP Paribas shareholders. Similarly, the liability corresponding to put options granted to minority shareholders in such subsidiaries, and changes in the value of that liability, are offset initially against minority interests, with any surplus offset against retained earnings attributable to BNP Paribas shareholders. Until these options have been exercised, the portion of net income attributable to minority interests is allocated to minority interests in the profit and loss account. A decrease in the Group's interest in a fully consolidated subsidiary is recognised in the Group's accounts as a change in shareholders' equity.

Own equity instrument derivatives are treated as follows, depending on the method of settlement:

- as equity instruments if they are settled by physical delivery of a fixed number of own equity instruments for a fixed amount of cash or other financial asset. Such instruments are not revalued;
- as derivatives if they are settled in cash, or by choice, depending on whether they are settled by physical delivery of the shares or in cash. Changes in value of such instruments are taken to the profit and loss account.

If the contract includes an obligation, whether contingent or not, for the bank to repurchase its own shares, the bank must recognise the debt at its present value with an offsetting entry in equity.

1.c.9 DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

All derivative instruments are recognised in the balance sheet on the trade date at the transaction price, and are remeasured to fair value on the balance sheet date.

- **Derivatives held for trading purposes**

Derivatives held for trading purposes are recognised in the balance sheet in "Financial assets at fair value through profit or loss" when their fair value is positive, and in "Financial liabilities at fair value through profit or loss" when their fair value is negative. Realised and unrealised gains and losses are recognised in the profit and loss account on the line "Net gain/loss on financial instruments at fair value through profit or loss".

- **Derivatives and hedge accounting**

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge.

Fair value hedges are particularly used to hedge interest rate risk on fixed rate assets and liabilities, both for identified financial instruments (securities, debt issues, loans, borrowings) and for portfolios of financial instruments (in particular, demand deposits and fixed rate loans).

Cash flow hedges are particularly used to hedge interest rate risk on floating-rate assets and liabilities, including rollovers, and foreign exchange risks on highly probable forecast foreign currency revenues.

At the inception of the hedge, the Group prepares formal documentation which details the hedging relationship, identifying the instrument, or portion of the instrument, or portion of risk that is being hedged, the hedging strategy and the type of risk hedged, the hedging instrument, and the methods used to assess the effectiveness of the hedging relationship.

On inception and at least quarterly, the Group assesses, in consistency with the original documentation, the actual (retrospective) and expected (prospective) effectiveness of the hedging relationship. Retrospective effectiveness tests are designed to assess whether the ratio of actual changes in the fair value or cash flows of the hedging instrument to those in the hedged item is within a range of 80% to 125%. Prospective effectiveness tests are designed to ensure that expected changes in the fair

value or cash flows of the derivative over the residual life of the hedge adequately offset those of the hedged item. For highly probable forecast transactions, effectiveness is assessed largely on the basis of historical data for similar transactions.

Under IAS 39 as adopted by the European Union, which excludes certain provisions on portfolio hedging, interest rate risk hedging relationships based on portfolios of assets or liabilities qualify for fair value hedge accounting as follows:

- the risk designated as being hedged is the interest rate risk associated with the interbank rate component of interest rates on commercial banking transactions (loans to customers, savings accounts and demand deposits);
- the instruments designated as being hedged correspond, for each maturity band, to a portion of the interest rate gap associated with the hedged underlyings;
- the hedging instruments used consist exclusively of “plain vanilla” swaps;
- prospective hedge effectiveness is established by the fact that all derivatives must, on inception, have the effect of reducing interest rate risk in the portfolio of hedged underlyings. Retrospectively, a hedge will be disqualified from hedge accounting once a shortfall arises in the underlyings specifically associated with that hedge for each maturity band (due to prepayment of loans or withdrawals of deposits).

The accounting treatment of derivatives and hedged items depends on the hedging strategy.

In a fair value hedging relationship, the derivative instrument is remeasured at fair value in the balance sheet, with changes in fair value recognised in profit or loss in “Net gain/loss on financial instruments at fair value through profit or loss”, symmetrically with the remeasurement of the hedged item to reflect the hedged risk. In the balance sheet, the fair value remeasurement of the hedged component is recognised in accordance with the classification of the hedged item in the case of a hedge of identified assets and liabilities, or under “Remeasurement adjustment on interest rate risk hedged portfolios” in the case of a portfolio hedging relationship.

If a hedging relationship ceases or no longer fulfils the effectiveness criteria, the hedging instrument is transferred to the trading book and accounted for using the treatment applied to this category. In the case of identified fixed-income instruments, the remeasurement adjustment recognised in the balance sheet is amortised at the effective interest rate over the remaining life of the instrument. In the case of interest rate risk hedged fixed-income portfolios, the adjustment is amortised on a straight-line basis over the remainder of the original term of the hedge. If the hedged item no longer appears in the balance sheet, in particular due to prepayments, the adjustment is taken to the profit and loss account immediately.

In a cash flow hedging relationship, the derivative is measured at fair value in the balance sheet, with changes in fair value taken to shareholders’ equity on a separate line, “Unrealised or deferred gains or losses”. The amounts taken to shareholders’ equity over the life of the hedge are transferred to the profit and loss account under “Net interest income” as and when the cash flows from the hedged item impact profit or loss. The hedged items continue to be accounted for using the treatment specific to the category to which they belong.

If the hedging relationship ceases or no longer fulfils the effectiveness criteria, the cumulative amounts recognised in shareholders’ equity as a result of the remeasurement of the hedging instrument remain in equity until the hedged transaction itself impacts profit or loss, or until it becomes clear that the transaction will not occur, at which point they are transferred to the profit and loss account.

If the hedged item ceases to exist, the cumulative amounts recognised in shareholders’ equity are immediately taken to the profit and loss account.

Whatever the hedging strategy used, any ineffective portion of the hedge is recognised in the profit and loss account under “Net gain/loss on financial instruments at fair value through profit or loss”.

Hedges of net foreign currency investments in subsidiaries and branches are accounted for in the same way as cash flow hedges. Hedging instruments may be currency derivatives or any other non-derivative financial instrument.

- **Embedded derivatives**

Derivatives embedded in hybrid financial instruments are separated from the value of the host contract and accounted for separately as a derivative if the hybrid instrument is not recorded as a financial asset or liability at fair value through profit or loss, and if the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.

1.c.10 DETERMINATION OF FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market or most advantageous market, at the measurement date.

The Group determines the fair value of financial instruments either by using prices obtained directly from external data or by using valuation techniques. These valuation techniques are primarily market and income approaches encompassing generally accepted models (e.g. discounted cash flows, Black-Scholes model, and interpolation techniques). They maximize the use of observable inputs and minimize the use of unobservable inputs. They are calibrated to reflect current market conditions and valuation adjustments are applied as appropriate, when some factors such as model, liquidity and credit risks are not captured by the models or their underlying inputs but are nevertheless considered by market participants when setting the exit price.

The unit of measurement is generally the individual financial asset or financial liability but a portfolio-based measurement can be elected, subject to certain conditions. Accordingly, the Group retains this portfolio-based measurement exception to determine the fair value when some group of financial assets and financial liabilities and other contracts within the scope of the standard relating to financial instruments with substantially similar and offsetting market risks or credit risks are managed on the basis of a net exposure, in accordance with the documented risk management strategy.

Assets and liabilities measured or disclosed at fair value are categorised into the three following levels of the fair value hierarchy:

- Level 1: fair values are determined using directly quoted prices in active markets for identical assets and liabilities. Characteristics of an active market include the existence of a sufficient frequency and volume of activity and of readily available prices.
- Level 2: fair values are determined based on valuation techniques for which significant inputs are observable market data, either directly or indirectly. These techniques are regularly calibrated and the inputs are corroborated with information from active markets.
- Level 3: fair values are determined using valuation techniques for which significant inputs are unobservable or cannot be corroborated by market-based observations, due for instance to illiquidity of the instrument and significant model risk. An unobservable input is a parameter for which there are no market data available and that is therefore derived from proprietary assumptions about what other market participants would consider when assessing fair value. The assessment of whether a product is illiquid or subject to significant model risks is a matter of judgment.

The level in the fair value hierarchy within which the asset or liability is categorised in its entirety is based upon the lowest level input that is significant to the entire fair value.

For financial instruments disclosed in Level 3 of the fair value hierarchy, a difference between the transaction price and the fair value may arise at initial recognition. This “Day One Profit” is deferred and released to the profit and loss account over the period during which the valuation parameters are expected to remain non-observable. When parameters that were originally non-observable become observable, or when the valuation can be substantiated in comparison with recent similar transactions in an active market, the unrecognised portion of the day one profit is released to the profit and loss account.

1.c.11 FINANCIAL ASSETS AND LIABILITIES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS (FAIR VALUE OPTION)

Financial assets or financial liabilities may be designated on initial recognition as at fair value through profit or loss, in the following cases:

- hybrid financial instruments containing one or more embedded derivatives which otherwise would have been separated and accounted for separately;
- where using the option enables the entity to eliminate or significantly reduce a mismatch in the measurement and accounting treatment of assets and liabilities that would arise if they were to be classified in separate categories;
- when a group of financial assets and/or financial liabilities is managed and measured on the basis of fair value, in accordance with a documented risk management and investment strategy.

1.c.12 INCOME AND EXPENSES ARISING FROM FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Income and expenses arising from financial instruments measured at amortised cost and from fixed-income securities classified in “Available-for-sale financial assets” are recognised in the profit and loss account using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the asset or liability in the balance sheet. The effective interest rate calculation takes into account all fees received or paid that are an integral part of the effective interest rate of the contract, transaction costs, and premiums and discounts.

The method used by the Group to recognise service-related commission income and expenses depends on the nature of the service. Commission treated as an additional component of interest is included in the effective interest rate, and is recognised in the profit and loss account in “Net interest income”. Commission payable or receivable on execution of a significant transaction is recognised in the profit and loss account in full on execution of the transaction, under “Commission income and expense”. Commission payable or receivable for recurring services is recognised over the term of the service, also under “Commission income and expense”.

Commission received in respect of financial guarantee commitments is regarded as representing the fair value of the commitment. The resulting liability is subsequently amortised over the term of the commitment, under commission income in Revenues.

1.c.13 COST OF RISK

Cost of risk includes movements in provisions for impairment of fixed-income securities and loans and receivables due from customers and credit institutions, movements in provisions for financing and guarantee commitments given, losses on irrecoverable loans and amounts recovered on loans written off. This caption also includes impairment losses recorded with respect to default risk incurred on counterparties for over-the-counter financial instruments, as well as expenses relating to fraud and to disputes inherent to the financing business.

1.c.14 DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group derecognises all or part of a financial asset either when the contractual rights to the cash flows from the asset expire or when the Group transfers the contractual rights to the cash flows from the asset and substantially all the risks and rewards of ownership of the asset. Unless these conditions are fulfilled, the Group retains the asset in its balance sheet and recognises a liability for the obligation created as a result of the transfer of the asset.

The Group derecognises all or part of a financial liability when the liability is extinguished in full or in part.

1.c.15 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability are offset and the net amount presented in the balance sheet if, and only if, the Group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Repurchase agreements and derivatives traded with clearing houses that meet the two criteria set out in the accounting standard are offset in the balance sheet.

1.d ACCOUNTING STANDARDS SPECIFIC TO THE INSURANCE BUSINESS

The specific accounting policies relating to assets and liabilities generated by insurance contracts and financial contracts with a discretionary participation feature written by fully consolidated insurance companies are retained for the purposes of the consolidated financial statements. These policies comply with IFRS 4.

All other insurance company assets and liabilities are accounted for using the policies applied to the Group's assets and liabilities generally, and are included in the relevant balance sheet and profit and loss account headings in the consolidated financial statements.

1.d.1 ASSETS

Financial assets and property are accounted for using the policies described elsewhere in this note. The only exceptions are shares in civil property companies (SCIs) held in unit-linked insurance contract portfolios, which are measured at fair value on the balance sheet date with changes in fair value taken to profit or loss.

Financial assets and property representing technical provisions related to unit-linked business are shown respectively in "Financial assets at fair value through profit or loss" and in "Investment property", and are stated at the realisable value of the underlying assets at the balance sheet date.

1.d.2 LIABILITIES

The Group's obligations to policyholders and beneficiaries are shown in "Technical reserves of insurance companies" and are comprised of liabilities relating to insurance contracts carrying a significant insurance risk (e.g., mortality or disability) and to financial contracts with a discretionary participation feature, which are covered by IFRS 4. A discretionary participation feature is one which gives life policyholders the right to receive a share of actual profits as a supplement to guaranteed benefits.

Liabilities relating to other financial contracts, which are covered by IAS 39, are shown in "Due to customers".

Unit-linked contract liabilities are measured in reference to the fair value of the underlying assets at the balance sheet date.

The benefits offered for life insurance relate mainly to the risk of death (term life insurance, annuities, loan repayment, guaranteed minimum on unit-linked contracts) and, for borrowers' insurance, to disability, incapacity and unemployment risks. These types of risks are controlled by the use of appropriate mortality tables (certified tables in the case of annuity-holders), medical screening appropriate to the level of benefit offered, statistical monitoring of insured populations, and reinsurance programmes.

For life insurance, technical reserves consist mainly of mathematical reserves which correspond, as a minimum, to the surrender value of the contract.

Non-life technical reserves consist of unearned premium reserves (corresponding to the portion of written premiums relating to future periods) and outstanding claims reserves, inclusive of claims handling costs.

The adequacy of technical reserves (net of unamortised acquisition costs) is tested at the balance sheet date by comparing them with the average value of future cash flows as derived from stochastic analyses. Any adjustments to technical reserves are taken to the profit and loss account for the period.

A capitalisation reserve is set up in individual statutory accounts of French life-insurance companies on the sale of amortisable securities in order to defer part of the net realised gain and hence maintain the yield to maturity on the portfolio of admissible assets. In the consolidated financial statements, this reserve is reclassified into "Policyholders' surplus" on the liabilities side of the consolidated balance sheet, to the extent that it is highly probable it will be used.

The policyholders' surplus reserve also includes amounts resulting from the application of shadow accounting representing the interest of policyholders, mainly within French life insurance subsidiaries, in unrealised gains and losses on assets where the benefit paid under the policy is linked to the return on those assets. This interest is an average derived from stochastic analyses of unrealised gains and losses attributable to policyholders in various scenarios.

In the event of an unrealised loss on shadow accounted assets, a policyholders' loss reserve is recognised on the assets side of the consolidated balance sheet in an amount equal to the probable deduction from the policyholders' future profit share. The recoverability of the policyholders' loss reserve is assessed prospectively, taking into account policyholders' surplus reserves recognised elsewhere, capital gains on financial assets that are not shadow accounted due to accounting elections made (held-to-maturity financial assets and property investments measured at cost) and the company's ability and intention to hold the assets carrying the unrealised loss. The policyholders' loss reserve is recognised symmetrically with the corresponding assets and shown on the assets side of the balance sheet under the line item "Accrued income and other assets".

1.d.3 PROFIT AND LOSS ACCOUNT

Income and expenses arising on insurance contracts written by the Group are recognised in the profit and loss account under "Income from other activities" and "Expense on other activities".

Other insurance company income and expenses are included in the relevant profit and loss account item. Consequently, movements in the policyholders' surplus reserve are shown on the same line as gains and losses on the assets that generated the movements.

1.e PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets shown in the consolidated balance sheet are composed of assets used in operations and investment property.

Assets used in operations are those used in the provision of services or for administrative purposes, and include non-property assets leased by the Group as lessor under operating leases.

Investment property comprises property assets held to generate rental income and capital gains.

Property, plant and equipment and intangible assets are initially recognised at purchase price plus directly attributable costs, together with borrowing costs where a long period of construction or adaptation is required before the asset can be brought into service.

Software developed internally by the BNP Paribas Group that fulfils the criteria for capitalisation is capitalised at direct development cost, which includes external costs and the labour costs of employees directly attributable to the project.

Subsequent to initial recognition, property, plant and equipment and intangible assets are measured at cost less accumulated depreciation or amortisation and any impairment losses. The only exceptions are shares in civil property companies (SCIs) held in unit-linked insurance contract portfolios, which are measured at fair value on the balance sheet date, with changes in fair value taken to profit or loss.

The depreciable amount of property, plant and equipment and intangible assets is calculated after deducting the residual value of the asset. Only assets leased by the Group as the lessor under operating leases are presumed to have a residual value, as the useful life of property, plant and equipment and intangible assets used in operations is generally the same as their economic life.

Property, plant and equipment and intangible assets are depreciated or amortised using the straight-line method over the useful life of the asset. Depreciation and amortisation expense is recognised in the profit and loss account under “Depreciation, amortisation and impairment of property, plant and equipment and intangible assets”.

Where an asset consists of a number of components which may require replacement at regular intervals, or which have different uses or generate economic benefits at different rates, each component is recognised separately and depreciated using a method appropriate to that component. The BNP Paribas Group has adopted the component-based approach for property used in operations and for investment property.

The depreciation periods used for office property are as follows: 80 years or 60 years for the shell (for prime and other property respectively); 30 years for facades; 20 years for general and technical installations; and 10 years for fixtures and fittings.

Software is amortised, depending on its type, over periods of no more than 8 years in the case of infrastructure developments and 3 years or 5 years in the case of software developed primarily for the purpose of providing services to customers.

Software maintenance costs are expensed as incurred. However, expenditure that is regarded as upgrading the software or extending its useful life is included in the initial acquisition or production cost.

Depreciable property, plant and equipment and intangible assets are tested for impairment if there is an indication of potential impairment at the balance sheet date. Non-depreciable assets are tested for impairment at least annually, using the same method as for goodwill allocated to cash-generating units.

If there is an indication of impairment, the new recoverable amount of the asset is compared with the carrying amount. If the asset is found to be impaired, an impairment loss is recognised in the profit and loss account. This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer an indication of impairment. Impairment losses are taken to the profit and loss account in “Depreciation, amortisation and impairment of property, plant and equipment and intangible assets”.

Gains and losses on disposals of property, plant and equipment and intangible assets used in operations are recognised in the profit and loss account in “Net gain on non-current assets”.

Gains and losses on disposals of investment property are recognised in the profit and loss account in “Income from other activities” or “Expense on other activities”.

1.f LEASES

Group companies may either be the lessee or the lessor in a lease agreement.

1.f.1 LESSOR ACCOUNTING

Leases contracted by the Group as lessor are categorised as either finance leases or operating leases.

- **Finance leases**

In a finance lease, the lessor transfers substantially all the risks and rewards of ownership of an asset to the lessee. It is treated as a loan made to the lessee to finance the purchase of the asset.

The present value of the lease payments, plus any residual value, is recognised as a receivable. The net income earned from the lease by the lessor is equal to the amount of interest on the loan, and is taken to the profit and loss account under "Interest income". The lease payments are spread over the lease term, and are allocated to reduction of the principal and to interest such that the net income reflects a constant rate of return on the net investment outstanding in the lease. The rate of interest used is the rate implicit in the lease.

Individual and portfolio impairments of lease receivables are determined using the same principles as applied to other loans and receivables.

- **Operating leases**

An operating lease is a lease under which substantially all the risks and rewards of ownership of an asset are not transferred to the lessee.

The asset is recognised under property, plant and equipment in the lessor's balance sheet and depreciated on a straight-line basis over its useful life. The depreciable amount excludes the residual value of the asset. The lease payments are taken to the profit and loss account in full on a straight-line basis over the lease term. Lease payments and depreciation expenses are taken to the profit and loss account under "Income from other activities" and "Expense on other activities".

1.f.2 LESSEE ACCOUNTING

Leases contracted by the Group as lessee are categorised as either finance leases or operating leases.

- **Finance leases**

A finance lease is treated as an acquisition of an asset by the lessee, financed by a loan. The leased asset is recognised in the balance sheet of the lessee at the lower of its fair value or the present value of the minimum lease payments calculated at the interest rate implicit in the lease. A matching liability, equal to the fair value of the leased asset or the present value of the minimum lease payments, is also recognised in the balance sheet of the lessee. The asset is depreciated using the same method as that applied to owned assets, after deducting the residual value from the amount initially recognised, over the useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life. The lease obligation is accounted for at amortised cost.

- **Operating leases**

The asset is not recognised in the balance sheet of the lessee. Lease payments made under operating leases are taken to the profit and loss account of the lessee on a straight-line basis over the lease term.

1.g NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Where the Group decides to sell non-current assets and it is highly probable that the sale will occur within 12 months, these assets are shown separately in the balance sheet, on the line "Non-current assets held for sale". Any liabilities associated with these assets are also shown separately in the balance sheet, on the line "Liabilities associated with non-current assets held for sale".

Once classified in this category, non-current assets and groups of assets and liabilities are measured at the lower of carrying amount or fair value less costs to sell.

Such assets are no longer depreciated. If an asset or group of assets and liabilities becomes impaired, an impairment loss is recognised in the profit and loss account. Impairment losses may be reversed.

Where a group of assets and liabilities held for sale represents a cash generating unit, it is categorised as a "discontinued operation". Discontinued operations include operations that are held for sale, operations that have been shut down, and subsidiaries acquired exclusively with a view to resell.

All gains and losses related to discontinued operations are shown separately in the profit and loss account, on the line "Post-tax gain/loss on discontinued operations and assets held for sale". This line includes the post-tax profits or losses of discontinued operations, the post-tax gain or loss arising from remeasurement at fair value less costs to sell, and the post-tax gain or loss on disposal of the operation.

1.h EMPLOYEE BENEFITS

Employee benefits are classified in one of four categories:

- short-term benefits, such as salary, annual leave, incentive plans, profit-sharing and additional payments;
- long-term benefits, including compensated absences, long-service awards, and other types of cash-based deferred compensation;
- termination benefits;
- post-employment benefits, including top-up banking industry pensions and retirement bonuses in France and pension plans in other countries, some of which are operated through pension funds.

- **Short-term benefits**

The Group recognises an expense when it has used services rendered by employees in exchange for employee benefits.

- **Long-term benefits**

These are benefits, other than short-term benefits, post-employment benefits and termination benefits. This relates, in particular, to compensation deferred for more than 12 months and not linked to the BNP Paribas share price, which is accrued in the financial statements for the period in which it is earned.

The actuarial techniques used are similar to those used for defined-benefit post-employment benefits, except that the revaluation items are recognised in the profit and loss account and not in equity.

- **Termination benefits**

Termination benefits are employee benefits payable in exchange for the termination of an employee's contract as a result of either a decision by the Group to terminate a contract of employment before the legal retirement age, or a decision by an employee to accept voluntary redundancy in exchange for these benefits. Termination benefits due more than 12 months after the balance sheet date are discounted.

- **Post-employment benefits**

In accordance with IFRS, the BNP Paribas Group draws a distinction between defined-contribution plans and defined-benefit plans.

Defined-contribution plans do not give rise to an obligation for the Group and do not require a provision. The amount of the employer's contributions payable during the period is recognised as an expense.

Only defined-benefit schemes give rise to an obligation for the Group. This obligation must be measured and recognised as a liability by means of a provision.

The classification of plans into these two categories is based on the economic substance of the plan, which is reviewed to determine whether the Group has a legal or constructive obligation to pay the agreed benefits to employees.

Post-employment benefit obligations under defined-benefit plans are measured using actuarial techniques that take demographic and financial assumptions into account.

The net liability recognised with respect to post-employment benefit plans is the difference between the present value of the defined-benefit obligation and the fair value of any plan assets.

The present value of the defined-benefit obligation is measured on the basis of the actuarial assumptions applied by the Group, using the projected unit credit method. This method takes into account various parameters, specific to each country or Group entity, such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate.

When the value of the plan assets exceeds the amount of the obligation, an asset is recognised if it represents a future economic benefit for the Group in the form of a reduction in future contributions or a future partial refund of amounts paid into the plan.

The annual expense recognised in the profit and loss account under “Salaries and employee benefits”, with respect to defined-benefit plans includes the current service cost (the rights vested by each employee during the period in return for service rendered), the net interests linked to the effect of discounting the net defined-benefit liability (asset), the past service cost arising from plan amendments or curtailments, and the effect of any plan settlements.

Remeasurements of the net defined-benefit liability (asset) are recognised in shareholders’ equity and are never reclassified to profit or loss. They include actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling (excluding amounts included in net interest on the defined-benefit liability or asset).

1.i SHARE-BASED PAYMENTS

Share-based payment transactions are payments based on shares issued by the Group, whether the transaction is settled in the form of equity or cash of which the amount is based on trends in the value of BNP Paribas shares.

IFRS 2 requires share-based payments granted after 7 November 2002 to be recognised as an expense. The amount recognised is the value of the share-based payment granted to the employee.

The Group grants employees stock subscription option plans and deferred share-based or share price-linked cash-settled compensation plans, and also offers them the possibility to purchase specially-issued BNP Paribas shares at a discount, on condition that they retain the shares for a specified period.

- **Stock option and share award plans**

The expense related to stock option and share award plans is recognised over the vesting period, if the benefit is conditional upon the grantee’s continued employment.

Stock options and share award expenses are recorded under salary and employee benefits expenses, with a corresponding adjustment to shareholders' equity. They are calculated on the basis of the overall plan value, determined at the date of grant by the Board of Directors.

In the absence of any market for these instruments, financial valuation models are used that take into account any performance conditions related to the BNP Paribas share price. The total expense of a plan is determined by multiplying the unit value per option or share awarded by the estimated number of options or shares awarded vested at the end of the vesting period, taking into account the conditions regarding the grantee’s continued employment.

The only assumptions revised during the vesting period, and hence resulting in a remeasurement of the expense, are those relating to the probability that employees will leave the Group and those relating to performance conditions that are not linked to the price value of BNP Paribas shares.

- **Share price-linked cash-settled deferred compensation plans**

The expense related to these plans is recognised in the year during which the employee rendered the corresponding services.

If the payment of share-based variable compensation is explicitly subject to the employee's continued presence at the vesting date, the services are presumed to have been rendered during the vesting period and the corresponding compensation expense is recognised on a pro rata basis over that period. The expense is recognised under salary and employee benefits expenses with a corresponding liability in the balance sheet. It is revised to take into account any non-fulfilment of the continued presence or performance conditions and the change in BNP Paribas share price.

If there is no continued presence condition, the expense is not deferred, but recognised immediately with a corresponding liability in the balance sheet. This is then revised on each reporting date until settlement to take into account any performance conditions and the change in the BNP Paribas share price.

- **Share subscriptions or purchases offered to employees under the company savings plan**

Share subscriptions or purchases offered to employees under the company savings plan (*Plan d'Épargne Entreprise*) at lower-than-market rates over a specified period do not include a vesting period. However, employees are prohibited by law from selling shares acquired under this plan for a period of five years. This restriction is taken into account when measuring the benefit to the employees, which is reduced accordingly. Therefore, the benefit equals the difference, at the date the plan is announced to employees, between the fair value of the share (after allowing for the restriction on sale) and the acquisition price paid by the employee, multiplied by the number of shares acquired.

The cost of the mandatory five-year holding period is equivalent to the cost of a strategy involving the forward sale of shares subscribed at the time of the capital increase reserved for employees and the cash purchase of an equivalent number of BNP Paribas shares on the market, financed by a loan repaid at the end of a five-year period out of the proceeds from the forward sale transaction. The interest rate on the loan is the rate that would be applied to a five-year general purpose loan taken out by an individual with an average risk profile. The forward sale price for the shares is determined on the basis of market parameters.

1.j PROVISIONS RECORDED UNDER LIABILITIES

Provisions recorded under liabilities (other than those relating to financial instruments, employee benefits and insurance contracts) mainly relate to restructuring, claims and litigation, fines and penalties, and tax risks.

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event, and a reliable estimate can be made of the amount of the obligation. The amount of such obligations is discounted, where the impact of discounting is material, in order to determine the amount of the provision.

1.k CURRENT AND DEFERRED TAXES

The current income tax charge is determined on the basis of the tax laws and tax rates in force in each country in which the Group operates during the period in which the income is generated.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax liabilities are recognised for all taxable temporary differences other than:

- taxable temporary differences on initial recognition of goodwill;
- taxable temporary differences on investments in enterprises under the exclusive or joint control of the Group, where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused carryforwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

Deferred tax assets and liabilities are measured using the liability method, using the tax rate which is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been or will have been enacted by the balance sheet date of that period. They are not discounted.

Deferred tax assets and liabilities are offset when they arise within the same tax group, they fall under the jurisdiction of a single tax authority, and there is a legal right to offset.

Current and deferred taxes are recognised as tax income or expenses in the profit and loss account, except for those relating to a transaction or an event directly recognised in shareholders' equity, which are also recognised in shareholders' equity.

When tax credits on revenues from receivables and securities are used to settle corporate income tax payable for the period, the tax credits are recognised on the same line as the income to which they relate. The corresponding tax expense continues to be carried in the profit and loss account under "Corporate income tax".

1.l CASH FLOW STATEMENT

The cash and cash equivalents balance is composed of the net balance of cash accounts and accounts with central banks, and the net balance of interbank demand loans and deposits.

Changes in cash and cash equivalents related to operating activities reflect cash flows generated by the Group's operations, including cash flows related to investment property, held-to-maturity financial assets and negotiable certificates of deposit.

Changes in cash and cash equivalents related to investing activities reflect cash flows resulting from acquisitions and disposals of subsidiaries, associates or joint ventures included in the consolidated group, as well as acquisitions and disposals of property, plant and equipment excluding investment property and property held under operating leases.

Changes in cash and cash equivalents related to financing activities reflect the cash inflows and outflows resulting from transactions with shareholders, cash flows related to bonds and subordinated debt, and debt securities (excluding negotiable certificates of deposit).

1.m USE OF ESTIMATES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Preparation of the financial statements requires managers of core businesses and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the profit and loss account and of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. This requires the managers in question to exercise their judgement and to make use of information available at the date of the preparation of the financial statements when making their estimates. The actual future results from operations where managers have made use of estimates may in reality differ significantly from those estimates, mainly according to market conditions. This may have a material effect on the financial statements.

This applies in particular to:

- impairment losses recognised to cover credit risks inherent in banking intermediation activities;
- the use of internally-developed models to measure positions in financial instruments that are not quoted in active markets;
- calculations of the fair value of unquoted financial instruments classified in “Available-for-sale financial assets”, “Financial assets at fair value through profit or loss” or “Financial liabilities at fair value through profit or loss”, and more generally calculations of the fair value of financial instruments subject to a fair value disclosure requirement;
- whether a market is active or inactive for the purposes of using a valuation technique;
- impairment losses on variable-income financial assets classified as "Available-for-sale";
- impairment tests performed on intangible assets;
- the appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness;
- estimates of the residual value of assets leased under finance leases or operating leases, and more generally of assets on which depreciation is charged net of their estimated residual value;
- the measurement of provisions for contingencies and charges.

This is also the case for assumptions applied to assess the sensitivity of each type of market risk and the sensitivity of valuations to non-observable parameters.

2. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2017

2.a NET INTEREST INCOME

The BNP Paribas Group includes in "Interest income" and "Interest expense" all income and expense from financial instruments measured at amortised cost (interest, fees/commissions, transaction costs), and from financial instruments measured at fair value that do not meet the definition of a derivative instrument. These amounts are calculated using the effective interest method. The change in fair value on financial instruments at fair value through profit or loss (excluding accrued interest) is recognised under "Net gain/loss on financial instruments at fair value through profit or loss".

Interest income and expense on derivatives accounted for as fair value hedges are included with the revenues generated by the hedged item. Similarly, interest income and expense arising from derivatives used to hedge transactions designated as at fair value through profit or loss is allocated to the same accounts as the interest income and expense relating to the underlying transactions.

In millions of euros	First half 2017			First half 2016		
	Income	Expense	Net	Income	Expense	Net
Customer items	12,231	(3,903)	8,328	12,257	(3,408)	8,849
Deposits, loans and borrowings	11,631	(3,852)	7,779	11,662	(3,391)	8,271
Repurchase agreements	23	(25)	(2)	(6)	6	-
Finance leases	577	(26)	551	601	(23)	578
Interbank items	1,039	(1,035)	4	661	(738)	(77)
Deposits, loans and borrowings	976	(1,018)	(42)	658	(669)	(11)
Repurchase agreements	63	(17)	46	3	(69)	(66)
Debt securities issued		(916)	(916)		(817)	(817)
Cash flow hedge instruments	1,122	(359)	763	1,804	(1,211)	593
Interest rate portfolio hedge instruments	1,587	(1,501)	86	1,845	(1,821)	24
Financial instruments at fair value through profit or loss	2,213	(2,221)	(8)	1,011	(834)	177
Fixed-income securities	374		374	444		444
Loans / borrowings	551	(718)	(167)	183	(228)	(45)
Repurchase agreements	1,288	(1,420)	(132)	384	(520)	(136)
Debt securities		(83)	(83)		(86)	(86)
Available-for-sale financial assets	2,292		2,292	2,395		2,395
Held-to-maturity financial assets	149		149	171		171
Total interest income/(expense)	20,633	(9,935)	10,698	20,144	(8,829)	11,315

Interest income on individually impaired loans amounted to EUR 289 million for the first half of 2017 compared with EUR 272 million for the first half of 2016.

2.b COMMISSION INCOME AND EXPENSE

Commission income and expense on financial instruments not measured at fair value through profit or loss amounted to EUR 1,310 million and EUR 157 million respectively for the first half of 2017, compared with income of EUR 1,266 million and expense of EUR 143 million for the first half of 2016.

