SECOND UPDATE OF THE 2017 REGISTRATION DOCUMENT AND HALF YEAR FINANCIAL REPORT, FILED WITH THE AMF ON AUGUST, 1ST 2018

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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 2017 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 1st October 2018, 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 198,000 employees, including close to 150,000 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 2018 results

SOLID RESULTS

BNP Paribas delivered solid results this semester. There was good business development in the context of economic growth in Europe but results reflected also an unfavourable exchange rate effect as well as the impact of less favourable financial markets for CIB compared to the first half last year.

Revenues totalled 22,004 million euros, down by 1.0% compared to the second half 2017 which included the exceptional impact of -207 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) as well as +233 million euros in capital gains from the sale of Shinan and Euronext shares.

The revenues of the operating divisions were down by 0.2%, reflecting an unfavourable foreign exchange effect: they were stable at Domestic Markets[1] as the good business development offset the impact of the low interest rate environment, up significantly at International Financial Services (+6.3%), driven by the development of the businesses, but down at CIB due to a lacklustre market context in Europe compared to the first half 2017 (-8.3% but -4.4% excluding the foreign exchange effect and capital gains realised in the second quarter 2017).

At 15,628 million euros, the Group's operating expenses were up by 2.9% compared to the first half 2017. They included the exceptional 486 million euro impact of businesses' transformation costs and acquisitions' restructuring costs[2] (279 million euros in the first half 2017).

Operating expenses included this semester for 1,138 million euros almost the whole amount of taxes and contributions for the year pursuant to the application of IFRIC 21 Taxes (1,062 million euros in the first half 2017). These taxes and contributions included in particular the 608 million euro contribution to the Single Resolution Fund (502 million euros in the first half 2017).

Excluding exceptional items (up by 208 million euros) and the impact of IFRIC 21 (up by 76 million euros), operating expenses were thus up by only 1.1%, which reflects their containment.

The operating expenses of the operating divisions rose by 1.8% compared to the first half 2017 and by 1.4% excluding the impact of IFRIC 21: they were up by 2.1%[3] for Domestic Markets[1] with a rise in the specialised businesses due to business development but down in the domestic networks (France, Belgium, Italy, Luxembourg), up by 5.5%[3] for International Financial Services as a result of business growth, but down by 4.1%[3] for CIB due to cost saving measures.

The gross operating income of the Group thus totalled 6,376 million euros, down by 9.5%. It was down by 4.1% for the operating divisions (-2.8% excluding IFRIC 21).

The cost of risk was down at 1,182 million euros (1,254 million euros in the first half 2017) or 31 basis points of outstanding customer loans. This low level reflects in particular the good control of risk at loan origination, the low interest rate environment and the continued improvement of the economy in Italy.

The Group's operating income, at 5,194 million euros (5,791 million euros in the first half 2017), was thus down by 10.3%. It was down by 5.0% for the operating divisions (-3.3% excluding IFRIC 21).

[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] Excluding the impact of IFRIC 21

Non-operating items totalled 515 million euros (424 million euros in the first half 2017). They included this semester the exceptional +101 million euros impact of a capital gain from the sale of a building.

Pre-tax income, which came to 5,709 million euros (6,215 million euros in the first half 2017), was thus down by 8.1%. It was down by 5.5% for the operating divisions (-3.8% excluding IFRIC 21).

The average tax rate was 27.3% this semester, benefitting from a 2 points positive effect due to the decrease of the corporate income tax rate in Belgium and in the US.

Net income attributable to equity holders was 3,960 million euros, down by 7.7% compared to the first half 2017 but by only 1.9% excluding exceptional items and IFRIC 21[1].

The return on equity was thus 9.6%[2]. The return on tangible equity was 11.2%[2].

As at 30 June 2018, the fully loaded Basel 3 common equity Tier 1 ratio[3] was 11.5% and takes into account the full implementation of IFRS 9. The fully loaded Basel 3 leverage ratio[4] came to 4.0%. The Liquidity Coverage Ratio was 111% at 30 June 2018. Lastly, the Group's immediately available liquidity reserve was 308 billion euros, equivalent to over one year of room to manoeuvre in terms of wholesale funding.

The net book value per share reached 72.4 euros (after payment this semester of a 3.02 euro dividend per share), equivalent to a compounded annual growth rate of 5.0% since 31 December 2008, illustrating the continuous value creation throughout the cycle.

The Group is actively implementing the 2020 transformation plan, an ambitious programme of new customer experiences, digital transformation and operating efficiency (324 million euros in cost savings this semester, or 858 million euros since the launch of the programme at the beginning of 2017).

The Group also continues to strengthen its internal control and compliance systems. It pursues an ambitious corporate social and environmental policy and is committed to placing sustainable finance at the heart of its model and to have a positive impact on society with significant initiatives to promote ethical responsibility, social and environmental innovation and a low carbon economy.

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[1] Effect of exceptional items after tax: -246 million euros (-94 million euros in the first half 2017)
Effect of taxes and contributions subject to IFRIC 21 after tax: 956 million euros (878 million euros in the first half 2017)

[2] Taxes and contributions subject to IFRIC 21 and exceptional items non annualised

[3] Ratio taking into account all the CRD4 rules with no transitory provisions

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

RETAIL BANKING & SERVICES

DOMESTIC MARKETS

Domestic Markets reported a good business drive. Outstanding loans were up by 5.3% compared to the first half 2017 with good growth in loans both in the domestic networks and the specialised businesses (Arval, Leasing Solutions). Deposits were up by 6.2% compared to the first half 2017, up in all countries. The operating division reported good net asset inflows in Private banking, at 3.0 billion euros.

The operating division continued to develop new customer experiences and the digital transformation, and was ranked by D-rating[1] as the leading bank in France in terms of mobile functionalities. It sped up digital usages with the roll-out of the online account aggregation feature to give customers a full overview of their various assets and the success of the digital invoice payment app at Consorsbank! (already 11,000 invoices paid online each month). The operating division also adapted its offering to different banking uses with Nickel in France which has recorded strong business development (950,000 accounts opened) and *LyfPay*, a universal mobile payment solution, which has recorded over 820,000 downloads and the roll-out of which was extended to over 500 Casino stores in France since the beginning of the year. Lastly, the operating division is streamlining and optimizing the local commercial network in order to enhance customer service and reduce costs: by the end of 2018, it will have removed a regional management level of the network at FRB.

Revenues[2], at 7,907 million euros, were up by 0.1% compared to the first half 2017, the effect of business growth being still largely offset by the impact of low interest rates.

Operating expenses[2] (5,499 million euros) were up by 2.4% compared to the first half 2017 (+2.1% excluding the impact of IFRIC 21), with an increase in the specialised businesses due to their development but an average 0.3%[3] decrease in the retail networks' costs.

Gross operating income[2] was down by 5.0%, at 2,408 million euros, compared to the same half last year.

The cost of risk was down by 29.7% compared to the first half 2017, due in particular to the continued 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 1,790 million euros in pre-tax income[4], up by 1.7% compared to the first half 2017.

French Retail Banking (FRB)

FRB continued its good business drive in the context of economic growth in France. Outstanding loans rose by 6.5% compared to the first half 2017 with sustained growth in loans to both individual and corporate clients. For mortgage loans, the sharp decline of renegotiations and early repayments observed since June 2017 was confirmed. Deposits were up by 5.9%, driven by the strong growth in current accounts. Life insurance performed well with a 3.4% increase in outstandings compared to 30 June 2017.

[1] Agency specialised in the rating of digital performance
[2] Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg
[3] Excluding the impact of IFRIC 21
[4] Excluding PEL/CEL effects of +1 million euros compared to -1 million euros in the first half 2017

The business launched this semester a new property and casualty offering as part of the partnership between BNP Paribas Cardif and Matmut and has already sold 30,000 contracts as at 30 June 2018. The target is to multiply by three the sales of property and casualty contracts and to grow customer penetration rate from 8% to 12% by 2020.

Revenues[1] totalled 3,186 million euros, down by 1.2% compared to the first half 2017. Net interest income[1] was down by 1.8% despite business growth due to less renegotiation and early repayment penalties compared to the high level recorded in the first half 2017. For their part, fees[1] were down by 0.5%.

At 2,293 million euros, operating expenses[1] were down by 0.3% compared to the first half 2017 and by 0.9% excluding the impact of IFRIC 21, as a result of cost saving measures.

Gross operating income[1] thus came to 894 million euros, down by 3.6% compared to the same half last year.

The cost of risk[1] was down, at 113 million euros (158 million euros in the first half 2017) and amounts to 13 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 703 million euros in pre-tax income[2], up by 1.9% compared to first half 2017.

BNL banca commerciale (BNL bc)

The deposits of BNL bc grew by 7.0% with a sharp rise in current accounts. Life insurance outstandings rose by 8.3% and mutual fund outstandings were up by 3.5% compared to 30 June 2017. Lastly, while outstanding loans were down by 0.5% compared to the first half 2017, they rose by 0.5% excluding the impact of the sale of a portfolio of non-performing loans this semester[3]. The business continued the regular growth in its market share of corporate clients, which grew by 0.6 points in 3 years to 5.4%[4].

BNL bc also continued to develop new digital uses with the launch of Power YOUnit BNL, an innovative and flexible unit-linked life insurance product distributed to individual clients via a value-added digital platform developed with Cardif and the fintech FNZ.

Revenues[5] were down 3.1% compared to the first half 2017, at 1,411 million euros. Net interest income[5] was down by 5.5% due to the persistently low interest rate environment. Fees[5] were up by 0.8% in connection with the development of off balance sheet savings.

Operating expenses[5], at 918 million euros, rose by 2.2%, but by only 0.6% excluding the impact of IFRIC 21 and the additional contribution to the Italian resolution fund[6].

Gross operating income[5] thus totalled 492 million euros, down by 11.6% compared to the same half last year.

The cost of risk[5], at 76 basis points of outstanding customer loans, continued its decline (-153 million euros compared to the first half 2017).

[1] Including 100% of Private Banking in France (excluding PEL/CEL effects)
[2] Excluding PEL/CEL effects of +1 million euros compared to -1 million euros in the first half 2017
[3] Sale of a portfolio of non-performing loans for a total of 0.8 billion euros
[4] Market share of loans in the second quarter (Source: Italian Banking Association)
[5] Including 100% of Private Banking in Italy
[6] 11 million euros paid in the second quarter 2018

Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc posted 171 million euros in pre-tax income or more than a twofold increase over the level in the first half 2017 (83 million euros).

Belgian Retail Banking

BRB reported sustained business activity. Loans were up by 4.7% compared to the first half 2017 with good growth in corporate loans and a rise in mortgage loans. Deposits rose by 4.7% thanks in particular to growth in current accounts.

The business also continued its digital development with new features for the *Easy Banking* mobile app using the *itsme* identification app and the launch of *MyExperts*, a new app providing financial information for private banking clients which already has over 22,000 users.

BRB's revenues[1] were down by 0.6%, compared to the first half 2017, at 1,851 million euros: net interest income[1] rose by 1.5%, the volume growth being partly offset by the impact of the low interest rate environment. Fees[1] were down by 6.3% compared to the first half 2017 with a decrease in financial fees and a rise in retrocession fees to independent agents due to the development of this network.

Operating expenses[1] rose by 0.4% compared to the first half 2017, at 1,388 million euros but were down by 0.7% excluding the impact of IFRIC 21 thanks to the effect of cost saving measures.

Gross operating income[1], at 463 million euros, was down by 3.2% compared to the same half last year.

The cost of risk[1] was very low this semester (4 million euros). It was 27 million euros in the first half 2017.

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 424 million euros in pre-tax income, up by 0.6% (+2.3% excluding the impact of IFRIC 21) compared to the first half 2017.

[1] Including 100% of Private Banking in Belgium

<u>Other Domestic Markets business units (Arval, Leasing Solutions, Personal Investors, Nickel and Luxembourg Retail Banking)</u>

Domestic Markets' specialised businesses continued their good drive: the financed fleet of Arval grew by 7.3% and the financing outstandings of Leasing Solutions were up by 8.7%[1] compared to the first half 2017; the assets under management of Personal Investors were up by 9.0% compared to 30 June 2017 and Nickel reported over 165,000 account openings this semester as well as over 25,000 sales of its new Nickel Chrome card launched in May.

The outstanding loans of Luxembourg Retail Banking (LRB) rose by 9.5% compared to the first half 2017, with strong growth in mortgage and corporate loans. Deposits were up by 13.3% with very good inflows in particular in the corporate segment.

The business continued to develop digital banking services with in particular the roll-out of e-signature in Europe by Leasing Solutions.

The revenues[2] of the five businesses, which totalled 1,459 million euros, were up on the whole by 7.3% compared to the first half 2017 due to scope effects and business development.

Operating expenses[2] rose by 14.4% compared to the first half 2017, to 900 million euros as a result of scope effects and development of the businesses, as well as the costs to launch new digital services, in particular at Arval and Leasing Solutions.

The cost of risk[2] was up by 21 million euros compared to the first half 2017, at 60 million euros due in particular to a one-off 14 million euros provision linked to a change in method at Arval.

Thus, the pre-tax income of these five business units, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was 491 million euros (-13.0% compared to the first half 2017 and -10.6% excluding the one-off provision at Arval).

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

INTERNATIONAL FINANCIAL SERVICES

International Financial Services reported a sustained business activity: loans grew significantly at Personal Finance and at International Retail Banking[1], and the assets under management of the savings and insurance businesses were up by 2.7% compared to 30 June 2017, at 1,060 billion euros.

The operating division actively implemented digital transformation and new technologies across all the businesses. It enhanced the client experience with the roll-out of electronic signature at Personal Finance (already 72% of contracts in France, Italy and Spain), the introduction in France of an online questionnaire enabling over 80% of clients to get immediate approval for credit protection insurance and the implementation of new online features at Wealth Management (biometric identification, electronic safe, etc.). It continued to develop new technologies and innovative products with already 75 robots used at Personal Finance (automatization of controls and reporting, chatbots, etc.) and the launch by Real Estate Services of *Lifizz.fr*, a website offering corporate clients services related to the work environment thanks to a selection of service providers.

At 8,339 million euros, revenues were up by 6.3% compared to the first half 2017 despite an unfavourable foreign exchange effect this semester. They rose by 7.5% at constant scope and exchange rates, up in all the businesses due to the good business drive.

Operating expenses, which totalled 5,143 million euros, were up by 5.5% compared to the same half last year, as a result of business development (+6.0% at constant scope and exchange rates).

Gross operating income came to 3,195 million euros, up by 7.5% compared to the first half 2017 (+9.9% at constant scope and exchange rates).

The cost of risk, at 692 million euros, rose by 46 million compared to the first half 2017. It was still at a low level.

International Financial Services' pre-tax income thus totalled 2,808 million euros, up by 6.9% compared to the first half 2017 (+6.2% at constant scope and exchange rates), reflecting the operating division's continued profitable growth.

[1] Europe-Mediterranean and BancWest

Personal Finance

Personal Finance continued its strong business drive and is successfully implementing the integration of General Motors Europe's financing activities[1]. Outstanding loans were up by +12.1%[2] compared to the first half 2017, driven by an increase in demand in a favourable context in Europe and the effect of new partnerships. The business continued to expand its digital footprint and new technologies with the international roll-out of *Visir* (a new digitised customer relations management system) with already over 22 million monthly digital statements (72% of total statements).

The revenues of Personal Finance were up by 13.0% compared to the first half 2017, at 2,735 million euros (+8.5% at constant scope and exchange rates), as a result of the rise in volumes and the positioning on products with a better risk profile. They were driven in particular by a good development in Italy, Spain and Germany.

Operating expenses were up by 15.2% compared to the first half 2017, at 1,397 million euros. They were up by 7.8% at constant scope and exchange rates, as a result of business development.

Gross operating income thus came to 1,338 million euros, up by 10.8% compared to the first half 2017 (+9.3% at constant scope and exchange rates).

The cost of risk came to 541 million euros (465 million euros in the first half 2017). At 132 basis points of outstanding customer loans, it was at a low level (138 basis points in the first half 2017).

Personal Finance's pre-tax income thus came to 822 million euros, up by 3.0% compared to the first half 2017, reflecting the good development of the business.

Europe-Mediterranean

Europe-Mediterranean reported good business growth. Outstanding loans rose by 5.5%[2] compared to the first half 2017 and deposits grew by 7.2%[2], up in all regions. The business continued to develop its digital banks with already 560,000 clients for *Cepteteb* in Turkey and 217,000 clients for *BGZ Optima* in Poland. BGZ BNP Paribas' *Gomobile* account management app via mobile recorded over 140,000 downloads in 6 months, reflecting the success of this new digital service.

The business also announced this semester the acquisition of the core banking operations of Raiffeisen Bank Polska[3] which will enable BGZ BNP Paribas to strengthen its position as the 6th largest bank in Poland (combined market share, at the end of 2017, of more than 6% in loans and deposits). The acquisition price corresponds to about 87% of the book value of the acquired businesses and the acquisition is expected to have a positive 1% impact on the net earnings per share of BNP Paris in 2020.

At 1,196 million euros, Europe-Mediterranean's revenues[4] were up by 11.7%[2] compared to the first half 2017, as a result of increased volumes and margins as well as the good level of fees. They were up in all regions.