Net commission income related to trust and similar activities through which the Group holds or invests assets on behalf of clients, trusts, pension and personal risk funds or other institutions amounted to EUR 1,268 million for the first half of 2017, compared with EUR 1,227 million for the first half of 2016.

2.c NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

-
- Net gain on financial instruments at fair value through profit or loss includes all profit and loss items (including dividends) relating to financial instruments managed in the trading book and financial instruments that the Group has designated as at fair value through profit or loss under the fair value option, other than interest income and expense which are recognised in "Net interest income" (note 2.a).

Gains and losses on financial instruments designated as at fair value through profit or loss are mainly related to instruments whose changes in value may be compensated by changes in the value of economic hedging trading book instruments.

In millions of euros	First half 2017	First half 2016
Trading book	**3,869**	**1,504**
Interest rate and credit instruments	324	(698)
Equity financial instruments	3,981	(1,013)
Foreign exchange financial instruments	(442)	2,501
Other derivatives	(2)	743
Repurchase agreements	8	(29)
Financial instruments designated as at fair value through profit or loss	**(691)**	**1,450**
of which debt remeasurement effect arising from BNP Paribas Group issuer risk (note 4.c)	*(98)*	*167*
Impact of hedge accounting	**84**	**(35)**
Fair value hedging derivatives	24	(171)
Hedged items in fair value hedge	60	136
Total	**3,262**	**2,919**

Net gains on the trading book for the first halves of 2017 and 2016 include a non-material amount related to the ineffective portion of cash flow hedges.

2.d NET GAIN ON AVAILABLE-FOR-SALE FINANCIAL ASSETS AND OTHER FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE

In millions of euros	First half 2017	First half 2016
Loans and receivables, fixed-income securities [(1)]	259	697
Disposal gains	259	697
Equities and other variable-income securities	1,278	952
Dividend income	407	350
Additions to impairment provisions	(123)	(161)
Net disposal gains	994	763
Total	1,537	1,649

[(1)] Interest income from fixed-income financial instruments is included in "Net interest income" (note 2.a), and impairment losses related to potential issuer default are included in "Cost of risk" (note 2.g).

After the impact of insurance policyholders' surplus reserve, unrealised gains and losses previously recorded under "Changes in assets and liabilities recognised directly in shareholders' equity" and included in the pre-tax income, amount to a gain of EUR 775 million for the first half of 2017 compared with a net gain of EUR 1,051 million for the first half of 2016.

2.e NET INCOME FROM OTHER ACTIVITIES

In millions of euros	First half 2017			First half 2016		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities	16,144	(14,078)	2,066	13,474	(11,650)	1,824
Net income from investment property	97	(16)	81	45	(15)	30
Net income from assets held under operating leases	4,236	(3,581)	655	3,778	(3,083)	695
Net income from property development activities	576	(466)	110	426	(332)	94
Other net income	845	(794)	51	755	(685)	70
Total net income from other activities	21,898	(18,935)	2,963	18,478	(15,765)	2,713

- **Net income from insurance activities**

In millions of euros	First half 2017	First half 2016
Gross premiums written	12,589	11,707
Policy benefit expenses	(8,337)	(7,017)
Changes in technical reserves	(4,492)	(1,115)
Change in value of admissible investments related to unit-linked policies	2,364	(1,691)
Reinsurance ceded	(80)	(197)
Other net income	22	137
Total net income from insurance activities	2,066	1,824

"Policy benefit expenses" include expenses arising from surrenders, maturities and claims relating to insurance contracts. "Changes in technical reserves" reflect changes in the value of financial contracts, in particular unit-linked policies. Interest paid on such contracts is recognised in interest expense related to customer items.

2.f OTHER OPERATING EXPENSES

In millions of euros	First half 2017	First half 2016
External services and other operating expenses	(4,680)	(4,565)
Taxes[1]	(1,368)	(1,299)
Total other operating expenses	(6,048)	(5,864)

[1]Taxes notably include the contribution to the Single Resolution Fund which amounts to EUR 502 million for the first half of 2017 compared with EUR 456 million for the first half of 2016.

2.g COST OF RISK

"Cost of risk" represents the net amount of impairment losses recognised in respect to credit risks inherent in the Group's banking intermediation activities, plus any impairment losses in the cases of known counterparty risks on over-the-counter financial instruments.

1.a. Cost of risk for the period

In millions of euros	First half 2017	First half 2016
Net allowances to impairment	(1,254)	(1,586)
Recoveries on loans and receivables previously written off	319	315
Irrecoverable loans and receivables not covered by impairment provisions	(319)	(277)
Total cost of risk for the period	(1,254)	(1,548)

1. Cost of risk for the period by asset type

In millions of euros	First half 2017	First half 2016
Loans and receivables due from credit institutions	11	24
Loans and receivables due from customers	(1,185)	(1,504)
Available-for-sale financial assets	(85)	
Financial instruments of trading activities	6	(9)
Other assets	(1)	(6)
Commitments given and other items		(53)
Total cost of risk for the period	(1,254)	(1,548)
Cost of risk on a specific basis	*(1,342)*	*(1,747)*
Cost of risk on a collective basis	*88*	*199*

2.h CORPORATE INCOME TAX

In millions of euros	First half 2017	First half 2016
Net current tax expense	(1,234)	(1,476)
Net deferred tax expense	(461)	(108)
Corporate income tax expense	(1,695)	(1,584)

3. SEGMENT INFORMATION

The Group is composed of two operating divisions:

- Retail Banking and Services, which covers Domestic Markets and International Financial Services. Domestic Markets include retail banking networks in France (FRB), Italy (BNL banca commerciale), Belgium (BRB), and Luxembourg (LRB), as well as certain specialised retail banking divisions (Personal Investors, Leasing Solutions, Arval and New Digital Businesses). International Financial Services is composed of all BNP Paribas Group retail banking businesses out of the Eurozone, split between Europe Mediterranean and BancWest in the United States, as well as Personal Finance and the Insurance and Wealth and Asset Management activities (Wealth Management, Asset Management and Real Estate);
- Corporate and Institutional Banking (CIB), which includes Corporate Banking (Europe, Middle East, Africa, Asia, Americas, and Corporate Finance activities), Global Markets (Fixed Income, Currency and Commodities, as well as Equity and Prime Services), and Securities Services to management companies, financial institutions and other corporations.

Other activities mainly include Principal Investments, activities related to the Group's central treasury function, some costs related to cross-business projects, the residential mortgage lending business of Personal Finance (a significant part of which is managed in run-off), and certain investments.

They also include non-recurring items resulting from applying the rules on business combinations. In order to provide consistent and relevant economic information for each core business, the impact of amortising fair value adjustments recognised in the net equity of entities acquired and restructuring costs incurred in respect to the integration of entities, have been allocated to the "Other Activities" segment. The same applies to transformation costs relating to the Group's cross-business savings programmes.

Inter-segment transactions are conducted at arm's length. The segment information presented comprises agreed inter-segment transfer prices.

The capital allocation is carried out on the basis of risk exposure, taking into account various conventions relating primarily to the capital requirement of the business as derived from the risk-weighted asset calculations required under capital adequacy rules. Normalised equity income by segment is determined by attributing to each segment the income of its allocated equity. The equity allocation to segments is based on 11% of weighted assets. The breakdown of balance sheet by core business follows the same rules as the breakdown of the profit or loss by core business.

Income by business segment

In millions of euros	First half 2017						First half 2016					
	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income
Retail Banking & Services												
Domestic Markets												
French Retail Banking [1]	3,072	(2,225)	(158)	689		689	3,105	(2,207)	(145)	753	1	754
BNL banca commerciale [1]	1,413	(880)	(450)	83		83	1,448	(875)	(516)	57		57
Belgian Retail Banking [1]	1,771	(1,327)	(27)	417	5	422	1,752	(1,297)	(66)	389	1	390
Other Domestic Markets activities [1]	1,355	(784)	(39)	532	33	565	1,342	(744)	(56)	542	21	563
International Financial Services												
Personal Finance	2,421	(1,213)	(465)	743	55	798	2,317	(1,155)	(470)	692	5	697
International Retail Banking												
Europe-Mediterranean [1]	1,178	(842)	(137)	199	101	300	1,221	(858)	(183)	179	101	280
BancWest [1]	1,495	(1,052)	(59)	384		384	1,439	(1,000)	(48)	391	11	402
Insurance	1,216	(623)	(2)	592	110	702	1,067	(587)		480	106	586
Wealth and Asset Management	1,533	(1,143)	18	408	34	443	1,465	(1,144)	6	328	21	349
Corporate & Institutional Banking												
Corporate Banking	2,167	(1,282)	135	1,021	26	1,047	1,965	(1,293)	(98)	574	3	577
Global Markets	3,277	(2,421)	36	892	1	893	2,876	(2,323)	23	575	11	586
Securities Services	975	(791)	1	186	1	186	901	(756)	1	147		147
Other Activities	360	(608)	(106)	(353)	57	(296)	1,268	(477)	3	795	(19)	776
Total Group	22,235	(15,190)	(1,254)	5,791	424	6,215	22,166	(14,717)	(1,548)	5,901	262	6,163

[1] French Retail Banking, BNL banca commerciale, Belgian Retail Banking, Luxembourg Retail Banking, Europe-Mediterranean and BancWest after the reallocation within Wealth and Asset Management of one-third of the Wealth Management activities in France, Italy, Belgium, Luxembourg, Turkey and the United States.

4. NOTES TO THE BALANCE SHEET AT 30 JUNE 2017

4.a FINANCIAL ASSETS, FINANCIAL LIABILITIES AND DERIVATIVES AT FAIR VALUE THROUGH PROFIT OR LOSS

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and financial liabilities at fair value through profit or loss consist of held-for-trading transactions - including derivatives - and certain assets and liabilities designated by the Group as at fair value through profit or loss at the time of acquisition or issuance.

In millions of euros	30 June 2017		31 December 2016	
	Trading book	Instruments designated as at fair value through profit or loss	Trading book	Instruments designated as at fair value through profit or loss
Securities portfolio	161,885	94,230	123,679	87,583
Loans and repurchase agreements	179,045	257	152,242	61
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	340,930	94,487	275,921	87,644
Securities portfolio	81,220		70,326	
Borrowings and repurchase agreements	236,678	2,714	183,206	3,017
Debt securities (note 4.f)		48,452		47,710
Subordinated debt (note 4.f)		1,092		1,012
Debt representative of shares of consolidated funds held by third parties		2,809		2,337
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	317,898	55,067	253,532	54,076

Detail of these assets and liabilities is provided in note 4.c.

DERIVATIVE FINANCIAL INSTRUMENTS

The majority of derivative financial instruments held for trading are related to transactions initiated for trading purposes. They may result from market-making or arbitrage activities. BNP Paribas actively trades in derivatives. Transactions include trades in “ordinary” instruments such as credit default swaps, and structured transactions with complex risk profiles tailored to meet the needs of its customers. The net position is in all cases subject to limits.

Some derivative instruments are also contracted to hedge financial assets or financial liabilities for which the Group has not documented a hedging relationship, or which do not qualify for hedge accounting under IFRS. This applies in particular to credit derivative transactions which are primarily contracted to protect the Group’s loan book.

In millions of euros	30 June 2017		31 December 2016	
	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	136,267	124,192	165,979	153,811
Foreign exchange derivatives	74,786	75,570	112,761	109,490
Credit derivatives	8,649	8,246	10,754	9,886
Equity derivatives	30,049	40,007	33,146	40,702
Other derivatives	3,808	3,961	5,522	4,851
Derivative financial instruments	253,559	251,976	328,162	318,740

The table below shows the total notional amount of trading derivatives. The notional amounts of derivative instruments are merely an indication of the volume of the Group's activities in financial instruments markets, and do not reflect the market risks associated with such instruments.

In millions of euros	30 June 2017				31 December 2016			
	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total
Interest rate derivatives	1,585,801	11,007,617	5,269,750	17,863,168	891,549	10,106,567	5,565,534	16,563,650
Foreign exchange derivatives	853	50,826	5,011,634	5,063,313	1,024	43,241	4,995,579	5,039,844
Credit derivatives		265,993	621,144	887,137		249,262	727,007	976,269
Equity derivatives	944,719	2,498	666,190	1,613,407	955,415	5,707	664,689	1,625,811
Other derivatives	100,737	36,881	62,961	200,579	95,365	33,769	57,128	186,262
Derivative financial instruments	2,632,110	11,363,816	11,631,679	25,627,605	1,943,353	10,438,546	12,009,937	24,391,836

4.b AVAILABLE-FOR-SALE FINANCIAL ASSETS

In millions of euros	30 June 2017			31 December 2016		
	Net	of which impairment	of which changes in value taken directly to equity	Net	of which impairment	of which changes in value taken directly to equity
Fixed-income securities	229,369	(159)	12,136	248,072	(78)	13,784
Treasury bills and government bonds	127,078	(1)	7,335	138,298	(1)	8,561
Other fixed-income securities	102,291	(158)	4,801	109,774	(77)	5,223
Equities and other variable-income securities	18,086	(2,655)	4,113	19,487	(3,192)	4,216
Listed securities	4,970	(435)	1,508	5,950	(823)	1,591
Unlisted securities	13,116	(2,220)	2,605	13,537	(2,369)	2,625
Total available-for-sale financial assets	247,455	(2,814)	16,249	267,559	(3,270)	18,000

1. The gross amount of impaired fixed-income securities is EUR 187 million at 30 June 2017 (EUR 99 million at 31 December 2016).
2.
3. Changes in value taken directly to equity are detailed as follows:

In millions of euros	30 June 2017			31 December 2016		
	Fixed-income securities	Equities and other variable-income securities	Total	Fixed-income securities	Equities and other variable-income securities	Total
Non-hedged changes in value of securities, recognised in "Available-for-sale financial assets"	12,136	4,113	16,249	13,784	4,216	18,000
Deferred tax linked to these changes in value	(3,627)	(879)	(4,506)	(4,504)	(948)	(5,452)
Insurance policyholders' surplus reserve from insurance entities, after deferred tax	(6,911)	(1,408)	(8,319)	(7,587)	(1,315)	(8,902)
Group share of changes in value of available-for-sale securities owned by equity-method entities, after deferred tax and insurance policyholders' surplus reserve	691	104	795	807	99	906
Unamortised changes in value of available-for-sale securities reclassified as loans and receivables	(7)		(7)	(16)		(16)
Other variations	(59)	9	(50)	(53)	(2)	(55)
Changes in value of assets taken directly to equity under the heading "Financial assets available for sale and reclassified as loans and receivables"	2,223	1,939	4,162	2,431	2,050	4,481
Attributable to equity shareholders	2,151	1,917	4,068	2,339	2,033	4,372
Attributable to minority interests	72	22	94	92	17	109

4.c MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

VALUATION PROCESS

BNP Paribas has retained the fundamental principle that it should have a unique and integrated processing chain for producing and controlling the valuations of financial instruments that are used for the purpose of daily risk management and financial reporting. All these processes are based on a common economic valuation which is a core component of business decisions and risk management strategies.

Economic value is composed of mid-market value, to which add valuation adjustments.

Mid-market value is derived from external data or valuation techniques that maximise the use of observable and market-based data. Mid-market value is a theoretical additive value which does not take account of i) the direction of the transaction or its impact on the existing risks in the portfolio, ii) the nature of the counterparties, and iii) the aversion of a market participant to particular risks inherent in the instrument, the market in which it is traded, or the risk management strategy.

Valuation adjustments take into account valuation uncertainty and include market and credit risk premiums to reflect costs that could be incurred in case of an exit transaction in the principal market. When valuation techniques are used for the purpose of deriving fair value, funding assumptions related to the future expected cash flows are an integral part of the mid-market valuation, notably through the use of appropriate discount rates. These assumptions reflect what the Bank anticipates as being the effective funding conditions of the instrument that a market participant would consider. This notably takes into account the existence and terms of any collateral agreement. In particular, for non- or imperfectly collateralized derivative instruments, they include an explicit adjustment to the interbank interest rate (Funding Valuation Adjustment – FVA).

Fair value generally equals the economic value, subject to limited adjustments, such as own credit adjustments, which are specifically required by IFRS standards.

The main valuation adjustments are presented in the section below.

VALUATION ADJUSTMENTS

Valuation adjustments retained by BNP Paribas for determining fair values are as follows:

Bid/offer adjustments: the bid/offer range reflects the additional exit cost for a price taker and symmetrically the compensation sought by dealers to bear the risk of holding the position or closing it out by accepting another dealer's price.

BNP Paribas assumes that the best estimate of an exit price is the bid or offer price, unless there is evidence that another point in the bid/offer range would provide a more representative exit price.

Input uncertainty adjustments: when the observation of prices or data inputs required by valuation techniques is difficult or irregular, an uncertainty exists on the exit price. There are several ways to gauge the degree of uncertainty on the exit price such as measuring the dispersion of the available price indications or estimating the possible ranges of the inputs to a valuation technique.

Model uncertainty adjustments: these relate to situations where valuation uncertainty is due to the valuation technique used, even though observable inputs might be available. This situation arises when the risks inherent in the instruments are different from those available in the observable data, and therefore the valuation technique involves assumptions that cannot be easily corroborated.

Credit valuation adjustment (CVA): the CVA adjustment applies to valuations and market quotations whereby the credit worthiness of the counterparty is not reflected. It aims to account for the possibility that the counterparty may default and that BNP Paribas may not receive the full fair value of the transactions.

In determining the cost of exiting or transferring counterparty risk exposures, the relevant market is deemed to be an inter-dealer market. However, the determination of CVA remains judgemental due to i) the possible absence or lack of price discovery in the inter-dealer market, ii) the influence of the regulatory landscape relating to counterparty risk on the market participants' pricing behaviour and iii) the absence of a dominant business model for managing counterparty risk.

The CVA model is grounded on the same exposures as those used for regulatory purposes. The model attempts to estimate the cost of an optimal risk management strategy based on i) implicit incentives and constraints inherent in the regulations in force and their evolutions, ii) market perception of the probability of default and iii) default parameters used for regulatory purposes.

Own-credit valuation adjustment for debts (OCA) and for derivatives (debit valuation adjustment - DVA): OCA and DVA are adjustments reflecting the effect of credit worthiness of BNP Paribas, on respectively the value of debt securities designated as at fair value through profit or loss and derivatives. Both adjustments are based on the expected future liability profiles of such instruments. The own credit worthiness is inferred from the market-based observation of the relevant bond issuance levels. The DVA adjustment is determined after taking into account the Funding Valuation Adjustment (FVA).

Thus, the carrying value of debt securities designated as at fair value though profit or loss is increased by EUR 489 million as at 30 June 2017, compared with an increase in value of EUR 391 million as at 31 December 2016, i.e. a EUR -98 million variation recognised in net gain on financial instruments at fair value through profit or loss (note 2.c).

INSTRUMENT CLASSES AND CLASSIFICATION WITHIN THE FAIR VALUE HIERARCHY FOR ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

As explained in the summary of significant accounting policies (note 1.c.10), financial instruments measured at fair value are categorised into a fair value hierarchy consisting of three levels.

The disaggregation of assets and liabilities into risk classes is meant to provide further insight into the nature of the instruments:

– Securitised exposures are further broken down by collateral type.
– For derivatives, fair values are broken down by dominant risk factor, namely interest rate, foreign exchange, credit and equity. Derivatives used for hedging purposes are mainly interest rate derivatives.

In millions of euros	30 June 2017											
	Trading book				Instruments designated as at fair value through profit or loss				Available-for-sale financial assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities portfolio	138,838	22,070	977	161,885	76,674	13,440	4,116	94,230	202,366	37,650	7,439	247,455
Treasury bills and government bonds	52,818	5,857		58,675	685			685	123,377	3,701		127,078
Asset Backed Securities [1]	-	7,488	55	7,543	-	7	-	7	-	4,430		4,430
CDOs / CLOs [2]		*279*	*52*	*331*		*7*		*7*		*276*		*276*
Other Asset Backed Securities		*7,209*	*3*	*7,212*				*-*		*4,154*		*4,154*
Other fixed-income securities	9,764	7,787	158	17,709	1,529	4,630	185	6,344	71,713	25,244	904	97,861
Equities and other variable-income securities	76,256	938	764	77,958	74,460	8,803	3,931	87,194	7,276	4,275	6,535	18,086
Loans and repurchase agreements	-	178,815	230	179,045	-	257	-	257				
Loans		882		882		50		50				
Repurchase agreements		177,933	230	178,163		207		207				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS	138,838	200,885	1,207	340,930	76,674	13,697	4,116	94,487	202,366	37,650	7,439	247,455
Securities portfolio	78,883	2,253	84	81,220	-	-	-	-				
Treasury bills and government bonds	62,888	276		63,164				-				
Other fixed-income securities	5,072	1,371	83	6,526				-				
Equities and other variable-income securities	10,923	606	1	11,530				-				
Borrowings and repurchase agreements	-	235,881	797	236,678	-	2,298	416	2,714				
Borrowings		4,521		4,521		2,298	416	2,714				
Repurchase agreements		231,360	797	232,157				-				
Debt securities (note 4.f)	-	-	-	-	-	35,277	13,175	48,452				
Subordinated debt (note 4.f)	-	-	-	-	-	1,092	-	1,092				
Debt representative of shares of consolidated funds held by third parties	-	-	-	-	2,189	620	-	2,809				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	78,883	238,134	881	317,898	2,189	39,287	13,591	55,067				

In millions of euros	31 December 2016											
	Trading book				Instruments designated as at fair value through profit or loss				Available-for-sale financial assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities portfolio	101,261	21,251	1,167	123,679	69,800	13,849	3,934	87,583	214,489	44,790	8,280	267,559
Treasury bills and government bonds	45,488	4,283		49,771	867			867	130,806	7,492		138,298
Asset Backed Securities [1]	-	8,748	618	9,366	-	7	-	7	-	4,588	72	4,660
CDOs / CLOs [2]		*1,391*	*613*	*2,004*		*7*		*7*		*56*		*56*
Other Asset Backed Securities		*7,357*	*5*	*7,362*				*-*		*4,532*	*72*	*4,604*
Other fixed-income securities	9,695	7,702	169	17,566	1,392	5,809	110	7,311	75,420	28,783	911	105,114
Equities and other variable-income securities	46,078	518	380	46,976	67,541	8,033	3,824	79,398	8,263	3,927	7,297	19,487
Loans and repurchase agreements	-	151,511	731	152,242	-	61	-	61				
Loans		525		525		61		61				
Repurchase agreements		150,986	731	151,717				-				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS	101,261	172,762	1,898	275,921	69,800	13,910	3,934	87,644	214,489	44,790	8,280	267,559
Securities portfolio	67,167	2,862	297	70,326	-	-	-	-				
Treasury bills and government bonds	50,320	383		50,703				-				
Other fixed-income securities	6,752	2,457	297	9,506				-				
Equities and other variable-income securities	10,095	22		10,117				-				
Borrowings and repurchase agreements	-	181,808	1,398	183,206	-	2,557	460	3,017				
Borrowings		4,190		4,190		2,557	460	3,017				
Repurchase agreements		177,618	1,398	179,016				-				
Debt securities (note 4.f)	-	-	-	-	-	34,964	12,746	47,710				
Subordinated debt (note 4.f)	-	-	-	-	-	1,012	-	1,012				
Debt representative of shares of consolidated funds held by third parties	-	-	-	-	1,719	618	-	2,337				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	67,167	184,670	1,695	253,532	1,719	39,151	13,206	54,076				

[1] These amounts do not represent the total amount of securitisation assets held by BNP Paribas, particularly those classified at inception as "Loans and Receivables", and those reclassified.
[2] Collateralised Debt Obligations / Collateralised Loan Obligations

In millions of euros	30 June 2017							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	302	133,011	2,954	136,267	409	121,624	2,159	124,192
Foreign exchange derivatives	1	74,281	504	74,786	1	75,191	378	75,570
Credit derivatives		8,269	380	8,649		7,307	939	8,246
Equity derivatives	7,496	21,046	1,507	30,049	6,772	27,125	6,110	40,007
Other derivatives	477	3,282	49	3,808	643	3,245	73	3,961
Derivative financial instruments not used for hedging purposes	8,276	239,889	5,394	253,559	7,825	234,492	9,659	251,976
Derivative financial instruments used for hedging purposes	-	15,373	-	15,373	-	16,909	-	16,909

In millions of euros	31 December 2016							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	482	162,034	3,463	165,979	613	150,733	2,465	153,811
Foreign exchange derivatives	13	112,129	619	112,761	12	108,957	521	109,490
Credit derivatives		10,079	675	10,754		8,693	1,193	9,886
Equity derivatives	8,597	22,811	1,738	33,146	6,584	28,193	5,925	40,702
Other derivatives	749	4,724	49	5,522	889	3,856	106	4,851
Derivative financial instruments not used for hedging purposes	9,841	311,777	6,544	328,162	8,098	300,432	10,210	318,740
Derivative financial instruments used for hedging purposes	-	18,133	-	18,133	-	19,626	-	19,626

Transfers between levels may occur when an instrument fulfils the criteria defined, which are generally market and product dependent. The main factors influencing transfers are changes in the observation capabilities, passage of time, and events during the transaction lifetime. The timing of recognising transfers is determined at the beginning of the reporting period.

During the first half of 2017, transfers between Level 1 and Level 2 were not significant.

DESCRIPTION OF MAIN INSTRUMENTS IN EACH LEVEL

The following section provides a description of the instruments in each level in the hierarchy. It describes notably instruments classified in Level 3 and the associated valuation methodologies.
For main trading book instruments and derivatives classified in Level 3, further quantitative information is provided about the inputs used to derive fair value.

Level 1

This level encompasses all derivatives and securities that are listed on exchanges or quoted continuously in other active markets.

Level 1 includes notably equity securities and liquid bonds, shortselling of these instruments, derivative instruments traded on organised markets (futures, options, ...). It includes shares of funds and UCITS, for which the net asset value is calculated on a daily basis, as well as debt representative of shares of consolidated funds held by third parties.

Level 2

The Level 2 stock of securities is composed of securities which are less liquid than the Level 1 bonds. They are predominantly government bonds, corporate debt securities, mortgage backed securities, fund shares and short-term securities such as certificates of deposit. They are classified in Level 2 notably when external prices for the same security can be regularly observed from a reasonable number of market makers that are active in this security, but these prices do not represent directly tradable prices. This comprises amongst other, consensus pricing services with a reasonable number of contributors that are active market makers as well as indicative runs from active brokers and/or dealers. Other sources such as primary issuance market, collateral valuation and counterparty collateral valuation matching may also be used where relevant.

Repurchase agreements are classified predominantly in Level 2. The classification is primarily based on the observability and liquidity of the repo market, depending on the underlying collateral.

Debts issued designated as at fair value through profit and loss, are classified in the same level as the one that would apply to the embedded derivative taken individually. The issuance spread is considered observable.

Derivatives classified in Level 2 comprise mainly the following instruments:

- Vanilla instruments such as interest rate swaps, caps, floors and swaptions, credit default swaps, equity/foreign exchange (FX)/commodities forwards and options;
- Structured derivatives such as exotic FX options, mono- and multi-underlying equity/funds derivatives, single curve exotic interest rate derivatives and derivatives based on structured rates.

The above derivatives are classified in Level 2 when there is a documented stream of evidence supporting one of the following:

- Fair value is predominantly derived from prices or quotations of other Level 1 and Level 2 instruments, through standard market interpolation or stripping techniques whose results are regularly corroborated by real transactions;
- Fair value is derived from other standard techniques such as replication or discounted cash flows that are calibrated to observable prices, that bear limited model risk and enable an effective offset of the risks of the instrument through trading Level 1 or Level 2 instruments;
- Fair value is derived from more sophisticated or proprietary valuation techniques but is directly evidenced through regular back-testing using external market-based data.

Determining of whether an over-the-counter (OTC) derivative is eligible for Level 2 classification involves judgement. Consideration is given to the origin, transparency and reliability of external data used, and the amount of uncertainty associated with the use of models. It follows that the Level 2 classification criteria involve multiple analysis axis within an “observability zone” whose limits are determined by i) a predetermined list of product categories and ii) the underlying and maturity bands. These criteria are regularly reviewed and updated, together with the applicable valuation adjustments, so that the classification by level remains consistent with the valuation adjustment policy.

Level 3

Level 3 securities of the trading book mainly comprise units of funds and unlisted equity shares.

Fund units relate to real estate funds for which the valuation of the underlying investments is not frequent, as well as hedge funds for which the observation of the net asset value is not frequent.

Unlisted private equities are systematically classified as Level 3, with the exception of UCITS with a daily net asset value, presented as unlisted securities in note 4.b, but which are classified in the Level 1 of the fair value hierarchy.

Shares and other unlisted variable income securities in level 3 are valued using one of the following methods: a share of revalued net book value, multiples of comparable companies, future cash flows method, multi-criteria approach.

As at 31 December 2016, CLOs and CDOs of ABSs linked to legacy activity represented the large majority of the Level 3 trading book stock. Fair value is determined using a methodology that takes into consideration both the available external indicative prices as well as discounted expected cash flows. Constant prepayment rates are amongst the main unobservable inputs required to model the underlying pool of cash flow payments. Other unobservable inputs are related to the cash/synthetic funding basis and the discounting margin.

CDOs of ABSs collateral pools comprise Commercial Real Estate Loans, Commercial Mortgage Backed Securities – CMBSs and Residential Mortgage Backed Securities – RMBSs. The fair value of CDOs is based on a “liquidation approach” and a “discounted expected cash flow” approach, depending on the distressed nature of the collateral.

For RMBSs, prices are obtained to a large extent from external sources, while for Commercial Real Estate Loans prices are independently valued by an external provider.

The Discounted Expected Cash flow approach for CDOs takes in consideration both an internal and an external independent set of hypotheses to derive expectations about the underlying cash flow payments. Such cash flow expectations are then passed through the CDO waterfall modelled in external platforms, allowing deriving cash flow expectations of the considered CDO tranche. Similarly to the above, fair value requires assumptions about the cash/synthetic funding basis and a discount margin.

Repurchase agreements: mainly long-term or structured repurchase agreements on corporate bonds and ABSs: The valuation of these transactions requires proprietary methodologies given the bespoke nature of the transactions and the lack of activity and price discovery in the long-term repo market. The curves used in the valuation are corroborated using available data such as the implied basis of the relevant benchmark bond pool, recent long-term repo trade data and price enquiry data. Valuation adjustments applicable to these exposures are commensurate with the degree of uncertainty inherent in the modelling choices and amount of data available.

Debts issued designated as at fair value through profit or loss, are classified in the same level as the one that would apply to the embedded derivative taken individually. The issuance spread is considered observable.

Derivatives

Vanilla derivatives are classified in Level 3 when the exposure is beyond the observation zone for rate curves or volatility surfaces, or relates to less liquid markets such as tranches on old credit index series or emerging markets interest rates markets. The main instruments are:

- ***Interest rate derivatives***: exposures mainly comprise swap products in less liquid currencies. Classification is driven by the lower liquidity of some maturities, while observation capabilities through consensus may be available. The valuation technique is standard, and uses external market information and extrapolation techniques.

- ***Credit derivatives (CDS)***: exposures mainly comprise CDSs beyond the maximum observable maturity and, to a much lesser extent, CDSs on illiquid or distressed names and CDSs on loan indices. Classification is driven by the lack of liquidity while observation capabilities may be available notably through consensus. Level 3 exposures also comprise CDS and Total Return Swaps (TRS) positions on securitised assets. These are priced along the same modelling techniques as the underlying bonds, taking into consideration the funding basis and specific risk premium.

- ***Equity derivatives***: exposures essentially comprise long dated forward or volatility products or exposures where there is a limited market for optional products. The marking of the forward curves and volatility surfaces beyond the maximum observable maturity relies on extrapolation techniques. However, when there is no market for model input, volatility or forward is generally determined on the basis of proxy or historical analysis.

These vanilla derivatives are subject to valuation adjustments linked to uncertainty on liquidity, specialised by nature of underlying and liquidity bands.

Structured derivatives classified in Level 3 predominantly comprise structured derivatives of which hybrid products (FX/Interest Rates hybrids, Equity hybrids), credit correlation products, prepayment-sensitive products, some stock basket optional products and some interest rate optional instruments. The main exposures are described below, with insight into the related valuation techniques and on the source of uncertainty :

0. ***Structured interest rate options*** are classified in Level 3 when they involve currencies where there is not sufficient observation or when they include a quanto feature where the pay-off is measured with a forex forward fixed rate (except for the main currencies). Long term structured derivatives are also classified in Level 3.

1. ***Hybrid FX/Interest rate products*** essentially comprise a specific product family known as Power Reverse Dual Currency (PRDC). The valuation of PRDCs requires sophisticated modelling of joint behaviour of FX and interest rate, and is notably sensitive to the unobservable FX/ interest rate correlations. PRDCs valuations are corroborated with recent trade data and consensus data.

2. ***Securitisation swaps*** mainly comprise fixed rate swaps, cross currency or basis swaps whose notional is indexed to the prepayment behaviour of some underlying portfolio. The estimation of the maturity profile of securitisation swaps is corroborated by statistical estimates using external historical data.

3. ***Forward volatility options*** are generally products whose pay-off is indexed to the future variability of a rate index such as volatility swaps. These products involve material model risk as it is difficult to infer forward volatility information from the market-traded instruments. The valuation adjustment framework is calibrated to the uncertainty inherent in the product, and to the range of uncertainty from the existing external consensus data.

4. ***Inflation derivatives*** classified in Level 3 mainly comprise swap products on inflation indices that are not associated with a liquid indexed bond market, optional products on inflation indices (such as caps and floors) and other forms of inflation indices involving optionality on the inflation indices or on the inflation annual rate. Valuation techniques used for inflation derivatives are predominantly standard market models. Proxy techniques are used for a few limited exposures. Although the valuations are corroborated through monthly consensus data, these products are classified as Level 3 due to their lack of liquidity and some uncertainties inherent in the calibration.

5. The valuation of ***bespoke CDOs*** requires correlation of default events. This information is inferred from the active index tranche market through a proprietary projection technique and involves proprietary extrapolation and interpolation techniques. Multi-geography CDOs further require an additional correlation assumption. Finally, the bespoke CDO model also involves proprietary assumptions and parameters related to the dynamic of the recovery factor. CDO modelling, is calibrated on the observable index tranche markets, and is regularly back-tested against consensus data on standardised pools. The uncertainty arises from the model risk associated with the projection and geography mixing technique, and the uncertainty of associated parameters, together with the recovery modelling.

6. ***N to Default baskets*** are other forms of credit correlation products, modelled through standard copula techniques. The main inputs required are the pair-wise correlations between the basket components which can be observed in the consensus and the transactions. Linear baskets are considered observable.

7. ***Equity and equity-hybrid correlation products*** are instruments whose pay-off is dependent on the joint behaviour of a basket of equities/indices leading to a sensitivity of the fair value measurement to the correlation amongst the basket components. Hybrid versions of these instruments involve baskets that mix equity and non-equity underlyings such as commodity indices. Only a subset of the Equity/index correlation matrix is regularly observable and traded, while most cross-asset correlations are not active. Therefore, classification in Level 3 depends on the composition of the basket, the maturity, and the hybrid nature of the product. The correlation input is derived from a proprietary model combining historical estimators, and other adjustment factors, that are corroborated by reference to recent trades or external data. The correlation matrix is essentially available from consensus services, and when a correlation between two underlying instruments is not available, it might be obtained from extrapolation or proxy techniques.

These structured derivatives are subject to specific valuation adjustments to cover uncertainties linked to liquidity, parameters and model risk.

Valuation adjustments (CVA, DVA and FVA)

The valuation adjustment for counterparty credit risk (CVA), own-credit risk for derivatives (DVA) and the explicit funding valuation adjustment (FVA) are deemed to be unobservable components of the valuation framework and therefore classified in Level 3. This does not impact, in general cases, the classification of individual transactions into the fair value hierarchy. However, a specific process allows to identify individual deals for which the marginal contribution of these adjustments and related uncertainty is significant. Are particularly concerned some insufficiently collateralized vanilla interest rate instruments with very long residual maturity.

The below table provides the range of values of main unobservable inputs for the valuation of level 3 financial instruments. The ranges displayed correspond to a variety of different underlying instruments and are meaningful only in the context of the valuation technique implemented by BNP Paribas. The weighted averages, where relevant and available, are based on fair values, nominal amounts or sensitivities.

The main unobservable parameters used for the valuation of debt issued in level 3 are equivalent to these of their economic hedge derivative. Information on those derivatives, displayed in the following table, is also applicable to these debts.

Risk classes	Balance Sheet valuation *(in millions of euros)*		Main product types composing the Level 3 stock within the risk class	Valuation technique used for the product types considered	Main unobservable inputs for the product types considered	Range of unobservable input across Level 3 population considered	Weighted average
	Asset	Liability					
Repurchase agreements	230	797	Long-term repo and reverse-repo agreements	Proxy techniques, based amongst other on the funding basis of a benchmark bond pool, that is actively traded and representative of the repo underlying	Long-term repo spread on private bonds (High Yield, High Grade) and on ABSs	0 bp to 65 bp	39 bp (b)
Interest rate derivatives	2,954	2,159	Hybrid Forex / Interest rates derivatives	Hybrid Forex interest rate option pricing model	Correlation between FX rate and interest rates. Main currency pairs are EUR/JPY, USD/JPY, AUD/JPY	13% to 56%	41% (b)
			Hybrid inflation rates / Interest rates derivatives	Hybrid Forex interest rate option pricing model	Correlation between interest rates and inflation rates mainly in Europe.	-6% to 27%	19% (b)
			Floors and caps on inflation rate or on the cumulative inflation (such as redemption floors), predominantly on European and French inflation	Inflation pricing model	Volatility of cumulative inflation	0.7% to 9.8%	(c)
					Volatility of the year on year inflation rate	0.3% to 2.2%	
			Forward Volatility products such as volatility swaps, mainly in euro	Interest rates option pricing model	Forward volatility of interest rates	0.3% to 0.7%	(c)
			Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly on European collateral pools	Prepayment modelling Discounted cash flows	Constant prepayment rates	0.0 % to 40%	9% (b)
Credit Derivatives	380	939	Collateralised Debt Obligations and index tranches for inactive index series	Base correlation projection technique and recovery modelling	Base correlation curve for bespoke portfolios	20% to 97%	(c)
					Inter-regions default cross correlation	80 % to 90%	90%(a)
					Recovery rate variance for single name underlyings	0 to 25%	(c)
			N-to-default baskets	Credit default model	Default correlation	50% to 91%	60% (b)
			Single name Credit Default Swaps (other than CDS on ABSs and loans indices)	Stripping, extrapolation and interpolation	Credit default spreads beyond observation limit (10 years)	55 bp to 246 bp (1)	191 bp (a)
					Illiquid credit default spread curves (across main tenors)	20 bp to 728 bp (2)	87 bp (a)
Equity Derivatives	1,507	6,110	Simple and complex derivatives on multi-underlying baskets on stocks	Various volatility option models	Unobservable equity volatility	0% to 422% (3)	(c)
					Unobservable equity correlation	17% to 97%	58% (a)

(1) The upper part of the range relates to non-material balance sheet and net risk position on a European corporate. The other part relates mainly to sovereign issuers.

(2) The upper bound of the range relates to a transport sector issuer that represents an insignificant portion of exposures on CDSs with illiquid underlying.

(3) The upper part of the range relates to 6 equity instruments representing a non-material portion of the exposure on options with equity underlying instruments. Removing this outlier, the upper bound of the range would be around 78 %.

(a) Weighting is not based on risks, but on an alternative methodology in relation with the Level 3 instruments (PV or notional)

(b) Weights based on relevant risk axis at portfolio level

(c) No weighting, since no explicit sensitivity is attributed to these inputs

(d) Simple averaging

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

For Level 3 financial instruments, the following movements occurred between 1 January 2016 and 30 June 2017:

In millions of euros	Financial Assets				Financial Liabilities		
	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	Available-for-sale financial assets	TOTAL	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	TOTAL
At 31 December 2015	11,071	3,743	9,320	24,134	(11,607)	(11,281)	(22,888)
Purchases	2,061	1,308	1,133	4,502			-
Issues				-	(2,266)	(5,720)	(7,986)
Sales	(1,429)	(1,210)	(2,098)	(4,737)			-
Settlements [1]	(1,706)	(115)	(123)	(1,944)	(1,486)	3,889	2,403
Transfers to level 3	427	7	654	1,088	(430)	(1,393)	(1,823)
Transfers from level 3	(4,283)	(218)	(653)	(5,154)	903	1,401	2,304
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	(148)	376	(278)	(50)	3,071	6	3,077
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	2,612	43	(15)	2,640	148	(41)	107
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	(163)			(163)	(238)	(67)	(305)
- Changes in fair value of assets and liabilities recognised in equity			340	340			-
At 31 December 2016	8,442	3,934	8,280	20,656	(11,905)	(13,206)	(25,111)
Purchases	619	584	366	1,569			-
Issues				-	28	(3,920)	(3,892)
Sales	(639)	(455)	(1,248)	(2,342)			-
Settlements [1]	(2,508)	(152)	(265)	(2,925)	(831)	3,091	2,260
Transfers to level 3	380	1	447	828	(317)	(100)	(417)
Transfers from level 3	(200)	(17)	(101)	(318)	1,676	388	2,064
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	259	150	(123)	286	69	32	101
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	325	71	(15)	381	521	(91)	430
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	(77)		(89)	(166)	219	215	434
- Changes in fair value of assets and liabilities recognised in equity			187	187			-
At 30 June 2017	6,601	4,116	7,439	18,156	(10,540)	(13,591)	(24,131)

[1] For the assets, includes redemptions of principal, interest payments as well as cash inflows and outflows relating to derivatives. For the liabilities, includes principal redemptions, interest payments as well as cash inflows and outflows relating to derivatives the fair value of which is negative.

Transfers out of Level 3 of derivatives at fair value include mainly the update of the observability tenor of certain yield curves, but also the effect of derivatives becoming only or mainly sensitive to observable inputs due to the shortening of their lifetime.

Transfers into Level 3 of instruments at fair value reflect the effect of the regular update of the observability zones.

Transfers have been reflected as if they had taken place at the beginning of the reporting period.

The Level 3 financial instruments may be hedged by other Level 1 and Level 2 instruments, the gains and losses of which are not shown in this table. Consequently, the gains and losses shown in this table are not representative of the gains and losses arising from management of the net risk on all these instruments.

SENSITIVITY OF FAIR VALUE TO REASONABLY POSSIBLE CHANGES IN LEVEL 3 ASSUMPTIONS

The following table summarises those financial assets and financial liabilities classified as Level 3 for which alternative assumptions in one or more of the unobservable inputs would change fair value significantly.

The amounts disclosed are intended to illustrate the range of possible uncertainty inherent to the judgement applied when estimating Level 3 parameters, or when selecting valuation techniques. These amounts reflect valuation uncertainties that prevail at the measurement date, and even though such uncertainties predominantly derive from the portfolio sensitivities that prevailed at that measurement date, they are not predictive or indicative of future movements in fair value, nor do they represent the effect of market stress on the portfolio value.

In estimating sensitivities, BNP Paribas either remeasured the financial instruments using reasonably possible inputs, or applied assumptions based on the valuation adjustment policy.

For the sake of simplicity, the sensitivity on cash instruments that are not relating to securitised instruments was based on a uniform 1% shift in the price. More specific shifts were however calibrated for each class of the Level 3 securitised exposures, based on the possible ranges of the unobservable inputs.

For derivative exposures, the sensitivity measurement is based on the credit valuation adjustment (CVA), the explicit funding valuation adjustment (FVA) and the parameter and model uncertainty adjustments related to Level 3.

Regarding the credit valuation adjustment (CVA) and the explicit funding valuation adjustment (FVA), the uncertainty was calibrated based on prudent valuation adjustments described in the technical standard “Prudent Valuation” published by the European Banking Authority. For other valuation adjustments, two scenarios were considered: a favourable scenario where all or portion of the valuation adjustment is not considered by market participants, and an unfavourable scenario where market participants would require twice the amount of valuation adjustments considered by BNP Paribas for entering into a transaction.

	30 June 2017		31 December 2016	
In millions of euros	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Asset Backed Securities (ABS)	+/-2		+/-12	+/-1
CDOs / CLOs	*+/-1*		*+/-12*	
Other Asset Backed Securities	*+/-1*			*+/-1*
Other fixed-income securities	+/-3	+/-9	+/-2	+/-9
Equities and other variable-income securities	+/-47	+/-65	+/-42	+/-73
Repurchase agreements	+/-6		+/-7	
Derivative financial instruments	+/-631		+/-844	
Interest rate and foreign exchange derivatives	*+/-439*		*+/-605*	
Credit derivatives	*+/-45*		*+/-59*	
Equity derivatives	*+/-140*		*+/-169*	
Other derivatives	*+/-7*		*+/-11*	
Sensitivity of Level 3 financial instruments	+/-689	+/-74	+/-907	+/-83

DEFERRED MARGIN ON FINANCIAL INSTRUMENTS MEASURED USING TECHNIQUES DEVELOPED INTERNALLY AND BASED ON INPUTS PARTLY UNOBSERVABLE IN ACTIVE MARKETS

Deferred margin on financial instruments (“Day One Profit”) only concerns the scope of market activities eligible for Level 3.

The day one profit is calculated after setting aside valuation adjustments for uncertainties as described previously and released to profit or loss over the expected period for which the inputs will be unobservable. The unamortised amount is included under “Financial instruments at fair value through profit or loss” as a reduction in the fair value of the relevant transactions.

In millions of euros	Deferred margin at 31 December 2016	Deferred margin on transactions during the year	Margin taken to the profit and loss account during the year	Deferred margin at 30 June 2017
Interest rate and foreign exchange derivatives	331	51	(72)	310
Credit derivatives	104	27	(30)	101
Equity derivatives	315	93	(90)	318
Other derivatives	6	2	(2)	6
Derivative financial instruments	756	173	(194)	735

4.d INTERBANK AND MONEY-MARKET ITEMS

Loans and receivables due from credit institutions

In millions of euros	30 June 2017	31 December 2016
On demand accounts	6,966	6,513
Loans [(1)]	36,810	37,664
Repurchase agreements	2,733	3,422
Total loans and receivables due from credit institutions, before impairment	46,509	47,599
of which doubtful loans	*229*	*274*
Impairment of loans and receivables due from credit institutions	**(164)**	**(188)**
specific impairment	(146)	(167)
collective provisions	(18)	(21)
Total loans and receivables due from credit institutions, net of impairment	46,345	47,411

(1) Loans and receivables due from credit institutions include term deposits made with central banks, which amounted to EUR 1,764 million as at 30 June 2017 (EUR 2,192 million as at 31 December 2016).

Due to credit institutions

In millions of euros	30 June 2017	31 December 2016
On demand accounts	10,508	10,775
Borrowings	87,034	60,189
Repurchase agreements	11,261	4,696
Total due to credit institutions	108,803	75,660

4.e CUSTOMER ITEMS

Loans and receivables due from customers

In millions of euros	30 June 2017	31 December 2016
On demand accounts	45,381	45,672
Loans to customers	665,154	663,329
Repurchase agreements	627	1,723
Finance leases	28,613	28,554
Total loans and receivables due from customers, before impairment	739,775	739,278
of which doubtful loans	*37,984*	*41,779*
Impairment of loans and receivables due from customers	(24,309)	(27,045)
specific impairment	(21,200)	(23,924)
collective provisions	(3,109)	(3,121)
Total loans and receivables due from customers, net of impairment	715,466	712,233

Due to customers

In millions of euros	30 June 2017	31 December 2016
On demand deposits	457,706	443,379
Savings accounts	147,765	145,273
Term accounts and short-term notes	186,308	174,943
Repurchase agreements	1,605	2,358
Total due to customers	793,384	765,953

4.f DEBT SECURITIES AND SUBORDINATED DEBT

This note covers all debt securities in issue and subordinated debt measured at amortised cost and designated as at fair value through profit or loss.

DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (note 4.a)

Issuer / Issue date In millions of euros	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment (1)	Amount (2) eligible to Tier 1	Amount (2) eligible to Tier 2	30 June 2017	31 December 2016
Debt securities									48,452	47,710
Subordinated debt							162	123	1,092	1,012
- Redeemable subordinated debt			(3)				-	123	423	424
- Perpetual subordinated debt							162	-	669	588
BNP Paribas Fortis Dec. 2007	EUR	3,000	Dec.-14	3-month Euribor +200 bp		A	162		669	588

(1) Conditions precedent for coupon payment:

A Coupon payments are halted should the issuer have insufficient capital or the underwriters become insolvent or when the dividend declared for Ageas shares falls below a certain threshold.

(2) Given the eligibility criteria and prudential adjustments, including the own credit risk and amortisation of instruments.

(3) After agreement from the banking supervisory authority and at the issuer's initiative, these debt issues may contain a call provision authorising the Group to redeem the securities prior to maturity by repurchasing them in the stock market, via public tender offers, or in the case of private placements over the counter. Debt issued by BNP Paribas SA or foreign subsidiaries of the Group via placements in the international markets may be subject to early redemption of the capital and early payment of interest due at maturity at the issuer's discretion on or after a date stipulated in the issue particulars (call option), or in the event that changes in the applicable tax rules oblige the BNP Paribas Group issuer to compensate debt-holders for the consequences of such changes. Redemption may be subject to a notice period of between 15 and 60 days, and is in all cases subject to approval by the banking supervisory authorities.

The perpetual subordinated debt recognised at fair value through profit or loss mainly consists of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) issued by BNP Paribas Fortis (previously Fortis Banque) in December 2007.

The CASHES are perpetual securities but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder's sole discretion at a price of EUR 239.40. However, as of 19 December 2014, the CASHES will be automatically exchanged into Ageas shares if their price is equal to or higher than EUR 359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.

Ageas and BNP Paribas Fortis have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on BNP Paribas Fortis of the relative difference between changes in the value of the CASHES and changes in the value of the Ageas shares.

On 7 May 2015, BNP Paribas and Ageas reached a new agreement which allows BNP Paribas to purchase outstanding CASHES under the condition that these are converted into Ageas shares, leading to a proportional settlement of the RPN. The agreement between Ageas and BNP Paribas expired on 31 December 2016 and was not renewed.

On 24 July 2015, BNP Paribas obtained the prior agreement from the European Central Bank to proceed to purchase CASHES within a limit of EUR 200 million nominal amount. In 2016, this agreement was used for EUR 164 million, converted into Ageas shares.

On 8 July 2016, BNP Paribas obtained a new agreement from the European Central Bank to proceed to purchase CASHES within a limit of EUR 200 million nominal amount. This agreement supersedes the previous one.

As at 30 June 2017, the subordinated liability is eligible to Tier 1 capital for EUR 162 million (considering both the transitional period and this agreement).

DEBT SECURITIES MEASURED AT AMORTISED COST

Issuer / Issue date In millions of euros	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment [1]	Amount [2] eligible to Tier 1	Amount [2] eligible to Tier 2	30 June 2017	31 December 2016
Debt securities									157,757	153,422
- Debt securities in issue with an initial maturity of less than one year									**83,635**	**78,726**
Negotiable debt securities									83,635	78,726
- Debt securities in issue with an initial maturity of more than one year									**74,122**	**74,696**
Negotiable debt securities									69,345	70,379
Bonds									4,777	4,317
Subordinated debt							-	13,331	18,669	18,374
- Redeemable subordinated debt			[3]				**-**	**12,520**	**16,795**	**16,511**
- Undated subordinated notes							**-**	**589**	**1,605**	**1,627**
BNP Paribas SA Oct. 85	EUR	305	-	TMO - 0.25%	-	B		254	254	254
BNP Paribas SA Sept. 86	USD	500	-	6 month-Libor + 0.075%	-	C		240	240	260
BNP Paribas Cardif Nov. 14	EUR	1,000	Nov. - 25	4.032%	3-month Euribor + 393 bp	D			1,000	1,000
Others								95	111	113
- Participating notes							**-**	**222**	**222**	**222**
BNP Paribas SA July 84 [4]	EUR	337	-	[5]	-	-		215	215	215
Others								7	7	7
- Expenses and commission, related debt							**-**	**-**	**47**	**14**

[1] Conditions precedent for coupon payment

B Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has officially noted that there is no income available for distribution, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume.

C Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has validated the decision not to pay out a dividend, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume. The bank has the option of resuming payment of interest arrears, even where no dividend is paid out.

D Payment of the interest is mandatory, except for cases of regulatory deficiency, in agreement with the regulator, or of suspension of payments. Interest payments are cumulative and are payable in full, once coupon payments resume, or, if these events occur before, when the issuance is redeemed or when the issuer is liquidated.

[2] Given the eligibility criteria and prudential adjustments, including amortisation of instruments.

[3] See reference relating to "Debt securities at fair value through profit or loss".

[4] The participating notes issued by BNP Paribas SA may be repurchased as provided for in the law of 3 January 1983. The number of notes in the market is 1,434,092.

[5] Depending on net income subject to a minimum of 85% of the TMO rate and a maximum of 130% of the TMO rate.

4.g CURRENT AND DEFERRED TAXES

In millions of euros	30 June 2017	31 December 2016
Current taxes	1,321	1,869
Deferred taxes	5,623	6,097
Current and deferred tax assets	6,944	7,966
Current taxes	1,098	920
Deferred taxes	2,051	2,167
Current and deferred tax liabilities	3,149	3,087

4.h ACCRUED INCOME/EXPENSE AND OTHER ASSETS/LIABILITIES

In millions of euros	30 June 2017	31 December 2016
Guarantee deposits and bank guarantees paid	65,110	66,722
Settlement accounts related to securities transactions	26,699	14,584
Collection accounts	607	555
Reinsurers' share of technical reserves	2,944	2,866
Accrued income and prepaid expenses	6,530	5,618
Other debtors and miscellaneous assets	23,354	25,622
Total accrued income and other assets	125,244	115,967
Guarantee deposits received	43,259	54,249
Settlement accounts related to securities transactions	19,223	11,049
Collection accounts	1,404	695
Accrued expense and deferred income	8,031	7,674
Other creditors and miscellaneous liabilities	26,419	25,740
Total accrued expense and other liabilities	98,336	99,407

4.i GOODWILL

In millions of euros	First half 2017
Carrying amount at start of period	10,216
Acquisitions	41
Divestments	-
Impairment recognised during the period	-
Exchange rate adjustments	(451)
Other movements	(15)
Carrying amount at end of period	9,791
Gross value	12,590
Accumulated impairment recognised at the end of period	(2,799)

Goodwill by cash-generating unit is as follows:

In millions of euros	Carrying amount		Impairment recognised during the first half of 2017	Acquisitions during the first half of 2017
	30 June 2017	31 December 2016		
Retail Banking & Services	8,674	9,070	-	41
Domestic Markets	1,261	1,269	-	1
Arval	*504*	*509*		
Leasing Solutions	*135*	*136*		
Personal Investors	*616*	*618*		*1*
Others	*6*	*6*		
International Financial Services	7,413	7,801	-	40
Insurance	*295*	*296*		
BancWest	*4,360*	*4,728*		
Asset Management	*171*	*177*		
Personal Finance	*1,345*	*1,342*		*40*
Personal Finance - partnership tested individually	*384*	*384*		
Real Estate	*370*	*370*		
Turk Ekonomi Bankasi	*177*	*191*		
Wealth Management	*275*	*276*		
Others	*36*	*37*		
Corporate & Institutional Banking	1,114	1,143	-	-
Corporate Banking	*276*	*280*		
Global Markets	*419*	*438*		
Securities Services	*419*	*425*		
Other Activities	3	3	-	-
Total goodwill	9,791	10,216	-	41
Negative goodwill			7	
Change in value of goodwill recognised in the profit and loss account			7	

4.j PROVISIONS FOR CONTINGENCIES AND CHARGES

-

0. Provisions for contingencies and charges by type

In millions of euros	31 December 2016	Net additions to provisions	Provisions used	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	30 June 2017
Provisions for employee benefits	7,189	595	(361)	(158)	(91)	7,174
Provisions for home savings accounts and plans	174	2	-		-	176
Provisions for credit commitments	998	(5)	(26)		(32)	935
Provisions for litigations	1,635	154	(84)		(25)	1,680
Other provisions for contingencies and charges	1,805	206	(582)		(32)	1,397
Total provisions for contingencies and charges	11,801	952	(1,053)	(158)	(180)	11,362

4.k OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The following tables present the amounts of financial assets and liabilities before and after offsetting. This information, required by IFRS 7, aims to enable the comparability with the accounting treatment applicable in accordance with generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IAS 32 as regards offsetting.

“Amounts set off on the balance sheet” have been determined according to IAS 32. Thus, a financial asset and a financial liability are offset and the net amount presented on the balance sheet when, and only when, the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Amounts set off derive mainly from repurchase agreements and derivative instruments traded with clearing houses.

The “impacts of master netting agreements and similar agreements” are relative to outstanding amounts of transactions within an enforceable agreement, which do not meet the offsetting criteria defined by IAS 32. This is the case of transactions for which offsetting can only be performed in case of default, insolvency or bankruptcy of one of the contracting parties.

“Financial instruments given or received as collateral” include guarantee deposits and securities collateral recognised at fair value. These guarantees can only be exercised in case of default, insolvency or bankruptcy of one of the contracting parties.

Regarding master netting agreements, the guarantee deposits received or given in compensation for the positive or negative fair values of financial instruments are recognised in the balance sheet in accrued income or expenses and other assets or liabilities.

In millions of euros, at 30 June 2017	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Trading securities	161,885		161,885			161,885
Loans	882		882			882
Repurchase agreements	291,579	(113,416)	178,163	(36,027)	(141,304)	832
Instruments designated as at fair value through profit or loss	94,571	(84)	94,487			94,487
Derivative financial instruments (including derivatives used for hedging purposes)	378,092	(109,160)	268,932	(198,351)	(29,615)	40,966
Loans and receivables due from customers and credit institutions	762,949	(1,138)	761,811	(679)	(2,665)	758,467
of which repurchase agreements	*3,363*	*(3)*	*3,360*	*(679)*	*(2,665)*	*16*
Accrued income and other assets	127,056	(1,812)	125,244		(33,741)	91,503
of which guarantee deposits paid	*65,110*		*65,110*		*(33,741)*	*31,369*
Other assets not subject to offsetting	551,557		551,557			551,557
TOTAL ASSETS	**2,368,571**	**(225,610)**	**2,142,961**	**(235,057)**	**(207,325)**	**1,700,579**

In millions of euros, at 30 June 2017	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Trading securities	81,220		81,220			81,220
Borrowings	4,521		4,521			4,521
Repurchase agreements	345,573	(113,416)	232,157	(34,779)	(190,826)	6,552
Instruments designated as at fair value through profit or loss	55,151	(84)	55,067			55,067
Derivative financial instruments (including derivatives used for hedging purposes)	378,045	(109,160)	268,885	(198,351)	(35,348)	35,186
Due to customers and to credit institutions	903,325	(1,138)	902,187	(1,927)	(10,575)	889,685
of which repurchase agreements	*12,869*	*(3)*	*12,866*	*(1,927)*	*(10,575)*	*364*
Accrued expense and other liabilities	100,148	(1,812)	98,336		(25,615)	72,721
of which guarantee deposits received	*43,259*		*43,259*		*(25,615)*	*17,644*
Other liabilities not subject to offsetting	396,164		396,164			396,164
TOTAL LIABILITIES	**2,264,147**	**(225,610)**	**2,038,537**	**(235,057)**	**(262,364)**	**1,541,116**

In millions of euros, at 31 December 2016	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Trading securities	123,679		123,679			123,679
Loans	525		525			525
Repurchase agreements	274,012	(122,295)	151,717	(26,537)	(121,424)	3,756
Instruments designated as at fair value through profit or loss	87,734	(90)	87,644			87,644
Derivative financial instruments (including derivatives used for hedging purposes)	481,412	(135,117)	346,295	(267,679)	(35,163)	43,453
Loans and receivables due from customers and credit institutions	760,831	(1,187)	759,644	(900)	(4,118)	754,626
of which repurchase agreements	*5,145*		*5,145*	*(900)*	*(4,118)*	*127*
Accrued income and other assets	117,254	(1,287)	115,967		(33,090)	82,877
of which guarantee deposits paid	*66,722*		*66,722*		*(33,090)*	*33,632*
Other assets not subject to offsetting	491,488		491,488			491,488
TOTAL ASSETS	**2,336,935**	**(259,976)**	**2,076,959**	**(295,116)**	**(193,795)**	**1,588,048**

In millions of euros, at 31 December 2016	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Trading securities	70,326		70,326			70,326
Borrowings	4,190		4,190			4,190
Repurchase agreements	301,311	(122,295)	179,016	(26,397)	(150,329)	2,290
Instruments designated as at fair value through profit or loss	54,166	(90)	54,076			54,076
Derivative financial instruments (including derivatives used for hedging purposes)	473,483	(135,117)	338,366	(267,679)	(35,230)	35,457
Due to customers and to credit institutions	842,800	(1,187)	841,613	(1,040)	(5,924)	834,649
of which repurchase agreements	*7,054*		*7,054*	*(1,040)*	*(5,924)*	*90*
Accrued expense and other liabilities	100,694	(1,287)	99,407		(30,918)	68,489
of which guarantee deposits received	*54,249*		*54,249*		*(30,918)*	*23,331*
Other liabilities not subject to offsetting	384,745		384,745			384,745
TOTAL LIABILITIES	**2,231,715**	**(259,976)**	**1,971,739**	**(295,116)**	**(222,401)**	**1,454,222**

5. ADDITIONAL INFORMATION

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5.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

- At 30 June 2017, the share capital of BNP Paribas SA amounted to EUR 2,496,865,996, and was divided into 1,248,432,998 shares. The nominal value of each share is EUR 2. At 31 December 2016, the share capital amounted to EUR 2,494,005,306 and was divided into 1,247,002,653 shares.

- **Ordinary shares issued by BNP Paribas and held by the Group**

	Proprietary transactions		Trading transactions [1]		Total	
	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)
Shares held at 31 December 2015	**1,623,873**	**81**	**(161,929)**	**(9)**	**1,461,944**	**72**
Acquisitions	985,893	43			985,893	43
Disposals	(988,893)	(44)			(988,893)	(44)
Shares delivered to employees	(731,055)	(35)			(731,055)	(35)
Other movements			(1,714,318)	(66)	(1,714,318)	(66)
Shares held at 30 June 2016	**889,818**	**45**	**(1,876,247)**	**(75)**	**(986,429)**	**(30)**
Acquisitions	379,504	18			379,504	18
Disposals	(419,004)	(19)			(419,004)	(19)
Capital decrease	(65,000)	(3)			(65,000)	(3)
Other movements			1,990,965	82	1,990,965	82
Shares held at 31 December 2016	**785,318**	**41**	**114,718**	**7**	**900,036**	**48**
Acquisitions	178,381	11			178,381	11
Disposals	(173,381)	(10)			(173,381)	(10)
Shares delivered to employees	(576)				(576)	
Other movements			586,558	37	586,558	37
Shares held at 30 June 2017	**789,742**	**42**	**701,276**	**44**	**1,491,018**	**86**

[1] Transactions realised in the framework of an activity of trading and arbitrage transactions on equity indices.

At 30 June 2017, the BNP Paribas Group is a holder of 1,491,018 BNP Paribas shares representing an amount of EUR 86 million, which was recognised as a decrease in equity.

Under the Bank's market-making agreement relating to the BNP Paribas share on the Italian market made with Exane BNP Paribas, and in line with the Code of Ethics recognised by the AMF, the Bank bought back 178,381 shares for the first half of 2017 at an average share price of EUR 59.29, and sold 173,381 shares at an average share price of EUR 59.85. At 30 June 2017, 62,500 shares worth EUR 3.8 million were held by BNP Paribas SA under this agreement.

From 1 January 2017 to 30 June 2017, 576 shares were delivered following the definitive award of performance shares to their beneficiaries.

- **Preferred shares and Undated Super Subordinated Notes eligible as Tier 1 regulatory capital**

- Preferred shares issued by the Group's foreign subsidiaries

BNP Paribas Personal Finance made in 2004 two issues of undated non-voting preferred shares through a structured entity governed by UK law and which is exclusively controlled. Since the first call date, these preferred shares are redeemable at par at the issuer's discretion at each quarterly coupon date.

Issuer	Date of issue	Currency	Amount (in millions of euros)	Rate and term before 1st call date		Rate after 1st call date
Cofinoga Funding II LP	January and May 2004	EUR	80	TEC 10 (1) +1.35%	10 years	TEC 10 (1) + 1.35%
Total at 30 June 2017			73 (2)			

(1) TEC 10 is the daily long-term government bond index, corresponding to the yield-to-maturity of a fictitious 10-year Treasury note.
(2) Value at the date of acquisition of control over the LaSer group.

These issues and the related dividends are recorded under "Minority interests" in the balance sheet.

- Undated Super Subordinated Notes issued by BNP Paribas SA

BNP Paribas has issued Undated Super Subordinated Notes which pay a fixed, fixed adjustable or floating rate coupon and are redeemable at the end of a fixed period and thereafter at each coupon date or every five years. If the notes are not redeemed at the end of this period, some of these issues will pay a coupon indexed to Euribor, Libor or a swap rate.

On 30 March 2016, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 1,500 million which pay a 7.625% fixed-rate coupon. The notes could be redeemed at the end of a 5-year period. If the notes are not redeemed in 2021, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 12 and 19 April 2016, BNP Paribas SA redeemed the April 2006 issues for a total amount of EUR 549 million and GBP 450 million at the first call date. These notes paid a 4.73% and 5.945% fixed-rate coupon.

- On 13 July 2016, BNP Paribas SA redeemed the July 2006 issue for a total amount of GBP 163 million at the first call date. These notes paid a 5.954% fixed-rate coupon.
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On 14 December 2016, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 750 million which pay a 6.75% fixed-rate coupon. These notes could be redeemed at the end of a period of 5 years and 3 months. If the notes are note redeemed in 2022, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 13 April 2017, BNP Paribas SA redeemed the April 2007 issue for a total amount of EUR 638 million at the first call date. These notes paid a 5.019% fixed-rate coupon.