[1] Acquisition finalised on 31 October 2017
[2] At constant scope and exchange rates
[3] Excluding the foreign currency retail mortgage loan portfolio and excluding a limited amount of other assets; closing of the transaction expected in the fourth quarter 2018, subject to the execution of the final documentation and regulatory approvals
[4] Including 100% of Private Banking in Turkey

Operating expenses[1], at 818 million euros, were up by 4.7%[2] compared to the same half last year, due to business development with a largely positive jaws effect.

The cost of risk[1], which totalled 125 million euros, was down (137 million euros in the first half 2017). It was 65 basis points of outstanding customer loans.

After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean generated 389 million euros in pre-tax income, up sharply (+36.4%[3] compared to the same half last year).

BancWest

BancWest continued its good business drive. Deposits were up by 7.3%[2] and loans were up by 2.7%[2] compared to the first half 2017 (+3.5%[2] excluding the impact of a securitisation in the fourth quarter 2017) with good growth in loans to corporate and individual customers. Private Banking's assets under management (13.4 billion U.S. dollars as at 30 June 2018) were up by 6.0%[2] compared to 30 June 2017.

BancWest also continued to expand its digital footprint with an increase of over 85% of daily mobile transactions since the integration of *Zelle*[4]. The business also continued to expand cross-selling with already 29 deals done jointly with CIB this semester and the forthcoming launch of a car loan offering in partnership with Personal Finance.

Revenues[5], at 1,414 million euros, were up by 3.7%[2] compared to the first half 2017, as a result of volume growth.

At 983 million euros, operating expenses[5] were up by 2.2%[2] compared to the first half 2017, reflecting cost containment (positive 1.5[2] point jaws effect).

The cost of risk[5] (25 million euros), or 8 basis points of outstanding customer loans, was lower by 34 million euros compared to the first half 2017.

Thus, after allocating one-third of U.S. Private Banking's net income to Wealth Management business, BancWest posted 394 million euros in pre-tax income, up by 16.3%[6] compared to the first half 2017 reflecting the business' solid performance.

Insurance and Wealth and Asset Management

Insurance and Wealth and Asset Management's businesses continued their growth. Assets under management[7] reached 1,060 billion euros as at 30 June 2018 (+2.7% compared to 30 June 2017). They were up by 0.9% compared to 31 December 2017 with a good level of net asset inflows, at 13.4 billion euros (very good net asset inflows at Wealth Management in particular in Asia, France and Italy; asset outflows at Asset Management concentrated on a bond mandate following the in-sourcing by a client of its fund management, partly offset by asset inflows into money market funds; good asset inflows in Insurance primarily in unit-linked policies) and a +1.5 billion euro foreign exchange effect (due in

[1] Including 100% of Private Banking in Turkey
[2] At constant scope and exchange rates
[3] At constant scope and exchange rates (+29.6% at historical scope and exchange rates given an unfavourable exchange effect)
[4] App developed by a consortium of banks in the United States enabling quick and secure money transfers between individuals.
[5] Including 100% of Private Banking in the United States
[6] At constant scope and exchange rates (+2.7% at historical scope and exchange rates given an unfavourable exchange effect)
[7] Including distributed assets

particular to the depreciation of the Euro since the beginning of the year) partly offset by a -6.8 billion euro performance effect related to the unfavourable markets evolution.

As at 30 June 2018, assets under management[1] broke down as follows: Asset Management (419 billion euros), Wealth Management (373 billion euros), Insurance (240 billion euros) and Real Estate Services (29 billion euros).

Insurance continued its sustained business development with the launch via *Cardif iard* (joint venture with Matmut) of the new property and casualty insurance offering in the FRB network which has gotten off to a good start with already 30,000 contracts sold at the end of June. The business is also preparing its employees for professions of the future by entering into a global partnership with *General Assembly*, a US specialist in training for tomorrow's professions. In order to comply with the 25% Minimum Public Shareholding Indian regulatory requirement, BNP Paribas Cardif may reduce its stake in SBI Life in the next quarters.

In Insurance, revenues, at 1,397 million euros, rose by 14.8% compared to the first half 2017 due to strong business drive and the good level of capital gains realised. Operating expenses, at 710 million euros, rose by 13.9%, as a result of business development. After taking into account the increased income of the associated companies, pre-tax income was thus up by 15.4% compared to the first half 2017 at 810 million euros, reflecting the business' good performance.

Wealth and Asset Management continued its business development. Real Estate Services posted very good growth in its business with strong growth in particular of the advisory business in Germany and in France. The Asset Management business continued to develop new offerings with the launch of a new private debt platform (*SME Alternative Financing*) to finance SMEs. Wealth Management announced the acquisition of ABN Amro's activities in Luxembourg[2] (5.6 billion euros in private banking and 2.7 billion euros in life insurance) and was named Best European Private Bank at the 2018 WealthBriefing Awards for the second year in a row.

Wealth and Asset Management's revenues (1,630 million euros) rose by 6.3% compared to the first half 2017 reflecting the good overall performance. Operating expenses totalled 1,253 million euros, up by 9.7% compared to the first half 2017. They were up by 7.8% excluding specific transformation projects at Asset Management and costs related to the acquisition of Strutt & Parker at Real Estate Services. The cost of risk was negligible but it was a net write-back of 18 million euro in the first half 2017. At 392 million euros, Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, was down by 11.4% compared to the first half 2017 (-3.9% excluding non-recurring items[3]).

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[1] Including distributed assets
[2] Closing expected in the third quarter 2018 subject to regulatory approvals
[3] Capital gain from the sale of a building in the second quarter 2017, specific transformation projects at Asset Management and costs related to the acquisition of Strutt & Parker at Real Estate Services

CORPORATE AND INSTITUTIONAL BANKING (CIB)

CIB operated this semester in a less favourable market environment in Europe compared to the first half 2017.

CIB revenues, at 5,885 million euros, were down by 8.3% compared to the first half 2017 but by only 4.4% excluding the unfavourable foreign exchange effect and capital gains realised in the second quarter 2017 at Corporate Banking.

At 2,945 million euros, Global Markets' revenues were down by 10.1% compared to a high base in the first half 2017 given the lacklustre context for FICC[1] in Europe this semester. The revenues of FICC[1], at 1,535 million euros, were thus down by 25.4% compared to a very high base in the first half 2017 which had recorded significant volumes. Client business in rates was weak in Europe. The business however confirmed its strong positions on bond issues where it ranked number 1 since the beginning of the year for all bond issues in euros and number 8 for all international bond issues. Its expertise was also recognised with five awards at the 2018 Global Capital Bond Awards. Revenues of the Equity and Prime Services business, at 1,410 million euros, were up sharply (+15.6%) driven in particular by the recovery in client volumes in equity derivatives and the good development of prime brokerage. The success of Exane BNP Paribas[2] is illustrated this semester by its number 1 position for the second year in a row in Europe in the 2018 Extel ranking for equity research and brokerage. The VaR, which measures the level of market risks, was still very low (25 million euros).

Securities Services' revenues, at 1,022 million euros, rose by 4.8% compared to the first half 2017, as a result of the very good business drive and the positive effect of new mandates. The business continued to win significant new mandates (e.g. Intermediate Capital Group), finalised its strategic partnership in the United States with Janus Henderson Investors (138 billion U.S. dollars in assets under custody) and announced this semester of a major agreement with DWS for 240 billion euros in assets in Germany and Luxembourg. The business also announced this semester the acquisition of the depositary banking business of Banco BPM in Italy[3]. It implemented its digital transformation with already 30 automated processes under production and 44 in development.

Corporate Banking's revenues, at 1,919 million euros, were down by 11.5% compared to the first half 2017 but by only 2.5% excluding the unfavourable foreign exchange effect and capital gains realised in the second quarter 2017. The business saw a decrease in the number of significant transactions in Europe due in particular to delayed initial public offerings but reported good performances in the Americas and Asia Pacific regions. It continued its good development in the transaction businesses (cash management, trade finance). Loans, at 129.7 billion euros, were up by 3.0%[4] compared to the first half 2017 and deposits, at 122.5 billion euros, were down by 4.9%[2]. The business confirmed its leadership positions and ranked number 1 for syndicated financing in the EMEA region5. It continued to implement its digital transformation and invested in a minority stake in TradeIX which has developed an open multi-bank trade finance platform based on blockchain technology.

At 4,360 million euros, CIB's operating expenses were down by 3.0% compared to the first half 2017 (-4.1% excluding IFRIC 21). They benefited from cost saving measures which have already generated 359 million euros in cumulated savings since 2016. The operating division continued its initiatives in this area with the automation of already over 80 processes out of 200 identified and the implementation of four end-to-end projects (credit process, FX cash, client onboarding and fund administration).

[1] Fixed Income, Currencies and Commodities
[2] Equity-method entity
[3] Closing of the transaction expected in the second half 2018
[4] At constant scope and exchange rates
[5] Europe, Middle East and Africa

The gross operating income of CIB was thus down by 20.8%, at 1,526 million euros.

The cost of risk reflected a net write-back of 8 million euros, as the provisions were more than offset by write-backs. It was higher however compared to the first half 2017 which had recorded a significant 172 million euros in net write-backs. The cost of risk reflected a net provision of 9 million euros for Global Markets (net write-back of 36 million euros in the first half 2017) and a net write-back of 14 million euros at Corporate Banking (net write-back of 135 million euros in the first half 2017).

CIB thus generated 1,554 million euros in pre-tax income, down by 26.9% compared to a very high base in the first half 2017 which had benefited from capital gains and significant provision write-backs. The operating division generated a pre-tax return on notional equity of 17.7%[1] thanks to the rigorous management of its financial resources.

*
* *

CORPORATE CENTRE

For the first half of the year, Corporate Centre revenues totalled 167 million euros compared to 360 million euros in the first half 2017 which recorded the exceptional impact of capital gains from the sale of Shinhan and Euronext shares for a total of a +233 million euro as well as -207 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA). They included a lesser contribution by Principal Investments compared to a high level in the first half 2017.

Operating expenses totalled 784 million euros compared to 608 million euros in the first half 2017. They included the exceptional impact of 473 million euros in the transformation costs (243 million euros in the first half 2017) and 13 million euros in acquisitions' restructuring costs[2] (36 million in the first half 2017).

The cost of risk totalled 25 million euros (106 million euros in the first half 2017).

Non-operating items totalled 197 million euros (57 million euros in the first half 2017). They included this semester the exceptional impact of a +101 million euro capital gain on the sale of a building.

The Corporate Centre's pre-tax income was thus -444 million euros compared to -296 million euros in the first half 2017.

*
* *

[1] Based on annualised half-year income
[2] In particular, LaSer, Bank BGZ, DAB Bank and GE LLD

FINANCIAL STRUCTURE

The Group's balance sheet is very solid.

The impacts of the first application of the new IFRS 9 accounting standard were limited and fully taken into account as of 1st January 2018: -1.1 billion euros impact on shareholders' equity not revaluated[1] (2.5 billion euro impact on shareholders' equity revaluated[2]) and ~-10 bp on the fully loaded Basel 3 common equity Tier 1 ratio[3]. This ratio also reflects as of 1st January 2018 the impact of ~-10 bp of the supervisor's new general requirement to deduct irrevocable payment commitments from the prudential capital. The fully loaded Basel 3 common equity Tier 1 ratio[3] thus came to 11.6% pro forma as at 1st January 2018.

The fully loaded Basel 3 common equity Tier 1 ratio[3] was 11.5% as at 30 June 2018, down by 10 basis points compared to 1st January 2018. The semester's net income, after taking into account a 50% dividend pay-out ratio, balances out the effect of the rise in risk-weighted assets excluding foreign exchange effect and operational risk while the risk-weighted assets related to the operational risk are raised to the standard method level (-10bp). The foreign exchange effect and other effects have overall a limited impact on the ratio.

The Basel 3 fully loaded leverage ratio[4], calculated on total Tier 1 capital, totalled 4.0% as at 30 June 2018.

The Liquidity Coverage Ratio stood at 111% as at 30 June 2018.

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

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

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[1] Shareholders' equity excluding valuation reserves
[2] Shareholders' equity including valuation reserves
[3] 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
[4] 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 2018 RESULTS

1ST AUGUST 2018

BNP PARIBAS The bank for a changing world

Disclaimer

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

This presentation includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future events, operations, products and services, and statements regarding future performance and synergies. Forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about BNP Paribas and its subsidiaries and investments, developments of BNP Paribas and its subsidiaries, banking industry trends, future capital expenditures and acquisitions, changes in economic conditions globally or in BNP Paribas' principal local markets, the competitive market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward looking statements. Any forward-looking statement contained in this presentation speaks as of the date of this presentation. BNP Paribas undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events. It should be recalled in this regard that the Supervisory Review and Evaluation Process is carried out each year by the European Central Bank, which can modify each year its capital adequacy ratio requirements for BNP Paribas.

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

2Q18 Key Messages

Business increase in the context of economic growth in Europe	**Outstanding loans: +3.7% vs. 2Q17**
Strong growth at IFS **Stability at DM despite the persistent low interest rate context** **Unfavourable foreign exchange effect and lacklustre context vs. 2Q17 for CIB in Europe**	**Revenues of the operating divisions*: +1.0% vs. 2Q17**
Continued development of the specialised businesses of DM and IFS **Decrease of costs in the retail networks and CIB**	**Operating expenses of the operating divisions*: +2.8% vs. 2Q17**
Significant decrease in the cost of risk	**-14.4% vs. 2Q17** **29 bp****
Stable Net Income Group share vs. 2Q17	**Net Income Group share: €2,393m**

Good business growth
Solid results and 11.2% ROTE***

** Domestic Markets (DM), International Financial Services (IFS), Corporate and Institutional Banking (CIB); ** Cost of risk/Customer loans at the beginning of the period (in annualised bps); *** Return on Tangible Equity*

Group Results

Division Results

1H18 Detailed Results

Appendix

Main Exceptional Items

Exceptional items	2Q18	2Q17
Revenues		
Own credit adjustment and DVA *(Corporate Centre)**		-€200m
Capital gain on the sale of 4.78% stake in Euronext *(Corporate Centre)*		+€85m
Total exceptional revenues		***-€115m***
Operating expenses		
Restructuring costs** *(Corporate Centre)*	-€8m	-€15m
Transformation costs of Businesses *(Corporate Centre)*	-€267m	-€153m
Total exceptional operating expenses	***-€275m***	***-€168m***
Total exceptional items (pre-tax)	**-€275m**	**-€283m**
Total exceptional items (after tax)* **	**-€191m**	**-€170m**

Negative impact of exceptional items

** Under IFRS 9, value adjustment for the own credit risk (OCA) no longer booked in revenues but directly in equity starting from 1st January 2018;*
*** Restructuring costs in particular LaSer, Bank BGZ, DAB Bank, and GE LLD; *** Group share*

Consolidated Group - 2Q18

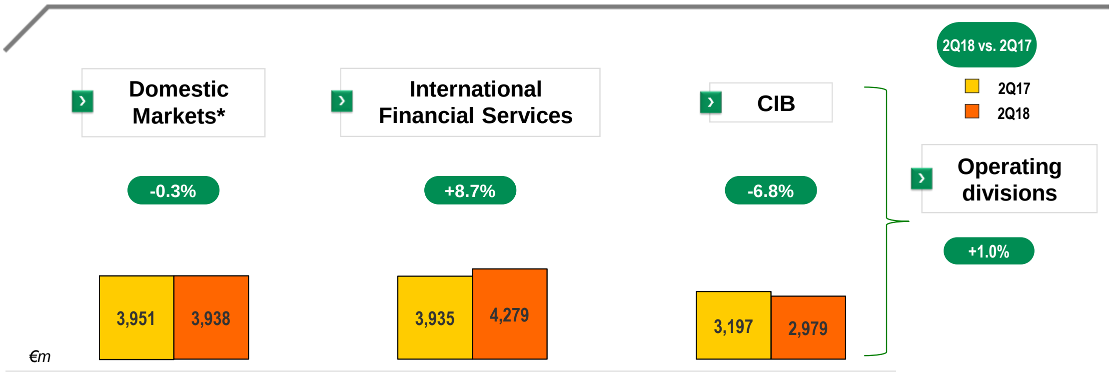
	2Q18	2Q17	2Q18 vs. 2Q17	2Q18 vs. 2Q17 *Operating divisions*
Revenues	**€11,206m**	**€10,938m**	**+2.5%**	**+1.0%**
Operating expenses	-€7,368m	-€7,071m	+4.2%	+2.8%
Gross Operating income	**€3,838m**	**€3,867m**	**-0.7%**	**-1.7%**
Cost of risk	-€567m	-€662m	-14.4%	-2.5%
Operating income	**€3,271m**	**€3,205m**	**+2.1%**	**-1.6%**
Non operating items	€182m	€256m	n.s.	n.s.
Pre-tax income	**€3,453m**	**€3,461m**	**-0.2%**	**-4.0%**
Net income Group share	**€2,393m**	**€2,396m**	**-0.1%**	
Net income Group share excluding exceptional items*	**€2,584m**	**€2,566m**	**+0.7%**	

Return on equity *(ROE):*** ***9.6%***
Return on tangible equity *(ROTE):*** ***11.2%***

Stable net income vs. 2Q17

** See slide 5; ** Calculated on the basis of half year income (contribution to the Single Resolution Fund, systemic taxes and exceptional items non annualised)*