The following table summarises the characteristics of these various issues:

Date of issue	Currency	Amount (in millions of currency units)	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
October 2005	EUR	1,000	annual	4.875%	6 years	4.875%
October 2005	USD	400	annual	6.25%	6 years	6.250%
July 2006	EUR	150	annual	5.45%	20 years	3-month Euribor + 1.920%
June 2007	USD	600	quarterly	6.5%	5 years	6.5%
June 2007	USD	1,100	semi-annual	7.195%	30 years	USD 3-month Libor + 1.290%
October 2007	GBP	200	annual	7.436%	10 years	GBP 3-month Libor + 1.850%
June 2008	EUR	500	annual	7.781%	10 years	3-month Euribor + 3.750%
September 2008	EUR	100	annual	7.57%	10 years	3-month Euribor + 3.925%
December 2009	EUR	2	quarterly	3-month Euribor + 3.750%	10 years	3-month Euribor + 4.750%
December 2009	EUR	17	annual	7.028%	10 years	3-month Euribor + 4.750%
December 2009	USD	70	quarterly	USD 3-month Libor + 3.750%	10 years	USD 3-month Libor + 4.750%
December 2009	USD	0.5	annual	7.384%	10 years	USD 3-month Libor + 4.750%
June 2015	EUR	750	semi-annual	6.125%	7 years	EUR 5-year swap + 5.230%
August 2015	USD	1,500	semi-annual	7.375%	10 years	USD 5-year swap + 5.150%
March 2016	USD	1,500	semi-annual	7.625%	5 years	USD 5-year swap + 6.314%
December 2016	USD	750	semi-annual	6.750%	5.25 years	USD 5-year swap +4.916%
Total euro-equivalent historical value at 30 June 2017		**7,825 (1)**				

(1) Net of shares held in treasury by Group entities

BNP Paribas has the option of not paying interest due on these Undated Super Subordinated Notes. Unpaid interest is not carried forward.

For the notes issued before 2015, the absence of coupon payment is conditional on the absence of dividend payment on BNP Paribas SA ordinary shares or on Undated Super Subordinated Note equivalents during the previous year. Interest due is payable once dividend payment on BNP Paribas SA ordinary shares resumes.

The contracts relating to these Undated Super Subordinated Notes contain a loss absorption clause. Under the terms of this clause, in the event of insufficient regulatory capital, the nominal value of the notes may be reduced in order to serve as a new basis for the calculation of the related coupons until the capital deficiency is made up and the nominal value of the notes is increased to its original amount.

The proceeds from these issues are recorded in equity under “Capital and retained earnings”. In accordance with IAS 21, issues denominated in foreign currencies are recognised at their historical value based on their translation into euros at the issue date. Interest on the instruments is treated in the same way as dividends.

At 30 June 2017, the BNP Paribas Group held EUR 15 million of Undated Super Subordinated Notes which were deducted from shareholders’ equity.

1. Earnings per share

Basic earnings per share are calculated by dividing the net income for the period attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period. The net income attributable to ordinary shareholders is determined by deducting the net income attributable to holders of preferred shares.

Diluted earnings per share correspond to the net income for the period attributable to holders of ordinary shares, divided by the weighted average number of shares outstanding as adjusted for the maximum effect of the conversion of dilutive equity instruments into ordinary shares. In-the-money stock subscription options are taken into account in the diluted earnings per share calculation, as are performance shares granted under the Global Share-based Incentive Plan. Conversion of these instruments would have no effect on the net income figure used in this calculation.

	First half 2017	First half 2016
Net profit used to calculate basic and diluted earnings per ordinary share *(in millions of euros)* [(1)]	4,106	4,277
Weighted average number of ordinary shares outstanding during the year	1,245,800,478	1,246,099,599
Effect of potentially dilutive ordinary shares	302,137	197,800
- Stock subscription option plan	300,790	195,837
- Performance share attribution plan	1,347	1,963
Weighted average number of ordinary shares used to calculate diluted earnings per share	1,246,102,615	1,246,297,399
Basic earnings per share (in euros)	3.30	3.43
Diluted earnings per share (in euros)	3.30	3.43

(1)The net profit used to calculate basic and diluted earnings per share is the net profit attributable to equity shareholders, adjusted for the remuneration on the Undated Super Subordinated Notes issued by BNP Paribas SA (treated as preferred share equivalents), which for accounting purposes is handled as dividends, as well as the related foreign exchange impact recognised directly in shareholders' equity.

The dividend per share paid in 2017 out of the 2016 net income amounted to EUR 2.70, compared with EUR 2.31 paid in 2016 out of the 2015 net income.

5.b CONTINGENT LIABILITIES: LEGAL PROCEEDINGS AND ARBITRATION

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS"). These actions, known generally as "clawback claims", are similar to those brought by the BLMIS Trustee against numerous institutions, and seek recovery of amounts allegedly received by the BNP Paribas entities from BLMIS or indirectly through BLMIS-related "feeder funds" in which BNP Paribas entities held interests. The BLMIS Trustee claims in these actions that the amounts which BNP Paribas entities received are avoidable and recoverable under the U.S. Bankruptcy Code and New York state law. In the aggregate, the amount sought to be recovered in these actions approximates USD 1.3 billion. BNP Paribas has substantial and credible defenses to these actions and is defending against them vigorously. On 22 November 2016, the Bankruptcy Court issued a decision on the ability of the BLMIS Trustee to recover foreign transfers from foreign defendants in these actions. The decision resulted in the dismissals of the majority of the BLMIS Trustee's claims against BNP Paribas entities, which constitute most of the total amount sought to be recovered in these actions. These dismissals are subject to appeal.

Various litigations and investigations are ongoing relating to the restructuring of the Fortis group, now Ageas, of which BNP Paribas Fortis is no longer part, and to events having occurred before BNP Paribas Fortis became part of the BNP Paribas Group. Among these are litigations brought by shareholder groups in The Netherlands and Belgium against Ageas and, among others, against BNP Paribas Fortis, in relation to its role as global coordinator of Fortis (now Ageas)'s capital increase in October 2007 to partly finance its acquisition of ABN Amro Bank N.V. These shareholder groups mainly allege that there has been a breach in financial communication, regarding, inter alia, the disclosure on the exposure to subprime mortgages. On 14 March 2016, Ageas announced that it had entered into a proposed settlement with representatives of certain shareholder groups with respect to civil proceedings related to the former Fortis group for the events of 2007 and 2008. This settlement applies to all Fortis shareholders who held shares between 28 February 2007 and 14 October 2008, irrespective of whether they are members of a shareholder group that was represented in the negotiation of the settlement. The parties requested the Amsterdam Court of Appeals to declare the settlement to be binding on all Fortis shareholders who are eligible to participate in it, in accordance with the Dutch Act on Collective Settlement of Mass Claims ("Wet Collectieve Afwikkeling Massaschade" or "WCAM"). BNP Paribas Fortis will be able to invoke this settlement, if it becomes final and binding.
All ongoing civil litigations in Belgium and in the Netherlands involving BNP Paribas Fortis as per its aforementioned role are currently suspended. On 16 June 2017, the Amsterdam Court of Appeal issued a decision by which the petitioners have the possibility to submit to the Court an amended proposed settlement by 17 October 2017; the current proposed settlement has not been declared binding by the Court.

Litigation was also brought in Belgium by minority shareholders of Fortis against the Société fédérale de Participations et d'Investissement, Ageas and BNP Paribas seeking (amongst other things) damages from BNP Paribas as restitution for part of the BNP Paribas Fortis shares that were contributed to BNP Paribas in 2009, on the ground that the transfer of these shares was null and void. On 29 April 2016 the Brussels Commercial court decided to stay the proceedings until the resolution of the pending Fortis criminal proceeding in Belgium. BNP Paribas does not have tangible elements to assess the duration of such suspension.

Regulatory and law enforcement authorities in multiple jurisdictions are conducting investigations or making inquiries of a number of financial institutions regarding trading on the foreign exchange markets, including, among other things, possible collusion among financial institutions to manipulate certain benchmark currency exchange rates. The Bank has to date received requests for information in this respect from regulatory and law enforcement authorities in the United Kingdom, the United States and several countries in the Asia-Pacific region as well as from the European Competition Commission. The Bank has been cooperating with the investigations and inquiries and has responded to the information requests. In November 2014 the Financial Conduct Authority in the United Kingdom, in December 2014 the Hong Kong Monetary Authority, in October 2015, the Financial Services Agency in Japan, on 17 November 2016 the US Deparment of Justice Fraud Section, informed the Bank that they had discontinued their investigation as to BNP Paribas. Regarding the United States, the Bank has now completed its internal review and has presented the findings to the relevant U.S. authorities (the Department of Justice Antitrust Division, the Federal Reserve Bank of New York and the New York Department of Financial Services). It should be noted that similar reviews regarding foreign exchange trading have been conducted by numerous financial institutions and have often led to settlements

including in particular the payment of fines or penalties in substantial amounts depending on the circumstances specific to each financial institution. On 24 May 2017, the New York Department of Financial Services ("DFS") announced that it had fined the Bank USD 350 million as part of a consent order for violations of New York banking law arising out of the Bank's global foreign exchange business. As part of that consent order, the Bank has also agreed to improve its internal policies and controls relating to its foreign exchange business. The Bank has cooperated with the DFS in resolving this matter and took remedial actions both before and after the DFS began its investigation into the Bank's FX trading business to address the issues arising from its FX trading business.
On 17 July 2017 the Board of Governors of the Federal Reserve System ("FED") announced that it had fined the Bank and certain of its US subsidiaries USD 246 million as part of a consent order for unsafe and unsound practices in the foreign exchange market. As part of that consent order, the Bank has also agreed to improve its internal policies and controls relating to certain Designated Market Activities that include its foreign exchange business. As done with all relevant U.S. authorities, the Bank has cooperated with the FED in resolving this matter and took remedial actions both before and after the FED began its investigation into the Bank's FX trading business to address the issues arising from its FX trading business.

5.c BUSINESS COMBINATIONS

- **Operations realised during the first half of 2017**

No significant business combination occurred during the first half of 2017.

- **Operations realised during the first half of 2016**

No significant business combination occurred during the first half of 2016.

5.d MINORITY INTERESTS

- **Main minority interests**

The assessment of the material nature of minority interests is based on the contribution of the relevant subsidiaries to the Group balance sheet (before elimination of intra-group balances and transactions) and to the Group profit and loss account.

In millions of euros	30 June 2017	Fist half 2017						
	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
Contribution of the entities belonging to the BGL BNP Paribas group	75,508	747	274	226	34%	87	69	92
Other minority interests						143	37	47
TOTAL						230	106	139

In millions of euros	31 December 2016	First half 2016						
	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
Contribution of the entities belonging to the BGL BNP Paribas group	69,985	737	228	246	34%	72	81	67
Other minority interests						133	118	31
TOTAL						205	199	98

- **Internal restructuring that led to a change in minority shareholders' interest in the equity of subsidiaries**

No significant internal restructuring operation occurred during the first half of 2017, nor during the first half of 2016.

- **Acquisitions of additional interests and partial sales of interests leading to changes in minority interests in the equity of subsidiaries**

In millions of euros	First half 2017		First half 2016	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
First Hawaiian Inc.				
On 6 February 2017, second offer on First Hawaiian Inc. for 20.6% of its capital at a 32-dollar price per share.	244	588		
UkrSibbank Public JSC				
Sale of 40% of UkrSibbank's equity, followed by a capital increase subscribed by all shareholders.			(102)	34
Others	(2)	3	(1)	3
Total	242	591	(103)	37

- **Commitments to repurchase minority shareholders' interests**

In connection with the acquisition of certain entities, the Group granted minority shareholders put options on their holdings.
The total value of these commitments, which are recorded as a reduction in shareholders' equity, amounts to EUR 577 million at 30 June 2017, compared with EUR 615 million at 31 December 2016.

5.e FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

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The information supplied in this note must be used and interpreted with the greatest caution for the following reasons:

- These fair values are an estimate of the value of the relevant instruments as at 30 June 2017. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instrument to BNP Paribas as a going concern;

1. Most of these fair values are not meaningful, and hence are not taken into account in the management of the commercial banking activities which use these instruments;

- Estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank. This means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful;
- The fair values shown below do not include the fair values of finance lease transactions, non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of the BNP Paribas Group.

In millions of euros at 30 June 2017	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and receivables due from credit institutions (note 4.d)		46,401	6	46,407	46,345
Loans and receivables due from customers (note 4.e) [1]	581	45,250	654,267	700,098	687,794
Held-to-maturity financial assets	6,891	34		6,925	6,114
FINANCIAL LIABILITIES					
Due to credit institutions (note 4.d)		108,993		108,993	108,803
Due to customers (note 4.e)		794,099		794,099	793,384
Debt securities (note 4.f)	54,071	105,299		159,370	157,757
Subordinated debt (note 4.f)	10,060	9,039		19,099	18,669

(1) Finance leases excluded

In millions of euros, at 31 December 2016	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and receivables due from credit institutions (note 4.d)		47,401	7	47,408	47,411
Loans and receivables due from customers (note 4.e) [1]	605	45,873	653,971	700,449	684,669
Held-to-maturity financial assets	7,029	39		7,068	6,100
FINANCIAL LIABILITIES					
Due to credit institutions (note 4.d)		75,541		75,541	75,660
Due to customers (note 4.e)		766,904		766,904	765,953
Debt securities (note 4.f)	52,420	102,317		154,737	153,422
Subordinated debt (note 4.f)	9,098	9,227		18,325	18,374

(1) Finance leases excluded

The valuation techniques and assumptions used by BNP Paribas ensure that the fair value of financial assets and liabilities carried at amortised cost is measured on a consistent basis throughout the Group. Fair value is based on prices quoted in an active market when these are available. In other cases, fair value is determined using valuation techniques such as discounting of estimated future cash flows for loans, liabilities and held-to-maturity financial assets, or specific valuation models for other financial instruments as described in note 1, “Summary of significant accounting policies applied by the BNP Paribas Group”. The description of the fair value hierarchy levels is also presented in the accounting principles (note 1.c.10). In the case of loans, liabilities and held-to-maturity financial assets that have an initial maturity of less than one year (including demand deposits) or of most regulated savings products, fair value equates to carrying amount. These instruments have been classified in Level 2, except for loans to customers, which are classified in Level 3.

5.f SCOPE OF CONSOLIDATION

		30 June 2017				31 December 2016			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNP Paribas SA	France								
BNPP SA (Argentina branch)	Argentina	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Australia branch)	Australia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Austria branch)	Austria	Full	100.0%	100.0%	E2				
BNPP SA (Bahrain branch)	Bahrain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Belgium branch)	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Bulgaria branch)	Bulgaria	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Canada branch)	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Cayman Islands branch)	Cayman Islands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Denmark branch)	Denmark	Full	100.0%	100.0%	E2				
BNPP SA (Germany branch)	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Hong Kong branch)	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Hungary branch)	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (India branch)	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Ireland branch)	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Italy branch)	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Japan branch)	Japan	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Jersey branch)	Jersey	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Kuwait branch)	Kuwait	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Luxembourg branch)	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Malaysia branch)	Malaysia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Monaco branch)	Monaco	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Netherlands branch)	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Norway branch)	Norway	Full	100.0%	100.0%	E2				
BNPP SA (Panama branch)	Panama	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Philippines branch)	Philippines	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Poland branch)	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Portugal branch)	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Qatar branch)	Qatar	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Republic of Korea branch)	Rep. of Korea	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Saudi Arabia branch)	Saudi Arabia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Singapore branch)	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (South Africa branch)	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Spain branch)	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Sweden branch)	Sweden	Full	100.0%	100.0%	E2				
BNPP SA (Taiwan branch)	Taiwan	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Thailand branch)	Thailand	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (UK branch)	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (United Arab Emirates branch)	United Arab Emirates	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (USA branch)	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Viet Nam branch)	Viet Nam	Full	100.0%	100.0%		Full	100.0%	100.0%	
Retail Banking & Services									
Domestic Markets									
Retail Banking - France									
B*Capital	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Banque de Wallis et Futuna	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
BNPP Antilles Guyane	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Développement	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Factor	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Factor (Spain branch)	Spain	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Factor Sociedade Financeira de Credito SA	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Guadeloupe	France								S4
BNPP Guyane	France								S4
BNPP Nouvelle Calédonie	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Réunion	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Copartis	France	Equity	50.0%	50.0%	E1				
Portzamparc Société de Bourse	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
Société Alsacienne de Développement et d'Expansion	France								S4
Retail Banking - Belgium									
Alpha Card SCRL	Belgium	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
Belgian Mobile Wallet	Belgium								S3
BNPP Commercial Finance Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Factor AS	Denmark	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	
BNPP Factor Deutschland BV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Factor GmbH	Germany	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Factoring Coverage Europe Holding NV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis	Belgium	Full	99.9%	99.9%		Full	99.9%	99.9%	
BNPP Fortis (Austria branch)	Austria	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Czech Republic branch)	Czech Republic	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Denmark branch)	Denmark	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Finland branch)	Finland	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Germany branch)	Germany								S1
BNPP Fortis (Netherlands branch)	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Norway branch)	Norway	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Romania branch)	Romania	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Spain branch)	Spain	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Sweden branch)	Sweden	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (USA branch)	USA	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis Factor NV	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis Funding SA	Luxembourg	Full	100.0%	99.9%		Full	100.0%	99.9%	
Bpost Banque	Belgium	Equity (3)	50.0%	50.0%		Equity (3)	50.0%	50.0%	
Demetris NV	Belgium	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	
Immobilière Sauveniere SA	Belgium	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	

		30 June 2017				31 December 2016			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Structured Entities									
BASS Master Issuer NV	Belgium	Full	-	-		Full	-	-	
Esmee Master Issuer	Belgium	Full	-	-		Full	-	-	
Retail Banking - Luxembourg									
BGL BNPP	Luxembourg	Full	66.0%	65.9%		Full	66.0%	65.9%	
BGL BNPP (Germany branch)	Germany	Full	100.0%	65.9%		Full	100.0%	65.9%	
BGL BNPP Factor SA	Luxembourg								S4
BNPP Lease Group Luxembourg SA	Luxembourg	Full	100.0%	65.9%		Full	100.0%	65.9%	
Cofhylux SA	Luxembourg	Full	100.0%	65.9%		Full	100.0%	65.9%	
Structured Entities									
Société Immobilière de Monterey SA	Luxembourg								S2
Retail Banking - Italy (BNL Banca Commerciale)									
Artigiancassa SPA	Italy	Full	73.9%	73.9%		Full	73.9%	73.9%	
Banca Nazionale Del Lavoro SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNL Finance SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNL Positivity SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	V1
Business Partner Italia SCPA	Italy	Full	99.9%	99.8%		Full	99.9%	99.8%	V3
International Factors Italia SPA	Italy	Full	99.7%	99.7%		Full	99.7%	99.7%	
Servizio Italia SPA	Italy	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	E1
Sviluppo HQ Tiburtina SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
EMF-IT 2008-1 SRL	Italy	Full	-	-		Full	-	-	
Tierre Securitisation SRL	Italy	Full	-	-		Full	-	-	E2
Vela ABS SRL	Italy	Full	-	-		Full	-	-	
Vela Consumer SRL	Italy	Full	-	-		Full	-	-	
Vela Home SRL	Italy	Full	-	-		Full	-	-	
Vela Mortgages SRL	Italy	Full	-	-		Full	-	-	
Vela OBG SRL	Italy	Full	-	-		Full	-	-	
Vela Public Sector SRL	Italy								S3
Vela RMBS SRL	Italy	Full	-	-		Full	-	-	
Arval									
Artel	France	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval AB	Sweden	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval AS	Denmark	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Austria GmbH	Austria	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Belgium SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Benelux BV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Brasil Ltda	Brazil	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval BV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval CZ SRO	Czech Republic	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Deutschland GmbH	Germany	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Fleet Services	France	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Fleet Services BV	Netherlands				S4	Full	100.0%	99.9%	V3
Arval Hellas Car Rental SA	Greece	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval India Private Ltd	India	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Italy Fleet Services SRL	Italy				S4	Full	100.0%	99.9%	V3
Arval Jiutong	China	Equity	40.0%	40.0%		Equity	40.0%	40.0%	V3
Arval Luxembourg SA	Luxembourg	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Magyarorszag KFT	Hungary	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Maroc SA	Morocco	Equity *	100.0%	89.0%		Equity *	100.0%	89.0%	V3
Arval OOO	Russia	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval OY	Finland	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Schweiz AG	Switzerland	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Service Lease	France	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Service Lease Aluger Operational Automoveis SA	Portugal	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Service Lease Italia SPA	Italy	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Service Lease Polska SP ZOO	Poland	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Service Lease Romania SRL	Romania	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Service Lease SA	Spain	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Slovakia	Slovakia	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Trading	France	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval UK Group Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval UK Leasing Services Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval UK Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
BNPP Fleet Holdings Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Cofiparc	France	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
GE Auto Service Leasing GmbH	Germany								S4
GE Auto Service Leasing GmbH	Austria								S4
GE Capital Largo Plazo SL	Spain								S4
Greenval Insurance Co Ltd	Ireland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Itelcar - Automoveis de Aluguer Unipessoal Lda	Portugal								S4
Locadif	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Public Location Longue Durée	France	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
TEB Arval Arac Filo Kiralama AS	Turkey	Full	100.0%	75.0%		Full	100.0%	75.0%	V3
Leasing Solutions									
Ace Equipment Leasing	Belgium								S3
Albury Asset Rentals Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
All In One Vermietung GmbH	Austria								S3
All In One Vermietungsgesellschaft für Telekommunicationsanlagen mbH	Germany				S3	Equity *	100.0%	83.0%	
Aprolis Finance	France	Full	51.0%	42.3%		Full	51.0%	42.3%	
Arius	France	Full	100.0%	83.0%		Full	100.0%	83.0%	
Artegy	France	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Finansal Kiralama AS	Turkey	Full	100.0%	82.5%		Full	100.0%	82.5%	
BNPP Lease Group	France	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
BNPP Lease Group (Germany branch)	Germany	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
- E1 Passing qualifying thresholds as defined by the Group (see note 1.b)
- E2 Incorporation
- E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation
- S1 Cessation of activity (dissolution, liquidation, ...)
- S2 Disposal, loss of control or loss of significant influence
- S3 Passing qualifying thresholds as defined by the Group (see note 1.b)
- S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest
- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous
- D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council.

(2) Insurance entities consolidated under the equity method for prudential purposes

(3) Jointly controlled entities under proportional consolidation for prudential purposes.

Name	Country	30 June 2017 Method	Voting (%)	Interest (%)	Ref.	31 December 2016 Method	Voting (%)	Interest (%)	Ref.
BNPP Lease Group (Italy branch)	Italy	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
BNPP Lease Group (Portugal branch)	Portugal	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
BNPP Lease Group (Spain branch)	Spain	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
BNPP Lease Group Belgium	Belgium	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Lease Group KFT	Hungary				S3	Equity *	100.0%	83.0%	
BNPP Lease Group Leasing Solutions SPA	Italy	Full	100.0%	95.5%		Full	100.0%	95.5%	
BNPP Lease Group Lizing RT	Hungary				S3	Equity *	100.0%	83.0%	
BNPP Lease Group PLC	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Lease Group Rentals Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Lease Group SP ZOO	Poland	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
BNPP Leasing Solutions	Luxembourg	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Leasing Solutions IFN SA (Ex- BNPP Lease Group IFN SA)	Romania	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
BNPP Leasing Solutions Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Leasing Solutions NV	Netherlands	Full	100.0%	83.0%		Full	100.0%	83.0%	
BNPP Leasing Solutions Suisse SA	Switzerland	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
BNPP Rental Solutions Ltd	UK	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
BNPP Rental Solutions SPA (Ex- Locatrice Italiana SPA)	Italy	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
Claas Financial Services	France	Full (1)	60.1%	49.9%		Full (1)	60.1%	49.9%	
Claas Financial Services (Germany branch)	Germany	Full (1)	100.0%	49.9%		Full (1)	100.0%	49.9%	
Claas Financial Services (Italy branch)	Italy	Full (1)	100.0%	49.9%		Full (1)	100.0%	49.9%	
Claas Financial Services (Poland branch)	Poland	Full (1)	100.0%	49.9%		Full (1)	100.0%	49.9%	
Claas Financial Services (Spain branch)	Spain	Full (1)	100.0%	49.9%		Full (1)	100.0%	49.9%	
Claas Financial Services Inc	USA								S2
Claas Financial Services Ltd	UK	Full	51.0%	42.3%		Full	51.0%	42.3%	
CNH Industrial Capital Europe	France	Full (1)	50.1%	41.6%		Full (1)	50.1%	41.6%	
CNH Industrial Capital Europe (Belgium branch)	Belgium	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
CNH Industrial Capital Europe (Germany branch)	Germany	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
CNH Industrial Capital Europe (Italy branch)	Italy	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
CNH Industrial Capital Europe (Poland branch)	Poland	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
CNH Industrial Capital Europe (Spain branch)	Spain	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
CNH Industrial Capital Europe BV	Netherlands	Full	100.0%	41.6%		Full	100.0%	41.6%	
CNH Industrial Capital Europe GmbH	Austria	Full	100.0%	41.6%		Full	100.0%	41.6%	
CNH Industrial Capital Europe Ltd	UK	Full	100.0%	41.6%		Full	100.0%	41.6%	
Commercial Vehicle Finance Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
ES-Finance	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
Fortis Lease	France	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
Fortis Lease Belgium	Belgium	Full	100.0%	83.0%		Full	100.0%	83.0%	
Fortis Lease Deutschland GmbH	Germany	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
Fortis Lease Iberia SA	Spain	Equity *	100.0%	86.6%		Equity *	100.0%	86.6%	
Fortis Lease Operativ Lizing ZRT	Hungary								S1
Fortis Lease Portugal	Portugal	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
Fortis Lease UK Ltd	UK	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
Fortis Lease UK Retail Ltd	UK								S3
Fortis Vastgoedlease BV	Netherlands	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
HFGL Ltd	UK								S1
Humberclyde Commercial Investments Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
Humberclyde Commercial Investments N°1 Ltd	UK								S1
JCB Finance	France	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
JCB Finance (Germany branch)	Germany	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
JCB Finance (Italy branch)	Italy	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
JCB Finance Holdings Ltd	UK	Full	50.1%	41.6%		Full	50.1%	41.6%	
Manitou Finance Ltd	UK	Full	51.0%	42.3%		Full	51.0%	42.3%	
MFF	France	Full (1)	51.0%	42.3%		Full (1)	51.0%	42.3%	
Natio Energie 2	France								S3
Natiocredibail	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
RD Portofoliu SRL	Romania	Equity *	100.0%	83.0%		Equity *	100.0%	83.0%	
Same Deutz Fahr Finance	France	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
Same Deutz Fahr Finance Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
SNC Natiocredimurs	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
SREI Equipement Finance Ltd	India								S2
Structured Entities									
BNPP B Institutional II Short Term	Belgium				S3	Full	-	-	
Personal Investors									
Geojit BNPP Financial Services Ltd	India								S2
Geojit Technologies Private Ltd	India	Equity	35.0%	35.0%		Equity	35.0%	35.0%	
Hellobank BNPP Austria AG	Austria	Full	100.0%	100.0%		Full	100.0%	100.0%	
Sharekhan Financial Services Private Ltd	India	Full	100.0%	100.0%	D1	Equity *	100.0%	100.0%	E3
Sharekhan Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	E3
Structured Entities									
Human Value Developers Private Ltd	India	Full	-	-		Full	-	-	E3
New Digital Businesses									
Lyf SAS	France	Equity (3)	43.3%	43.3%	E3				
International Financial Services									
BNP Paribas Personal Finance									
Alpha Crédit SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
Axa Banque Financement	France	Equity	35.0%	35.0%		Equity	35.0%	35.0%	
Banco BNPP Personal Finance SA	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
Banco Cetelem Argentina SA	Argentina	Full	100.0%	100.0%		Full	100.0%	100.0%	
Banco Cetelem SA	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
Banco Cetelem SAU	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
Banco de Servicios Financieros SA	Argentina	Equity	40.0%	40.0%		Equity	40.0%	40.0%	
Banque Solfea	France	Equity (3)	45.0%	45.0%		Equity (3)	45.0%	45.0%	V4
BGN Mercantil E Servicos Ltda	Brazil	Full	100.0%	100.0%	D1	Equity *	100.0%	100.0%	

Name	Country	30 June 2017 Method	Voting (%)	Interest (%)	Ref.	31 December 2016 Method	Voting (%)	Interest (%)	Ref.
BNPP Personal Finance	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Personal Finance (Austria branch)	Austria	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
BNPP Personal Finance (Czech Republic branch)	Czech Republic	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Personal Finance (Slovakia branch)	Slovakia	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
BNPP Personal Finance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Personal Finance EAD	Bulgaria	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Personal Finance SA de CV	Mexico	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Personal Finance South Africa Ltd (Ex- RCS Investment Holdings Ltd)	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
Cafineo	France	Full (1)	51.0%	50.8%		Full (1)	51.0%	50.8%	
Carrefour Banque	France	Equity	40.0%	40.0%		Equity	40.0%	40.0%	
Cetelem America Ltda	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
Cetelem Bank LLC	Russia	Equity	20.8%	20.8%		Equity	20.8%	20.8%	
Cetelem IFN	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	
Cetelem Servicos Ltda	Brazil	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	D1
Cetelem Slovensko AS	Slovakia								S4
CMV Mediforce	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Cofica Bail	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Cofiplan	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Commerz Finanz	Germany	Full	50.1%	50.1%		Full	50.1%	50.1%	
Creation Consumer Finance Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Creation Financial Services Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Crédit Moderne Antilles Guyane	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Crédit Moderne Océan Indien	France	Full (1)	97.8%	97.8%		Full (1)	97.8%	97.8%	
Direct Services EAD	Bulgaria	Full	100.0%	100.0%		Full	100.0%	100.0%	
Domofinance	France	Full (1)	55.0%	55.0%		Full (1)	55.0%	55.0%	
Effico	France	Equity	24.5%	24.5%	V2	Full	100.0%	100.0%	
Effico Iberia SA	Spain	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Ekspres Bank AS	Denmark	Full	100.0%	100.0%		Full	100.0%	100.0%	
Ekspres Bank AS (Norway branch)	Norway	Full	100.0%	100.0%		Full	100.0%	100.0%	
Eos Aremas Belgium SA NV	Belgium	Equity	50.0%	49.9%		Equity	50.0%	49.9%	
Fidecom	France	Full	82.4%	82.4%		Full	82.4%	82.4%	
Fimestic Expansion SA	Spain								S4
Findomestic Banca SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Findomestic Banka AD	Serbia				S2	Equity *	100.0%	100.0%	D1
GCC Consumo Establecimiento Financiero de Credito SA	Spain	Equity *	51.0%	51.0%		Equity *	51.0%	51.0%	E1
Gesellschaft für Capital & Vermögensverwaltung GmbH	Germany	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	
Inkasso Kodat GmbH & Co KG	Germany	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	
Laser ABS 2017 Holding Ltd	UK	Full	100.0%	100.0%	E1				
Leval 20	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Loisirs Finance	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
Magyar Cetelem Bank ZRT	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
Norrsken Finance	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	V1
Oney Magyarorszag ZRT	Hungary	Equity	40.0%	40.0%		Equity	40.0%	40.0%	
Prêts et Services SAS	France				S4	Full (1)	100.0%	100.0%	
Projeo	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
RCS Cards Pty Ltd	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
Retail Mobile Wallet	France				S4	Full	100.0%	100.0%	
Servicios Financieros Carrefour EFC SA	Spain	Equity	37.3%	40.0%		Equity	37.3%	40.0%	
Sevenday Finans AB	Sweden	Full	100.0%	100.0%	E3				
Sundaram BNPP Home Finance Ltd	India	Equity	49.9%	49.9%		Equity	49.9%	49.9%	
Suning Consumer Finance Co Ltd	China	Equity	15.0%	15.0%		Equity	15.0%	15.0%	E1
Sygma Funding Two Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Symag	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
TEB Finansman AS	Turkey	Full	100.0%	92.8%		Full	100.0%	92.8%	
UCB Ingatlanhitel ZRT	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
Union de Creditos Inmobiliarios SA	Spain	Equity (3)	50.0%	50.0%		Equity (3)	50.0%	50.0%	
Von Essen Bank GmbH	Germany	Full	100.0%	99.9%		Full	100.0%	99.9%	
Structured Entities									
Cofinoga Funding Two LP	UK	Full	-	-		Full	-	-	
FCC Retail ABS Finance Noria 2009	France	Full	-	-		Full	-	-	
Florence 1 SRL	Italy	Full	-	-		Full	-	-	
Florence SPV SRL	Italy	Full	-	-		Full	-	-	
Securitisation funds UCI (a)	Spain	Equity (3)	-	-		Equity (3)	-	-	
Securitisation funds Autonoria (b)	France	Full	-	-		Full	-	-	
Securitisation funds Domos (c)	France	Full	-	-		Full	-	-	
Laser ABS 2017 PLC	UK	Full	-	-	E1				
Noria 2015	France	Full	-	-		Full	-	-	
Phedina Hypotheken 2010 BV	Netherlands	Full	-	-		Full	-	-	
Phedina Hypotheken 2011-I BV	Netherlands								S1
Phedina Hypotheken 2013-I BV	Netherlands	Full	-	-		Full	-	-	
International Retail Banking - BancWest									
1897 Services Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BancWest Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
BancWest Holding Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
BancWest Investment Services Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Bank of the West	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Bank of the West (Cayman Islands branch)	Cayman Islands								S1
Bishop Street Capital Management Corp	USA	Full	100.0%	62.0%	V3	Full	100.0%	82.6%	V3
Center Club Inc	USA	Full	100.0%	62.0%	V3	Full	100.0%	82.6%	V3
CFB Community Development Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Claas Financial Services LLC	USA	Full	51.0%	51.0%		Full	51.0%	51.0%	V2

(a) As at 30/06/2017 and 31/12/2016, the securitisation funds Autonoria includes 1 silo (Autonoria 2014)

(b) As at 30/06/2017, the securitisation funds Domos include 3 funds: Domos 2008, Domos 2011 with its 2 silos (Domos 2011-A and Domos 2011-B) and Domos 2017, Versus 2 funds: Domos 2008, Domos 2011 with its 2 silos (Domos 2011-A and Domos 2011-B) as at 31/12/2016

(c) As at 30/06/2017, the securitisation funds UCI include 14 funds (FCC UCI 8 to 12, 14 to 18 and RMBS Prado I to IV), versus 14 funds (FCC UCI 7 to 12, 14 to 18 and RMBS Prado I to III) as at 31/12/2016

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

- E1 Passing qualifying thresholds as defined by the Group (see note 1.b)
- E2 Incorporation
- E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

- S1 Cessation of activity (dissolution, liquidation, ...)
- S2 Disposal, loss of control or loss of significant influence
- S3 Passing qualifying thresholds as defined by the Group (see note 1.b)
- S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous

- D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council.

(2) Insurance entities consolidated under the equity method for prudential purposes

(3) Jointly controlled entities under proportional consolidation for prudential purposes.

		30 June 2017				31 December 2016			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Commercial Federal Affordable Housing Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Commercial Federal Community Development Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Commercial Federal Insurance Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Commercial Federal Investment Service Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
FHB Guam Trust Co	USA				S1	Full	100.0%	82.6%	V3
FHL SPC One Inc	USA	Full	100.0%	62.0%	V3	Full	100.0%	82.6%	V3
First Bancorp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
First Hawaiian Bank	USA	Full	100.0%	62.0%	V3	Full	100.0%	82.6%	V3
First Hawaiian Inc	USA	Full	62.0%	62.0%	V2	Full	82.6%	82.6%	V2
First Hawaiian Leasing Inc	USA	Full	100.0%	62.0%	V3	Full	100.0%	82.6%	V3
First National Bancorporation	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
First Santa Clara Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Liberty Leasing Co	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Mountain Falls Acquisition Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Real Estate Delivery 2 Inc	USA	Full	100.0%	62.0%	V3	Full	100.0%	82.6%	V3
The Bankers Club Inc	USA	Full	100.0%	62.0%	V3	Full	100.0%	82.6%	V3
Ursus Real Estate Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
Bank of the West Auto Trust 2014-1	USA	Full	-	-		Full	-	-	
Bank of the West Auto Trust 2015-1	USA	Full	-	-		Full	-	-	
Bank of the West Auto Trust 2016-2	USA	Full	-	-		Full	-	-	E2
Bank of the West Auto Trust 2017-1 (Ex- Bank of the West Auto Trust 2016-1)	USA	Full	-	-		Full	-	-	
BOW Auto Receivables LLC	USA	Full	-	-		Full	-	-	
Equipment Lot FH	USA								S2
Equipment Lot Siemens 1998A-FH	USA								S3
Glendale Corporate Center Acquisition LLC	USA	Full	-	-		Full	-	-	
LACMTA Rail Statutory Trust FH1	USA	Full	-	-		Full	-	-	
Lexington Blue LLC	USA								S2
Riverwalk Village Three Holdings LLC	USA	Full	-	-		Full	-	-	
Santa Rita Townhomes Acquisition LLC	USA	Full	-	-		Full	-	-	
ST 2001 FH-1 Statutory Trust	USA	Full	-	-		Full	-	-	
SWB 99-1	USA								S2
VTA 1998-FH	USA	Full	-	-		Full	-	-	
International Retail Banking - Europe Méditerranée									
Bank BGZ BNPP SA	Poland	Full	88.3%	88.3%		Full	88.3%	88.3%	
Bank of Nanjing	China	Equity	18.9%	18.9%		Equity	18.9%	18.9%	V1
Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire	Ivory Coast	Full	59.8%	59.8%		Full	59.8%	59.8%	
Banque Internationale pour le Commerce et l'Industrie de la Guinée	Guinea	Full	55.6%	55.6%		Full	55.6%	55.6%	D1
Banque Internationale pour le Commerce et l'Industrie du Burkina Faso	Burkina Faso	Full	51.0%	51.0%		Full	51.0%	51.0%	
Banque Internationale pour le Commerce et l'Industrie du Gabon	Gabon	Equity	47.0%	47.0%		Equity	47.0%	47.0%	
Banque Internationale pour le Commerce et l'Industrie du Mali	Mali	Full	85.0%	85.0%		Full	85.0%	85.0%	
Banque Internationale pour le Commerce et l'Industrie du Sénégal	Senegal	Full	54.1%	54.1%		Full	54.1%	54.1%	
Banque Marocaine pour le Commerce et l'Industrie	Morocco	Full	67.0%	67.0%		Full	67.0%	67.0%	V4
Banque Marocaine pour le Commerce et l'Industrie Banque Offshore	Morocco	Full	100.0%	67.0%		Full	100.0%	67.0%	V4
BICI Bourse	Ivory Coast	Equity *	90.0%	53.5%		Equity *	90.0%	53.5%	
BMCI Asset Management	Morocco	Equity *	100.0%	67.0%		Equity *	100.0%	67.0%	V4
BMCI Assurance SARL	Morocco	Equity *	100.0%	67.0%		Equity *	100.0%	67.0%	V4
BMCI Leasing	Morocco	Full	86.9%	58.2%		Full	86.9%	58.2%	V4
BNPP El Djazair	Algeria	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Fortis Yatirimlar Holding AS	Turkey	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP IRB Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Yatirimlar Holding AS	Turkey	Full	100.0%	100.0%		Full	100.0%	100.0%	
IC Axa Insurance JSC	Ukraine	Equity	49.8%	29.9%		Equity	49.8%	29.9%	V2
Sygma Bank Polska SA	Poland								S4
TEB Faktoring AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	V4
TEB Holding AS	Turkey	Full	50.0%	50.0%		Full	50.0%	50.0%	
TEB Portfoy Yonetimi AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	
TEB SH A	Serbia	Full	100.0%	50.0%		Full	100.0%	50.0%	
TEB Yatirim Menkul Degerler AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	V4
Turk Ekonomi Bankasi AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	V4
UkrSibbank Public JSC	Ukraine	Full	60.0%	60.0%		Full	60.0%	60.0%	V2
Union Bancaire pour le Commerce et l'Industrie	Tunisia	Full	50.1%	50.1%		Full	50.1%	50.1%	
Insurance									
AG Insurance	Belgium	Equity	25.0%	25.0%		Equity	25.0%	25.0%	
BNPP Cardif	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif BV	Netherlands	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Emeklilik AS	Turkey	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	D1
BNPP Cardif General Insurance Co Ltd	Rep. of Korea	Equity *	81.7%	81.7%	V1	Equity *	79.6%	79.6%	V4
BNPP Cardif Hayat Sigorta AS	Turkey	Equity *	100.0%	100.0%	E1				
BNPP Cardif Levensverzekeringen NV	Netherlands	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Pojistovna AS	Czech Republic	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif PSC Ltd	UK								S3
BNPP Cardif Schadeverzekeringen NV	Netherlands	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Seguros de Vida SA	Chile	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Seguros Generales SA	Chile	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Servicios y Asistencia Ltda	Chile	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Cardif TCB Life Insurance Co Ltd	Taiwan	Equity	49.0%	49.0%		Equity	49.0%	49.0%	
BOB-Cardif Life Insurance Co Ltd	China	Equity	50.0%	50.0%		Equity	50.0%	50.0%	

		30 June 2017				31 December 2016			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Cardif Assurance Vie	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Austria branch)	Austria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Belgium branch)	Belgium	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Bulgaria branch)	Bulgaria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Germany branch)	Germany	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Italy branch)	Italy	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Japan branch)	Japan	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Portugal branch)	Portugal	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Romania branch)	Romania	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Spain branch)	Spain	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Switzerland branch)	Switzerland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Taiwan branch)	Taiwan	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Austria branch)	Austria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Belgium branch)	Belgium	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Bulgaria branch)	Bulgaria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Germany branch)	Germany	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Italy branch)	Italy	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Japan branch)	Japan	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Luxembourg branch)	Luxembourg	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Poland branch)	Poland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Portugal branch)	Portugal	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Romania branch)	Romania	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Spain branch)	Spain	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Switzerland branch)	Switzerland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Taiwan branch)	Taiwan	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Biztosito Magyarorszag ZRT	Hungary								S3
Cardif Colombia Seguros Generales SA	Colombia	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif del Peru Compania de Seguros SA	Perou	Equity *	100.0%	100.0%	E1				
Cardif do Brasil Seguros e Garantias SA	Brazil	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif do Brasil Vida e Previdencia SA	Brazil	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif El Djazair	Algeria	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Cardif Forsakring AB	Sweden	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Cardif Forsakring AB (Denmark branch)	Denmark	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Cardif Forsakring AB (Norway branch)	Norway	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Cardif Insurance Co LLC	Russia	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif I-Services	France				S3	Equity *	100.0%	100.0%	
Cardif Life Insurance Co Ltd	Rep. of Korea	Full (2)	85.0%	85.0%		Full (2)	85.0%	85.0%	
Cardif Livforsakring AB	Sweden	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Cardif Livforsakring AB (Denmark branch)	Denmark	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Cardif Livforsakring AB (Norway branch)	Norway	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Cardif Lux Vie	Luxembourg	Full (2)	66.7%	55.3%		Full (2)	66.7%	55.3%	
Cardif Mexico Seguros de Vida SA de CV	Mexico	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Cardif Mexico Seguros Generales SA de CV	Mexico	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Cardif Nordic AB	Sweden	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Osiguranje Dionicko Drustvo ZA Osiguranje	Croatia	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Cardif Pinnacle Insurance Holdings PLC	UK	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Pinnacle Insurance Management Services PLC	UK	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Polska Towarzystwo Ubezpieczen Na Zycie SA	Poland	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	D1
Cardif Seguros SA	Argentina	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Services SAS	France								S3
Cardif Servicios SA	Argentina	Equity *	100.0%	100.0%	E1				
Cardif Vita Cie Ass Riass SPA	Italy	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardimmo	France	Full (2)	100.0%	100.0%		Full (2)	-	-	
Cargeas Assicurazioni SPA	Italy	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
CB UK Ltd	UK	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Darnell Ltd	Ireland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
GIE BNPP Cardif	France	Full (2)	100.0%	99.0%		Full (2)	100.0%	99.0%	
Icare	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Icare Assurance	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Luizaseg	Brazil	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
Natio Assurance	France	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
NCVP Participacoes Societarias SA	Brazil	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Pinnacle Insurance PLC	UK	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Pocztylion Arka Powszechne Towarzystwo Emerytalne SA	Poland								S3
Poistovna Cardif Slovakia AS	Slovakia	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
SCI Odyssée	France	Full (2)	100.0%	100.0%		Full (2)	-	-	
SCI Portes de Claye	France	Equity	45.0%	45.0%		Equity	45.0%	45.0%	
SCI Scoo	France	Equity	46.4%	46.4%		Equity	46.4%	46.4%	
Société Immobilière du Royal Building SA	Luxembourg	Full (2)	100.0%	55.3%		Full (2)	-	-	
State Bank of India Life Insurance Co Ltd	India	Equity	26.0%	26.0%		Equity	26.0%	26.0%	
Structured Entities									
BNPP Actions Euroland	France	Full (2)	-	-		Full (2)	-	-	
BNPP Aqua	France	Full (2)	-	-		Full (2)	-	-	
BNPP Convictions	France	Full (2)	-	-		Full (2)	-	-	
BNPP Développement Humain	France	Full (2)	-	-		Full (2)	-	-	
BNPP Global Senior Corporate Loans	France	Full (2)	-	-		Full (2)	-	-	
BNPP Indice Euro	France	Full (2)	-	-	E1				
Natio Fonds Ampère 1	France	Full (2)	-	-		Full (2)	-	-	
Theam Quant Equity Europe Guru	France								S2

Changes in the scope of consolidation

<u>New entries (E) in the scope of consolidation</u>
- E1 Passing qualifying thresholds as defined by the Group (see note 1.b)
- E2 Incorporation
- E3 Purchase, gain of control or significant influence

<u>Removals (S) from the scope of consolidation</u>
- S1 Cessation of activity (dissolution, liquidation, ...)
- S2 Disposal, loss of control or loss of significant influence
- S3 Passing qualifying thresholds as defined by the Group (see note 1.b)
- S4 Merger, Universal transfer of assets and liabilities

<u>Variance (V) in voting or ownership interest</u>
- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

<u>Miscellaneous</u>
- D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council.
(2) Insurance entities consolidated under the equity method for prudential purposes
(3) Jointly controlled entities under proportional consolidation for prudential purposes.

Name	Country	30 June 2017				31 December 2016			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Wealth Management									
Bank Insinger de Beaufort NV	Netherlands								S2
Bank Insinger de Beaufort NV (UK branch)	UK								S2
BNPP Espana SA	Spain	Full	99.7%	99.7%		Full	99.7%	99.7%	
BNPP Wealth Management	France								S4
BNPP Wealth Management (Hong Kong branch)	Hong Kong								S4
BNPP Wealth Management (Singapore branch)	Singapore								S4
BNPP Wealth Management India Private Ltd	India	Equity *	100.0%	100.0%	E1				
BNPP Wealth Management Monaco	Monaco	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
SNC Conseil Investissement	France	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Asset Management (Ex- Investment Partners)									
Alfred Berg Asset Management AB	Sweden	Full	100.0%	98.3%		Full	100.0%	98.3%	
Alfred Berg Asset Management AB (Denmark branch)	Denmark								S1
Alfred Berg Asset Management AB (Finland branch)	Finland	Full	100.0%	98.3%		Full	100.0%	98.3%	
Alfred Berg Asset Management AB (Norway branch)	Norway	Full	100.0%	98.3%		Full	100.0%	98.3%	
Alfred Berg Fonder AB	Sweden	Full	100.0%	98.3%		Full	100.0%	98.3%	
Alfred Berg Kapitalforvaltning AB	Sweden	Full	100.0%	98.3%		Full	100.0%	98.3%	
Alfred Berg Kapitalforvaltning AS	Norway	Full	100.0%	98.3%		Full	100.0%	98.3%	
Alfred Berg Kapitalforvaltning Finland AB	Finland	Full	100.0%	98.3%		Full	100.0%	98.3%	
Alfred Berg Rahastoyhtio OY	Finland	Full	100.0%	98.3%		Full	100.0%	98.3%	
Bancoestado Administradora General de Fondos SA	Chile	Equity	50.0%	49.1%		Equity	50.0%	49.1%	
BNPP Asset Management Asia Ltd	Hong Kong	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Asset Management Australia Ltd	Australia	Equity *	100.0%	98.3%		Equity *	100.0%	98.3%	
BNPP Asset Management Be Holding	Belgium	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Asset Management Belgium	Belgium	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Asset Management Belgium (Germany branch)	Germany	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Asset Management Brasil Ltda	Brazil	Full	100.0%	99.6%		Full	100.0%	99.6%	
BNPP Asset Management France	France	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Asset Management France (Austria branch)	Austria	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Asset Management Holding	France	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Asset Management India Private Ltd	India	Equity *	100.0%	98.3%		Equity *	100.0%	98.3%	
BNPP Asset Management Luxembourg	Luxembourg	Full	99.7%	98.0%		Full	99.7%	98.0%	
BNPP Asset Management Nederland NV	Netherlands	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Asset Management Netherlands NV	Netherlands	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Asset Management NL Holding NV	Netherlands	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Asset Management Singapore Ltd	Singapore	Equity *	100.0%	98.3%		Equity *	100.0%	98.3%	
BNPP Asset Management UK Ltd	UK	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Asset Management USA Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Asset Management USA Inc (Ex- Fischer Francis Trees & Watts Inc)	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Capital Partners	France	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Dealing Services	France	Full	100.0%	98.3%	V3	Full (1)	100.0%	100.0%	
BNPP Dealing Services (UK branch)	UK	Full	100.0%	98.3%	V3	Full (1)	100.0%	100.0%	
BNPP Dealing Services Asia Ltd	Hong Kong	Full	100.0%	98.3%	V3	Full	100.0%	100.0%	
BNPP Investment Partners Argentina SA	Argentina	Equity *	100.0%	99.6%		Equity *	100.0%	99.6%	
BNPP Investment Partners Australia Holdings Pty Ltd	Australia	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Investment Partners Japan Ltd	Japan	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Investment Partners Latam SA de CV	Mexico	Equity *	99.1%	97.4%		Equity *	99.1%	97.4%	
BNPP Investment Partners PT	Indonesia	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Investment Partners SGR SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Camgestion	France	Full	100.0%	98.3%		Full	100.0%	98.3%	
Fischer Francis Trees & Watts UK Ltd	UK								S3
Fund Channel	Luxembourg	Equity	50.0%	49.1%		Equity	50.0%	49.1%	
Fundquest Advisor	France	Equity *	100.0%	98.3%		Equity *	100.0%	98.3%	
FundQuest Advisor (UK branch)	UK	Equity *	100.0%	98.3%		Equity *	100.0%	98.3%	
Haitong - Fortis Private Equity Fund Management Co Ltd	China	Equity	33.0%	32.4%		Equity	33.0%	32.4%	
HFT Investment Management Co Ltd	China	Equity	49.0%	48.2%		Equity	49.0%	48.2%	
Shinhan BNPP Asset Management Co Ltd	Rep. of Korea	Equity	35.0%	34.4%		Equity	35.0%	34.4%	
Theam	France	Full	100.0%	98.3%		Full	100.0%	98.3%	
Real Estate Services									
Auguste-Thouard Expertise	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Promotion Immobilier d'Entreprise	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Promotion Residentiel	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Résidences Services	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Résidentiel	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Résidentiel Service Clients	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Résidentiel Transaction & Conseil	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate (United Arab Emirates branch)	United Arab Emirates	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory & Property Management Luxembourg SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory & Property Management UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory and Property Management Ireland Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory Belgium SA	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory Netherlands BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory SA	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory Spain SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate APM CR SRO (Ex- BNPP Real Estate Advisory & Property Management Czech Republic SRO)	Czech Republic	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Consult France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Consult GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Facilities Management Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Financial Partner	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Holding Benelux SA	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Holding GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Holding Netherlands BV (Ex- Atisreal Netherlands BV)	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Hotels France	France	Full	100.0%	96.3%		Full	100.0%	96.3%	V4
BNPP Real Estate Investment Management Belgium	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	V1
BNPP Real Estate Investment Management Germany GmbH	Germany	Full	94.9%	94.9%		Full	94.9%	94.9%	
BNPP Real Estate Investment Management Germany GmbH (Italy branch)	Italy	Full	100.0%	94.9%		Full	100.0%	94.9%	
BNPP Real Estate Investment Management Germany GmbH (Spain branch)	Spain	Full	100.0%	94.9%		Full	100.0%	94.9%	
BNPP Real Estate Investment Management Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management Luxembourg SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management Spain SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Services	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Italy SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Jersey Ltd	Jersey	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Magyarorszag Tanacsado Es Ingatlankezelo ZRT (Ex- BNPP Real Estate Advisory & Property Management Hungary Ltd)	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Poland SP ZOO	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Development UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Developpement Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management Belgium	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management France SAS	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management Italy SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management Spain SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Transaction France	France	Full	96.3%	96.3%		Full	96.3%	96.3%	V1
BNPP Real Estate Valuation France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
FG Ingénierie et Promotion Immobilière	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
GIE Siège Issy	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Immobilière des Bergues	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Locchi SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Meunier Hispania	Spain								S1
Parker Tower Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Partner's & Services	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Pyrotex GB 1 SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
Pyrotex SARL	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
REPD Parker Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
San Basilio 45 SRL	Italy								S2
Sociétés de Construction Vente (d)	France	Full / Equity	-	-		Full / Equity	-	-	
Sviluppo Residenziale Italia SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Corporate & Institutional Banking									
Securities services									
BNPP Fund Administration Services Ireland Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Fund Services Australasia Pty Ltd	Australia	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Fund Services Australasia Pty Ltd (New Zealand branch)	New Zealand	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Fund Services France	France								S4
BNPP Global Securities Operations Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Services	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Australia branch)	Australia	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Belgium branch)	Belgium	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Germany branch)	Germany	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Greece branch)	Greece	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Guernsey branch)	Guernsey	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Hong Kong branch)	Hong Kong	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Hungary branch)	Hungary	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Ireland branch)	Ireland	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Italy branch)	Italy	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Jersey branch)	Jersey	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Luxembourg branch)	Luxembourg	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Netherlands branch)	Netherlands	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Poland branch)	Poland	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Portugal branch)	Portugal	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	

(d) As at 30/06/2017, 84 Construction-Sale Companies (Real Estate programs) (70 full and 14 equity) versus 81 as at 31/12/2016 (70 full and 11 equity)

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

- E1 Passing qualifying thresholds as defined by the Group (see note 1.b)
- E2 Incorporation
- E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

- S1 Cessation of activity (dissolution, liquidation, ...)
- S2 Disposal, loss of control or loss of significant influence
- S3 Passing qualifying thresholds as defined by the Group (see note 1.b)
- S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous

- D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

- (1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council.
- (2) Insurance entities consolidated under the equity method for prudential purposes
- (3) Jointly controlled entities under proportional consolidation for prudential purposes.

Name	Country	30 June 2017 Method	30 June 2017 Voting (%)	30 June 2017 Interest (%)	30 June 2017 Ref.	31 December 2016 Method	31 December 2016 Voting (%)	31 December 2016 Interest (%)	31 December 2016 Ref.
BNPP Securities Services (Singapore branch)	Singapore	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Spain branch)	Spain	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Switzerland branch)	Switzerland	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (UK branch)	UK	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
CIB EMEA (Europ, Middle East, Africa)									
France									
BNPP Arbitrage	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Arbitrage (UK branch)	UK	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Esomet	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Laffitte Participation 22	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Opéra Trading Capital	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Opéra Trading Capital (Hong Kong branch)	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
Opéra Trading Capital (UK branch)	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Parilease	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
SNC Taitbout Participation 3	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Verner Investissements	France	Equity	40.0%	50.0%		Equity	40.0%	50.0%	
Structured Entities									
Antin Participation 8	France								S4
Atargatis	France	Full	-	-		Full	-	-	
Austin Finance	France	Full	-	-		Full	-	-	
Compagnie d'Investissement Italiens	France	Full	-	-		Full	-	-	
Compagnie d'Investissement Opéra	France	Full	-	-		Full	-	-	
Financière des Italiens	France	Full	-	-		Full	-	-	
Financière Paris Haussmann	France	Full	-	-		Full	-	-	
Financière Taitbout	France	Full	-	-		Full	-	-	
Mediterranea	France	Full	-	-		Full	-	-	
Optichamps	France	Full	-	-		Full	-	-	
Participations Opéra	France	Full	-	-		Full	-	-	
Other European countries									
BNP PUK Holding Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Arbitrage Issuance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Bank JSC	Russia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Commodity Futures Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Emissions- Und Handels- GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Ireland Unlimited Co	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Islamic Issuance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Net Ltd	UK	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Prime Brokerage International Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP UK Holdings Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Vartry Reinsurance DAC	Ireland	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
FScholen	Belgium	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
Greenstars BNPP	Luxembourg	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Harewood Holdings Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Landspire Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
SC Nueva Condo Murcia SL	Spain				S2	Equity *	100.0%	99.9%	
Utexam Logistics Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
Utexam Solutions Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
Alectra Finance PLC	Ireland	Full	-	-		Full	-	-	
Alleray SARL	Luxembourg								S1
Aquarius + Investments PLC	Ireland	Full	-	-		Full	-	-	
Aries Capital DAC	Ireland	Full	-	-	E1				
BNPP International Finance Dublin	Ireland	Full	-	-		Full	-	-	
BNPP Investments N°1 Ltd	UK	Full	-	-		Full	-	-	
BNPP Investments N°2 Ltd	UK	Full	-	-		Full	-	-	
Boug BV	Netherlands	Full	-	-		Full	-	-	
Boug BV (UK branch)	UK	Full	-	-		Full	-	-	
Crossen SARL	Luxembourg								S3
Harewood Financing Ltd	UK								S3
Madison Arbor Ltd	Ireland	Full	-	-		Full	-	-	
Matchpoint Finance PLC	Ireland	Full	-	-		Full	-	-	
Omega Capital Funding Ltd	Ireland				S1	Full	-	-	
Omega Capital Investments PLC	Ireland				S1	Full	-	-	
Royale Neuve I SARL	Luxembourg								S1
Scaldis Capital Ireland Ltd	Ireland								S3
Scaldis Capital Ltd	Jersey	Full	-	-		Full	-	-	
Middle East									
BNPP Investment Co KSA	Saudi Arabia	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Africa									
BNPP Securities South Africa Holdings Pty Ltd	South Africa	Equity *	100.0%	100.0%	V1	Equity *	60.0%	60.0%	
BNPP Securities South Africa Pty Ltd	South Africa	Equity *	100.0%	100.0%	V4	Equity *	100.0%	60.0%	
CIB Americas									
Banco BNPP Brasil SA	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
Banexi Holding Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Canada Corp	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Canada Valeurs Mobilières Inc	Canada	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Capital Services Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP CC Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Colombia Corporacion Financiera SA	Colombia	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Energy Trading Canada Corp	Canada								S3
BNPP Energy Trading GP	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Energy Trading Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Energy Trading LLC	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP FS LLC	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP IT Solutions Canada Inc	Canada	Full	100.0%	100.0%	D1	Equity *	100.0%	100.0%	
BNPP Leasing Corp	USA	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	D1
BNPP Mortgage Corp	USA								S4
BNPP Prime Brokerage Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP RCC Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP US Wholesale Holdings Corp (Ex- BNPP North America)	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP USA Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
FB Transportation Capital LLC	USA								S1
Fortis Funding LLC	USA								S3
French American Banking Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
FSI Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Via North America Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
BNPP EQD Brazil Fund Fundo de Investmento Multimercado	Brazil	Full	-	-		Full	-	-	
BNPP Finance Inc	USA								S3
BNPP Proprietario Fundo de Investimento Multimercado	Brazil	Full	-	-		Full	-	-	
BNPP VPG Adonis LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Brookfin LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Brookline Cre LLC	USA	Full	-	-		Full	-	-	
BNPP VPG CT Holdings LLC	USA	Full	-	-		Full	-	-	
BNPP VPG EDMC Holdings LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Express LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Freedom Communications LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Legacy Cabinets LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Mark IV LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Master LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Medianews Group LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Northstar LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Pacex LLC	USA	Full	-	-		Full	-	-	
BNPP VPG PCMC LLC	USA	Full	-	-		Full	-	-	
BNPP VPG SBX Holdings LLC	USA	Full	-	-		Full	-	-	
BNPP VPG SDI Media Holdings LLC	USA	Full	-	-		Full	-	-	
Matchpoint Master Trust	USA								S1
Ozcar Multi-Strategies LLC	USA	Equity *	-	-		Equity *	-	-	E1
Starbird Funding Corp	USA	Full	-	-		Full	-	-	
VPG SDI Media LLC	USA	Equity *	-	-		Equity *	-	-	
CIB Pacific Asia									
Bank BNPP Indonesia PT	Indonesia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNP Pacific Australia Ltd	Australia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Amber Holdings Pty Ltd	Australia	Full	100.0%	100.0%	E1				
BNPP Arbitrage Hong Kong Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP China Ltd	China	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Commodities Trading Shanghai Co Ltd	China	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Finance Hong Kong Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP India Holding Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP India Solutions Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Malaysia Berhad	Malaysia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Asia Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities India Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Japan Ltd	Japan	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Korea Co Ltd	Rep. of Korea	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Singapore Pte Ltd	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Taiwan Co Ltd	Taiwan	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Sekuritas Indonesia PT (Ex- BNPP Securities Indonesia PT)	Indonesia	Full	99.0%	99.0%		Full	99.0%	99.0%	
BNPP SJ Ltd	Hong Kong				S3	Equity *	100.0%	100.0%	
BNPP SJ Ltd (Japan branch)	Japan				S3	Equity *	100.0%	100.0%	
BPP Holdings Pte Ltd	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
Other Business Units									
BNPP Suisse SA	Switzerland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Suisse SA (Guernsey branch)	Guernsey	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Suisse SA (Jersey branch)	Jersey								S1
Private Equity (BNP Paribas Capital)									
BNPP FPE Belgium	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP FPE Expansion	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP FPE Management	Belgium	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	
Cobema	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
Compagnie Financière Ottomane SA	Luxembourg	Full	97.2%	97.2%	V1	Full	97.2%	97.2%	V1
Property companies (property used in operations)									
Antin Participation 5	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Société Immobilière du Marché Saint-Honoré	France	Full	99.9%	99.9%		Full	99.9%	99.9%	
Investment companies and other subsidiaries									
BNPP Home Loan SFH	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Partners for Innovation	France	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
BNPP Public Sector SCF	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP SB Re	Luxembourg	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

- E1 Passing qualifying thresholds as defined by the Group (see note 1.b)
- E2 Incorporation
- E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

- S1 Cessation of activity (dissolution, liquidation, ...)
- S2 Disposal, loss of control or loss of significant influence
- S3 Passing qualifying thresholds as defined by the Group (see note 1.b)
- S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous

- D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council.

(2) Insurance entities consolidated under the equity method for prudential purposes

(3) Jointly controlled entities under proportional consolidation for prudential purposes.

		30 June 2017				31 December 2016			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Financière du Marché Saint Honoré	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
GIE Groupement Auxiliaire de Moyens	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Le Sphinx Assurances Luxembourg SA	Luxembourg	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	D1
Lion International Investments SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
Plagefin SA	Luxembourg	Full	100.0%	65.9%		Full	100.0%	65.9%	
Sagip	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
Société Auxiliaire de Construction Immobilière	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Société Orbaisienne de Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
UCB Bail 2	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
BNPP B Institutional II Court Terme	Belgium	Full	-	-		Full	-	-	
BNPP US Medium Term Notes Program LLC	USA								S3
BNPP-SME-1	France	Full	-	-		Full	-	-	
FCT Laffitte 2016	France	Full	-	-		Full	-	-	E2
FCT Opéra 2014	France	Full	-	-		Full	-	-	

Changes in the scope of consolidation

<u>New entries (E) in the scope of consolidation</u>
E1 Passing qualifying thresholds as defined by the Group (see note 1.b)
E2 Incorporation
E3 Purchase, gain of control or significant influence
<u>Removals (S) from the scope of consolidation</u>
S1 Cessation of activity (dissolution, liquidation, ...)
S2 Disposal, loss of control or loss of significant influence
S3 Passing qualifying thresholds as defined by the Group (see note 1.b)
S4 Merger, Universal transfer of assets and liabilities
<u>Variance (V) in voting or ownership interest</u>
V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

<u>Miscellaneous</u>
D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council.
(2) Insurance entities consolidated under the equity method for prudential purposes
(3) Jointly controlled entities under proportional consolidation for prudential purposes.

3.2 Statutory Auditor's report on the half year consolidated financial information:

Deloitte & Associés
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Regnault
92400 Courbevoie

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BNP Paribas SA
16, boulevard des Italiens
75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*) , we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of 2017, for the six months ended 30, June 2017;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to half year financial information

II – Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 31 July 2017

The Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
Damien Leurent	Etienne Boris	Hervé Hélias

4. Risks and capital adequacy – Pillar 3 [non audited]

CAPITAL RATIOS

Update of the 2016 Registration document, table 1 page 238.

Phased in ratios

In millions of euros	Phased in	
	30 June 2017(*)	31 December 2016
COMMON EQUITY TIER 1 (CET1) CAPITAL	75,530	74,075
TIER 1 CAPITAL	83,423	82,152
TOTAL CAPITAL	93,762	92,454
RISK-WEIGHTED ASSETS	638,399	638,207
RATIOS		
Common Equity Tier 1 (CET1) capital	11.8%	11.6%
Tier 1 capital	13.1%	12.9%
Total capital	14.7%	14.5%

(*) Subject to the provisions of article 26.2 of Regulation (EU) No. 575/273.

Fully loaded ratios

In millions of euros	Fully loaded(**)	
	30 June 2017(*)	31 December 2016
COMMON EQUITY TIER 1 (CET1) CAPITAL	75,147	73,562
TIER 1 CAPITAL	82,556	80,944
TOTAL CAPITAL	92,909	90,868
RISK-WEIGHTED ASSETS	639,765	640,673
RATIOS		
Common Equity Tier 1 (CET1) capital	11.7%	11.5%
Tier 1 capital	12.9%	12.6%
Total capital	14.5%	14.2%

(*) Subject to the provisions of article 26.2 of Regulation (EU) No. 575/273.

(**) In accordance with grandfathered Additional Tier 1 and Tier 2 eligibility rules applicable as of 2019.