Revenues of the Operating Divisions - 2Q18

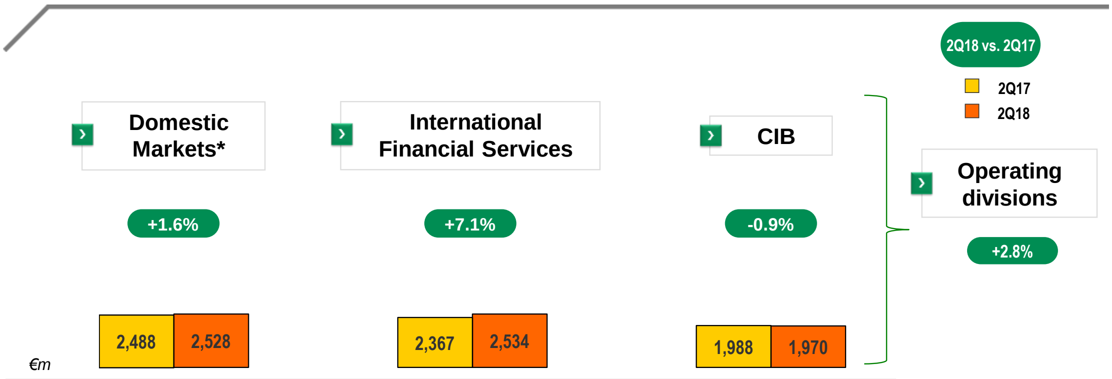


- Unfavourable foreign exchange effect this quarter
- Domestic Markets: good business development in the context of economic growth (specialised businesses in particular) but impact of the still low interest rate environment
- IFS: very good growth
- CIB: -1.6% excluding the foreign exchange effect and capital gains realised in 2Q17
  - Lacklustre context for FICC in Europe this quarter

Strong growth at IFS and stability at DM
Unfavourable foreign exchange effect & lacklustre context vs. 2Q17 for CIB

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

Operating Expenses of the Operating Divisions - 2Q18



- Domestic Markets: operating expenses down in the networks (-0.5% on average**) but increase in the specialised businesses as a result of the development of the activity
- IFS: effect of increased business
- CIB: effect of cost saving measures

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

** Including 100% of Private Banking in France (excluding PEL/CEL effects), in Italy, Belgium and Luxembourg; ** FRB, BRB, BNL bc and LRB*

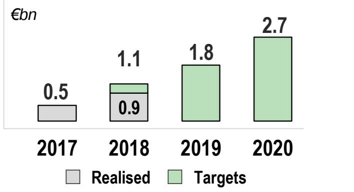
2020 Transformation Plan

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

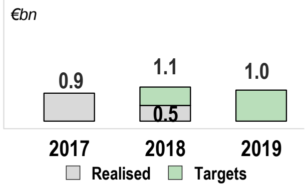
1. Implement new customer journeys
2. Upgrade the operational model
3. Adapt information systems
4. Make better use of data to serve clients
5. Work differently

- An ambitious programme of new customer experiences, digital transformation & savings
  - Build the bank of the future by accelerating the digital transformation
- Cost savings: €858m since the launch of the project
  - Of which €149m booked in 2Q18
  - Breakdown of cost savings by operating division: 42% at CIB; 33% at Domestic Markets; 25% at IFS
  - Target of €1.1bn in savings this year
- Transformation costs: €267m in 2Q18*
  - €473m in 1H18
  - €1.1bn in transformation costs expected in 2018
  - Reminder: €3bn in transformation costs in the 2020 plan

Cumulated recurring cost savings



One-off transformation costs



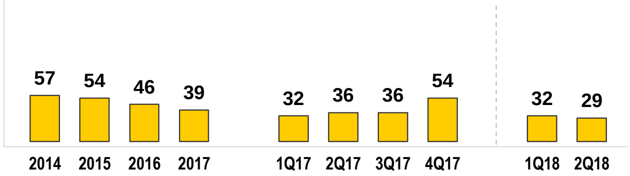
2020 transformation plan in line with the objectives

* Breakdown of the transformation costs of the businesses presented in the Corporate Centre: slide 75

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

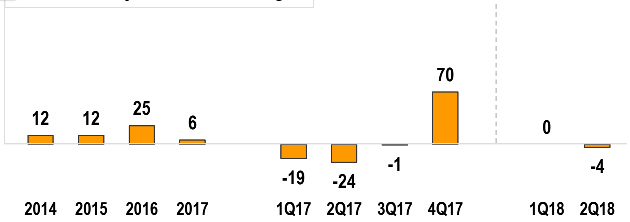
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

Group



- Cost of risk: €567m
  - -€48m vs. 1Q18
  - -€95m vs. 2Q17
- Significant decrease in the cost of risk this quarter

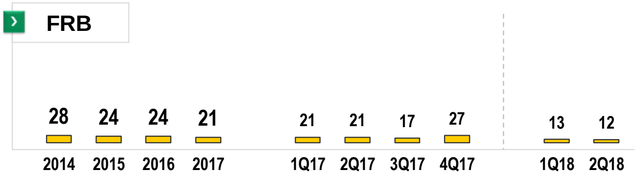
CIB - Corporate Banking



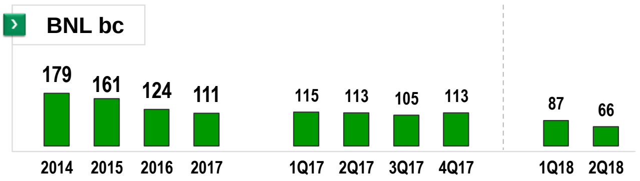
- Cost of risk: -€13m
  - -€12m vs. 1Q18
  - +€65m vs. 2Q17
- Provisions more than offset by write-backs this quarter
- Reminder: substantial write-backs in 2Q17

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

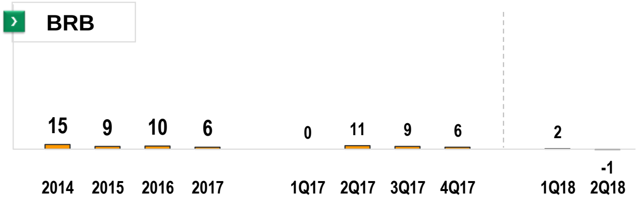
Cost of risk/Customer loans at the beginning of the period (in annualised bp)



- Cost of risk: €54m
  - -€5m vs. 1Q18
  - -€26m vs. 2Q17
- Very low cost of risk



- Cost of risk: €127m
  - -€42m vs. 1Q18
  - -€94m vs. 2Q17
- Continued decrease in the cost of risk



- Cost of risk: -€2m
  - -€8m vs. 1Q18
  - -€30m vs. 2Q17
- Provisions offset by write-backs this quarter

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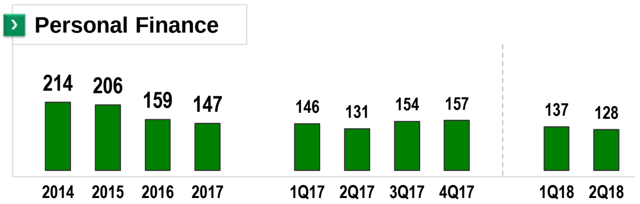
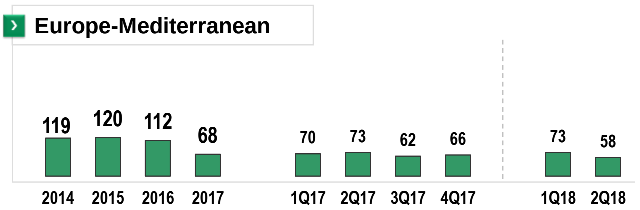
Second quarter 2018 results | 11

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

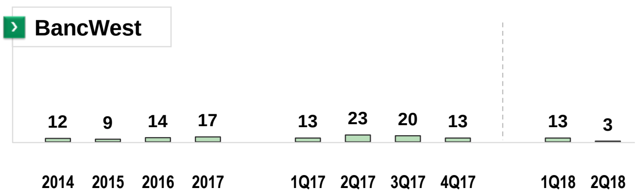
Cost of risk/Customer loans at the beginning of the period (in annualised bp)



- Cost of risk: €265m
  - -€11m vs. 1Q18
  - +€40m vs. 2Q17
- Cost of risk at a low level this quarter



- Cost of risk: €55m
  - -€15m vs. 1Q18
  - -€15m vs. 2Q17
- Decrease in the cost of risk this quarter



- Cost of risk: €5m
  - -€15m vs. 1Q18
  - -€33m vs. 2Q17
- Very low cost of risk

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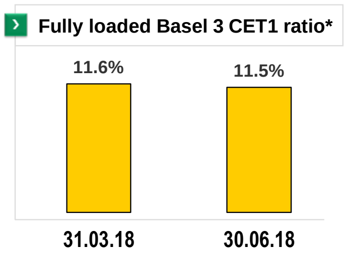
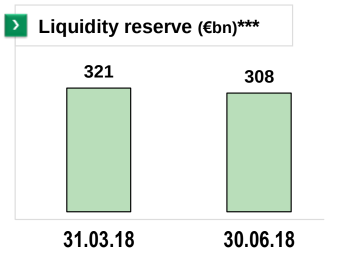
Second quarter 2018 results | 12

Financial Structure

- Fully loaded Basel 3 CET1 ratio*: 11.5% as at 30.06.18 (-10 bp vs. 31.03.18)
  - 2Q18 results after taking into account a 50% pay-out ratio (+15 bp)
  - Increase in risk-weighted assets excluding foreign exchange effect and operational risk (-15 bp)
  - Risk-weighted assets related to operational risk brought to the standard method level (-10 bp)
  - Overall limited impact of other effects
- Fully loaded Basel 3 leverage**: 4.0% as at 30.06.18
- Liquidity Coverage Ratio: 111% as at 30.06.18
- Immediately available liquidity reserve: €308bn*** (€321bn as at 31.03.18)
  - Room to manoeuvre > 1 year in terms of wholesale funding

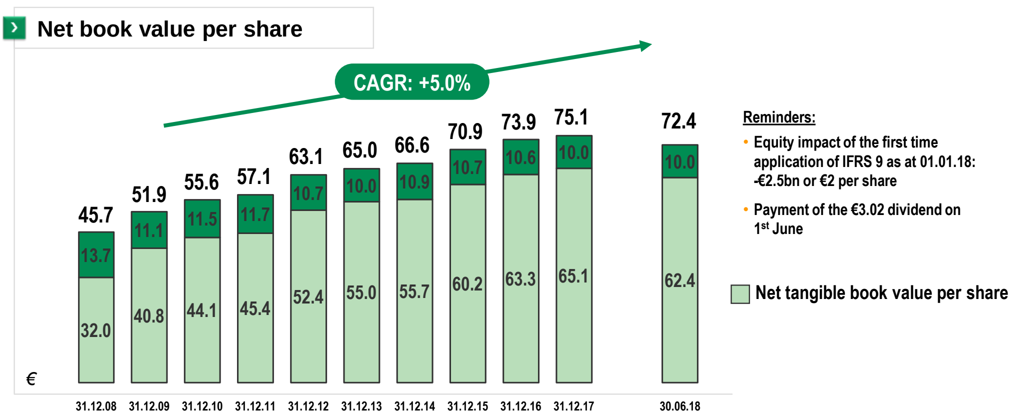




Very solid financial structure

* CRD4 « fully loaded 2019 »; ** CRD4 "2019 fully loaded", calculated according to the delegated act of the EC dated 10.10.2014 on total Tier 1 Capital, not taking into account the decision on 13 July 2018 from the European Union Court on the exclusion of the outstandings of certain savings accounts centralised at the Caisse des Dépôts which will require an agreement from the ECB; *** Liquid market assets or eligible to central banks (counterbalancing capacity) taking into account prudential standards, notably US standards, minus intra-day payment system needs

Net book value per share



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

The Commitment of BNP Paribas: Sustainable Finance at the Heart of the Model (1/2)

Recognised contribution to new sustainable finance models

- **€155bn in financing** for energy transition and sectors considered to contribute directly to the United Nations Sustainable Development Goals
- **World's Best Bank** for sustainable finance **(Euromoney Awards for Excellence 2018)**
- **Global Performance Trophy** (*Institut du Capitalisme Responsable* and Vigeo Eiris) for the best Shareholder Meeting in terms of the quality of financial and non-financial information
- Participation in the European Commission's technical expert group on sustainable finance

A transformation lever for the company

- **Employees ever more positive about the CSR and the commitments of the Group:**
  - 75% of employees have a positive opinion on the way the Group handles its social and environmental responsibility (+5 pts vs. 2016)
- **A commitment by all the employees:**
  - Employees take part in multiple programmes to support social innovation and equal opportunities: *La France s'engage*, *Nos Quartiers ont du Talent*, *Article 1*…
- **A culture of joint projects and partnerships:**
  - Solar impulse, Breakthrough Energy Coalition, Ellen MacArthur to find new business models related to energy transition and the circular economy
  - UNEP, Bill & Melinda Gates Foundation for development in emerging countries

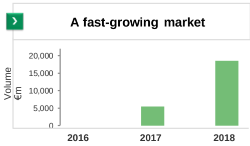
The Commitment of BNP Paribas: Sustainable Finance at the Heart of the Model (2/2)

Leadership in supporting energy transition

- **Structuring major transformative projects:**
  - Solar photovoltaic project in Brazil: sole financial advisor to Statoil and Scatec
  - Offshore wind power project in Taiwan: lead arranger of an innovative project finance
- **Asset Management:** launch of the Green Business fund
- **Green/sustainable bonds:** #2 worldwide* and lead manager on €14bn in issues since 2012

Increasing presence in the fast-growing market of Positive Incentive Loans

- **Positive Incentive Loans:** loans with an interest rate linked to CSR performance, which first came into existence in 2017
  - Increasing number of sectors and businesses eligible
  - Participation of the bank in 11 transactions



- **Significant mandates won:**
  - **L&Q**:** loan with a rate linked to residents' employment rate
  - **AccorHotels:** loan with a rate based on the ESG*** performance of AccorHotels

Agreement with UNEP (UN Environment) to finance sustainable development projects

- **Goal:** raise international funds for projects of sustainable development, thereby enabling to finance **$10bn** of projects **by 2025**
- **Tropical Landscape Financing Facility (Indonesia):** create16,000 jobs locally and improve agricultural practices to prevent damaging the environment
- **Sustainable India Financing Facility (India):** support the move in Andhra Pradesh towards an agriculture without chemical pesticides (6m farmers involved by 2024)

** 1H18; ** A charity that houses over 250,000 people in the United Kingdom; *** Environmental, Social and Governance*

Reinforced Internal Control System

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

Group Results

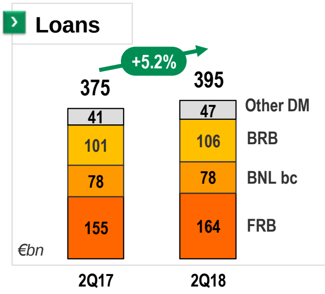
Division Results

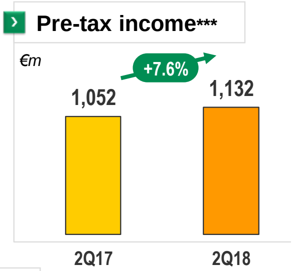
1H18 Detailed Results

Appendix

Domestic Markets - 2Q18

- Growth in business activity
  - Loans: +5.2% vs. 2Q17, good loan growth in retail banking and in the specialised businesses (Arval, Leasing Solutions)
  - Deposits: +5.7% vs. 2Q17, strong growth in all countries
  - Private banking: good net asset inflows (€1.8bn)
  - Hello bank!: rise in the number of new clients (75,000 in 2Q18; +9% vs. 2Q17)
- New customer experiences & continued digital transformation
  - Implementation of new digital services in all the businesses
  - 8m digital* customers (+8% vs. 2Q17)
- Revenues**: €3,938m (-0.3% vs. 2Q17)
  - Rise in business activity but still impact of the low interest rate environment
- Operating expenses**: €2,528m (+1.6% vs. 2Q17)
  - Rise in the specialised businesses due to business development
  - Decrease in the networks (-0.5% on average)
- Pre-tax income***: €1,132m (+7.6% vs. 2Q17)
  - Decrease in the cost of risk, in particular at BNL bc





Good business drive
Income growth

* Customers of the digital banks or customers who use digital banking services at least once a month; ** Including 100% of Private Banking, excluding PEL/CEL; *** Including 2/3 of Private Banking, excluding PEL/CEL

Domestic Markets - 2Q18
New Customer Experiences and Digital Transformation

Develop digital banking uses

- **The leading bank in France in terms of mobile functionalities** (D-rating ranking)
- **Roll-out of the online account aggregation feature**
  - Give customers a comprehensive overview of their various assets
- **Good development of the digital invoice payment app at Consorsbank!**
  - Already 11,000 invoices paid online/month
- **Launch of electronic cheque deposit at FRB**

Continue to adapt our offerings to different banking uses

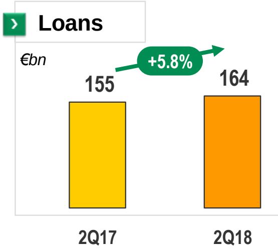
- **Nickel: accelerated pace of development**
  - Already 950,000 accounts opened of which 165,000 in 1H18
  - Best day record in June with 1,895 openings
- **LyfPay: added-value mobile payment solution to serve client relationship**
  - > 820,000 downloads of the app
  - Roll-out extended to > 500 Casino retail outlets in France in 1H18 and gradually to Marionnaud shops by the end of 2018

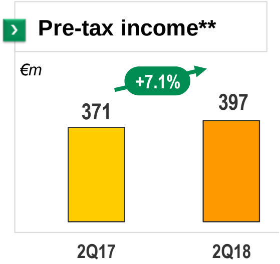
Upgrade the operating model to enhance efficiency and customer service

- **Expanding the use of robots**
  - 150 robots already operational (120 additional robots by the end of 2018)
  - Example: automated *Know Your Customer* process handling 80% of the collection of the necessary documents representing 20% of the total processing time
- **Removal of a regional management level of the network at FRB**
  - Already done in 3 out of 10 regions (completion by the end of 2018)

Domestic Markets
French Retail Banking - 2Q18

- Good business drive in the context of economic growth
  - Loans: +5.8%, sustained growth in loans to individual and corporate customers; mortgages: confirmation of the sharp decrease since June 2017 of renegotiations & early repayments
  - Deposits: +4.8% vs. 2Q17, strong growth in current accounts
  - Off balance sheet savings: good performance of life insurance (+3.4% vs. 30.06.17)
- Launch of the BNP Paribas Cardif-Matmut property and casualty offering
  - 2020 target: multiply by 3 sales of contracts and grow customer penetration rate from 8% to 12%
  - Already 30,000 contracts sold as at 30.06.18
- Revenues*: -0.8% vs. 2Q17
  - Net interest income: -1.1%, less renegotiation and early repayment penalties vs. high level in 2Q17; but business growth
  - Fees: -0.5%, slight decline in fees
- Operating expenses*: -1.0% vs. 2Q17
  - Effect of cost saving measures (optimisation of the network and streamlining of the management set-up)
- Pre-tax income**: €397m, +7.1% vs. 2Q17
  - Decrease in the cost of risk this quarter



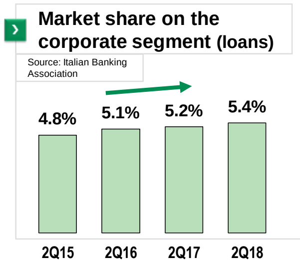


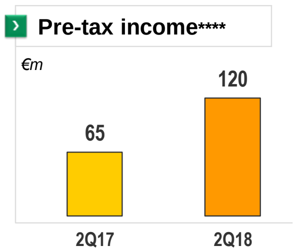
Good business drive and rise in income

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

Domestic Markets
BNL banca commerciale - 2Q18

- Growth in business activity
  - Loans: +0.2% vs. 2Q17 but +1.3% excluding the impact of the sale of a portfolio of non-performing loans in 1Q18*, market share gains on the corporate segment
  - Deposits: +7.0% vs. 2Q17, sharp rise in current accounts
  - Off balance sheet savings: good overall performance (life insurance outstandings: +8.3% vs. 30.06.17; mutual fund outstandings: +3.5% vs. 30.06.17)
  - Digital: launch of *Power YOUnit BNL*, an innovative insurance product distributed to individual clients via a value-added digital platform developed with Cardif and the fintech FNZ
- Revenues**: -4.3% vs. 2Q17
  - Net interest income: -4.3% vs. 2Q17, impact of the low interest rate environment
  - Fees: -4.2% vs. 2Q17, decrease in financial fees this quarter
- Operating expenses**: +1.9% vs. 2Q17
  - -0.6% excluding the additional contribution to the Italian resolution fund***
  - Cost containment
- Pre-tax income****: €120m (+€55m vs. 2Q17)
  - Decrease in the cost of risk



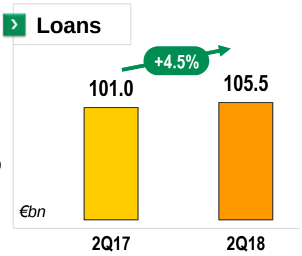


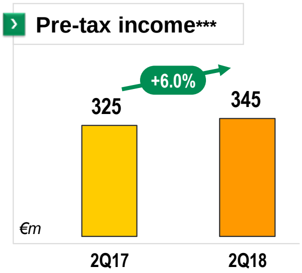
Continued decrease in the cost of risk
Sharp rise in income

* Sale of a portfolio of non-performing loans for a total of €0.8bn in 1Q18; ** Including 100% of Italian Private Banking; *** Contribution of €11m paid in 2Q18; **** Including 2/3 of Italian Private Banking

Domestic Markets
Belgian Retail Banking - 2Q18

- Sustained business activity
  - Loans: +4.5% vs. 2Q17, good growth in loans to corporate customers, increase in mortgage loans
  - Deposits: +4.6% vs. 2Q17, growth in particular in current accounts
- Digital development:
  - New features for the *Easy Banking* mobile app using the *itsme** identification app
  - Launch of *MyExperts*, a new app providing financial information for private banking clients (already > 22,000 users)
- Revenues**: -1.4% vs. 2Q17
  - Net interest income: +2.6% vs. 2Q17, volume growth but impact of the low interest rate environment
  - Fees: -12.0% vs. high base in 2Q17, decrease in financial fees and rise in retrocession fees to independent agents due to the development of this network
- Operating expenses**: -1.4% vs. 2Q17
  - Effect of the cost saving measures (optimization of the branch network and streamlining of the management set-up)
- Pre-tax income***: €345m (+6.0% vs. 2Q17)
  - Cost of risk: provisions offset by write-backs this quarter



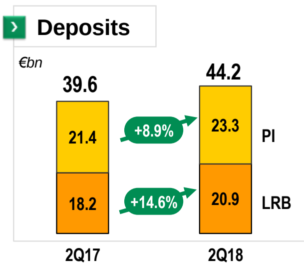


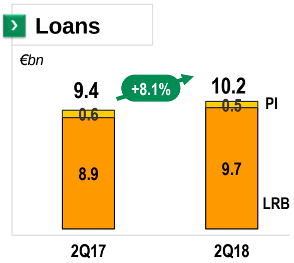
Rise in income despite the impact of low interest rates

* Unique digital identity developed by the Belgian Mobile ID consortium; ** Including 100% of Belgian Private Banking; *** Including 2/3 of Belgian Private Banking

Domestic Markets
Other Activities - 2Q18

- Good overall drive of the specialised businesses
  - Arval: +7.4% growth in the financed fleet vs. 2Q17
  - Leasing Solutions: rise in outstandings of +9.2% vs. 2Q17*
  - Personal Investors (PI): rise in assets under management of +9.0% vs. 30.06.17
  - Nickel: 85,000 accounts opened this quarter and success of the Nickel Chrome card launched in May (already >25,000 cards sold)
- Luxembourg Retail Banking (LRB)
  - Good deposit inflows, growth in mortgage loans
  - BGL BNP Paribas named *Best Bank in Luxembourg 2018* by *Euromoney*
- Development of digital banking services
  - Leasing Solutions: roll-out of e-signature in Europe
- Revenues**: +6.6% vs. 2Q17
  - Scope effects and good development of the businesses' activity
- Operating expenses**: +13.3% vs. 2Q17
  - Scope effects and impact of the development of the businesses
  - Expenses related to the launch of new digital services (Leasing Solutions in particular)
- Pre-tax income***: €270m (-7.3% vs. 2Q17)



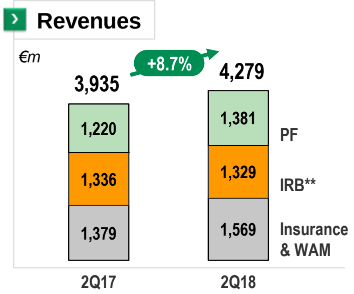


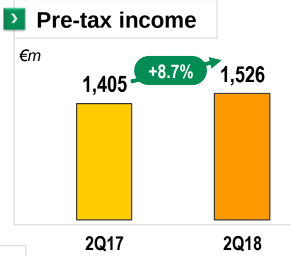
Good business drive

* At constant scope and exchange rates; ** Including 100% of Private Banking in Luxembourg; *** Including 2/3 of Private Banking in Luxembourg

International Financial Services - 2Q18

- Sustained business activity
  - Loans: significant growth in outstandings at Personal Finance and International Retail Banking*
  - +2.7% increase in assets under management vs. 30.06.17: €1,060bn as at 30.06.18
  - Digital: active implementation of digital transformation and new technologies throughout the retail banking networks and the specialised businesses
- Revenues: €4,279m (+8.7% vs. 2Q17)
  - Unfavourable foreign exchange effect this quarter
  - +9.4% at constant scope and exchange rates: rise in all businesses
- Operating expenses: €2,534m (+7.1% vs. 2Q17)
  - +6.9% at constant scope and exchange rates
  - As a result of good business development
- Pre-tax income: €1,526m (+8.7% vs. 2Q17)
  - +9.6% at constant scope and exchange rates





Very good growth
Sharp rise in income

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

International Financial Services
New Customer Experiences and Digital Transformation

Optimise client experience

- **Personal Finance:** 72% of contracts signed electronically in France, Italy and Spain
- **Insurance:** online questionnaire enabling > 80% of clients to get immediate approval for credit protection insurance in France (100,000 contracts at the end of June)
- **Wealth Management:**
  - New features to better serve customers: biometric identification, online advisory and transactions, electronic safe
  - *Voice of Wealth* app at Bank of the West Wealth Management to help clients manage their investment portfolio
- First roll-out of holoportation* technology at **Real Estate Services**

New innovative technologies and business models

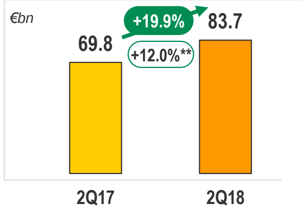
- **Partnerships with start-ups/fintechs**
  - Renewal of the partnership with *Plug & Play*, world's largest start-up accelerator
  - Launch in Germany of *Paytweak*, a mobile payment and collection app at Personal Finance
- **Developing artificial intelligence**
  - >75 robots already used at Personal Finance (controls, reporting, chatbots...)
  - Roll-out of *Birdee*, a digital investment advisory and management solution for individual clients (robo-advisory), following the acquisition of Gambit
- **Innovative product offerings**
  - Real Estate Services: launch of *Lifizz.fr*, a website offering corporate clients services related to the work environment thanks to a selection of service providers

* Interactive meeting without being there via a hologram in a virtual reality space

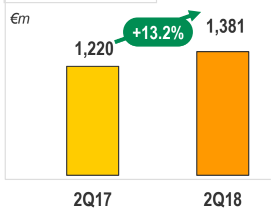
International Financial Services
Personal Finance - 2Q18

- Integration of General Motors Europe's financing businesses* going well
- Continued the very good sales and marketing drive
  - Outstanding loans: + 12.0%**, increase in demand in a favourable context in Europe and effect of new partnerships
- Implementation of digital transformation and new technologies
  - International roll-out of *Visir*, a new digitised customer relations management system (personalised offers, real-time interactions, etc.)
  - > 22 million monthly digital statements (72% of total statements)
  - *Digital Transformation* prize for Cetelem in Spain (merca2 con Bloomberg)
- Revenues: +13.2% vs. 2Q17
  - +9.3% at constant scope and exchange rates
  - In connection with the rise in volumes and the positioning on products with a better risk profile
  - Revenue growth in particular in Italy, Spain and Germany
- Operating expenses: +16.0% vs. 2Q17
  - +8.3% at constant scope and exchange rates (positive jaws effect of 1.0 pt)
  - As a result of business development
- Pre-tax income: €450m (+1.0% vs. 2Q17)

Consolidated outstandings



Revenues



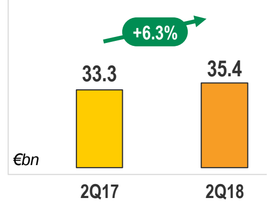
Continued very good business drive

* Acquisition finalised on 31 October 2017; ** At constant scope and exchange rates

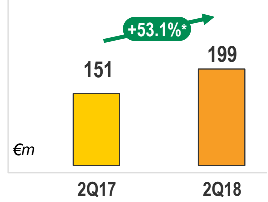
International Financial Services
Europe-Mediterranean - 2Q18

- Good business growth
  - Loans: +6.3%* vs. 2Q17, good growth
  - Deposits: +9.5%* vs. 2Q17, up in all regions
  - Development of the digital banks: 560,000 clients for *Cepteteb* in Turkey and 217,000 clients for *BGZ Optima* in Poland
  - New digital services: success in Poland of BGZ BNP Paribas' *Gomobile* account management app via mobile (> 140,000 downloads in 6 months) & development of new features
- Revenues**: +16.6%* vs. 2Q17
  - Up in all regions: effect of the rise in volumes and margins, good level of fees
- Operating expenses**: +5.3%* vs. 2Q17
  - As a result of good business development
  - Largely positive jaws effect
- Pre-tax income***: €199m (+53.1%*)
  - + 31.5% at historical scope and exchange rates (unfavourable exchange effect)

Loans*



Pre-tax income***



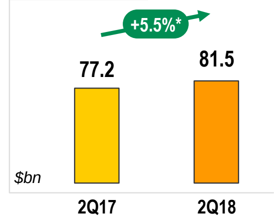
Good business growth
Sharp rise in income

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

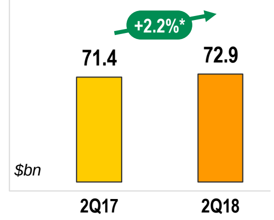
International Financial Services
BancWest - 2Q18

- Continued good business drive
  - Deposits: +5.5%* vs. 2Q17, significant increase in deposits
  - Loans: +2.2%* vs. 2Q17 (+3.0%* excluding the impact of a securitisation in 4Q17), good growth in individual and corporate loans
  - Private Banking: $13.4bn of assets under management as at 30.06.18 (+6.0%* vs. 30.06.17)
  - Digital: increase of >85% of average daily mobile transactions; integration of *Zelle,* app enabling quick and secure money transfers between individuals**
  - Good development of cross-selling: significant increase of deals with CIB (29 deals in 1H18) and upcoming launch of a new auto loans offer in partnership with Personal Finance
- Revenues***: +3.9%* vs. 2Q17
  - As a result of volume growth
- Operating expenses***: +2.6%* vs. 2Q17
  - Good cost containment (positive jaws effect: +1.3 pt)
- Pre-tax income****: €232m (+22.1%* vs. 2Q17)
  - +12.2% at historical scope & exchange rates (unfavourable exchange rate effect)
  - Very low cost of risk this quarter

Deposits



Loans



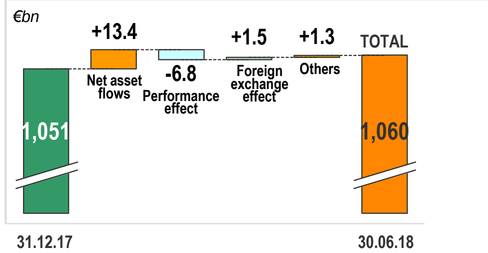
Strong income growth

* At constant scope and exchange rates (USD vs. EUR average rates: -7.6% vs. 2Q17; figures at historical scope and exchange rates in the appendix);
** Developed by a consortium of banks in the United States; *** Including 100% of Private Banking in the United States; **** Including 2/3 of Private Banking in the United States

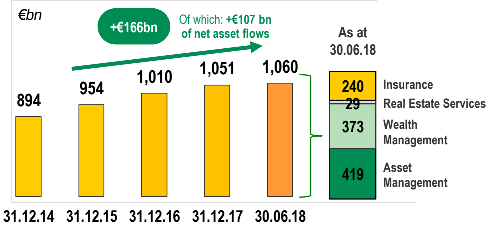
International Financial Services
Insurance & WAM - Asset Flows and AuM - 1H18

- Assets under management*: €1,060bn as at 30.06.18
  - +0.9% vs. 31.12.17 (+2.7% vs. 30.06.17)
  - Good level of net asset inflows (+€13.4bn)
  - Negative performance effect (-€6.8bn) as a result of the unfavourable markets evolution
  - Slightly positive foreign exchange effect (+€1.5bn) in particular due to the depreciation of the Euro since 31.12.17
- Net asset inflows: +€13.4bn in 1H18
  - Wealth Management: very good net asset inflows, in particular in Asia, France and Italy
  - Asset Management: asset outflows concentrated on a bond mandate (in-sourcing by a client of its fund management), asset inflows into money market funds
  - Insurance: good asset inflows concentrated primarily in unit-linked policies

Evolution of assets under management*



Assets under management*



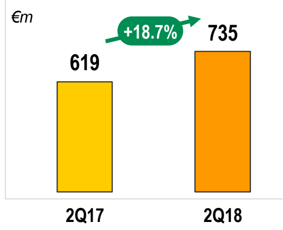
Rise in assets under management as a result of good asset inflows

* Including distributed assets

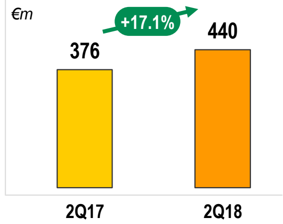
International Financial Services
Insurance - 2Q18