RISK FACTORS

Update of the 2016 Registration document, page 244.

This section summarises the principal risks that the Bank currently considers itself to face. They are presented in the following categories: risks related to the macroeconomic and market environment, regulatory risks and risks related to the Bank, its strategy, management and operations.

• RISKS RELATED TO THE MACROECONOMIC AND MARKET ENVIRONMEMT

Difficult market and economic conditions have had and may continue to have a material adverse effect on the operating environment for financial institutions and hence on the Bank's financial condition, results of operations and cost of risk.

The Bank's businesses are highly sensitive to changes in financial markets and economic conditions globally and especially in Europe. In recent years, the Bank has been, and may again in the future be, confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting sovereign debt, capital markets, the availability of credit or liquidity, regional or global recessions, sharp fluctuations in commodity prices, currency exchange rates or interest rates, volatility in prices of financial derivatives, inflation or deflation, counterparty restructurings or defaults, corporate or sovereign debt rating downgrades or adverse political and geopolitical events (such as natural disasters, pandemics, societal unrest, geopolitical tensions, acts of terrorism and military conflicts). Such disruptions, which may develop quickly and hence not be fully hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on the Bank's financial condition, results of operations or cost of risk. In 2017, the macroeconomic environment could be subject to various specific risks, including geopolitical tensions, political transitions or instability in certain countries creating uncertainties and potentially sharp changes, financial market volatility, slowdowns in certain emerging markets, weak growth in the euro zone, fluctuations in commodity prices and changes in monetary policies.

Moreover, a resurgence of a sovereign debt crisis cannot be ruled out, particularly in a rising interest rate environment with increasing funding costs. In particular, European markets experienced significant disruptions in recent years as a result of concerns regarding the ability of certain countries or institutions in the euro zone to refinance their debt obligations. These disruptions have in certain periods caused tightened credit markets, increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the economic prospects of certain countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union. The Bank holds and in the future may hold substantial portfolios of sovereign debt and has and may in the future have substantial amounts of loans outstanding to sovereign borrowers; a new sovereign debt crisis could cause it to incur impairment charges or losses on sales. The Bank also participates in the interbank financial market and as a result, is indirectly exposed to risks relating to financial institutions with which it does business. More generally, the sovereign debt crisis had, and could again in the future have, an indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and more generally on the environment in which the Bank operates.

If economic conditions generally or in Europe in particular were to deteriorate due among other things to concerns over the European economy (in turn triggered by the heightened risk of or even the occurrence of a sovereign default, the failure of a significant financial institution or the exit of a country from the euro zone or the European Union), unforeseeable variations in oil and commodity prices and interest rates, rising inflation or significant fluctuations in foreign exchange rates (in particular rising interest rates or any strengthening of the euro), a continued or increased slowdown of economic growth in emerging countries and China in particular, terrorist attacks or political instability, the resulting market disruptions could have a significant adverse impact on the credit quality of the Bank's customers and financial institution counterparties, on market parameters such as interest rates, foreign exchange rates and stock market indices, and on the Bank's results of operations, liquidity, ability to raise financing on acceptable terms and financial condition.

The United Kingdom's referendum to leave the European Union may lead to significant uncertainty, volatility and disruption in European and broader financial and economic markets and hence may adversely affect the Bank's operating environment.

On 23 June 2016, the United Kingdom held a referendum in which a majority of its voters opted to leave the European Union ("**Brexit**") and on 29 March 2017, the government of the United Kingdom invoked Article 50 of the Treaty on European Union (the "**Lisbon Treaty**") relating to withdrawal. Pursuant to Article 50, the Lisbon Treaty and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement, or, failing that, two years after the relevant state notifies the European Council of its intention to withdraw, although this period may be extended in certain circumstances. The United Kingdom has begun negotiations to determine its relationship with the European Union going forward, including regarding trade, financial and legal arrangements. The nature, timing and economic and political effects of Brexit remain highly uncertain and will depend upon the results of future negotiations between the United Kingdom and the European Union, and hence may adversely affect the Bank's operating environment and therefore its results and financial condition.

Due to the geographic scope of its activities, the Bank may be vulnerable to country or regional-specific political, macroeconomic and financial environments or circumstances.

The Bank is exposed to country risk, meaning the risk that economic, financial, political or social conditions of a foreign country, especially a country in which it operates, will affect its financial interests. The Bank monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements. Moreover, factors specific to a particular country or region in which the Bank operates could create difficult operating conditions, leading to operating losses or asset impairments.

The Bank's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in credit spreads or other factors.

The financial crisis, the euro zone sovereign debt crisis as well as the general macroeconomic environment have at times adversely affected the availability and cost of funding for European banks in recent years. This was due to several factors, including a sharp increase in the perception of bank credit risk due to their exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market

speculation. Many European banks, including the Bank, at various points experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the European Central Bank (the "**ECB**") at times increased substantially. If such adverse credit market conditions were to reappear in the event of prolonged stagnation of growth, deflation, resurgence of the financial crisis, the sovereign debt crisis or new forms of financial crises, factors relating to the financial industry in general or to the Bank in particular, the effect on the liquidity of the European financial sector in general and the Bank in particular could be materially adverse and have a negative impact on the Bank's results of operations and financial condition.

Downgrades in the credit ratings of France or of the Bank may increase the Bank's borrowing cost.

The Bank's cost of obtaining long-term unsecured funding from market investors is also directly related to its credit spreads, which in turn depend to a certain extent on its credit ratings. Increases in credit spreads can significantly increase the Bank's cost of funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of creditworthiness of the Bank.

Significant interest rate changes could adversely affect the Bank's revenues or profitability.

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

The prolonged low interest rate environment carries inherent systemic risks, and an exit from such environment also carries risks.

Since the 2008-2009 financial crisis, global markets have been characterized by periods of prolonged low interest rates. During such periods, interest rate spreads tend to tighten, and the Bank may be unable to lower interest rates on deposits sufficiently to offset reduced income from lending at lower interest rates. In addition, the Bank is facing an increase in early repayment and refinancing of mortgages and other fixed-rate consumer and corporate loans as clients take advantage of lower borrowing costs. This, along with the issuance of new loans at the low prevailing market interest rates, could result in an overall decrease in the average interest rate of the Bank's portfolio of loans thereby causing a decline in the Bank's net interest income from its lending activities. Moreover, an environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premium generated by the Bank from its funding activities. Additionally, the prolonged period of low interest rates may have contributed to, and may continue to contribute to, excessive risk-taking by financial market participants such as lengthening maturities of financings and assets held, more lenient lending standards and increased leveraged lending. Certain of the market participants that may have taken or may take additional or excessive risk are of systemic importance, and any unwinding of their positions during periods of market turbulence or stress (and hence reduced liquidity) could have a destabilizing effect on markets and could lead the Bank to record operating losses or asset impairments.

Furthermore, to the extent that central banks, particularly in the United States, could increase interest rates, any sharper than expected change could cause stress in loan portfolios and the Bank's underwriting activity, particularly in relation to non-investment grade lending, possibly leading to an increase in the Bank's cost of risk. In a rising interest rate environment, should the Bank's hedging strategies prove ineffective or provide only a partial hedge, the Bank could incur losses due to higher refinancing costs. More generally, increasing interest rates weigh on consumer debt affordability and corporate profitability and hence potentially on economic growth and our revenues.

The soundness and conduct of other financial institutions and market participants could adversely affect the Bank.

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

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due in particular to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous financial institutions globally, including the Bank, announced losses or exposure to losses in substantial amounts. Potentially significant additional potential exposure is also possible in the form of litigation and claims in the context of the bankruptcy proceedings of Bernard L. Madoff Investment Services (BLMIS) (a number of which are pending against the Bank), and other potential claims relating to counterparty or client investments made, directly or indirectly, in BLMIS or other entities controlled by Bernard Madoff, or to the receipt of investment proceeds from BLMIS.

There can be no assurance that any losses resulting from the risks summarised above will not materially and adversely affect the Bank's results of operations.

The Bank may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

The Bank maintains trading and investment positions in the debt, currency, commodity and equity markets, and in unlisted securities, real estate and other asset classes, including through derivative contracts. These positions could be adversely affected by extreme volatility in these markets, i.e., the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. Moreover, volatility

trends that prove substantially different from the Bank's expectations may lead to losses relating to a broad range of other products that the Bank uses, including swaps, forward and future contracts, options and structured products.

To the extent that the Bank owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that the Bank has sold assets that it does not own, or has net short positions in any of those markets, a market upturn could, in spite of the existing limitation of risks and control systems, expose it to potentially substantial losses as it attempts to cover its net short positions by acquiring assets in a rising market. The Bank may from time to time hold a long position in one asset and a short position in another, in order to hedge transactions with clients and/or from which it expects to gain based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the Bank did not anticipate or against which it is not hedged, the Bank might realise a loss on those paired positions. Such losses, if significant, could adversely affect the Bank's results and financial condition.

The Bank may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.

Financial and economic conditions affect the number and size of transactions for which the Bank provides securities underwriting, financial advisory and other investment banking services. The Bank's revenues, which include fees from these services, are directly related to the number and size of the transactions in which it participates and can thus be significantly affected by economic or financial changes that are unfavourable to its Investment Banking business and clients. In addition, because the fees that the Bank charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues the Bank receives from its asset management, equity derivatives and private banking businesses. Independently of market changes, below-market performance by the Bank's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues the Bank receives from its asset management business. The Bank experienced some or all of these effects during the sharp market downturns of recent years and could experience them again in future market downturns, which may occur periodically and unexpectedly.

Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.

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

• REGULATORY RISKS

Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact the Bank and the financial and economic environment in which it operates.

Laws and regulations have been enacted in the past few years or could be adopted, in particular in France, Europe and the United States, with a view to introducing a number of changes, some permanent, in the financial environment. The impact of the new measures has changed substantially the environment in which the Bank and other financial institutions operate. The new measures that have been or may be proposed and adopted include more stringent capital and liquidity requirements (particularly for large global banking groups such as the Bank), taxes on financial transactions, restrictions and increased taxes on employee compensation over specified levels, restrictions on certain types of activities considered as speculative undertaken by commercial banks that will be prohibited or need to be ring-fenced in subsidiaries (particularly proprietary trading), restrictions or prohibitions on certain types of financial products or activities, enhanced recovery and resolution regimes, changes to risk-weighting methodologies and the methods of using internal models that could lead to increased capital requirements, increased internal control and reporting requirements with respect to certain activities, more stringent governance and conduct of business rules, more extensive market abuse regulations, measures to improve the transparency and efficiency of financial markets and in particular to regulate high frequency trading, increased regulation of certain types of financial products including mandatory reporting of derivative and securities financing transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over-the-counter derivative transactions (including through posting of collateral in respect of non-centrally cleared derivatives), and the creation of new and strengthened supervisory bodies. Most of these measures have been adopted and are already applicable to the Bank; the principal such measures are summarized below. Other similar or new measures may be proposed and adopted.

French and European Laws and regulations

In 2013 and 2014, France made significant changes to its legal and regulatory framework applicable to banking institutions. The French banking law of 26 July 2013 on the separation and regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) and the related implementing decrees and orders specified the required separation between financing operations activities and so-called "speculative" operations that have been, since 1 July 2015, conducted by ring-fenced subsidiaries subject to specific capital and liquidity requirements on a stand-alone basis. This banking law also introduced a mechanism for preventing and resolving banking crises, which is supervised by the French banking regulator ("*Autorité de Contrôle Prudentiel et de Résolution*", "ACPR") with expanded powers. In the event of a failure, the law provides for mechanisms such as the power to require banks to adopt structural changes, issue new securities, cancel outstanding equity or subordinated debt securities and convert subordinated debt into equity, and to require the intervention of the French Deposit Guarantee and Resolution Fund ("*Fonds de Garantie des Dépôts et de Résolution*"). The Ordinance of 20 February 2014 provided in particular for the strengthening of the governance rules within banking institutions, a reinforced and harmonised at the EU level sanctions regime, an extended scope of prudential surveillance with in particular additional prudential requirements, a harmonisation of the rules relating to the approval of credit institutions within the European Union, and an update of the rules relating to the consolidated surveillance and the exchange of information.

At the European level, many of the provisions of the EU Directive and Regulation on prudential requirements (the "CRD 4/CRR") dated 26 June 2013, implementing the Basel III capital requirements, took effect as of 1 January 2014 and many delegated and implementing acts provided for in the Directive and Regulation CRD 4/CRR were adopted in 2014. The prudential ratio requirements and the designation of the Bank as a systemically important financial institution increased the Bank's prudential requirements and may limit its ability to extend credit or to hold certain assets, particularly those with longer maturities. In 2011-2012, the Bank implemented an adaptation plan in anticipation of these requirements,

including reducing its balance sheet and bolstering its capital. In addition, the Financial Stability Board published on 9 November 2015 the final principles and term sheet regarding total loss absorbing capacity ("TLAC", and such term sheet, the "FSB TLAC Term Sheet"), which will require "G-SIBs" or "Global Systemically Important Banks" (including the Bank) to maintain a significant amount of liabilities and instruments readily available for bail-in, in addition to the Basel III capital requirements, in order to enable authorities to implement an orderly resolution that minimises impacts on financial stability, maintains the continuity of critical functions, and avoids exposing public funds to loss. Given the timing and manner of their adoption, the full impact of TLAC requirements on the Bank cannot be accurately predicted and could cause its financing costs to increase.

Regarding the European "Banking Union", the European Union adopted, in October 2013, a single supervisory mechanism (the "SSM") under the supervision of the ECB; as a consequence, since November 2014, the Bank, along with all institutions qualified as important in the euro zone, are now under the direct supervision of the ECB, with respect to prudential regulation matters entrusted to the ECB by Council Regulation dated 15 October 2013. Within the SSM, the ECB is, in particular, tasked with carrying out an annual supervisory review and evaluation process (SREP) and stress tests, in connection with which it has powers to require banks to hold capital in excess of minimum capital requirements in order to address specific risks (so-called "Pillar 2" requirements), and more generally to impose additional liquidity requirements and possibly other regulatory measures. Such measures could have an adverse impact on the Bank's results of operations and financial condition.

In addition to the SSM, the EU Bank Recovery and Resolution Directive of 15 May 2014 ("BRRD"), implemented in France by the Ordinance of 20 August 2015 strengthens the tools to prevent and resolve banking crises, in particular, in order to ensure that any losses are borne in priority by banks' creditors and shareholders and to minimize taxpayers' exposure to losses and provides for the implementation of resolution funds at the national levels.

Under the BRRD and the Ordinance of 20 August 2015, the ACPR or the single resolution board (the "SRB"), which was established by Regulation of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism (the "SRM") and a single resolution fund (the "SRF"), may commence resolution proceedings in respect of a banking institution, such as the Bank, with a view to ensure the continuity of critical functions, to avoid the risks of contagion and to recapitalize or restore the viability of the institution.

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

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

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

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

Pursuant to the SRM, on 19 December 2014, the Council adopted the proposal for a Council implementing act to calculate the contributions of banks to the SRF, which replaces national resolution funds as from 1 January 2016 and provides for annual contributions to the SRF to be made by banks calculated on the basis of their liabilities, excluding own funds and covered deposits and adjusted for risks. Moreover, the Regulation of the European Commission dated 21 October 2014, adopted pursuant to the BRRD provides for an obligation for banks to have adequate financial resources to ensure the effective application of the resolution tools and powers by the relevant resolution authority. In this context, the resolution authorities, such as the ACPR or the SRB, determined the annual contributions that must be paid to resolution financing arrangements by each banking institution in proportion to its risk profile. As a consequence, contributions to the SRF and to resolution financing arrangements are significant for the Bank and hence weigh on its results of operations.

Moreover, the Directive of 16 April 2014 on deposit guarantee schemes, transposed into French law by the Ordinance of 20 August 2015 created national deposit guarantee schemes. Other proposals for legislative and regulatory reforms could also have an impact if they were enacted into law. Thus, a draft European Parliament Regulation dated 24 November 2015 completed such Directive of 16 April 2014 through a step plan to create a European deposit insurance scheme that will progressively cover all or part of participating national deposit guarantee schemes.

On 23 November 2016, the European Commission issued several legislative proposals proposing to amend a number of key EU banking directives and regulations, including CRD 4/CRR, BRRD and the SRM, the purpose of which is *inter alia* to reflect more accurately long-term funding risk and excessive leverage, increase the loss-absorption capacity of globally significant institutions, improve the treatment of market risks by increasing the risk sensitivity of the existing rules and increase convergence within the European Union in the area of insolvency law and restructuring proceedings, particularly through the introduction of a moratorium tool. These proposals remain subject to amendments by the Parliament and the Council and are scheduled to be adopted in 2019. It is not yet possible to assess the full impact of these proposals.

Furthermore, a proposal for a Regulation of the European Parliament and of the Council of 29 January 2014 on structural measures improving the resilience of EU credit institutions, as amended on 19 June 2015, would prohibit certain proprietary trading activities by European credit institutions that meet certain criteria (particularly as to size) and require them to conduct certain high-risk trading activities only through subsidiaries.

Finally, new regulations designed to enhance the transparency and soundness of financial markets, such as the so-called “EMIR” Regulation of 4 July 2012 on OTC derivatives, central counterparties and trade repositories and the measures adopted or to be adopted thereunder (including in relation to the Commission delegated Regulation of 4 October 2016 that specifies how margin should be calculated and exchanged in respect of non-cleared OTC derivative contracts), Regulation of 25 November 2015 on transparency of securities financing transactions and Directive and Regulation of 15 May 2014 on markets in financial instruments (MiFID 2) may be a source of additional uncertainty and compliance risk and, more generally, the costs incurred due to the implementation of such regulations may have a negative impact on the profitability of certain activities currently conducted by the Bank and weigh on the Bank’s results of operations and financial condition.

In May and June 2017, the Commission published two proposals of regulations amending EMIR. Among the proposed changes, the EU authorities’ power to supervise third country central counterparties would be strengthened and, when a third country central counterparty poses significant risks to the financial stability of the Member States, EU authorities could request that such central counterparty be established and authorized in the EU (so-called “location policy”). While the full implications of such location policy, particularly in the context of Brexit, remain uncertain, it could, if implemented, entail operational risks and increased costs and therefore weigh on the Bank’s results of operations and financial condition.

U.S Laws and Regulations

Bank regulation in the United States has been substantially changed and expanded in the wake of the financial crisis, including as follows. A final rule issued by the Board of Governors of the U.S. Federal Reserve System (the “Federal Reserve Board”) imposing enhanced prudential standards on the U.S. operations of large foreign banks required the Bank to designate or create an intermediate holding company (“IHC”) for its U.S. subsidiaries by 1 July 2016. The Bank’s IHC, BNP Paribas USA, Inc., must comply with risk-based and leverage capital requirements, liquidity requirements, long-term debt requirements, supervisory stress testing and capital planning requirements as well as other prudential requirements on a consolidated basis at the IHC level. In addition, on 4 March 2016, the Federal Reserve Board re-proposed single counterparty credit limits that would apply to both the U.S. IHCs and the combined U.S. operations (including U.S. branch operations) of systemically important foreign banking organizations (such as the Bank). Under proposals that remain under consideration, the IHC and the combined U.S. operations of the Bank may become subject to limits on credit exposures to any single counterparty, and the combined U.S. operations of the Bank may also become subject to an early remediation regime which could be triggered by risk-based capital, leverage, stress tests, liquidity, risk management and market indicators. The Federal Reserve Board has also indicated that it is considering future rulemakings that could apply the U.S. rules implementing the Basel III liquidity coverage ratio and net stable funding ratio to the combined U.S. operations (including U.S. branch operations) of certain large foreign banking organizations. The scope and timing for the implementation of these liquidity requirements as well as additional expected changes to the capital and stress testing requirements and their impact on the Bank is difficult to predict at this point. On 15 December 2016, the Federal Reserve Board issued final rules that implement in the United States the Financial Stability Board’s standards for a TLAC framework (the “U.S. TLAC rules). The final rules require, among other things, the Bank’s U.S. IHC to maintain minimum levels of TLAC, consisting of the IHC’s Tier 1 capital plus a minimum amount of long-term debt satisfying certain eligibility criteria, and a related TLAC buffer. The Bank will be subject to these requirements commencing 1 January 2019. The Bank’s U.S. IHC will be required to issue this long-term debt internally to the Bank or any foreign affiliate that is wholly owned, directly or indirectly, by the Bank, for so long as the Bank’s U.S. IHC is considered a “non-resolution covered IHC” under the U.S. TLAC rules, meaning the Bank is subject to a single-point-of-entry resolution strategy that does not involve the U.S. IHC entering to resolution or similar proceedings in the United States. The rules also impose limitations on the types and amount of other financial transactions that the Bank’s U.S. IHC may engage in. On 23 September 2016, the Federal Reserve Board proposed additional prudential requirements with respect to the physical commodity activities of financial holding companies (“FHCs”) (such as the Bank), including significantly elevated capital requirements for physical commodity activities (and for investments in merchant banking companies that engage in physical commodity activities) that, according to the Federal Reserve Board, have the potential to expose an FHC to environmental liability. Finally, the “Volcker Rule”, adopted by the U.S. regulatory authorities in December 2013, places certain restrictions on the ability of U.S. and non-U.S. banking entities, including the Bank and its affiliates, to engage in proprietary trading and to sponsor or invest in private equity and hedge funds. The Bank was generally required to come into compliance with the Volcker Rule by July 2015, although the Federal Reserve Board extended the conformance deadline for pre-2014 “legacy” investments in and relationships with private equity funds and hedge funds until 21 July 2017. The Volcker Rule’s implementing regulations are highly complex and may be subject to further regulatory interpretation and guidance, and its full impact will not be known with certainty for some time. U.S. regulators have also recently adopted or proposed new rules regulating OTC derivatives activities under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). In late 2015, the Federal Reserve Board and other U.S. banking regulators finalized margin requirements applicable to uncleared swaps and security-based swaps entered into by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants that are regulated by one of the U.S. banking regulators, including the Bank. These margin requirements, which began to come into effect in phases beginning in September 2016, require the Bank to post and collect additional, high-quality collateral for certain transactions, increasing the costs of uncleared swaps and security-based swaps offered by the Bank to its customers who are “U.S. persons” as defined under the rules which apply globally. The U.S. Commodity Futures Trading Commission also finalized rules in 2016 that will require additional interest rate swaps to be cleared, which are expected to come into effect in phases based on the implementation of parallel clearing requirements in non-U.S. jurisdictions and in any event by October 2018, and has also proposed rules that would apply position limits to certain physical commodity swaps. The U.S. Securities and Exchange Commission also finalized rules in 2015 and 2016 regarding the registration of security-based swap dealers and major security-based swap participants, business conduct and trade acknowledgment and verification requirements for such entities, and obligations relating to transparency and mandatory reporting of security-based swap transactions. Further rules and regulations are expected in 2017 to complete this regulatory framework. The scope and timing for the implementation of these requirements, and therefore their impact on the Bank’s swap business, is difficult to predict at this stage.

In sum, extensive legislative and regulatory reform in respect of financial institutions has been enacted in recent years and some remains in progress. In addition, following the 2016 U.S. presidential election, there is uncertainty surrounding the regulatory agenda of the new administration which includes proposals to repeal or significantly reduce a number of elements of the Dodd-Frank Act. It is impossible to accurately predict which additional measures will be adopted or to determine the exact content of such measures and, given the complexity and uncertainty of a number of these measures, their ultimate impact on the Bank. The overall effect of these measures, whether already adopted or in the process of being adopted, has been and may further be to restrict the Bank’s ability to allocate and apply capital and funding resources, limit its ability to diversify risk, reduce the availability of certain funding and liquidity resources, increase its funding costs, increase the cost for or reduce the demand for the products and services it offers, result in the obligation to carry out internal reorganizations, structural changes or divestitures, affect its ability to conduct (or impose limitations on) certain types of business as currently conducted, limit its ability to attract and retain talent, and, more generally, affect its competitiveness and profitability, which would in turn have an adverse effect on its business, financial condition, and results of operations.

The Bank is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates.

The Bank faces the risk of changes in legislation or regulation in all of the countries in which it operates, including, but not limited to, the following:

- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which the Group operates;
- changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable governance, remunerations, capital adequacy and liquidity frameworks, restrictions on activities considered as speculative and recovery and resolution frameworks;
- changes in securities regulations as well as in financial reporting, disclosure and market abuse regulations;
- changes in the regulation of certain types of transactions and investments, such as derivatives and securities financing transactions and money market funds;
- changes in the regulation of market infrastructures, such as trading venues, central counterparties, central securities depositories, and payment and settlement systems;
- changes in tax legislation or the application thereof;
- changes in accounting norms;
- changes in rules and procedures relating to internal controls, risk management and compliance;
- expropriation, nationalisation, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect the Bank and have an adverse effect on its business, financial condition and results of operations. Some reforms not aimed specifically at financial institutions, such as measures relating to the funds industry or promoting technological innovation (such as open data projects), could facilitate the entry of new players in the financial services sector or otherwise affect the Bank's business model, competitiveness and profitability, which could in turn affect its financial condition and results of operations.

The Bank may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties.

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

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

The Bank is currently involved in various litigations and investigations as summarized in Note 5.b "Contingent liabilities: legal proceedings and arbitration" to its consolidated financial statements as of and for the six-month period ended 30 June 2017. It may become involved in further such matters at any point. No assurance can be given that an adverse outcome in one or more of such matters would not have a material adverse effect on the Bank's operating results for any particular period.

• RISKS RELATED TO THE BANK, ITS STRATEGY, MANAGEMENT AND OPERATIONS

Risks related to the implementation of the Bank's strategic plans.

The Bank has announced a certain number of strategic objectives, in particular in a transformation plan for CIB for the 2016-2019 period presented in February 2016 and a strategic plan for the 2017-2020 period presented on 7 February 2017. These plans contemplate a number of initiatives, including the implementation of new customer pathways, the digital transformation of the Bank, continuing to improve operating efficiency and various business development initiatives.

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

The Bank's actual results could vary significantly from these targets and objectives for a number of reasons, including the occurrence of one or more of the risk factors described elsewhere in this section.

The Bank may experience difficulties integrating acquired companies and may be unable to realise the benefits expected from its acquisitions.

The Bank makes acquisitions on a regular basis. Integrating acquired businesses is a long and complex process. Successful integration and the realisation of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realisation. Moreover, the integration of the Bank's existing operations with those of the acquired operations could interfere with the respective businesses and divert management's attention from other aspects of the Bank's business, which could have a negative impact on the business and results of the Bank. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

Although the Bank undertakes an in-depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. As a result, the Bank may increase its exposure to doubtful or troubled assets and incur greater risks as a result of its acquisitions, particularly in cases in which it was unable to conduct comprehensive due diligence prior to the acquisition.

Intense competition by banking and non-banking operators could adversely affect the Bank's revenues and profitability.

Competition is intense in all of the Bank's primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the banking industry could intensify as a result of consolidation in the financial services area or as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding. In particular, competitors subject to less extensive regulatory requirements or to less strict capital requirements (*e.g.*, debt funds, shadow banks), or benefiting from economies of scale, data synergies or technological innovation (*e.g.*, internet and mobile operators, fintechs), could be more competitive. If the Bank is unable to respond to the competitive environment in France or in its other major markets by offering attractive and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the Bank and its competitors. It is also possible that the presence in the global marketplace of State-owned financial institutions, or financial institutions benefiting from State guarantees or other similar advantages, or the imposition of more stringent requirements (particularly capital requirements and business restrictions) on large or systemically significant financial institutions, could lead to distortions in competition in a manner adverse to large private-sector institutions such as the Bank.

A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect the Bank's results of operations and financial condition.

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

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

The Bank's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.

The Bank has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, the Bank's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic and market environments or against all types of risk, particularly risks that the Bank may have failed to identify or anticipate. The Bank's ability to assess the creditworthiness of its customers or to estimate the values of its assets may be impaired if, as a result of market turmoil such as that experienced in recent years, the models and approaches it uses become less predictive of future behaviour, valuations, assumptions or estimates. Some of the Bank's qualitative tools and metrics for managing risk are based on its use of observed historical market behaviour. The Bank applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process the Bank uses to estimate losses inherent in its credit exposure or estimate the value of certain assets requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of its borrowers to repay their loans or impact the value of assets, which may, during periods of market disruption, be incapable of accurate estimation and, in turn, impact the reliability of the process. These tools and metrics may fail to predict future risk exposures, e.g., if the Bank does not anticipate or correctly evaluate certain factors in its statistical models, or upon the occurrence of an event deemed extremely unlikely by the tools and metrics. This would limit the Bank's ability to manage its risks. The Bank's losses could therefore be significantly greater than the historical measures indicate. In addition, the Bank's quantified modelling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.

The Bank's hedging strategies may not prevent losses.

If any of the variety of instruments and strategies that the Bank uses to hedge its exposure to various types of risk in its businesses is not effective, the Bank may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the Bank holds a long position in an asset, it may hedge that position by taking a short position in another asset where the short position has historically moved in a direction that would offset a change in the value of the long position. However, the hedge may only be partial, or the strategies used may not protect against all future risks or may not be fully effective in mitigating the Bank's risk exposure in all market environments or against

all types of risk in the future. Unexpected market developments may also reduce the effectiveness of the Bank's hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the Bank's reported earnings.

Adjustments to the carrying value of the Bank's securities and derivatives portfolios and the Bank's own debt could have an impact on its net income and shareholders' equity.

The carrying value of the Bank's securities and derivatives portfolios and certain other assets, as well as its own debt, in its balance sheet is adjusted as of each financial statement date. Most of the adjustments are made on the basis of changes in fair value of its assets or its debt during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect its consolidated revenues and, as a result, its net income. All fair value adjustments affect shareholders' equity and, as a result, its capital adequacy ratios. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.

The expected changes in accounting principles relating to financial instruments may have an impact on the Bank's balance sheet and regulatory capital ratios and result in additional costs.

In July 2014, the International Accounting Standards Board published International Financial Reporting Standard 9 ("IFRS 9") "Financial Instruments", which is set to replace IAS 39 as from 1 January 2018 after its adoption by the European Union. The standard amends and complements the rules on the classification and measurement of financial instruments. It includes a new impairment model based on expected credit losses (ECL), while the current model is based on provisions for incurred losses, and new rules on general hedge accounting. The new approach based on ECL could result in substantial additional impairment charges for the Bank and add volatility to its regulatory capital ratios, and the costs incurred by the Bank relating to the implementation of such norms may have a negative impact on its results of operations.

The Bank's competitive position could be harmed if its reputation is damaged.

Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to the Bank's ability to attract and retain customers. The Bank's reputation could be harmed if it fails to adequately promote and market its products and services. The Bank's reputation could also be damaged if, as it increases its client base and the scale of its businesses, the Bank's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address conflicts of interest properly. At the same time, the Bank's reputation could be damaged by employee misconduct, fraud or misconduct by market participants to which the Bank is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action such as the settlement the Bank entered into in with the U.S. authorities for violations of U.S. laws and regulations regarding economic sanctions. Such risks to reputation have recently increased as a result of the growing use of social networks within the economic sphere. The loss of business that could result from damage to the Bank's reputation could have an adverse effect on its results of operations and financial position.

An interruption in or a breach of the Bank's information systems may result in material losses of client or customer information, damage to the Bank's reputation and lead to financial losses.

As with most other banks, the Bank relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services, and the development of cloud computing. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Bank's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems. The Bank cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. An increasing number of companies (including financial institutions) have in recent years experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorised access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognised until launched against a target, the Bank may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. Any failures of or interruptions in the Bank's information systems and any subsequent disclosure of confidential information related to any client, counterpart or employee of the Bank (or any other person) or any intrusion or attack against the Bank's communication system could have an adverse effect on the Bank's reputation, financial condition and results of operations.

Unforeseen external events may disrupt the Bank's operations and cause substantial losses and additional costs.

Unforeseen events such as an adverse change in the political, military or diplomatic environments, political and social unrest, severe natural disasters, a pandemic, terrorist attacks, military conflicts or other states of emergency could affect the demand for the products and services offered by the Bank, or lead to an abrupt interruption of the Bank's operations, in France or abroad, and could cause substantial losses that may not necessarily be covered by an insurance policy. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events could also lead to temporary or longer-term business interruption, additional costs (such as relocation of employees affected) and increase the Bank's costs (particularly insurance premiums).

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CONSOLIDATED BALANCE SHEET TO PRUDENTIAL BALANCE SHEET RECONCILIATION

Update of the 2016 Registration document, table 6 page 254.