- Sustained business development
  - Strong asset inflows concentrated in unit-linked policies (+€3.4bn in 1H18, or 2/3 of the total net asset inflows)
  - Launch of the property and casualty insurance offering in the FRB network via a joint venture* between Cardif and Matmut: good start with already 30,000 contracts at the end of June
- New technologies training for employees
  - Entered into a partnership with *General Assembly* (a US specialist in training for new professions) to prepare >1,000 employees for tomorrow's professions: *UX design* (user experience design), data management…
- Revenues: €735m; +18.7% vs. 2Q17
  - Good business drive in particular internationally
  - Good level of capital gains this quarter
- Operating expenses: €342m; +15.2% vs. 2Q17
  - As a result of the development of the business
- Pre-tax income: €440m; +17.1% vs. 2Q17

Revenues



Pre-tax income



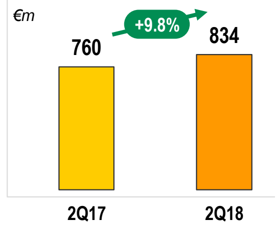
Good business growth
Sharp rise in income

* Cardif IARD

International Financial Services
Wealth and Asset Management* - 2Q18

- Wealth Management rewarded at the 2018 WealthBriefing Awards
  - Best European Private Bank for the 2nd year in a row
  - Best Ultra High Net Worth Team for the 4th year in a row
- Asset Management: launch of new offers
  - Launch of a new private debt platform (*SME Alternative Financing*) to finance SMEs
- Real Estate Services: very good business growth
  - Strong growth in particular of the advisory business in Germany and France
- Revenues: €834m ; +9.8% vs. 2Q17
  - Good overall performance
- Operating expenses: €639m ; +12.8% vs. 2Q17
  - +10.9% excluding specific transformation projects in Asset Management and costs related to the acquisition of Strutt & Parker in Real Estate Services
  - In relation with the development of the businesses
- Pre-tax income: €206m ; -8.9% vs. 2Q17
  - +1.2% excluding non-recurring items**

Revenues (WAM*)

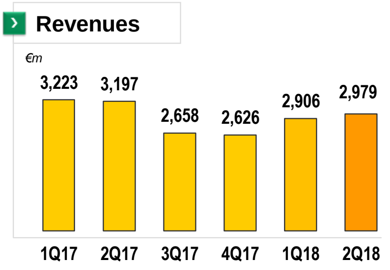


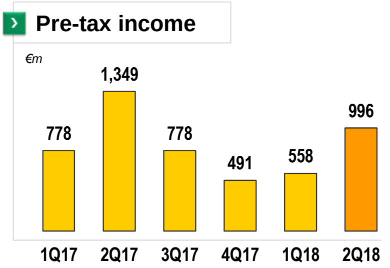
Good business development
Revenue growth

* Asset Management, Wealth Management, Real Estate Services; ** Capital gain from the sale of a building in 2Q17, specific transformation projects (Asset Management) and costs related to the acquisition of Strutt & Parker (Real Estate Services)

Corporate and Institutional Banking - 2Q18 Summary

- Revenues: €2,979m (-6.8% vs. 2Q17)
  - -1.6% excluding an unfavourable foreign exchange effect and capital gains realised in 2Q17 at Corporate Banking
  - Corporate Banking (-13.7%): -1.7% excluding the foreign exchange effect and capital gains realised in 2Q17
  - Global Markets (-5.0%): lacklustre context for FICC in Europe but strong growth at Equity & Prime Services
  - Securities Services (+3.9%): continued growth
- Operating expenses: €1,970m (-0.9% vs. 2Q17)
  - Effect of cost saving measures (€359m in savings since 2016)
  - Digital: >80 automated processes delivered (out of 200 identified) and implementation of 4 end-to-end projects (credit process, FX cash, client onboarding, fund administration)
- Pre-tax income: €996m (-26.2% vs. 2Q17)
  - Very high basis of comparison in 2Q17 due to capital gains realised and significant amount of provision write-backs
  - Return on notional equity (RONE)*: 17.7%





Rebound in income vs. previous quarters
Very high basis of comparison in 2Q17

** Pre-tax return on allocated equity (annualised half-year income)*

Corporate and Institutional Banking - 2Q18 Global Markets - Business Activity and Revenues

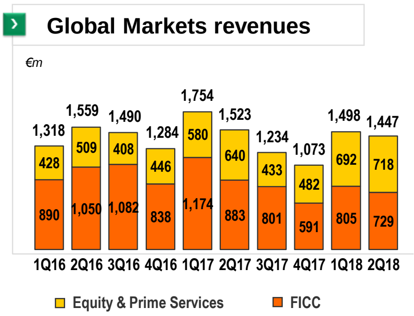
- Recognised expertise
  - Exane-BNP Paribas: #1 pan-European equity and research house for the second year in a row
  - Global Capital Bond Awards: 5 awards in 2018
- Less favourable market context in Europe than in 2Q17
  - In particular for Fixed Income in Europe (as in 1Q18) but good level of volumes for Equity
  - VaR still at a very low level (€24m on average)
  - #1 for all bonds in EUR and #8 for all International bonds*
- Revenues: €1,447m (-5.0% vs. 2Q17)
  - FICC: -17.4% vs. 2Q17, client business still weak on rates in Europe, lacklustre market context this quarter on foreign exchange and credit
  - Equity & Prime Services: +12.1% vs. 2Q17, good level of client flows on equity derivatives and development of prime services businesses

EXTEL 2018 WINNERS

EXANE BNP PARIBAS
Best Overall Broker
Best Overall Research
Best Sector Research

2018 GlobalCapital Bond Awards

Corporate DCM in Euro
Corporate Bond Syndicate Banker
FIG House – T2 Capital
FIG House – Regulatory Advice
Advisory House – Emerging Market



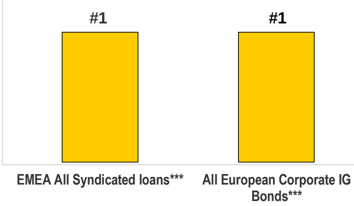
Market context still lacklustre for FICC in Europe
Good growth at Equity & Prime Services

** Source: Dealogic 1H18, ranking by volume*

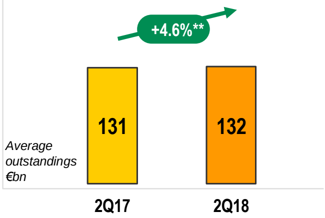
Corporate and Institutional Banking - 2Q18
Corporate Banking - Business Activity and Revenues

- Implementation of digital transformation
  - Investment in a minority stake in TradeIX which has developed a multi-bank trade finance platform based on blockchain technology
- Business activity
  - Ranked #1 for syndicated loans in the EMEA* region
  - Best Export Finance Bank *(Trade Finance Awards 2018)*
  - Average outstandings: rise in outstandings at €132bn (+4.6%** vs. 2Q17) and decrease in deposits at €122bn (-6.7%** vs. 2Q17)
- Revenues: €1,015m (-13.7% vs. 2Q17)
  - -1.7% excluding an unfavourable foreign exchange effect and capital gains recorded in 2Q17
  - Lower number of significant transactions in Europe (delayed initial public offerings in particular) but good performances in the Americas and Asia Pacific region
  - Continued development of transaction businesses (cash management and trade finance)

European rankings 1H18



Customer loans



Continued business development in a less favourable context this quarter

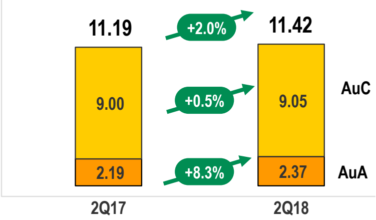
* Source: Thomson Reuters 1H18, bookrunner in volume; ** At constant scope and exchange rates; *** Source: Dealogic 1H18, bookrunner in volume

Corporate and Institutional Banking - 2Q18
Securities Services - Business Activity and Revenues

- Continued good business drive
  - Growth in assets under custody and under administration (+2.0% vs. 30.06.2017)
  - Rise in the number of transactions (+5.9% vs. 2Q17)
  - Announced a major agreement with DWS for €240bn in assets in Germany and Luxembourg*
  - Global Investor Awards: Securities Services received 7 awards
- Implementation of digital transformation
  - 30 automated processes under production and 44 in development
  - Launch of a new automated security transfer solution (*Securities Inventory Management*) enabling clients to optimise their custody, liquidity and management of collateral
  - Several blockchain initiatives in partnership with other market players to facilitate in particular SME securities transactions *(LiquidShare)* and fund distribution *(PlanetFunds)*
- Revenues: €517m (+3.9% vs. 2Q17)
  - In connection with the rise in assets under custody and under administration as well as transactions

Assets under custody (AuC) and under administration (AuA)

in 000 €bn



DWS — Providing fund administration services as well as custody and depositary services to DWS's retail funds in Germany and Luxembourg
Agreement covering €240bn in assets

Continued good business development

* Closing on the transaction expected in 2H18 subject to necessary approvals

Conclusion

Business and revenue increase in the context of economic growth in Europe

Active roll-out of new customer experiences and implementation of the digital transformation

Solid net income 11.2% return on tangible equity (ROTE)

Group Results

Division Results

1H18 Detailed Results

Appendix

Main Exceptional Items - 1H18

Exceptional items	1H18	1H17
Revenues		
Own credit adjustment and DVA *(Corporate Centre)**		-€207m
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
Total exceptional revenues		***+€26m***
Operating expenses		
Restructuring costs of acquisitions** *(Corporate Centre)*	-€13m	-€36m
Transformation costs of Businesses *(Corporate Centre)*	-€473m	-€243m
Total Operating expenses exceptionnels	***-€486m***	***-€279m***
Other non operating items		
Capital gain on the sale of a building *(Corporate Centre)*	+€101m	
Total exceptional other non operating items	***+€101m***	
Total exceptional items (pre-tax)	**-€385m**	**-€253m**
Total exceptional items (after tax)***	**-€247m**	**-€94m**

Negative impact of exceptional items vs. 1H17

** Under IFRS 9, value adjustment for the own credit risk (OCA) no longer booked in revenues but directly in equity starting from 1st January 2018; ** In particular LaSer, Bank BGZ, DAB Bank, GE LLD; *** Group share*

Consolidated Group - 1H18

	1H18	1H17	1H18 vs. 1H17	1H18 vs. 1H17 *Operating divisions*
Revenues	**€22,004m**	**€22,235m**	**-1.0%**	**-0.2%**
Operating expenses	-€15,628m	-15,190 M€	+2.9%	+1.8%
*Opex excluding exceptional items & IFRIC 21**			*+1.1%*	*+1.4%*
Gross Operating income	**€6,376m**	**€7,045m**	**-9.5%**	**-4.1%**
Cost of risk	-€1,182m	-€1,254m	-5.7%	+0.8%
Résultat d'exploitation	**€5,194m**	**€5,791m**	**-10.3%**	**-5.0%**
Non operating items	€515m	€424m	+21.5%	-13.4%
Pre-tax income	**€5,709m**	**€6,215m**	**-8.1%**	**-5.5%**
Net income Group share	**€3,960m**	**€4,290m**	**-7.7%**	
Net income Group share excluding exceptional items*	**€4,207m**	**€4,384m**	**-4.0%**	→ ***-1.9% excluding exceptionals & IFRIC 21***

** Exceptional items: see slide 39; Breakdown of taxes and contributions subject to IFRIC 21: see slide 74*

BNP Paribas Group - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**11,206**	**10,938**	**+2.5%**	**10,798**	**+3.8%**	**22,004**	**22,235**	**-1.0%**
Operating Expenses and Dep.	-7,368	-7,071	+4.2%	-8,260	-10.8%	-15,628	-15,190	+2.9%
Gross Operating Income	**3,838**	**3,867**	**-0.7%**	**2,538**	**+51.2%**	**6,376**	**7,045**	**-9.5%**
Cost of Risk	-567	-662	-14.4%	-615	-7.8%	-1,182	-1,254	-5.7%
Operating Income	**3,271**	**3,205**	**+2.1%**	**1,923**	**+70.1%**	**5,194**	**5,791**	**-10.3%**
Share of Earnings of Equity-Method Entities	132	223	-40.8%	162	-18.5%	294	388	-24.2%
Other Non Operating Items	50	33	+51.5%	171	-70.8%	221	36	n.s.
Non Operating Items	**182**	**256**	**-28.9%**	**333**	**-45.3%**	**515**	**424**	**+21.5%**
Pre-Tax Income	**3,453**	**3,461**	**-0.2%**	**2,256**	**+53.1%**	**5,709**	**6,215**	**-8.1%**
Corporate Income Tax	-918	-943	-2.7%	-558	+64.5%	-1,476	-1,695	-12.9%
Net Income Attributable to Minority Interests	-142	-122	+16.4%	-131	+8.4%	-273	-230	+18.7%
Net Income Attributable to Equity Holders	**2,393**	**2,396**	**-0.1%**	**1,567**	**+52.7%**	**3,960**	**4,290**	**-7.7%**
Cost/Income	**65.8%**	**64.6%**	**+1.2 pt**	**76.5%**	**-10.7 pt**	**71.0%**	**68.3%**	**+2.7 pt**

- Corporate income tax: average tax rate of 27.3% in 1H18 (positive 2 pt effect of the decrease in the tax rate in Belgium and in the United States)

Retail Banking and Services - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**8,071**	**7,737**	**+4.3%**	**7,879**	**+2.4%**	**15,950**	**15,456**	**+3.2%**
Operating Expenses and Dep.	-4,988	-4,784	+4.3%	-5,497	-9.2%	-10,485	-10,088	+3.9%
Gross Operating Income	**3,082**	**2,953**	**+4.4%**	**2,383**	**+29.4%**	**5,465**	**5,368**	**+1.8%**
Cost of Risk	-531	-686	-22.6%	-634	-16.3%	-1,165	-1,320	-11.7%
Operating Income	**2,551**	**2,267**	**+12.5%**	**1,748**	**+45.9%**	**4,299**	**4,047**	**+6.2%**
Share of Earnings of Equity-Method Entities	107	174	-38.6%	132	-19.0%	238	312	-23.7%
Other Non Operating Items	0	16	-97.8%	59	-99.4%	60	27	n.s.
Pre-Tax Income	**2,658**	**2,457**	**+8.2%**	**1,939**	**+37.1%**	**4,597**	**4,386**	**+4.8%**
Cost/Income	61.8%	61.8%	+0.0 pt	69.8%	-8.0 pt	65.7%	65.3%	+0.4 pt
Allocated Equity (€bn)						53.0	50.7	+4.6%

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 - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**3,938**	**3,951**	**-0.3%**	**3,969**	**-0.8%**	**7,907**	**7,903**	**+0.1%**
Operating Expenses and Dep.	-2,528	-2,488	+1.6%	-2,971	-14.9%	-5,499	-5,368	+2.4%
Gross Operating Income	**1,411**	**1,463**	**-3.6%**	**998**	**+41.4%**	**2,408**	**2,535**	**-5.0%**
Cost of Risk	-204	-355	-42.5%	-270	-24.4%	-474	-674	-29.7%
Operating Income	**1,206**	**1,108**	**+8.9%**	**727**	**+65.8%**	**1,934**	**1,860**	**+4.0%**
Share of Earnings of Equity-Method Entities	-3	21	n.s.	-6	-55.5%	-8	32	n.s.
Other Non Operating Items	1	1	-11.3%	1	+62.8%	2	6	-67.3%
Pre-Tax Income	**1,205**	**1,130**	**+6.7%**	**723**	**+66.8%**	**1,928**	**1,899**	**+1.5%**
Income Attributable to Wealth and Asset Management	-73	-78	-6.1%	-65	+12.8%	-138	-139	-0.9%
Pre-Tax Income of Domestic Markets	**1,132**	**1,052**	**+7.6%**	**658**	**+72.1%**	**1,790**	**1,759**	**+1.7%**
Cost/Income	64.2%	63.0%	+1.2 pt	74.9%	-10.7 pt	69.5%	67.9%	+1.6 pt
Allocated Equity (€bn)						24.7	24.1	+2.6%

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

- Revenues: +0.1% vs. 1H17
  - Rise in business activity but still impact of the low interest rate environment
- Operating expenses: +2.4% vs. 1H17
  - +2.1% excluding the impact of IFRIC 21*
  - Rise in the specialised businesses (Arval, Personal Investors, Leasing Solutions, Nickel) due to business development but decrease in the networks (-0.3%** on average)
- Pre-tax income: +1.7% vs. 1H17
  - Decrease in the cost of risk, in particular in Italy

** Booking in 1Q18 of the increases of banking contributions and taxes for the whole of 2018; ** Excluding the impact of IFRIC 21*

Domestic Markets
French Retail Banking - 1H18 (excluding PEL/CEL effects)

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**1,593**	**1,606**	**-0.8%**	**1,594**	**-0.0%**	**3,186**	**3,226**	**-1.2%**
Incl. Net Interest Income	*875*	*885*	*-1.1%*	*890*	*-1.6%*	*1,765*	*1,797*	*-1.8%*
Incl. Commissions	*718*	*721*	*-0.5%*	*704*	*+2.0%*	*1,422*	*1,429*	*-0.5%*
Operating Expenses and Dep.	-1,104	-1,116	-1.0%	-1,189	-7.1%	-2,293	-2,299	-0.3%
Gross Operating Income	**489**	**490**	**-0.3%**	**405**	**+20.7%**	**894**	**927**	**-3.6%**
Cost of Risk	-54	-80	-32.5%	-59	-9.2%	-113	-158	-28.6%
Operating Income	**435**	**411**	**+5.9%**	**346**	**+25.9%**	**781**	**769**	**+1.6%**
Non Operating Items	1	0	n.s.	0	n.s.	1	0	+61.6%
Pre-Tax Income	**436**	**411**	**+6.2%**	**345**	**+26.4%**	**781**	**769**	**+1.6%**
Income Attributable to Wealth and Asset Management	-39	-40	-1.9%	-39	-0.9%	-78	-79	-0.8%
Pre-Tax Income of French Retail Banking	**397**	**371**	**+7.1%**	**306**	**+29.9%**	**703**	**690**	**+1.9%**
Cost/Income	69.3%	69.5%	-0.2 pt	74.6%	-5.3 pt	72.0%	71.3%	+0.7 pt
Allocated Equity (€bn)						9.3	9.3	+0.1%

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

- Revenues: -1.2% vs. 1H17
  - Net interest income: -1.8% vs. 1H17, less renegotiation and early repayment penalties vs. high level in 1H17, but business growth
  - Fees: -0.5% vs. 1H17, slight decrease in fees
- Operating expenses: -0.3% vs. 1H17
  - -0.9% excluding the impact of IFRIC 21
  - Effect of cost saving measures (optimization of the network and streamlining of the management set-up)

** PEL/CEL effect: +€1m in 1H18 (-€1m in 1H17) and €0m in 2Q18 (+€1m in 2Q17)*

Domestic Markets
French Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 2Q18	%Var/2Q17	%Var/1Q18	Outstandings 1H18	%Var/1H17
LOANS	163.8	+5.8%	+0.9%	163.1	+6.5%
Individual Customers	90.3	+5.7%	+0.9%	90.0	+7.0%
Incl. Mortgages	79.6	+6.2%	+0.8%	79.2	+7.6%
Incl. Consumer Lending	10.8	+2.3%	+1.1%	10.7	+2.4%
Corporates	73.5	+5.9%	+1.0%	73.1	+5.9%
DEPOSITS AND SAVINGS	168.6	+4.8%	+2.5%	166.5	+5.9%
Current Accounts	102.8	+8.4%	+3.6%	101.0	+10.2%
Savings Accounts	59.9	+0.8%	+1.5%	59.4	+0.8%
Market Rate Deposits	5.9	-10.4%	-5.3%	6.1	-8.9%

€bn	30.06.18	%Var/ 30.06.17	%Var/ 31.03.18
OFF BALANCE SHEET SAVINGS			
Life Insurance	90.5	+3.4%	+1.3%
Mutual Funds	39.4	-5.5%	-4.7%

- Loans: +5.8% vs. 2Q17, significant rise in loans to individual and corporate customers in the context of economic growth in France
- Deposits: +4.8% vs. 2Q17, strong growth in current accounts
- Off balance sheet savings: growth in life insurance outstandings

Domestic Markets
BNL banca commerciale - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**698**	**729**	**-4.3%**	**713**	**-2.2%**	**1,411**	**1,456**	**-3.1%**
Operating Expenses and Dep.	-438	-430	+1.9%	-480	-8.8%	-918	-899	+2.2%
Gross Operating Income	**259**	**299**	**-13.2%**	**233**	**+11.4%**	**492**	**557**	**-11.6%**
Cost of Risk	-127	-222	-42.6%	-169	-24.7%	-297	-450	-34.0%
Operating Income	**132**	**77**	**+71.8%**	**63**	**n.s.**	**195**	**107**	**+83.0%**
Non Operating Items	-1	0	n.s.	0	n.s.	-1	0	n.s.
Pre-Tax Income	**130**	**77**	**+69.3%**	**63**	**n.s.**	**194**	**107**	**+81.2%**
Income Attributable to Wealth and Asset Management	-10	-12	-15.2%	-12	-13.9%	-22	-24	-5.7%
Pre-Tax Income of BNL bc	**120**	**65**	**+85.3%**	**51**	**n.s.**	**171**	**83**	**n.s.**
Cost/Income	62.8%	59.0%	+3.8 pt	67.4%	-4.6 pt	65.1%	61.8%	+3.3 pt
Allocated Equity (€bn)						5.5	5.7	-3.3%

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

- Revenues: -3.1% vs. 1H17
  - Net interest income: -5.5% vs. 1H17, impact of the low interest rate environment
  - Fees: +0.8% vs. 1H17, as a result of the growth in off balance sheet savings
- Operating expenses: +2.2% vs. 1H17
  - +0.6% excluding the impact of IFRIC 21 and of an additional contribution to the Italian resolution fund*
  - Containment of operating expenses
- Cost of risk: -34.0% vs. 1H17
  - Continued decrease in the cost of risk
- Pre-tax income: €171m (+€88m vs. 1H17), sharp rise in income

** €11m contribution paid in 2Q18*

Domestic Markets
BNL banca commerciale - Volumes

Average outstandings (€bn)	Outstandings 2Q18	%Var/2Q17	%Var/1Q18	Outstandings 1H18	%Var/1H17
LOANS	78.4	+0.2%	+0.4%	78.2	-0.5%
Individual Customers	40.2	+0.0%	+0.4%	40.1	-0.1%
Incl. Mortgages	24.9	-0.5%	+0.1%	24.9	+0.0%
Incl. Consumer Lending	4.3	+3.7%	+1.9%	4.3	+2.6%
Corporates	38.1	+0.4%	+0.4%	38.1	-1.0%
DEPOSITS AND SAVINGS	43.9	+7.0%	+0.7%	43.8	+7.0%
Individual Deposits	29.0	+4.3%	+1.6%	28.8	+4.0%
Incl. Current Accounts	28.7	+4.5%	+1.6%	28.5	+4.2%
Corporate Deposits	15.0	+12.7%	-1.1%	15.0	+13.2%

€bn	30.06.18	%Var/ 30.06.17	%Var/ 31.03.18
OFF BALANCE SHEET SAVINGS			
Life Insurance	20.4	+8.3%	+2.7%
Mutual Funds	15.5	+3.5%	-1.2%

- Loans: +0.2% vs. 2Q17
  - +1.3% vs. 2Q17 excluding the impact of the sale of a portfolio of non-performing loans in 1Q18*
- Deposits: +7.0% vs. 2Q17
  - Individuals and corporates: strong rise in current accounts
- Off balance sheet savings: rise in outstandings

** Sale of a portfolio of non-performing loans for a total of €0.8bn in 1Q18*

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Domestic Markets
Belgian Retail Banking - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**917**	**930**	**-1.4%**	**934**	**-1.8%**	**1,851**	**1,861**	**-0.6%**
Operating Expenses and Dep.	-552	-560	-1.4%	-835	-33.9%	-1,388	-1,383	+0.4%
Gross Operating Income	**365**	**370**	**-1.5%**	**99**	**n.s.**	**463**	**479**	**-3.2%**
Cost of Risk	2	-28	n.s.	-6	n.s.	-4	-27	-85.9%
Operating Income	**367**	**343**	**+7.0%**	**93**	**n.s.**	**460**	**452**	**+1.7%**
Non Operating Items	1	8	-81.9%	-1	n.s.	0	5	n.s.
Pre-Tax Income	**368**	**351**	**+5.0%**	**92**	**n.s.**	**460**	**457**	**+0.6%**
Income Attributable to Wealth and Asset Management	-23	-25	-8.5%	-13	+82.7%	-36	-35	+1.3%
Pre-Tax Income of Belgian Retail Banking	**345**	**325**	**+6.0%**	**79**	**n.s.**	**424**	**422**	**+0.6%**
Cost/Income	60.2%	60.2%	+0.0 pt	89.4%	-29.2 pt	75.0%	74.3%	+0.7 pt
Allocated Equity (€bn)						5.6	5.2	+8.1%

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

- Revenues: -0.6% vs. 1H17
  - Net interest income: +1.5% vs. 1H17, increase in volumes but impact of the low interest rate environment
  - Fees: -6.3% vs. 1H17, decrease in financial fees and rise in retrocession fees to independent agents due to the development of this network
- Operating expenses: +0.4% vs. 1H17
  - -0.7% excluding the impact of IFRIC 21
  - Effect of the cost saving measures (optimization of the branch network and streamlining of the management set-up)
- Pre-tax income: +0.6% vs. 1H17
  - +2.3% excluding the impact of IFRIC 21
  - Decrease in the cost of risk this semester

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Domestic Markets
Belgian Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 2Q18	%Var/2Q17	%Var/1Q18	Outstandings 1H18	%Var/1H17
LOANS	105.5	+4.5%	+1.4%	104.8	+4.7%
Individual Customers	67.5	+1.8%	+0.5%	67.4	+2.1%
Incl. Mortgages	48.8	+2.6%	+0.5%	48.7	+2.8%
Incl. Consumer Lending	0.3	+11.6%	n.s.	0.2	+12.5%
Incl. Small Businesses	18.4	-0.6%	-0.9%	18.5	+0.2%
Corporates and Local Governments	38.0	+9.8%	+3.1%	37.4	+10.0%
DEPOSITS AND SAVINGS	124.8	+4.6%	+2.2%	123.5	+4.7%
Current Accounts	51.7	+7.9%	+3.8%	50.7	+8.8%
Savings Accounts	70.3	+3.1%	+1.2%	69.9	+2.7%
Term Deposits	2.8	-10.9%	-3.1%	2.8	-11.3%

€bn	30.06.18	%Var/ 30.06.17	%Var/ 31.03.18
OFF BALANCE SHEET SAVINGS			
Life Insurance	24.3	-0.9%	-0.4%
Mutual Funds	32.2	+0.9%	+0.6%

- Loans: +4.5% vs. 2Q17
  - Individuals: increase in particular in mortgage loans
  - Corporates: strong growth in corporate loans
- Deposits: +4.6% vs. 2Q17
  - Rise in individual and corporate current accounts

Domestic Markets: Other Activities - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**731**	**686**	**+6.6%**	**728**	**+0.4%**	**1,459**	**1,360**	**+7.3%**
Operating Expenses and Dep.	-433	-382	+13.3%	-467	-7.2%	-900	-787	+14.4%
Gross Operating Income	**298**	**304**	**-1.9%**	**261**	**+14.0%**	**559**	**573**	**-2.4%**
Cost of Risk	-25	-26	-4.3%	-36	-30.7%	-60	-39	+53.6%
Operating Income	**273**	**278**	**-1.7%**	**225**	**+21.1%**	**499**	**533**	**-6.5%**
Share of Earnings of Equity-Method Entities	-3	14	n.s.	-2	+20.2%	-5	28	n.s.
Other Non Operating Items	0	0	n.s.	-1	n.s.	0	4	n.s.
Pre-Tax Income	**271**	**292**	**-7.3%**	**223**	**+21.5%**	**493**	**566**	**-12.9%**
Income Attributable to Wealth and Asset Management	-1	-1	-4.9%	-1	-6.6%	-2	-2	+23.0%
Pre-Tax Income of Other Domestic Markets	**270**	**291**	**-7.3%**	**222**	**+21.7%**	**491**	**565**	**-13.0%**
Cost/Income	59.3%	55.7%	+3.6 pt	64.1%	-4.8 pt	61.7%	57.9%	+3.8 pt
Allocated Equity (€bn)						4.3	3.9	+9.8%

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

- Revenues: +7.3% vs. 1H17
  - Scope effects and good development of the businesses' activity
- Operating expenses: +14.4% vs. 1H17
  - Scope effects and impact of the development of the businesses
  - Expenses related to the launch of new digital services at Arval and Leasing Solutions
- Pre-tax income: -13.0% vs. 1H17
  - -10.6% excluding the one-off provision linked to a change in method at Arval (€14m)*

** 1Q18*

Domestic Markets
LRB - Personal Investors

Luxembourg Retail Banking (LRB)

Average outstandings (€bn)	2Q18	%Var/2Q17	%Var/1Q18	1H18	%Var/1H17
LOANS	9.7	+9.0%	+1.9%	9.6	+9.5%
Individual Customers	6.8	+8.9%	+2.2%	6.7	+8.6%
Corporates and Local Governments	2.9	+9.3%	+1.2%	2.9	+11.7%
DEPOSITS AND SAVINGS	20.9	+14.6%	+3.6%	20.5	+13.3%
Current Accounts	10.3	+16.2%	+5.3%	10.1	+12.5%
Savings Accounts	9.2	+9.0%	+0.7%	9.2	+10.7%
Term Deposits	1.3	+51.9%	+12.1%	1.3	+47.4%

€bn	30.06.18	%Var/ 30.06.17	%Var/ 31.03.18
OFF BALANCE SHEET SAVINGS			
Life Insurance	1.0	+0.2%	+2.0%
Mutual Funds	1.7	-1.5%	+0.5%

- Loans vs. 2Q17: strong growth in mortgage and in corporate loans
- Deposits vs. 2Q17: significant rise in sight deposits and savings accounts particularly in the corporate client segment

Personal Investors

Average outstandings (€bn)	2Q18	%Var/2Q17	%Var/1Q18	1H18	%Var/1H17
LOANS	0.5	-5.5%	-4.6%	0.5	+6.5%
DEPOSITS	23.3	+8.9%	+2.6%	23.0	+8.7%

€bn	30.06.18	%Var/ 30.06.17	%Var/ 31.03.18
ASSETS UNDER MANAGEMENT	97.2	+9.0%	+2.1%
European Customer Orders (millions)	4.3	+5.9%	-23.0%

- Deposits vs. 2Q17: good level of new client acquisition
- Assets under management vs. 30.06.17: good asset inflows, in particular in Germany and effect of the rise of financial markets

Domestic Markets
Arval - Leasing Solutions - Nickel

Arval

Average outstandings (€bn)	2Q18	%Var*/2Q17	%Var*/1Q18	1H18	%Var*/1H17
Consolidated Outstandings	17.5	+9.3%	+2.6%	17.3	+9.2%
Financed vehicles ('000 of vehicles)	1,143	+7.4%	+2.1%	1,132	+7.3%

- Consolidated outstandings: 9.3%* vs. 2Q17, good growth in all regions
- Financed fleet: +7.4%* vs. 2Q17, very good sales and marketing drive

Leasing Solutions

Average outstandings (€bn)	2Q18	%Var*/2Q17	%Var*/1Q18	1H18	%Var*/1H17
Consolidated Outstandings	19.3	+9.2%	+1.7%	19.2	+8.7%

- Consolidated outstandings: +9.2%* vs. 2Q17, good business and marketing drive

Nickel

- 955,000 accounts opened as at 30 June 2018 (+53% vs. 30 June 2017; +10% vs. 31 March 2018)
- Reminder: acquisition finalised on 12 July 2017

* At constant scope and exchange rates

International Financial Services - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**4,279**	**3,935**	**+8.7%**	**4,060**	**+5.4%**	**8,339**	**7,844**	**+6.3%**
Operating Expenses and Dep.	-2,534	-2,367	+7.1%	-2,609	-2.9%	-5,143	-4,873	+5.5%
Gross Operating Income	**1,745**	**1,568**	**+11.3%**	**1,451**	**+20.2%**	**3,195**	**2,971**	**+7.5%**
Cost of Risk	-326	-331	-1.2%	-365	-10.6%	-692	-645	+7.2%
Operating Income	**1,418**	**1,237**	**+14.6%**	**1,086**	**+30.6%**	**2,504**	**2,326**	**+7.6%**
Share of Earnings of Equity-Method Entities	109	153	-28.7%	137	-20.5%	246	281	-12.3%
Other Non Operating Items	-1	14	n.s.	58	n.s.	58	20	n.s.
Pre-Tax Income	**1,526**	**1,405**	**+8.7%**	**1,281**	**+19.1%**	**2,808**	**2,627**	**+6.9%**
Cost/Income	59.2%	60.2%	-1.0 pt	64.3%	-5.1 pt	61.7%	62.1%	-0.4 pt
Allocated Equity (€bn)						28.3	26.6	+6.4%

- Foreign exchange effect due in particular to the depreciation of the dollar and Turkish lira
  - USD vs. EUR*: -7.6% vs. 2Q17, +3.1% vs. 1Q18, -10.5% vs. 1H17
  - TRY vs. EUR*: -24.4% vs. 2Q17, -10.0% vs. 1Q18, -20.5% vs. 1H17
- At constant scope and exchange rates vs. 1H17
  - Revenues: +7.5%, up across all the businesses due to a good business drive
  - Operating expenses: +6.0%, as a result of business development (positive jaws effect of 1.5 pt)
  - Pre-tax income: +6.2%, significant income growth

** Average rates*

International Financial Services Personal Finance - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**1,381**	**1,220**	**+13.2%**	**1,354**	**+1.9%**	**2,735**	**2,421**	**+13.0%**
Operating Expenses and Dep.	-672	-579	+16.0%	-725	-7.4%	-1,397	-1,213	+15.2%
Gross Operating Income	**709**	**641**	**+10.7%**	**629**	**+12.7%**	**1,338**	**1,208**	**+10.8%**
Cost of Risk	-265	-225	+17.8%	-276	-3.7%	-541	-465	+16.4%
Operating Income	**443**	**415**	**+6.8%**	**353**	**+25.5%**	**797**	**743**	**+7.2%**
Share of Earnings of Equity-Method Entities	8	30	-73.7%	15	-47.8%	23	50	-54.1%
Other Non Operating Items	-2	0	n.s.	4	n.s.	3	5	-51.5%
Pre-Tax Income	**450**	**445**	**+1.0%**	**373**	**+20.7%**	**822**	**798**	**+3.0%**
Cost/Income	48.6%	47.5%	+1.1 pt	53.6%	-5.0 pt	51.1%	50.1%	+1.0 pt
Allocated Equity (€bn)						7.1	5.4	+32.0%