	30 June 2017				
In millions of euros	Accounting scope	Adjustment of insurance companies	Other adjustments related to consolidation methods(*)	Prudential scope	Reference to capital table (see Appendix 1)
ASSETS					
Cash and amounts due from central banks	243,384	(2)	308	243,690	
Financial instruments at fair value through profit or loss					
Trading securities	161,885	-	-	161,885	
Loans and repurchase agreements	179,045	6,226	-	185,271	
Instruments designated as at fair value through profit or loss	94,487	(93,875)	-	612	
Derivative financial instruments	253,559	(317)	(8)	253,234	
Derivatives used for hedging purposes	15,373	(49)	2	15,326	
Available-for-sale financial assets	247,455	(111,200)	3,657	139,912	
of which own funds instruments in credit or financial institutions more than 10%-owned	917	2,590	-	3,507	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	1,664	-	-	1,664	*2*
Loans and receivables due from credit institutions	46,345	(1,073)	(3,665)	41,607	
of which own funds instruments in credit or financial institutions more than 10%-owned	*440*	-	*(40)*	*400*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	-	-	-	-	*2*
Loans and receivables due from customers	715,466	652	5,723	721,841	
of which own funds instruments in credit or financial institutions more than 10%-owned	*100*	*387*	-	*487*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*26*	-	-	*26*	*2*
Remeasurement adjustment on interest-rate risk hedged portfolios	3,288	-	-	3,288	
Held-to-maturity financial assets	6,114	(5,537)	-	577	
Current and deferred tax assets	6,944	5	37	6,986	
Accrued income and other assets	125,244	(5,936)	315	119,623	
Equity-method investments	6,769	4,205	(559)	10,415	
of which investments in credit or financial institutions	*3,275*	-	*(553)*	*2,721*	*1*
of which goodwill	*382*	*222*	-	*603*	*3*
Investment property	1,915	(1,418)	-	497	
Property, plant and equipment	22,792	(397)	4	22,399	
Intangible assets	3,105	(174)	9	2,940	
of which intangible assets excluding mortgage servicing rights	*3,063*	*(174)*	*9*	*2,898*	*3*
Goodwill	9,791	(222)	-	9,569	*3*
TOTAL ASSETS	**2,142,961**	**(209,112)**	**5,823**	**1,939,672**	
LIABILITIES					
Due to central banks	3,785	-	-	3,785	
Financial instruments at fair value through profit or loss					
Trading securities	81,220	-	-	81,220	
Borrowings and repurchase agreements	236,678	-	-	236,678	
Instruments designated as at fair value through profit or loss	55,067	(1,097)	-	53,970	
of which liabilities qualifing for Tier 1 capital	*162*	-	-	*162*	*4*
of which liabilities qualifying for Tier 2 capital	*414*	-	-	*414*	*5*
Derivative financial instruments	251,976	(293)	(8)	251,675	
Derivatives used for hedging purposes	16,909	(5)	9	16,913	
Due to credit institutions	108,803	(2,135)	(174)	106,494	
Due to customers	793,384	(5,440)	4,838	792,782	
Debt securities	157,757	2,606	991	161,354	
Remeasurement adjustment on interest-rate risk hedged portfolios	2,578	-	2	2,580	
Current and deferred tax liabilities	3,149	(6)	67	3,210	
Accrued expenses and other liabilities	98,336	(2,497)	66	95,905	
Technical reserves of insurance companies	198,864	(198,864)	-	-	
Provisions for contingencies and charges	11,362	(308)	31	11,085	
Subordinated debt	18,669	(926)	1	17,744	
of which liabilities qualifying for Tier 1 capital	-	-	-	-	*4*
of which liabilities qualifying for Tier 2 capital	*17,045*	-	-	*17,045*	*5*
TOTAL LIABILITIES	**2,038,537**	**(208,965)**	**5,823**	**1,835,395**	
Share capital and related share premium accounts	27,061	-	-	27,061	*6*
Own equity instruments	(103)	-	-	(103)	
Undated Super Subordinated Notes	7,825	10	-	7,835	*7*
Non-distributed reserves	56,009	-	-	56,009	
Changes in assets and liabilities recognised directly in equity	4,236	-	-	4,236	*8*
Net income for the period attributable to shareholders	4,290	-	-	4,290	*9*
Minority interests	5,107	(157)	-	4,949	*10*
TOTAL CONSOLIDATED EQUITY	**104,424**	**(147)**	**-**	**104,277**	
TOTAL LIABILITIES AND EQUITY	**2,142,961**	**(209,112)**	**5,823**	**1,939,672**	

(*) Adjustment of jointly controlled entities under proportional consolidation for prudential purposes, consolidated using the equity-method in the accounting scope.

	31 December 2016				
In millions of euros	Accounting scope	Adjustment of insurance companies	Other adjustments related to consolidation methods(*)	Prudential scope	Reference to capital table (see Appendix 1)
ASSETS					
Cash and amounts due from central banks	160,400	(1)	246	160,645	-
Financial instruments at fair value through profit or loss					
Trading securities	123,679	-	-	123,679	-
Loans and repurchase agreements	152,242	5,345	-	157,587	-
Instruments designated as at fair value through profit or loss	87,644	(86,231)	-	1,413	-
Derivative financial instruments	328,162	(264)	(14)	327,884	-
Derivatives used for hedging purposes	18,133	(50)	-	18,083	-
Available-for-sale financial assets	267,559	(113,969)	4,096	157,686	-
of which own funds instruments in credit or financial institutions more than 10%-owned	*922*	*2,590*	-	*3,512*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*1,923*	-	-	*1,923*	*2*
Loans and receivables due from credit institutions	47,411	(1,159)	(3,350)	42,902	-
of which own funds instruments in credit or financial institutions more than 10%-owned	*441*	-	*(40)*	*401*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	-	-	-	-	*2*
Loans and receivables due from customers	712,233	1,313	4,855	718,401	-
of which own funds instruments in credit or financial institutions more than 10%-owned	*137*	*387*	*(37)*	*487*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*26*	-	-	*26*	*2*
Remeasurement adjustment on interest-rate risk hedged portfolios	4,664	-	-	4,664	-
Held-to-maturity financial assets	6,100	(5,546)	-	554	-
Current and deferred tax assets	7,966	4	42	8,012	-
Accrued income and other assets	115,967	(5,919)	323	110,371	-
Equity-method investments	6,910	4,150	(563)	10,497	-
of which investments in credit or financial institutions	*3,317*	-	*(563)*	*2,753*	*1*
of which goodwill	*387*	*222*	-	*609*	*3*
Investment property	1,911	(1,354)	-	557	-
Property, plant and equipment	22,523	(398)	3	22,128	-
Intangible assets	3,239	(216)	7	3,030	-
of which intangible assets excluding mortgage servicing rights	*3,192*	*(216)*	*7*	*2,982*	*3*
Goodwill	10,216	(222)	-	9,994	3
TOTAL ASSETS	**2,076,959**	**(204,517)**	**5,645**	**1,878,087**	**-**
LIABILITIES					
Due to central banks	233	-	-	233	-
Financial instruments at fair value through profit or loss					
Trading securities	70,326	-	(23)	70,303	-
Borrowings and repurchase agreements	183,206	-	-	183,206	-
Instruments designated as at fair value through profit or loss	54,076	(645)	(1)	53,430	-
of which liabilities qualifing for Tier 1 capital	*162*	-	-	*162*	*4*
of which liabilities qualifying for Tier 2 capital	*421*	-	-	*421*	*5*
Derivative financial instruments	318,740	(337)	(14)	318,389	-
Derivatives used for hedging purposes	19,626	(28)	17	19,615	-
Due to credit institutions	75,660	(2,721)	(158)	72,781	-
Due to customers	765,953	(5,466)	4,693	765,180	-
Debt securities	153,422	2,140	894	156,456	-
Remeasurement adjustment on interest-rate risk hedged portfolios	4,202	-	-	4,202	-
Current and deferred tax liabilities	3,087	(71)	88	3,104	-
Accrued expenses and other liabilities	99,407	(2,404)	117	97,120	-
Technical reserves of insurance companies	193,626	(193,626)	-	-	-
Provisions for contingencies and charges	11,801	(319)	32	11,514	-
Subordinated debt	18,374	(893)	-	17,481	-
of which liabilities qualifying for Tier 1 capital	-	-	-	-	*4*
of which liabilities qualifying for Tier 2 capital	*16,662*	-	-	*16,662*	*5*
TOTAL LIABILITIES	**1,971,739**	**(204,370)**	**5,645**	**1,773,014**	**-**
Share capital and related share premium accounts	26,995	-	-	26,995	*6*
Own equity instruments	(82)	-	-	(82)	-
Undated Super Subordinated Notes	8,430	11	-	8,441	*7*
Non-distributed reserves	51,451	-	-	51,451	-
Changes in assets and liabilities recognised directly in equity	6,169	-	-	6,169	*8*
Net income for the period attributable to shareholders	7,702	-	-	7,702	*9*
Minority interests	4,555	(158)	-	4,397	*10*
TOTAL CONSOLIDATED EQUITY	**105,220**	**(147)**	**-**	**105,073**	**-**
TOTAL LIABILITIES AND EQUITY	**2,076,959**	**(204,517)**	**5,645**	**1,878,087**	**-**

(*) Adjustment of jointly controlled entities under proportional consolidation for prudential purposes, consolidated using the equity-method in the accounting scope.

REGULATORY CAPITAL

Update of the 2016 Registration document, table 8 page 260.

In millions of euros	30 June 2017(*)		31 December 2016	
	Phased in	Transitional arrangements(**)	Phased in	Transitional arrangements(**)
Common Equity Tier 1 (CET1) capital: instruments and reserves				
Capital instruments and the related share premium accounts	27,061		26,995	
of which ordinary shares	*27,061*		*26,995*	
Retained earnings	56,416	-	52,070	-
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	4,236		6,169	
Minority interests (amount allowed in consolidated CET1)	2,805	482	2,837	854
Independently reviewed interim profits net of any foreseeable charge or dividend	2,056	-	3,979	-
COMMON EQUITY TIER 1 (CET1) CAPITAL BEFORE REGULATORY ADJUSTMENTS	**92,574**	**482**	**92,051**	**854**
Common Equity Tier 1 (CET1) capital: regulatory adjustments(***)	**(17,044)**	**(99)**	**(17,976)**	**(341)**
COMMON EQUITY TIER 1 (CET1) CAPITAL	**75,530**	**383**	**74,075**	**513**
Additional Tier 1 (AT1) capital: instruments(***)	**8,292**	**837**	**8,809**	**1,414**
Additional Tier 1 (AT1) capital: regulatory adjustments(***)	**(399)**	**(353)**	**(732)**	**(719)**
ADDITIONAL TIER 1 (AT1) CAPITAL	**7,893**	**484**	**8,077**	**695**
TIER 1 CAPITAL (T1 = CET1 + AT1)	**83,423**	**867**	**82,152**	**1,208**
Tier 2 (T2) capital: instruments and provisions(***)	**13,624**	**(393)**	**13,218**	**(389)**
Tier 2 (T2) capital: regulatory adjustments(***)	**(3,285)**	**380**	**(2,917)**	**767**
Tier 2 (T2) CAPITAL	**10,339**	**(14)**	**10,302**	**378**
TOTAL CAPITAL (TC = T1 + T2)	**93,762**	**853**	**92,454**	**1,585**

(*) Subject to the provisions of article 26.2 of Regulation (EU) No. 575/273.

(**) Amounts subject to pre-regulation treatment or prescribed residual amount of Regulation (EU) No. 575/2013, in accordance with grandfathered Additional Tier 1 and Tier 2 eligibility rules applicable as of 2019.

(***) See Appendix 1: Regulatory capital - detail.

• INFORMATION ON DEBT INSTRUMENTS AS REQUIRED BY IMPLEMENTING REGULATION (EU) No.1423/2013

The details of the debt instruments recognised as capital, as well as their characteristics, as required by Implementing Regulation (EU) No. 1423/2013, are available in the *BNP Paribas Debt* section of the Investor Relations website: www.invest.bnpparibas.com.

PILLAR 1 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENT

In 2017, the Group is progressively adopting the templates and definitions recommended by the EBA in its Guidelines of 14 December 2016. The impacts on the risk categories are presented in the template below:

	RWAs		
In billions of euros	30 June 2017 Former definition	Adjustments	30 June 2017 New definition
Credit risk	**475**	**+43 -9 -5**	**505**
of which equitiy exposures non subject to 250% risk weight(*)		*+43*	
of which deferred taxes arising from temporary differences	*9*	*-9*	
of which securitisation exposures in the banking book	*5*	*-5*	
Counterparty credit risk	**29**		**29**
Securitisation exposures in the banking book		**+5**	**5**
Market risk	**20**		**20**
Operational risk	**64**		**64**
Amounts below the thresholds for deduction - subject to 250% risk weight(**)		**+9 +9**	**18**
Equity risk(*)	**52**	**-52**	
of which equitiy exposures non subject to 250% risk weight	*43*	*-43*	
of which significant investment in financial sector entities (subject to a 250 % risk weight)	*9*	*-9*	
TOTAL	**640**		**640**

(*) The equity risk, previously identified as a separate category, is now broken down between the credit risk category for equity risks treated using the simple weighting method or an internal model approach (EUR 43 billion as at 30 June 2017) and the "Amounts below the thresholds for deduction" for significant investments in entities in the financial sector subject to 250% risk weight (EUR 9 billion as at 30 June 2017).
(**) Including the deferred taxes arising from temporary differences and significant investments in entities in the financial sector subject to 250% risk weight.

In the following tables, only relevant items with a non-zero value are included. Capital requirements make up 8% of risk-weighted assets.

► EU OV1: OVERVIEW OF RWAs

The update of the Registration document, table 12 page 264 is available in Appendix 3: *Risk-weighted assets and capital requirements – former presentation.*

The breakdown of RWAs according to the new EBA EU-OV1 template as at 30 June 2017 and 31 December 2016 is detailed below. See Appendix 2 for data historical since 30 June 2016.

		RWAs		Capital requirements	
In millions of euros		30 June 2017	31 December 2016	30 June 2017	
1	**Credit risk**	**504,712**	**494,433**	**40,377**	
2	Of which standardised approach	207,481	210,564	16,598	
4	Of which the advanced IRB approach (AIRB)	254,360	238,693	20,349	
5	Of which equity IRB under the simple risk-weighted approach or the IMA	42,871	45,175	3,430	See EU CR10
6	**Counterparty credit risk**	**28,732**	**33,168**	**2,299**	
7	Of which mark-to-market	3,410	3,876	273	
10	Of which internal model method (IMM)	21,843	23,860	1,747	
11	Of which risk exposure amount for contributions to default fund of a CCP	984	1,085	79	
12	Of which CVA	2,495	4,347	200	See EU CCR2
14	**Securitisation exposures in the banking book**	**4,819**	**8,463**	**386**	
15	Of which IRB approach (IRB)	2,267	5,438	181	
16	Of which IRB supervisory formula approach (SFA)	2,045	2,201	164	
17	Of which internal assessment approach (IAA)	67	68	5	
18	Of which standardised approach	440	755	35	
19	**Market risk**	**19,558**	**22,529**	**1,565**	
20	Of which standardised approach	2,542	1,763	203	See EU MR1
21	Of which IMA	17,016	20,766	1,361	See EU MR2
23	**Operational risk**	**64,394**	**63,527**	**5,152**	
24	Of which basic indicator approach	5,639	6,044	451	
25	Of which standardised approach	9,629	9,581	770	
26	Of which advanced measurement approach (AMA)	49,126	47,902	3,930	
27	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**17,549**	**18,553**	**1,404**	
29	**TOTAL**	**639,765**	**640,673**	**51,181**	

At 30 June 2017, the Group's risk-weighted assets amounted to EUR 638 billion taking transitional arrangements into account.

Update of the 2016 Registration document, table 11 page 262.

RWAs *In millions of euros*	Retail Banking & Services		Corporate & Institutional Banking				30 June 2017
	Domestic Markets	International Financial Services	Corporate Banking	Global Markets	Securities Services	Other activities	Total
Credit risk	196,603	169,355	97,499	6,145	2,381	32,729	**504,712**
Of which equity IRB under the simple risk-weighted approach or the IMA	*4,667*	*25,478*	*1,440*	*852*	*267*	*10,166*	***42,871***
Banking book securitisation positions	2,427	798	592	23,013	1,879	24	**28,732**
Counterparty credit risk	409	340	917	2,408	1	745	**4,819**
Equity risk	43	335	1,528	15,334	741	1,577	**19,558**
Market risk	18,785	17,164	10,318	13,628	3,021	1,478	**64,394**
Operational risk	1,723	6,157	161	786	115	8,607	**17,549**
TOTAL	**219,990**	**194,148**	**111,015**	**61,314**	**8,137**	**45,161**	**639,765**

RWAs *In millions of euros*	Retail Banking & Services		Corporate & Institutional Banking				31 December 2016
	Domestic Markets	International Financial Services	Corporate Banking	Global Markets	Securities Services	Other activites	Total
Credit risk	187,417	171,684	101,628	4,901	1,938	26,864	**494,433**
Of which equity IRB under the simple risk-weighted approach or the IMA	*4,286*	*25,875*	*1,844*	*847*	*97*	*12,226*	***45,175***
Banking book securitisation positions	2,625	800	358	27,440	1,904	40	**33,168**
Counterparty credit risk	449	544	938	5,730	1	802	**8,463**
Equity risk	59	253	933	19,314	50	1,920	**22,529**
Market risk	18,521	16,970	9,964	13,637	2,919	1,517	**63,527**
Operational risk	1,557	6,219	175	815	341	9,445	**18,553**
TOTAL	**210,628**	**196,471**	**113,996**	**71,836**	**7,154**	**40,588**	**640,673**

CREDIT RISK

See section 5.4 *Credit risk* of the 2016 Registration document.

Following the reclassification of equity risk within credit risk, the table below details the exposures presented in line 5 (*of which equity IRB under the simple risk-weighted approach*) of table *EU OV1: Overview of RWAs*.

► EU CR10: EQUITIES UNDER THE SIMPLE RISK-WEIGHTED APPROACH

In millions of euros						30 June 2017
Categories	On-balance-sheet amount	Off-balance-sheet amount	EAD	Risk weight	RWAs	Capital recquirements
Private equity exposures in diversified portfolios	1,756	508	2,010	190%	3,819	306
Listed equities	1,733	98	1,782	290%	5,168	413
Other equity exposures	9,113	90	9,158	370%	33,884	2,711
TOTAL	**12,602**	**695**	**12,950**		**42,871**	**3,430**

In millions of euros						31 December 2016
Categories	On-balance-sheet amount	Off-balance-sheet amount	EAD	Risk weight	RWAs	Capital recquirements
Private equity exposures in diversified portfolios	1,947	482	2,188	190%	4,157	333
Listed equities	2,243	142	2,314	290%	6,709	537
Other equity exposures	9,203	136	9,273	370%	34,309	2,745
TOTAL	**13,392**	**760**	**13,774**		**45,175**	**3,614**

COUNTERPARTY CREDIT RISK

See section 5.6 *Counterparty credit risk* of the 2016 Registration document.

► EU CCR1: CREDIT COUNTERPARTY RISK BY APPROACH

		30 June 2017				
		b+c	d	e	f	g
	In millions of euros	NPV+Add-on(**)	EEPE(*)	Multiplier	EAD post CRM	RWAs
1	Mark to market	1,418			1,418	1,144
4	Internal model approach (for derivatives and SFTs)		74,992	1.6	119,987	21,527
5	*of which SFTs*		*27,653*	*1.6*	*44,245*	*3,210*
6	*of which derivatives and long settlement transactions*		*47,339*	*1.6*	*75,742*	*18,317*
9	Financial collateral comprehensive method for SFTs				605	316
11	**TOTAL**					**22,987**

(*) Effective Expected Positive Exposure.
(**) Net Present Value.

		31 December 2016				
		b+c	d	e	f	g
	In millions of euros	NPV+Add-on(**)	EEPE(*)	Multiplier	EAD post CRM	RWAs
1	Mark to market	1,589			1,589	1,165
4	Internal model approach (for derivatives and SFTs)		87,025	1.6	139,240	23,860
5	*of which SFTs*		*28,864*	*1.6*	*46,183*	*2,775*
6	*of which derivatives and long settlement transactions*		*58,161*	*1.6*	*93,057*	*21,085*
9	Financial collateral comprehensive method for SFTs					
11	**TOTAL**					**25,025**

(*) Effective Expected Positive Exposure.
(**) Net Present Value.

► EU CCR8: EXPOSURES TO CCPs

		30 June 2017		31 December 2016	
	In millions of euros	EAD	RWAs	EAD	RWAs
1	**Exposures to QCCP (total)**		3,249		**3,463**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions)	31,934	1,617	39,975	1,814
3	*of which OTC derivatives*	*1,016*	*236*	*704*	*45*
4	*of which exchange-traded derivatives*	*29,591*	*1,354*	*36,292*	*1,589*
5	*of which SFTs*	*1,327*	*27*	*2,979*	*180*
8	Non-segregated initial margin(*)	21,260	481	19,504	440
9	Prefunded default fund contributions	2,428	974	2,145	1,060
10	Alternative calculation of own funds requirements for exposures		177		150
	of which exposures for trades at QCCPs	*722*	*75*	*546*	*49*
	of which non-segregated initial margin(*)	*1,013*	*92*	*649*	*98*
	of which prefunded default fund contributions	*125*	*10*	*603*	*3*
11	**Exposures to non-QCCPs (total)**				**333**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contribution)			291	291
13	*Of which OTC derivatives*			*291*	*291*
18	Non-segregated initial margin(*)			19	19
19	Prefunded default fund contributions			1	11
20	Unfunded default fund contributions			1	11

(*) Not bankruptcy remote in accordance with article 300.1 of Regulation (EU) No. 575/273.

Since the first quarter 2017, the Group has no exposures to non-qualifying central counterparties.

► EU CCR2: CVA CAPITAL CHARGE

See the definition of the credit valuation adjustment (CVA) page 331 of the 2016 Registration document.

		30 June 2017		31 December 2016	
In millions of euros		EAD	RWAs	EAD	RWAs
1	**Advanced approach**	**37,439**	**2,233**	**49,849**	**4,044**
2	CVA VaR charge		378		898
3	CVA SVaR charge		1,855		3,146
4	**Standardised approach**	**686**	**262**	**795**	**303**
5	**TOTAL**	**38,124**	**2,495**	**50,644**	**4,347**

MARKET RISK

See section 5.7 *Market risk* of the 2016 Registration document.

► EU MR1: MARKET RISK UNDER THE STANDARDISED APPROACH

		30 June 2017		31 December 2016	
In millions of euros		RWAs	Capital requirements	RWAs	Capital requirements
	Outright products				
1	Interest rate risk (general and specific)	148	12	114	9
2	Equity risk (general and specific)	2	0	9	1
3	Foreign exchange risk	1,510	121	844	68
	Options				
7	Scenario approach			2	0
8	**Securitisation (specific risk)**	**882**	**71**	**794**	**64**
9	**TOTAL**	**2,542**	**203**	**1,763**	**141**

► EU MR2-A: MARKET RISK UNDER THE INTERNAL MODEL APPROACH

		30 June 2017		31 December 2016	
In millions of euros		RWAs	Capital requirements	RWAs	Capital requirements
1	**VaR** (higher of values a and b)	**5,179**	**414**	**6,415**	**513**
1.a	Previous day's VaR		107		114
1.b	Average of the daily VaR of the CRR on each of the preceding 60 business days x multiplication factor		414		513
2	**SVaR** (higher of values a and b)	**7,397**	**592**	**8,933**	**715**
2.a	Latest SVaR		161		200
2.b	Average of the SVaR during the preceding 60 business days x multiplication factor		592		715
3	**IRC**(*) (higher of values a and b)	**3,674**	**294**	**4,420**	**354**
3.a	Most recent IRC value		259		257
3.b	Average of the IRC number over the preceding 12 weeks		294		354
4	**CRM**(**) (higher of values a, b and c)	**766**	**61**	**998**	**80**
4.a	Most recent risk number for the correlation trading portfolio		58		80
4.b	Average of the risk number for the correlation trading portfolio over the preceding 12 weeks		61		79
4.c	8% of the own funds requirement		37		45
6	**TOTAL**	**17,016**	**1,361**	**20,766**	**1,661**

(*) Incremental Risk Charge. See page 350 of the 2016 Registration document.

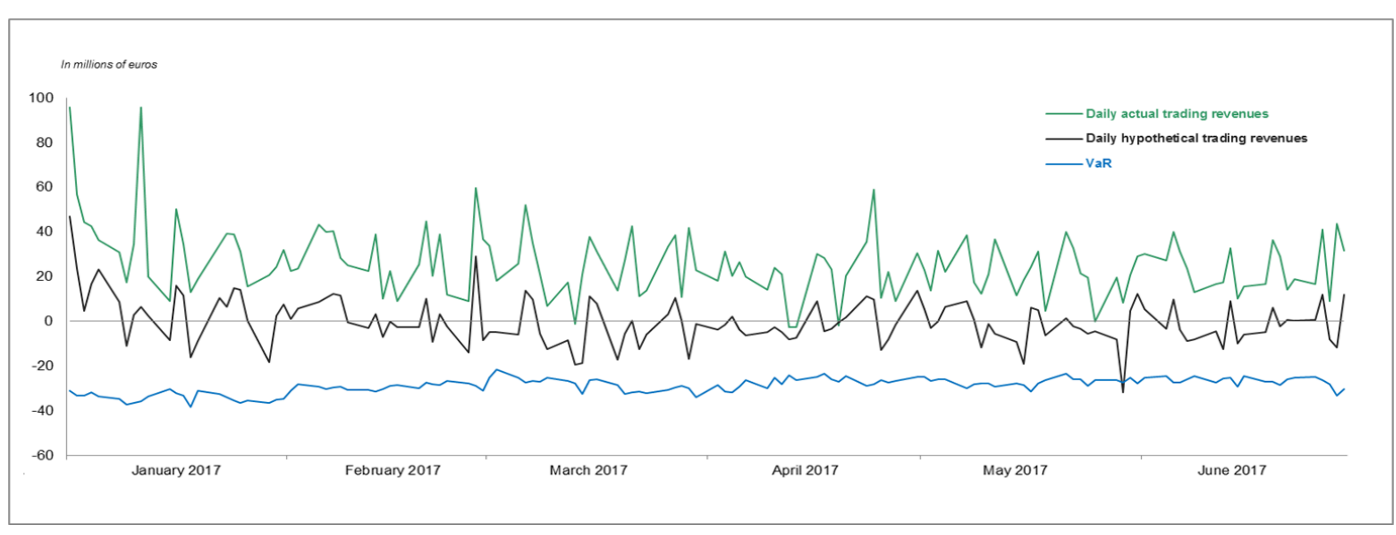
(**) Comprehensive Risk Measure. See page 351 of the 2016 Registration document.

► EU MR3: INTERNAL MODEL APPROACH VALUES FOR TRADING PORTFOLIOS

	In millions of euros	Year to 30 June 2017	Year to 31 December 2016
	VaR (10-day, 99%)		
1	Maximum	121	188
2	Average	91	106
3	Minimum	68	63
4	Last measure	96	92
	SVaR (10-day, 99%)		
5	Maximum	221	232
6	Average	135	146
7	Minimum	85	101
8	Last measure	151	178
	IRC(*) (99.9%)		
9	Maximum	374	429
10	Average	250	274
11	Minimum	197	184
12	Last measure	235	233
	CRM(**) (99.9%)		
13	Maximum	104	147
14	Average	67	70
15	Minimum	41	44
16	Last measure	58	80

(*) Incremental Risk Charge. See page 350 of the 2016 Registration document.
(**) Comprehensive Risk Measure. See page 351 of the 2016 Registration document.

► EU MR4: COMPARISON BETWEEN VAR (1-DAY, 99%) AND DAILY TRADING REVENUE



On 30 May 2017, a hypothetical backtesting event was recorded (no actual backtesting event was observed). The overshooting was due to a combination of several risk factors, mainly interest rates and foreign exchange.

LEVERAGE RATIO

Update of the 2016 Registration document, table 21 page 271.

► LEVERAGE RATIO

► *Summary reconciliation of accounting assets and leverage ratio exposures (LRSum)*

In billions of euros		30 June 2017	31 December 2016
1	Total assets as per published financial statements	2,143	2,077
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(203)	(199)
4	Adjustments for derivative financial instruments	(82)	(149)
5	Adjustment for securities financing transactions (SFTs)	(5)	2
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	161	157
7	Other adjustments	(35)	(28)
8	**LEVERAGE RATIO TOTAL EXPOSURE MEASURE**	**1,979**	**1,860**

► *Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (LRSpl)*

In billions of euros		30 June 2017	31 December 2016
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**1,448**	**1,342**
EU-2	Trading book exposures	163	126
EU-3	Banking book exposures, of which:	1,285	1,217
EU-5	Exposures treated as sovereigns	386	324
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	30	28
EU-7	Institutions	59	58
EU-8	Secured by mortgages of immovable properties	185	182
EU-9	Retail exposures	205	194
EU-10	Corporate	313	322
EU-11	Exposures in default	18	20
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	88	89

► *Leverage ratio common disclosure (LRCom)*

In billions of euros		30 June 2017	31 December 2016
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	1,465	1,360
2	(Asset amounts deducted in determining Tier 1 capital)	(17)	(18)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	**1,448**	**1,342**
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	47	50
5	Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	156	158
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(33)	(33)
8	(Exempted CCP leg of client-cleared trade exposures)	(8)	(9)
9	Adjusted effective notional amount of written credit derivatives	437	482
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(413)	(452)
11	**Total derivatives exposures (sum of lines 4 to 10)**	**187**	**197**
	SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	301	284
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(119)	(124)
14	Counterparty credit risk exposure for SFT assets	1	4
16	**Total securities financing transaction exposures (sum of lines 12 to 14)**	**183**	**164**
	Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	384	380
18	(Adjustments for conversion to credit equivalent amounts)	(223)	(223)
19	**Other off-balance sheet exposures (sum of lines 17 and 18)**	**161**	**157**
	Capital and total exposure mesure		
20	**Tier 1 capital(*)**	**83**	**81**
21	**Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19)**	**1,979**	**1,860**
22	**Leverage ratio**	**4.2%**	**4.4%**
	Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	Fully-loaded(*)	Fully-loaded(*)

(*) In accordance with grandfathered Additional Tier 1 and Tier 2 eligibility rules applicable as of 2019.

Appendix:

APPENDIX 1: REGULATORY CAPITAL – DETAIL

The table below is presented in the format required under Annex VI of Implementing Regulation (EU) No. 1423/2013 of 20 December 2013.