- Integration of General Motors Europe's financing businesses* progressing well
- Revenues: +13.0% vs. 1H17
  - +8.5% at constant scope and exchange rates
  - In connection with the rise in volumes and the positioning on products with a better risk profile
  - Revenue growth in particular in Italy, Spain and Germany
- Operating expenses: +15.2% vs. 1H17
  - +6.6% at constant scope and exchange rates and excluding the impact of IFRIC 21 (positive jaws effect of 1.9 pt)
  - As a result of good business development

** Acquisition finalised on 31 October 2017*

International Financial Services
Personal Finance - Volumes and Risks

Average outstandings (€bn)	Outstandings	%Var/2Q17		%Var/1Q18		Outstandings	%Var/1H17	
	2Q18	historical	at constant scope and exchange rates	historical	at constant scope and exchange rates	1H18	historical	at constant scope and exchange rates
TOTAL CONSOLIDATED OUTSTANDINGS	83.7	+19.9%	+12.0%	+3.2%	+3.2%	82.4	+20.1%	+12.1%
TOTAL OUTSTANDINGS UNDER MANAGEMENT (1)	95.7	+19.9%	+11.9%	+3.3%	+3.6%	94.2	+19.8%	+11.7%

(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	2Q17	3Q17	4Q17	1Q18	2Q18
France	1.65%	1.04%	0.98%	0.91%	0.81%
Italy	0.87%	1.70%	1.53%	1.13%	1.62%
Spain	1.17%	1.63%	1.77%	2.31%	1.31%
Other Western Europe	0.85%	1.29%	1.42%	1.15%	0.82%
Eastern Europe	0.31%	1.24%	1.91%	0.88%	0.57%
Brazil	4.82%	5.35%	5.11%	5.60%	6.21%
Others	1.95%	2.41%	2.58%	2.56%	2.69%
Personal Finance	**1.31%**	**1.54%**	**1.57%**	**1.37%**	**1.28%**

International Financial Services
Europe-Mediterranean - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**614**	**590**	**+4.1%**	**581**	**+5.6%**	**1,196**	**1,183**	**+1.1%**
Operating Expenses and Dep.	-402	-420	-4.3%	-416	-3.3%	-818	-845	-3.1%
Gross Operating Income	**212**	**170**	**+24.7%**	**165**	**+28.1%**	**377**	**338**	**+11.6%**
Cost of Risk	-55	-70	-21.8%	-70	-21.0%	-125	-137	-9.0%
Operating Income	**157**	**100**	**+57.6%**	**96**	**+64.0%**	**252**	**201**	**+25.7%**
Non Operating Items	43	52	-18.4%	96	-55.5%	139	101	+36.9%
Pre-Tax Income	**199**	**152**	**+31.4%**	**191**	**+4.2%**	**391**	**302**	**+29.5%**
Income Attributable to Wealth and Asset Management	-1	-1	+8.9%	-1	-24.1%	-2	-1	+8.8%
Pre-Tax Income of EUROPE-MEDITERRANEAN	**199**	**151**	**+31.5%**	**191**	**+4.3%**	**389**	**300**	**+29.6%**
Cost/Income	65.5%	71.2%	-5.7 pt	71.6%	-6.1 pt	68.4%	71.4%	-3.0 pt
Allocated Equity (€bn)						4.8	5.0	-4.0%

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

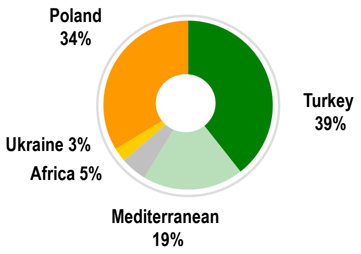
- Foreign exchange effect due to the depreciation of the Turkish lira in particular
  - TRY vs. EUR*: -24.4% vs. 2Q17, -10.0% vs. 1Q18, -20.5% vs. 1H17
- At constant scope and exchange rates vs. 1H18
  - Revenues**: +11.7%, up across all regions, effect of increased volumes and margins, good level of fees
  - Operating expenses**: +4.7%, as a result of good business development (largely positive jaws effect)
  - Cost of risk**: +5.3%
  - Pre-tax income***: +36.4%, sharp rise in income

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

International Financial Services
Europe-Mediterranean - Volumes and Risks

Average outstandings (€bn)	Outstandings	%Var/2Q17		%Var/1Q18		Outstandings	%Var/1H17	
	2Q18	historical	at constant scope and exchange rates	historical	at constant scope and exchange rates	1H18	historical	at constant scope and exchange rates
LOANS	35.9	-4.8%	+6.3%	-1.3%	+3.1%	36.1	-3.4%	+5.5%
DEPOSITS	34.1	-2.3%	+9.5%	-0.3%	+3.8%	34.2	-2.4%	+7.2%

Geographic distribution of 2Q18 outstanding loans



Cost of risk / outstandings

Annualised cost of risk/outstandings as at beginning of period	2Q17	3Q17	4Q17	1Q18	2Q18
Turkey	1.67%	0.97%	0.53%	1.13%	1.00%
Ukraine	2.81%	-6.07%	-1.08%	-0.50%	-0.24%
Poland	0.31%	0.33%	0.73%	0.58%	0.23%
Others	-0.57%	1.19%	0.98%	0.43%	0.44%
Europe-Mediterranean	0.73%	0.62%	0.66%	0.73%	0.58%

International Financial Services
BancWest -1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**731**	**762**	**-4.0%**	**683**	**+7.0%**	**1,414**	**1,523**	**-7.1%**
Operating Expenses and Dep.	-488	-513	-4.9%	-495	-1.5%	-983	-1,069	-8.1%
Gross Operating Income	**243**	**249**	**-2.0%**	**188**	**+29.5%**	**431**	**453**	**-4.9%**
Cost of Risk	-5	-38	-86.8%	-20	-75.1%	-25	-59	-58.3%
Operating Income	**239**	**211**	**+13.1%**	**168**	**+41.9%**	**407**	**394**	**+3.2%**
Non Operating Items	0	1	-99.8%	0	n.s.	0	0	n.s.
Pre-Tax Income	**239**	**212**	**+12.6%**	**168**	**+41.9%**	**407**	**394**	**+3.2%**
Income Attributable to Wealth and Asset Management	-7	-5	+27.9%	-6	+21.0%	-13	-10	+23.4%
Pre-Tax Income of BANCWEST	**232**	**206**	**+12.2%**	**162**	**+42.6%**	**394**	**384**	**+2.7%**
Cost/Income	66.7%	67.4%	-0.7 pt	72.5%	-5.8 pt	69.5%	70.2%	-0.7 pt
Allocated Equity (€bn)						6.0	6.6	-8.8%

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

- Foeign exchange effect: USD vs. EUR*: -7.6% vs. 2Q17, +3.1% vs. 1Q18, -10.5% vs. 1H17
- At constant scope and exchange rates vs. 1H17
  - Revenues**: +3.7%, as a result of volume growth
  - Operating expenses**: +2.2%, good cost containment (positive jaws effect: +1.5 pt)
  - Cost of risk**: -53.9%, very low cost of risk this semester
  - Pre-tax income***: +16.3%

** Average rates; ** Including 100% of Private Banking in the United States; *** Including 2/3 of Private Banking in the United States*

International Financial Services
BancWest - Volumes

Average outstandings (€bn)	Outstandings	%Var/2Q17		%Var/1Q18		Outstandings	%Var/1H17	
	2Q18	historical	at constant scope and exchange rates	historical	at constant scope and exchange rates	1H18	historical	at constant scope and exchange rates
LOANS	61.2	-5.5%	+2.2%	+3.5%	+0.8%	60.2	-8.1%	+2.7%
Individual Customers	26.7	-6.6%	+1.0%	+3.8%	+0.7%	26.2	-9.2%	+1.4%
Incl. Mortgages	11.5	-1.7%	+6.4%	+4.5%	+1.3%	11.3	-4.5%	+6.7%
Incl. Consumer Lending	15.2	-10.1%	-2.7%	+3.4%	+0.2%	14.9	-12.5%	-2.3%
Commercial Real Estate	17.5	-3.1%	+4.9%	+3.9%	+0.7%	17.2	-5.3%	+5.8%
Corporate Loans	17.2	-4.8%	+3.0%	+4.3%	+1.1%	16.9	-8.3%	+2.5%
DEPOSITS AND SAVINGS	68.4	-2.5%	+5.5%	+1.2%	-1.8%	68.0	-4.0%	+7.3%
Deposits Excl. Jumbo CDs	57.9	-2.3%	+5.7%	+2.4%	-0.7%	57.2	-3.6%	+7.6%

- Loans: +2.2%* vs. 2Q17
  - +3.0%* excluding the impact of a securitisation in 4Q17
  - Increase in individual and corporate loans
- Deposits: +5.5%* vs. 2Q17
  - Good growth in current and savings accounts

* At constant scope and exchange rates

International Financial Services
Insurance and WAM* - Business

	30.06.18	30.06.17	%Var/ 30.06.17	31.03.18	%Var/ 31.03.18
Assets under management (€bn)	1,060	1,033	+2.7%	1,051	+0.9%
Asset Management	419	421	-0.4%	424	-1.0%
Wealth Management	372	355	+4.8%	362	+2.7%
Real Estate Services	29	24	+19.2%	28	+3.0%
Insurance	240	232	+3.3%	237	+1.2%

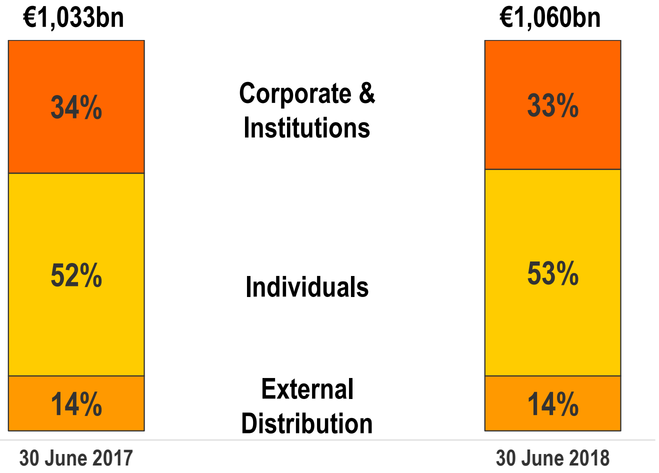
	2Q18	2Q17	%Var/ 2Q17	1Q18	%Var/ 1Q18
Net asset flows (€bn)	0.5	1.0	-53.5%	12.9	-96.5%
Asset Management	-7.9	-6.5	+20.0%	5.6	n.s.
Wealth Management	5.0	5.9	-15.4%	4.6	+8.5%
Real Estate Services	0.4	0.1	n.s.	0.4	+24.8%
Insurance	2.8	1.5	+90.0%	2.4	+20.2%

- Assets under management: +€9.1bn vs. 31.03.18 (+€27.6bn vs. 30.06.17), including in particular
  - Net asset flows: +€0.5bn, good asset inflows in Wealth Management and Insurance offset by asset outflows in Asset Management concentrated on a bond mandate (in-sourcing by a client of its fund management; very low margin mandate)
  - Performance effect: +€2.5bn, as a result of the favourable evolution of financial markets
  - Foreign exchange effect: +€6.2bn, in particular due to the appreciation of the dollar

* Wealth and Asset Management

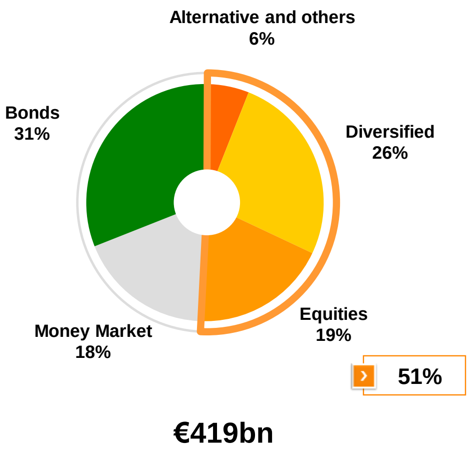
International Financial Services - Insurance & WAM
Breakdown of Assets by Customer Segment

Breakdown of assets by customer segment



International Financial Services - Asset Management
Breakdown of Managed Assets

30.06.18



International Financial Services
Insurance - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**735**	**619**	**+18.7%**	**661**	**+11.2%**	**1,397**	**1,216**	**+14.8%**
Operating Expenses and Dep.	-342	-297	+15.2%	-367	-6.8%	-710	-623	+13.9%
Gross Operating Income	**393**	**322**	**+22.0%**	**294**	**+33.6%**	**687**	**593**	**+15.8%**
Cost of Risk	1	-1	n.s.	0	n.s.	1	-2	n.s.
Operating Income	**394**	**321**	**+22.8%**	**294**	**+34.2%**	**688**	**592**	**+16.3%**
Share of Earnings of Equity-Method Entities	46	55	-15.9%	75	-38.6%	121	109	+11.2%
Other Non Operating Items	0	0	n.s.	0	n.s.	0	1	n.s.
Pre-Tax Income	**440**	**376**	**+17.1%**	**369**	**+19.3%**	**810**	**702**	**+15.4%**
Cost/Income	46.6%	48.0%	-1.4 pt	55.5%	-8.9 pt	50.8%	51.2%	-0.4 pt
Allocated Equity (€bn)						8.5	7.7	+9.7%

- Technical reserves: +4.3% vs. 1H17
- Revenues: +14.8% vs. 1H17
  - Good business drive in both the savings and protection insurance business
  - Good level of capital gains realised
- Operating expenses: +13.9% vs. 1H17
  - As a result of the good development of the business
- Pre-tax income: +15.4% vs. 1H17
  - Good performance of the associated companies

International Financial Services
Wealth and Asset Management - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**834**	**760**	**+9.8%**	**795**	**+4.9%**	**1,630**	**1,533**	**+6.3%**
Operating Expenses and Dep.	-639	-567	+12.8%	-614	+4.1%	-1,253	-1,143	+9.7%
Gross Operating Income	**195**	**193**	**+1.1%**	**181**	**+7.7%**	**376**	**391**	**-3.7%**
Cost of Risk	-2	4	n.s.	0	n.s.	-2	18	n.s.
Operating Income	**193**	**197**	**-2.1%**	**181**	**+6.2%**	**374**	**408**	**-8.4%**
Share of Earnings of Equity-Method Entities	12	15	-21.5%	5	n.s.	17	20	-14.2%
Other Non Operating Items	1	14	-91.0%	0	n.s.	1	14	-91.9%
Pre-Tax Income	**206**	**226**	**-8.9%**	**187**	**+10.2%**	**392**	**443**	**-11.4%**
Cost/Income	76.6%	74.6%	+2.0 pt	77.2%	-0.6 pt	76.9%	74.5%	+2.4 pt
Allocated Equity (€bn)						1.9	1.9	+0.0%

- Revenues: +6.3% vs. 1H17
  - Good overall performance
- Operating expenses: +9.7% vs. 1H17
  - +7.8% excluding specific transformation projects in Asset Management and costs related to the acquisition of Strutt & Parker in Real Estate Services
  - In relation with the development of the business
- Pre-tax income: -11.4% vs. 1H17
  - -3.9% excluding non-recurring items*

** Capital gain from the sale of a building in 2Q17, specific transformation projects (Asset Management) and costs related to the acquisition of Strutt & Parker (Real Estate Services)*

Corporate and Institutional Banking - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**2,979**	**3,197**	**-6.8%**	**2,906**	**+2.5%**	**5,885**	**6,420**	**-8.3%**
Operating Expenses and Dep.	-1,970	-1,988	-0.9%	-2,389	-17.5%	-4,360	-4,494	-3.0%
Gross Operating Income	**1,009**	**1,209**	**-16.6%**	**517**	**+95.0%**	**1,526**	**1,926**	**-20.8%**
Cost of Risk	-23	118	n.s.	31	n.s.	8	172	-95.4%
Operating Income	**986**	**1,328**	**-25.7%**	**548**	**+79.9%**	**1,534**	**2,098**	**-26.9%**
Share of Earnings of Equity-Method Entities	7	5	+21.3%	9	-22.8%	15	13	+15.8%
Other Non Operating Items	3	15	-78.9%	2	+71.0%	5	15	-65.8%
Pre-Tax Income	**996**	**1,349**	**-26.2%**	**558**	**+78.3%**	**1,554**	**2,126**	**-26.9%**
Cost/Income	66.1%	62.2%	+3.9 pt	82.2%	-16.1 pt	74.1%	70.0%	+4.1 pt
Allocated Equity (€bn)						20.3	21.9	-7.2%

- Revenues: -8.3% vs. high base in 1H17
  - -4.4% excluding an unfavourable foreign exchange effect and capital gains realised in 2Q17 at Corporate Banking
  - Lacklustre market context for FICC in Europe vs. 1H17
- Operating expenses: -3.0% vs. 1H17
  - -4.1% excluding IFRIC 21*: effect of cost saving measures
- Cost of risk:
  - Reminder: significant amount of provision write-backs in 1H17
- Allocated equity: -7.2% vs. 1H17
  - Optimisation of financial resources as part of the transformation plan
  - RONE**: 17.7%

** €483m in taxes and contributions booked in 1Q18 (€451m in 1Q17); ** Pre-tax return on allocated equity (annualised half-year income)*