► REGULATORY CAPITAL ACCORDING TO ANNEX VI OF IMPLEMENTING REGULATION (EU) No. 1423/2013

In millions of euros		31 June 2016(*)		31 December 2016			
		Phased in	Transitional arrangements(*)	Phased in	Transitional arrangements(*)	Reference to table 6	Notes
Common Equity Tier 1 (CET1) capital: instruments and reserves							
1	Capital instruments and the related share premium accounts	27,061	-	26,995	-	6	-
	of which ordinary shares	*27,061*	-	*26,995*	-	-	-
2	Retained earnings	56,416	-	52,070	-	-	-
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	4,236	-	6,169	-	8	-
3a	Funds for general banking risk	-	-	-	-	-	-
4	Amounts of qualifying items referred to in a1rticle 484 (3) and the related share premium accounts subject to phase out from CET1	-	-	-	-	-	-
	Public sector capital injections grandfathered until 1 January 2018	-	-	-	-	-	-
5	Minority interests (amount allowed in consolidated CET1)	2,805	482	2,837	854	10	(1)
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	2,056	-	3,979	-	9	(2)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**92,574**	**482**	**92,051**	**854**	**-**	-
Common Equity Tier 1 (CET1) capital: regulatory adjustments						-	-
7	Additional value adjustments (negative amount)	(865)	-	(1,018)	-	-	-
8	Intangible assets (net of related tax liability) (negative amount)	(12,914)	-	(13,431)	-	3	(3)
9	Empty set in the EU	-	-	-	-	-	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in article 38 (3) are met) (negative amount)	(507)	301	(378)	506	-	-
11	Fair value reserves related to gains or losses on cash flow hedges	(1,193)	-	(1,154)	-	-	-
12	Negative amounts resulting from the calculation of expected loss amounts	(1,180)	8	(1,034)	12	-	-
13	Any increase in equity that results from securitised assets (negative amount)	-	-	-	-	-	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	323	7	195	45	-	-
15	Defined-benefit pension fund assets (negative amount)	(154)	-	(141)	-	-	-
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(111)	28	(67)	45	-	-
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	-	-	-	-
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	-	-	-	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	-	-	-	-
20	Empty set in the EU						
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-	-	-	-	-
20b	*of which: qualifying holdings outside the financial sector (negative amount)*	-	-	-	-	-	-
20c	*of which: securitisation positions (negative amount)*	-	-	-	-	-	-
20d	*of which: free deliveries (negative amount)*	-	-	-	-	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in article 38 (3) are met) (negative amount)	-	-	-	-	-	-
22	Amount exceeding the 15% threshold (negative amount)	-	-	-	-	-	-
23	*of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*	-	-	-	-	-	-

24	Empty set in the EU						
25	*of which: deferred tax assets arising from temporary differences*	-	-	-	-	-	-
25a	Losses for the current financial year (negative amount)	-	-	-	-	-	-
25b	Foreseeable tax charges relating to CET1 items (negative amount)	-	-	-	-	-	-
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-	-	-	-	-	-
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to articles 467 and 468	(443)	(443)	(948)	(948)	-	-
	of which: … unrealised gains (phase out)	*(369)*	*(369)*	*(803)*	*(803)*	-	-
	of which: … unrealised losses (phase out)	-	-	-	-	-	-
	of which: unrealised gains linked to exposures to central administrations (phase out)	*(74)*	*(74)*	*(145)*	*(145)*	-	-
	of which: unrealised losses linked to exposures to central administrations (phase out)	-	-	-	-	-	-
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	-	-	-	-	-	-
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	-	-	-	-	-
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(17,044)**	**(99)**	**(17,976)**	**(341)**	**-**	-
29	**Common Equity Tier 1 (CET1) capital**	**75,530**	**383**	**74,075**	**513**	**-**	-
Additional Tier 1 (AT1) capital: instruments						**-**	-
30	Capital instruments and the related share premium accounts	4,130	-	4,120	-	-	-
31	*of which: classified as equity under applicable accounting standards*	*4,130*	-	*4,120*	-	*7*	-
32	*of which: classified as liabilities under applicable accounting standards*	-	-	-	-	-	-
33	Amount of qualifying items referred to in article 484 (4) and the related share premium accounts subject to phase out from AT1	3,695	841	4,310	1,275	7	-
	Public sector capital injections grandfathered until 1 January 2018	-	-	-	-	-	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	466	(4)	379	139	-	-
35	*of which: instruments issued by subsidiaries subject to phase out*	*235*	*53*	*235*	*235*	*4*	(4)
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**8,292**	**837**	**8,809**	**1,414**	**-**	-
Additional Tier 1 (AT1) capital: regulatory adjustments						**-**	-
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	(36)	9	(8)	5	-	-
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	-	-	-	-
39	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	-	-	-	-
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-	-	-	-	-
41	Regulatory adjustments applied to Additional Tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	-	-	-	-	-	-
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	(8)	(8)	(16)	(16)	-	-
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	(354)	(354)	(708)	(708)	1	(5)
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR	-	-	-	-	-	-
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	-	-	-	-	-
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**(399)**	**(353)**	**(732)**	**(719)**	**-**	-
44	**Additional Tier 1 (AT1) capital**	**7,893**	**484**	**8,077**	**695**	**-**	-
45	**Tier 1 capital (T1=CET1+AT1)**	**83,423**	**867**	**82,152**	**1,208**	**-**	-
Tier 2 (T2) capital: instruments and provisions						-	-
46	Capital instruments and the related share premium accounts	12,818	-	12,247	-	5	(6)
47	Amount of qualifying items referred to in article 484 (5) and the related share premium accounts subject to phase out from T2	50	(401)	50	(506)	5	(6)
	Public sector capital injections grandfathered until 1 January 2018	-	-	-	-	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 and 34) issued by subsidiaries and held by third parties	756	7	922	117	5	(6)
49	*of which: instruments issued by subsidiaries subject to phase*	*155*	*50*	*162*	*162*	-	-

	out						
50	Credit risk adjustments	-	-	-	-	-	-
51	**Tier 2 (T2) capital before regulatory adjustments**	**13,624**	**(393)**	**13,218**	**(389)**	**-**	-
Tier 2 (T2) capital: regulatory adjustments						-	-
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(99)	25	(84)	56	-	-
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	(56)	7	(49)	15	-	-
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	-	-	-	-
54a	*of which new holdings not subject to transitional arrangements*	-	-	-	-	-	-
54b	*of which holdings existing before 1 January 2013 and subject to transitional arrangements*	-	-	-	-	-	-
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(3,130)	348	(2,783)	696	1	-
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	-	-	-	-	-	-
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-	-	-	-	-	-
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-	-	-	-	-	-
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	-	-	-	-	-	-
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**(3,285)**	**380**	**(2,917)**	**767**	**-**	-
58	**Tier 2 (T2) capital**	**10,339**	**(14)**	**10,302**	**378**	**-**	-
59	**Total capital (TC=T1+T2)**	**93,762**	**853**	**92,454**	**1,585**	**-**	-
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)	-	-	-	-		
	of which: CET1 instruments of financial sector entities not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts)	-	-	-	-		
	of which: Deferred tax assets that rely on future profitability and arising from temporary differences not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts)	-	-	-	-		
	of which: AT1 instrument of financial sector entities not deducted from AT1 (Regulation (EU) No. 575/2013 residual amounts)	-	-	-	-		
	of which: Tier 2 instrument of financial sector entities not deducted from Tier 2 (Regulation (EU) No. 575/2013 residual amounts)	-	-	-	-		
60	**Total risk weighted assets**	**638,399**	**5,662**	**638,207**	**(2,466)**		
Capital ratios and buffers							
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	11.8%	0.1%	11.6%	0.1%		
62	Tier 1 (as a percentage of risk exposure amount)	13.1%	0.2%	12.9%	0.2%		
63	Total capital (as a percentage of risk exposure amount)	14.7%	0.2%	14.5%	0.3%		
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	2.25%	2.25%	1.125%	3.375%		
65	*of which: capital conservation buffer requirement*	*1.25%*	*1.25%*	*0.625%*	*1.875%*		
66	*of which: countercyclical buffer requirement*	*0.0%*	*0.0%*	*0.0%*	*0.0%*		
67	*of which: systemic risk buffer requirement*	*0.0%*	*0.0%*	*0.0%*	*0.0%*		
67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	*1.0%*	*1.0%*	*0.5%*	*1.5%*		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	7.3%	0.1%	7.1%	0.1%		
69	[non relevant in EU regulation]						
70	[non relevant in EU regulation]						
71	[non relevant in EU regulation]						
Amounts below the thresholds for deduction (before risk weighting)						-	-

72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	2,752	(110)	2,757	(266)	2	(7)
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	3,586	(53)	3,604	(71)	1	-
74	Empty set in the EU						
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in article 38 (3) are met)	3,339	-	3,699	-	-	-
Applicable caps on the inclusion of provisions in Tier 2						-	-
76	Credit risk adjustments included in Tier 2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-	-	-	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	2,846	-	2,901	-	-	-
78	Credit risk adjustments included in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-	-	-	-	-
79	Cap on inclusion of credit risk adjustments in T2 under internal ratings-based approach	1,600	-	1,566	-	-	-
Capital instruments subject to phase out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)						-	-
80	Current cap on CET1 instruments subject to phase out arrangements	-	-	-	-	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	5,058	2,023	6,070	3,035	-	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-	-
84	Current cap on T2 instruments subject to phase out arrangements	927	371	1,112	556	-	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-	-

(*) Amounts subject to pre-regulation treatment or prescribed residual amount of Regulation (EU) No. 575/2013, in accordance with grandfathered Additional Tier 1 and Tier 2 eligibility rules applicable as of 2019.

(**) Subject to the provisions of article 26.2 of Regulation (EU) No. 575/273.

(1) Minority interests are adjusted for their capitalisation surplus for regulated entities. For the other entities, minority interests are not recognised in fully loaded Basel 3.

(2) Deductions from net income for the period relate mainly to the proposed dividend distribution.

(3) The deduction of intangible assets is calculated net of deferred tax liabilities.

(4) Tier 1 capital instruments issued by subsidiaries include subordinated debt, as well as preferred shares recognised in equity.

(5) The residual amount of deductions from Tier 2 capital relates to Tier 2 capital instruments in financial sector entities in which the Bank holds a significant investment, or with which the Bank has a cross holding.

(6) A prudential discount is applied to Tier 2 capital instruments with less than five years of residual maturity.

(7) Holdings of equity instruments in financial institutions are recorded in the banking book, as detailed in the consolidated accounting balance sheet to the prudential balance sheet reconciliation, as well as in the trading book.

APPENDIX 2: EU OV1 – PREVIOUS YEAR – RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS ACORDING TO THE NEW PRESENTATION

► EU OV1: OVERVIEW OF RWAs (PROFORMA)

	RWAs *In millions of euros*	30 June 2017	31 March 2017	31 December 2016	30 September 2016	30 June 2016
1	**Credit risk**	**504,712**	**500,010**	**494,433**	**490,081**	**489,080**
2	Of which standardised approach	207,481	209,846	210,564	207,494	208,143
4	Of which the advanced IRB approach (AIRB)	254,360	246,091	238,693	232,493	231,888
5	Of which equity IRB under the simple risk-weighted approach or the IMA	42,871	44,073	45,175	50,093	49,049
6	**Counterparty credit risk**	**28,732**	**32,944**	**33,168**	**32,474**	**34,698**
7	Of which mark-to-market	3,410	3,524	3,876	4,619	4,582
10	Of which internal model method (IMM)	21,843	24,503	23,860	23,196	25,170
11	Of which risk exposure amount for contributions to default fund of a CCP	984	1,327	1,085	565	534
12	Of which CVA	2,495	3,590	4,347	4,094	4,412
14	**Securitisation exposures in the banking book (after the cap)**	**4,819**	**5,296**	**8,463**	**8,828**	**10,135**
15	Of which IRB approach (IRB)	2,267	2,525	5,438	5,652	6,112
16	Of which IRB supervisory formula approach (SFA)	2,045	2,255	2,201	2,317	3,137
17	Of which internal assessment approach (IAA)	67	68	68	69	58
18	Of which standardised approach	440	448	755	790	827
19	**Market risk**	**19,558**	**20,491**	**22,529**	**21,721**	**22,192**
20	Of which standardised approach	2,542	2,030	1,763	2,002	1,476
21	Of which IMA	17,016	18,461	20,766	19,719	20,716
23	**Operational risk**	**64,394**	**64,415**	**63,527**	**61,879**	**61,459**
24	Of which basic indicator approach	5,639	5,810	6,044	5,671	5,786
25	Of which standardised approach	9,629	9,629	9,581	9,228	9,167
26	Of which advanced measurement approach (AMA)	49,126	48,976	47,902	46,980	46,506
27	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**17,549**	**18,713**	**18,553**	**17,755**	**18,235**
29	**TOTAL**	**639,765**	**641,870**	**640,673**	**632,737**	**635,799**

APPENDIX 3: RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS – FORMER PRESENTATION

The table below corresponds to the update of the Registration document, table 12 page 264, according to the former presentation allowing reconciliation with the new EBA EU-OV1 template.

	30 June 2017		31 December 2016		Variation	
In millions of euros	RWAs	Capital requirements	RWAs	Capital requirements	RWAs	Capital requirements
Credit risk(*)	474,817	37,985	466,750	37,340	8,067	645
Counterparty credit risk	28,732	2,299	33,168	2,653	(4,436)	(354)
Equity risk	52,264	4,181	54,698	4,376	(2,434)	(195)
Market risk(**)	19,558	1,565	22,529	1,802	(2,971)	(237)
Operational risk	64,394	5,152	63,527	5,082	867	70
TOTAL	**639,765**	**51,181**	**640,673**	**51,254**	**(908)**	**(73)**
(*) Of which banking book securitisation positions	*4,819*	*386*	*8,463*	*677*	*(3,644)*	*(291)*
(**) Of which foreign exchange risk	*1,510*	*121*	*846*	*68*	*664*	*53*

5. Additional information

5.1 Ownership structure as at 30 June 2017

	% of voting rights
SFPI(*)	**7.7%**
Gd Duchy of Luxembourg	**1.0%**
BlackRock Inc.	**5.1%**
Employees	**4.3%**
- o/w corporate mutual funds	3.2%
- o/w direct ownership	1.2%
Retail shareholders	**3.8%**
Institutional investors	**73.8%**
- Europe	43.1%
- Outside Europe	30.7%
Other and unidentified	**4.3%**

(*) *Société Fédérale de Participation et d'Investissement : public-interest société anonyme (public limited company) acting on behalf of the Belgian government*

5.2 Changes in BNP Paribas'capital

Bank's share capital, updated on July 13, 2017, stands at €2,496,865,996 divided into 1,248,432,998 shares with a nominal value of €2 each.

These shares are held in registered or bearer form at the shareholder's discretion, subject to compliance with the relevant legal provisions. None of the Bank's shares carry double voting rights.

5.3 Statuts

SECTION I

FORM – NAME – REGISTERED OFFICE – CORPORATE PURPOSE

Article 1

BNP PARIBAS is a French Public Limited Company (*société anonyme)* licensed to conduct banking operations under the French Monetary and Financial Code, Book V, Section 1 *(Code Monétaire et Financier, Livre V, Titre 1er)* governing banking sector institutions.

The Company was founded pursuant to a decree dated 26 May 1966. Its legal life has been extended to 99 years with effect from 17 September 1993.

Apart from the specific rules relating to its status as an establishment in the banking sector (Book V, Section 1 of the French Monetary and Financial Code - *Code Monétaire et Financier, Livre V, Titre 1er)*, BNP PARIBAS shall be governed by the provisions of the French Commercial Code (*Code de Commerce*) concerning commercial companies, as well as by these Articles of Association.

Article 2

The registered office of BNP PARIBAS shall be located in PARIS (9th *arrondissement*), at 16, Boulevard des Italiens (France).

Article 3

The purpose of BNP PARIBAS shall be to provide and carry out the following services with any individual or legal entity, in France and abroad, subject to compliance with the French laws and regulations applicable to credit institutions licensed by the Credit Institutions and Investment Firms Committee (*Comité des Etablissements de Crédit et des Entreprises d'Investissement)*:

- any and all investment services,
- any and all services related to investment services,
- any and all banking transactions,
- any and all services related to banking transactions,
- any and all equity investments,

as defined in the French Monetary and Financial Code Book III – Section 1 *(Code Monétaire et Financier, Livre III, Titre 1er)* governing banking transactions and Section II (*Titre II*) governing investment services and related services.
On a regular basis, BNP PARIBAS may also conduct any and all other activities and any and all transactions in addition to those listed above, in particular any and all arbitrage, brokerage and commission transactions, subject to compliance with the regulations applicable to banks.

In general, BNP PARIBAS may, on its own behalf, and on behalf of third parties or jointly therewith, perform any and all financial, commercial, industrial or agricultural, personal property or real estate transactions directly or indirectly related to the activities set out above or which further the accomplishment thereof.

SECTION II

SHARE CAPITAL - SHARES

Article 4

The share capital of BNP PARIBAS shall stand at 2,496,865,996 euros divided into 1,248,432,998 fully paid-up shares with a nominal value of 2 euros each.

Article 5

The fully paid-up shares shall be held in registered or bearer form at the shareholder's discretion, subject to the French laws and regulations in force.

The shares shall be registered in an account in accordance with the terms and conditions set out in the applicable French laws and regulations in force. They shall be assigned by transfer from one account to another.

The Company may request disclosure of information concerning the ownership of its shares in accordance with the provisions of Article L. 228-2 of the French Commercial Code (Code de Commerce).

Without prejudice to the legal thresholds set in Article L. 233-7, paragraph 1 of the French Commercial Code (*Code de Commerce*), any shareholder, whether acting alone or in concert, who comes to directly or indirectly hold at least 0.5% of the share capital or voting rights of BNP PARIBAS, or any multiple of that percentage less than 5%, shall be required to notify BNP PARIBAS by registered letter with return receipt within the timeframe set out in Article L. 233-7 of the French Commercial Code (*Code de Commerce*).

Above 5%, the disclosure obligation provided for in the previous paragraph shall apply to 1% increments of the share capital or voting rights.

The disclosures described in the previous two paragraphs shall also apply when the shareholding falls below the above-mentioned thresholds.

Failure to report either legal or statutory thresholds shall result in the loss of voting rights as provided for by Article L. 233-14 of the French Commercial Code (*Code de Commerce*) at the request of one or more shareholders jointly holding at least 2% of the Company's share capital or voting rights.

Article 6

Each share shall grant a right to a part of ownership of the Company's assets and any liquidation surplus that is equal to the proportion of share capital that it represents.

In cases where it is necessary to hold several shares in order to exercise certain rights, and in particular where shares are exchanged, combined or allocated, or following an increase or reduction in share capital, regardless of the terms and conditions thereof, or subsequent to a merger or any other transaction, it shall be the responsibility of those shareholders owning less than the number of shares required to exercise those rights to combine their shares or, if necessary, to purchase or sell the number of shares or voting rights leading to ownership of the required percentage of shares.

SECTION III

GOVERNANCE

Article 7

The Company shall be governed by a Board of Directors composed of:

1/ Directors appointed by the Ordinary General Shareholders' Meeting

There shall be at least nine and no more than eighteen Directors. Directors elected by the employees shall not be included when calculating the minimum and maximum number of Directors.

They shall be appointed for a three-year term.

When a Director is appointed to replace another Director, in accordance with applicable French laws and regulations in force, the new Director's term of office shall be limited to the remainder of the predecessor's term.

A Director's term of office shall end at the close of the Ordinary General Shareholders' Meeting convened to deliberate on the financial statements for the previous financial year and held in the year during which the Director's term of office expires.

Directors may be re-appointed, subject to the provisions of French law, in particular with regard to their age.

Each Director, including Directors elected by employees, must own at least 10 Company shares.

2/ Directors elected by BNP PARIBAS SA employees

The status of these Directors and the related election procedures shall be governed by Articles L. 225-27 to L. 225-34 of the French Commercial Code (*Code de Commerce*) as well as by the provisions of these Articles of Association.

There shall be two such Directors – one representing executive staff and the other representing non-executive staff.

They shall be elected by BNP PARIBAS SA employees.

They shall be elected for a three-year term.

Elections shall be organised by the Executive Management. The timetable and terms and conditions for elections shall be drawn up by the Executive Management in consultation with the national trade union representatives within the Company such that the second round of elections shall be held no later than fifteen days before the end of the term of office of the outgoing Directors.

Each candidate shall be elected on a majority basis after two rounds held in each of the electoral colleges.

Each application submitted during the first round of elections shall include both the candidate's name and the name of a substitute, if any.

Applications may not be amended during the second round of elections.

The candidates shall belong to the electoral college where they stand for election.

Applications other than those presented by a trade union representative within the Company must be submitted together with a document including the names and signatures of one hundred electors belonging to the electoral college where the candidate is presenting for election.

Article 8

The Chairman of the Board of Directors shall be appointed from among the members of the Board of Directors.

Upon proposal from the Chairman, the Board of Directors may appoint one or more Vice-Chairmen.

Article 9

The Board of Directors shall meet as often as necessary in the best interests of the Company. Board meetings shall be convened by the Chairman. Where requested by at least one-third of the Directors, the Chairman may convene a Board meeting with respect to a specific agenda, even if the last Board meeting was held less than two months before. The Chief Executive Officer (CEO) may also request that the Chairman convene a Board meeting to discuss a specific agenda.

Board meetings shall be held either at the Company's registered office, or at any other location specified in the notice of meeting.

Notices of meetings may be communicated by any means, including verbally.

The Board of Directors may meet and make valid decisions at any time, even if no notice of meeting has been communicated, provided all its members are present or represented.

Article 10

Board meetings shall be chaired by the Chairman, by a Director recommended by the Chairman for such purpose or, failing this, by the oldest Director present.

Any Director may attend a Board meeting and take part in its deliberations by videoconference (visioconférence) or all telecommunications and remote transmission means, including Internet, subject to compliance with the conditions set out in applicable legislation at the time of its use.

Any Director who is unable to attend a Board meeting may ask to be represented by a fellow Director, by granting a written proxy, valid for only one specific meeting of the Board. Each Director may represent only one other Director.

At least half of the Board members must be present for decisions taken at Board meetings to be valid.

Should one or both of the offices of Director elected by employees remain vacant, for whatever reason, without the possibility of a replacement as provided for in Article L. 225-34 of the French Commercial Code (*Code de Commerce*), the Board of Directors shall be validly composed of the members elected by the General Shareholders' Meeting and may validly meet and vote.

Members of the Company's Executive Management may, at the request of the Chairman, attend Board meetings in an advisory capacity.

A permanent member of the Company's Central Works Committee, appointed by said Committee, shall attend Board meetings in an advisory capacity, subject to compliance with the provisions of French laws in force.

Decisions shall be made by a majority of Directors present or represented. In the event of a split decision, the Chairman of the meeting shall have the casting vote, except as regards the proposed appointment of the Chairman of the Board of Directors.

The Board of Directors' deliberations shall be recorded in minutes entered in a special register prepared in accordance with French laws in force and signed by the Chairman of the meeting and one of the Directors who attended the meeting.

The Chairman of the meeting shall appoint the Secretary to the Board, who may be chosen from outside the Board's members**.**

Copies or excerpts of Board minutes may be signed by the Chairman, the Chief Executive Officer, the Chief Operating Officers (COOs) or any representative specifically authorised for such purpose.

Article 11

The Ordinary General Shareholders' Meeting may grant Directors' attendance fees under the conditions provided for by French law.

The Board of Directors shall split these fees among its members as it deems appropriate.

The Board of Directors may grant exceptional compensation for specific assignments or duties performed by the Directors under the conditions applicable to agreements subject to approval, in accordance with the provisions of Articles L. 225-38 to L. 225-43 of the French Commercial Code (*Code de Commerce*). The Board may also authorise the reimbursement of travel and business expenses and any other expenses incurred by the Directors in the interests of the Company.

SECTION IV

DUTIES OF THE BOARD OF DIRECTORS,
THE CHAIRMAN, THE EXECUTIVE MANAGEMENT
AND THE NON-VOTING DIRECTORS (Censeurs)

Article 12

The Board of Directors shall determine the business strategy of BNP PARIBAS and supervise the implementation thereof. Subject to the powers expressly conferred on the Shareholders' Meetings and within the limit of the corporate purpose, the Board shall handle any issue concerning the smooth running of BNP PARIBAS and settle matters concerning the Company pursuant to its deliberations. The Board of Directors shall receive from the Chairman or the Chief Executive Officer all of the documents and information required to fulfil its duties.

The Board of Directors' decisions shall be carried out either by the Chairman, the Chief Executive Officer or the Chief Operating Officers, or by any special representative appointed by the Board.

Upon proposal from the Chairman, the Board of Directors may decide to set up committees responsible for performing specific tasks.

Article 13

The Chairman shall organise and manage the work of the Board of Directors and report thereon to the General Shareholders' Meeting. The Chairman shall also oversee the smooth running of BNP PARIBAS's management bodies and ensure, in particular, that the Directors are in a position to fulfil their duties.

The remuneration of the Chairman of the Board shall be freely determined by the Board of Directors.

Article 14

The Board of Directors shall decide how to organise the Executive Management of the Company: the Executive Management of the Company shall be conducted, under his responsibility, either by the Chairman of the Board of Directors or by another individual appointed by the Board of Directors and who shall have the title of Chief Executive Officer.

Shareholders and third parties shall be informed of this choice in accordance with the regulatory provisions in force.

The Board of Directors shall have the right to decide that this choice be for a fixed term.

In the event that the Board of Directors decides that the Executive Management shall be conducted by the Chairman of the Board, the provisions of these Articles of Association concerning the Chief Executive Officer shall apply to the Chairman of the Board of Directors who will in such case have the title of Chairman and Chief Executive Officer. He shall be deemed to have automatically resigned at the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-five years of age.

In the event that the Board of Directors decides to dissociate the functions of Chairman and Chief Executive Officer, the Chairman shall be deemed to have automatically resigned at the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-eight years of age. However, the Board may decide to extend the term of office of the Chairman of the Board until the close of the General Shareholders' Meeting held to approve the financial statements

for the year in which he reaches sixty-nine years of age. The Chief Executive Officer shall be deemed to have automatically resigned at the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-three years of age. However, the Board may decide to extend the term of office of the Chief Executive Officer until the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-four years of age.

Article 15

The Chief Executive Officer shall be vested with the broadest powers to act in all circumstances in the name of BNP PARIBAS. He shall exercise these powers within the limit of the corporate purpose and subject to those powers expressly granted by French law to Shareholders' Meetings and the Board of Directors.

He shall represent BNP PARIBAS in its dealings with third parties. BNP PARIBAS shall be bound by the actions of the Chief Executive Officer even if such actions are outside the scope of the corporate purpose, unless BNP PARIBAS can prove that the third party knew that the relevant action was outside the scope of the corporate purpose or had constructive knowledge thereof in view of the circumstances. The publication of the Company's Articles of Association alone shall not constitute such proof.

The Chief Executive Officer shall be responsible for the organisation and procedures of internal control and for all information required by French law regarding the internal control report.

The Board of Directors may limit the powers of the Chief Executive Officer, but such limits shall not be binding as against third parties.

The Chief Executive Officer may delegate partial powers, on a temporary or permanent basis, to as many persons as he sees fit, with or without the option of redelegation.

The remuneration of the Chief Executive Officer shall be freely determined by the Board of Directors.

The Chief Executive Officer may be removed from office by the Board of Directors at any time. Damages may be payable to the Chief Executive Officer if he is removed from office without a valid reason, except where the Chief Executive Officer is also the Chairman of the Board of Directors.

In the event that the Chief Executive Officer is a Director, the term of his office as Chief Executive Officer shall not exceed that of his term of office as a Director.

Article 16

Upon proposal from the Chief Executive Officer, the Board of Directors may, within the limits of French law, appoint one or more individuals, who shall have the title of Chief Operating Officer, responsible for assisting the Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of Directors shall determine the scope and term of the powers granted to the Chief Operating Officers. However, as far as third parties are concerned, the Chief Operating Officers shall have the same powers as the Chief Executive Officer.

When the Chief Executive Officer ceases to perform his duties or is prevented from doing so, the Chief Operating Officers shall, unless the Board of Directors decides otherwise, retain their functions and responsibilities until a new Chief Executive Officer is appointed.

The remuneration of the Chief Operating Officers shall be freely determined by the Board of Directors, at the proposal of the Chief Executive Officer.

The Chief Operating Officers may be removed from office by the Board of Directors at any time, at the proposal of the Chief Executive Officer. Damages may be payable to the Chief Operating Officers if they are removed from office without a valid reason.

Where a Chief Operating Officer is a Director, the term of his office as Chief Operating Officer may not exceed that of his term of office as a Director.

The term of office of the Chief Operating Officers shall expire at the latest at the close of the General Shareholders' Meeting convened to approve the financial statements for the year in which the Chief Operating Officers reach sixty-five years of age.

Article 17

Upon proposal from the Chairman, the Board of Directors may appoint one or two non-voting Directors (*censeurs*).

Non-voting Directors shall be convened to and take part in Board meetings in an advisory capacity.

They shall be appointed for six years and may be reappointed for further terms. They may also be removed at any time under similar conditions.

They shall be selected from among the Company's shareholders and may receive a remuneration determined by the Board of Directors.

SECTION V

SHAREHOLDERS' MEETINGS

Article 18

General Shareholders' Meetings shall be composed of all shareholders.

General Shareholders' Meetings shall be convened and deliberate subject to compliance with the provisions of the French Commercial Code (*Code de Commerce*).

As an exception to the last paragraph of article L.225-123 of the French Commercial Code (*Code de Commerce*), each share carries one voting right, and no double voting rights are conferred.

They shall be held either at the registered office or at any other location specified in the notice of meeting.

They shall be chaired by the Chairman of the Board of Directors, or, in his absence, by a Director appointed for this purpose by the Shareholders' Meeting.

Any shareholder may, subject to providing proof of identity, attend a General Shareholders' Meeting, either in person, or by returning a postal vote or by designating a proxy.

Taking part in the meeting is subject to the shares having been entered either in the BNP PARIBAS' registered share accounts in the name of the shareholder, or in the bearer share accounts held by the authorised intermediary, within the timeframes and under the conditions provided for by the French regulations in force. In the case of bearer shares, the authorised intermediary shall provide a certificate of participation for the shareholders concerned.

The deadline for returning postal votes shall be determined by the Board of Directors and stated in the notice of meeting published in the French Bulletin of Compulsory Legal Announcements (*Bulletin des Annonces Légales Obligatoires – BALO*).

At all General Shareholders' Meetings, the voting right attached to the shares bearing beneficial rights shall be exercised by the beneficial owner.

If the Board of Directors so decides at the time that the General Shareholders' Meeting is convened, the public broadcasting of the entire General Shareholders' Meeting by videoconference (visioconference) or all telecommunications and remote transmission means, including Internet, shall be authorised. Where applicable, this decision shall be communicated in the notice of meeting published in the French Bulletin of Compulsory Legal Announcements (*Bulletin des Annonces Légales Obligatoires – BALO*).

Any shareholder may also, if the Board of Directors so decides at the time of convening the General Shareholders' Meeting, take part in the vote by videoconference (visioconference) or all telecommunications and remote transmission means, including Internet, subject to compliance with the conditions set out in the applicable laws at the time of its use. If an electronic voting form is used, the shareholder's signature may be in the form of a secured digital signature or a reliable identification process safeguarding the link with the document to which it is attached and may consist, in particular, of a user identifier and a password. Where applicable, this decision shall be communicated in the notice of meeting published in the French Bulletin of Compulsory Legal Announcements (*Bulletin des Annonces Légales Obligatoires – BALO*).

SECTION VI

STATUTORY AUDITORS

Article 19

At least two principal statutory auditors and at least two substitute statutory auditors shall be appointed by the General Shareholders' Meeting for a term of six financial years. Their term of office shall expire after approval of the financial statements for the sixth financial year.

SECTION VII

ANNUAL FINANCIAL STATEMENTS

Article 20

The Company's financial year shall start on 1st January and end on 31st December.

At the end of each financial year, the Board of Directors shall draw up annual financial statements and write a management report on the Company's financial position and its business activities during the previous year.

Article 21

Net income for the year is composed of income for the year minus costs, depreciation, amortizations and impairment.

The distributable profit is made up of the year's profit, minus previous losses as well as the sums to be allocated to the reserves in accordance with French law, plus the profit carried forward.

The General Shareholders' Meeting is entitled to levy all sums from the distributable profit to allocate them to all optional, ordinary or extraordinary reserves or to carry them forward.

The General Shareholders' Meeting may also decide to distribute sums levied from the reserves at its disposal.

However, except in the event of a capital reduction, no amounts may be distributed to the shareholders if the shareholders' equity is, or would become following such distribution, lower than the amount of capital plus the reserves which is not open to distribution pursuant to French law or these Articles of Association.

In accordance with the provisions of Article L. 232-18 of the French Commercial Code (*Code de Commerce*), a General Shareholders' Meeting may offer to the shareholders an option for the payment, in whole or in part, of dividends or interim dividends through the issuance of new shares in the Company.

SECTION VIII

DISSOLUTION

Article 22

Should BNP PARIBAS be dissolved, the shareholders shall determine the form of liquidation, appoint the liquidators at the proposal of the Board of Directors and, in general, take on all of the duties of the General Shareholders' Meeting of a French Public Limited Company *(société anonyme)* during the liquidation and until such time as it has been completed.

SECTION IX

DISPUTES

Article 23

Any and all disputes that may arise during the life of BNP PARIBAS or during its liquidation, either between the shareholders themselves or between the shareholders and BNP PARIBAS, pursuant to these Articles of Association, shall be ruled on in accordance with French law and submitted to the courts having jurisdiction.

5.4 Documents on display

This document is freely available at BNP Paribas' head office:
16, boulevard des Italiens, 75009 Paris.

The French version of this document is also available on:
- The *Autorité des Marchés Financiers* (AMF) website at www.amf-france.org
- The BNP Paribas website at www.invest.bnpparibas.com.

5.5 Significant changes

Save as disclosed in this document, there has been no significant change in the financial position of the BNP Paribas Group since the end of the last financial period for which audited financial statements have been published.

5.6 Trends

Refer to the section 12 of the table of concordance in chapter 8 of this document.

6. Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
185, avenue Charles de Gaulle	63, rue de Villiers	61, rue Henri Regnault
92524 Neuilly-sur-Seine Cedex	92208 Neuilly-sur-Seine Cedex	92400 Courbevoie

- Deloitte & Associés was re-appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 23 May 2006.
  Deloitte & Associés is represented by Damien Leurent.

  Deputy:
  Société BEAS, 195, avenue Charles de Gaulle, Neuilly-sur-Seine (92), France, SIREN No. 315 172 445, Nanterre trade and companies register.

- PricewaterhouseCoopers audit was re-appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 26 May 1994.
  PricewaterhouseCoopers Audit is represented by Etienne Boris.

  Deputy:
  Anik Chaumartin, 63, rue de Villiers, Neuilly-sur-Seine (92), France.

- Mazars was re-appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 23 May 2000.
  Mazars is represented by Hervé Hélias.

  Deputy:
  Michel Barbet-Massin, 61, rue Henri Regnault, Courbevoie (92), France.

Deloitte & Associés, PricewaterhouseCoopers, and Mazars are registered as Statutory Auditors with the Versailles Regional Association of Statutory Auditors, under the authority of the French National Accounting Oversight Board (*Haut Conseil du Commissariat aux comptes*).

7. Person responsible for the update to the Registration Document

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ITS UPDATES

Jean-Laurent Bonnafé, Chief Executive Officer of BNP Paribas

STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ITS UPDATES

I hereby declare to the best of my knowledge, and after having taken all reasonable precautions, that the information contained in the present update of the Registration document is in accordance with the facts and contains no omission likely to affect its import.

I hereby certify that, to my knowledge, the condensed financial statements for the most recent half-year have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all entities included in the consolidated group, and the half-year report on pages 4 to 68 provides a true and fair view of the important events of the first six months of the current financial year, of the effect of such events on the Company's accounts, of the principal related party transactions, as well as a description of the principal risks and principal uncertainties for the six months remaining in the current financial year.

I obtained a completion letter from the Statutory Auditors, Deloitte & Associés, PricewaterhouseCoopers Audit, and Mazars, in which they state that they have verified the information contained in the present update about the Group's financial position and accounts and that they have read the Registration document and its update in their entirety.

Paris, 31 July 2017,

Chief Executive Officer

Jean-Laurent BONNAFÉ

8. Table of concordance

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