Corporate and Institutional Banking Global Markets - 1H18

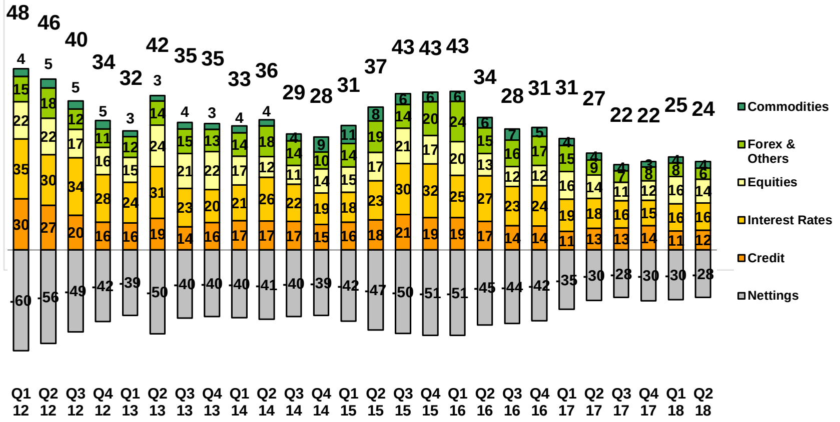
€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**1,447**	**1,523**	**-5.0%**	**1,498**	**-3.4%**	**2,945**	**3,277**	**-10.1%**
incl. FICC	*729*	*883*	*-17.4%*	*805*	*-9.4%*	*1,535*	*2,057*	*-25.4%*
incl. Equity & Prime Services	*718*	*640*	*+12.1%*	*692*	*+3.7%*	*1,410*	*1,220*	*+15.6%*
Operating Expenses and Dep.	-955	-997	-4.2%	-1,275	-25.1%	-2,230	-2,421	-7.9%
Gross Operating Income	**492**	**526**	**-6.4%**	**223**	**n.s.**	**715**	**856**	**-16.5%**
Cost of Risk	-37	39	n.s.	28	n.s.	-9	36	n.s.
Operating Income	**455**	**565**	**-19.6%**	**251**	**+81.0%**	**706**	**892**	**-20.9%**
Share of Earnings of Equity-Method Entities	1	-1	n.s.	1	+4.2%	2	-1	n.s.
Other Non Operating Items	1	3	-53.7%	0	n.s.	1	2	-40.2%
Pre-Tax Income	**457**	**567**	**-19.3%**	**252**	**+81.1%**	**709**	**893**	**-20.6%**
Cost/Income	66.0%	65.5%	+0.5 pt	85.1%	-19.1 pt	75.7%	73.9%	+1.8 pt
Allocated Equity (€bn)						7.4	8.4	-11.0%

- Revenues: -10.1% vs. high base in 1H17
  - Lacklustre context for FICC in Europe this semester
  - Good growth at Equity & Prime Services driven by a rebound in volumes on equity derivatives and good development of prime brokerage
- Operating expenses: -7.9% vs. 1H17
  - -10.2% excluding IFRIC 21*
  - Effect of cost saving measures
- Allocated equity: -11.0% vs. 1H17
  - Decrease in the Value at Risk vs. 1H17 and effect of the optimisation of financial resources (right-sizing in particular of portfolios with low profitability)

** €331m in taxes and contributions booked in 1H18 (€307m in 1H17)*

Corporate and Institutional Banking
Market Risks - 1H18

Average 99% 1-day interval Var



- VaR down, still at a very low level*
  - Slight decrease on forex and equities
  - No backtesting event reported this quarter
  - Only 18 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 - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**1,015**	**1,176**	**-13.7%**	**904**	**+12.2%**	**1,919**	**2,167**	**-11.5%**
Operating Expenses and Dep.	-596	-590	+1.0%	-691	-13.8%	-1,288	-1,282	+0.5%
Gross Operating Income	**418**	**586**	**-28.6%**	**213**	**+96.7%**	**631**	**886**	**-28.7%**
Cost of Risk	13	78	-83.6%	1	n.s.	14	135	-89.7%
Operating Income	**431**	**664**	**-35.1%**	**214**	**n.s.**	**645**	**1,021**	**-36.8%**
Non Operating Items	7	19	-64.0%	9	-27.7%	16	26	-37.5%
Pre-Tax Income	**438**	**683**	**-35.9%**	**223**	**+96.1%**	**661**	**1,047**	**-36.8%**
Cost/Income	58.8%	50.2%	+8.6 pt	76.5%	-17.7 pt	67.1%	59.1%	+8.0 pt
Allocated Equity (€bn)						12.0	12.7	-5.1%

- Revenues: -11.5% vs. 1H17
  - -2.5% excluding an unfavourable foreign exchange effect and capital gains realised in 2Q17
  - Lower number of significant transactions in Europe vs. high base in 1H17 (delayed initial public offerings in particular) but good performance of the Americas and Asia Pacific regions
  - Good growth in transaction businesses (cash management and trade finance)
- Operating expenses: +0.5% vs. 1H17
  - Good cost control due to cost saving measures
- Cost of risk:
  - Reminder: significant amount of provision write-backs in 1H17
- Allocated equity: -5.1% vs. 1H17
  - Effect of the optimisation of financial resources as part of the transformation plan

** Negligible impact of IFRIC 21: €125m in taxes and contributions booked in 1H18 vs. €127m in 1H17*

Corporate and Institutional Banking
Securities Services - 1H18

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**517**	**498**	**+3.9%**	**505**	**+2.4%**	**1,022**	**975**	**+4.8%**
Operating Expenses and Dep.	-419	-400	+4.6%	-423	-1.0%	-842	-791	+6.5%
Gross Operating Income	**98**	**97**	**+0.9%**	**82**	**+20.0%**	**180**	**185**	**-2.5%**
Cost of Risk	2	1	+67.0%	1	+76.6%	3	1	n.s.
Operating Income	**100**	**99**	**+1.7%**	**83**	**+20.8%**	**183**	**186**	**-1.5%**
Non Operating Items	1	0	+85.1%	0	n.s.	0	1	-64.8%
Pre-Tax Income	**101**	**99**	**+1.9%**	**83**	**+21.9%**	**183**	**186**	**-1.7%**
Cost/Income	81.0%	80.5%	+0.5 pt	83.8%	-2.8 pt	82.4%	81.1%	+1.3 pt
Allocated Equity (€bn)						0.9	0.9	-2.6%

Securities Services	30.06.18	30.06.17	%Var/ 30.06.17	31.03.18	%Var/ 31.03.18
Assets under custody (€bn)	9,046	9,001	+0.5%	9,401	-3.8%
Assets under administration (€bn)	2,372	2,191	+8.3%	2,218	+6.9%
	2Q18	**2Q17**	**2Q18/2Q17**	**1Q18**	**2Q18/1Q18**
Number of transactions (in million)	24.2	22.9	+5.9%	23.7	+2.1%

- Revenues: +4.8% vs. 1H17
  - Effect of the rise in volumes and new mandates
- Operating expenses: +6.5% vs. 1H17
  - +5.3% excluding IFRIC 21*
  - As a result of good business development (onboarding of new mandates)

** €27m in taxes and contributions booked in 1H18 vs. €17m in 1H17*

Corporate and Institutional Banking
Transactions – 2Q18

Germany – Bayer AG
Refinancing of Monsanto acquisition
- EUR 5bn Multi-Tranche Senior Unsecured Notes Active Bookrunner, *June 2018*
- USD 15bn Multi-Tranche Senior Unsecured Notes Passive Bookrunner, *June 2018*
- EUR 6bn Rights Issue Joint Bookrunner, *June 2018*

China - Zhejiang Geely Holding Group
EUR 2.1bio Term Loan Facility for 8.2% Acquisition in Volvo Truck
Joint Mandated Lead Arranger / Facility and Security Agent
June 2018

Germany - Volkswagen International Finance N.V.
€2.75bn Dual-Tranche hybrid
The transaction was to refinance the issuer's outstanding 3.875% Non-Call Sept. 2018 notes and to finance general corporate purposes. Joint Active Bookrunner – *June 2018*

France / South Korea – L'Oréal
Sole Financial Advisor to L'Oréal for the acquisition of Stylenanda
May 2018

Switzerland – Syngenta Finance N.V.
USD 4.75bn Multi-Tranche 144A / Reg S Offering
Refinancing of the remaining amounts drawn under the CNAC Saturn (NL) B.V. ("CNAC") Facilities Agreement.
Active Bookrunner – *April 2018*

Brazil – Grupo Carrefour Brasil
BRL 1.5bn Debenture Issuance
Joint Bookrunner
April 2018

Switzerland /France – Givaudan
Advisor to Givaudan for the acquisition of a 40.6% stake in Naturex through blocks acquisition followed by a mandatory tender offer
April 2018

France / Netherlands – Unibail-Rodamco-Westfield
Appointed to provide shareholder services and structuring & management services for the new group's stapled shares
April 2018

Corporate and Institutional Banking Ranking and Awards - 2Q18

- **Global Markets et Corporate Banking:**
  - Exane BNP Paribas pan-European Survey: #1 Overall Broker, #1 Overall Research, #1 Equity Sector Research (*Extel survey – June 2018*)
- **Global Markets:**
  - #1 All bonds in Euros and #8 All International bonds *(Dealogic, H1 2018)*
  - Most Impressive Bank for Corporate Debt Capital Market in Euros and five other #1 rankings *(Global Capital Bond Awards 2018)*
  - Interest Rate Derivatives House of the Year *(Global Capital Americas Derivatives Awards 2018)*
- **Securities Services:**
  - Asset Servicing Technology Innovation of the Year, Collateral Management System of the Year and Global Custody Survey Winner 2018 (*Global Investor Investment Excellence Awards 2018 – June 2018*)
- **Corporate Banking:**
  - #1 EMEA Syndicated Loan Bookrunner by volume and number of deals (*Thomson Reuters, H1 2018*)
  - Best Supply Chain Finance Bank (*GTR Leaders in Trade 2018*)
  - Best Export Finance Bank (*Trade Finance Magazine)*

Corporate Centre - 2Q18

€m	2Q18	2Q17	1Q18	1H18	1H17
Revenues	**156**	**3**	**11**	**167**	**360**
Operating Expenses and Dep.	-409	-300	-374	-784	-608
Incl. Restructuring and Transformation Costs	-275	-168	-211	-486	-279
Gross Operating income	**-253**	**-297**	**-363**	**-616**	**-248**
Cost of Risk	-13	-94	-11	-25	-106
Operating Income	**-267**	**-391**	**-374**	**-641**	**-353**
Share of Earnings of Equity-Method Entities	19	44	22	41	63
Other non operating items	46	2	110	156	-6
Pre-Tax Income	**-201**	**-346**	**-242**	**-444**	**-296**

- Revenues
  - Reminder: under IFRS 9, the value adjustment for the own credit risk (OCA) is no longer booked in revenues but in equity, starting from 1st January 2018 (DVA* negligible in 2Q18; own credit adjustment and DVA* in 2Q17: -€200m)
  - 2Q17 reminder: capital gain on the sale of 4.78% stake in Euronext: +€85m
- Operating expenses
  - Transformation costs of the businesses: -€267m (-€153m in 2Q17)
  - Restructuring costs related to the acquisitions (in particular LaSer, Bank BGZ, DAB Bank and GE LLD): -€8m (-€15m in 2Q17)

** Own credit risk included in derivatives*

Corporate Centre - 1H18

- Revenues
  - Reminder: under IFRS 9, the value adjustment for the own credit risk (OCA) is no longer booked in revenues but in equity, starting from 1st January 2018 (DVA* negligible in 1H18; own credit adjustment and DVA* in 1H17 : -€207m)
  - 1H17 reminder: capital gain from the sale of Shinhan (+€148m) and Euronext (+€85m) shares
  - Decrease this semester of Principal Investments' contribution (high basis of comparison in 1H17)
- Operating expenses
  - Transformation costs of the businesses: -€473m (-€243m in 1H17)
  - Restructuring costs related to the acquisitions (in particular LaSer, Bank BGZ, DAB Bank and GE LLD): -€13m (-€36m in 1H17)
- Other non operating items
  - Capital gain on the sale of a building: +€101m in 1H18

** Own credit risk included in derivatives*

Breakdown of taxes and contributions subject to IFRIC 21 - 1H18

€m	1H18	1H17
Domestic Markets*	**-451**	**-422**
French Retail Banking*	-101	-89
BNL bc*	-43	-40
Belgian Retail Banking*	-276	-263
Other activities*	-30	-30
International Financial Services	**-136**	**-126**
Personal Finance	-59	-43
International Retail Banking*	-27	-36
Insurance	-35	-30
Wealth and Asset Management	-14	-17
Corporate & Institutional Banking	**-483**	**-451**
Corporate Banking	-125	-127
Global Markets	-331	-307
Securities Services	-27	-17
Corporate Centre	**-69**	**-64**
TOTAL	**-1,138**	**-1,062**

** Including 2/3 of Private Banking*

Breakdown of the Transformation Costs of the Businesses Presented in the Corporate Centre - 2Q18

m€	2Q18	1Q18	2017	4Q17	3Q17	2Q17	1Q17
Retail Banking & Services	**-161**	**-124**	**-464**	**-201**	**-125**	**-93**	**-45**
Domestic Markets	**-76**	**-60**	**-200**	**-93**	**-48**	**-42**	**-17**
French Retail Banking	**-45**	-33	-129	-58	-31	-28	-12
BNL bc	**-4**	-3	-17	-9	-5	-2	-1
Belgian Retail Banking	**-20**	-18	-33	-17	-6	-8	-2
Other Activities	**-7**	-7	-22	-9	-6	-5	-2
International Financial Services	**-85**	**-64**	**-264**	**-109**	**-76**	**-51**	**-28**
Personal Finance	**-23**	-22	-64	-27	-16	-14	-7
International Retail Banking	**-30**	-19	-102	-37	-31	-20	-13
Insurance	**-14**	-9	-46	-20	-16	-6	-3
Wealth and Asset Management	**-19**	-14	-53	-25	-14	-10	-5
Corporate & Institutional Banking	**-106**	**-81**	**-301**	**-117**	**-80**	**-61**	**-43**
Corporate Banking	**-41**	-15	-96	-52	-15	-17	-12
Global Markets	**-47**	-50	-149	-41	-49	-35	-24
Securities Services	**-17**	-16	-56	-24	-16	-9	-7
Corporate Centre	**-1**	**-0**	**-91**	**-90**	**-0**	**1**	**-1**
TOTAL	**-267**	**-206**	**-856**	**-408**	**-205**	**-153**	**-90**

Group Results

Division Results

1H18 Detailed Results

Appendix

Number of Shares and Earnings per Share

Number of Shares

in millions	30-Jun-18	31-Dec-17
Number of Shares (end of period)	1,250	1,249
Number of Shares excluding Treasury Shares (end of period)	1,248	1,248
Average number of Shares outstanding excluding Treasury Shares	1,248	1,246

Earnings per Share

in millions	30-Jun-18	30-Jun-17
Average number of Shares outstanding excluding Treasury Shares	**1,248**	**1,246**
Net income attributable to equity holders	3,960	4,290
Remuneration net of tax of Undated Super Subordinated Notes	-189	-184
Exchange rate effect on reimbursed Undated Super Subordinated Notes	0	0
Net income attributable to equity holders, after remuneration and exchange rate effect on Undated Super Subordinated Notes	**3,771**	**4,106**
Net Earnings per Share (EPS) in euros	**3.02**	**3.30**

Capital Ratios and Book Value per Share

Capital Ratios

	30-Jun-18	31-Dec-17
Total Capital Ratio (a)	14.5%	14.8%
Tier 1 Ratio (a)	12.8%	13.2%
Common equity Tier 1 ratio (a)	11.5%	11.9%

(a) Basel 3 (CRD4), taking into consideration CRR transitory provisions (but with full deduction of goodwill), on risk-weighted assets of €657 bn as at 30.06.18 and €641 bn as at 31.12.17. Subject to the provisions of article 26.2 of (EU) regulation n°575/2013.

Book value per Share

in millions of euros	30-Jun-18 IFRS 9	1-Jan-18 IFRS 9	31-Dec-17 IAS 39	
Shareholders' Equity Group share	**98,711**	**99,426**	**101,983**	(1)
(IFRS 9 impact on shareholders' equity)		*-2,533*		
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	1,009	1,787	3,198	
of which Undated Super Subordinated Notes	8,167	8,172	8,172	(2)
of which remuneration net of tax payable to holders of Undated Super Subordinated Notes	121	66	66	(3)
Net Book Value (a)	**90,423**	**91,188**	**93,745**	(1)-(2)-(3)
Goodwill and intangibles	12,511	12,443	12,443	
Tangible Net Book Value (a)	**77,912**	**78,745**	**81,302**	
Number of Shares excluding Treasury Shares (end of period) in millions	**1,248**	**1,248**	**1,248**	
Book Value per Share (euros)	**72.4**	**73.1**	**75.1**	
of which book value per share excluding valuation reserve (euros)	***71.6***	***71.7***	***72.6***	
Net Tangible Book Value per Share (euros)	**62.4**	**63.1**	**65.1**	

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

Return on Equity and Permanent Shareholders' Equity

Calculation of Return on Equity

in millions of euros	1H18	1H17	
Net income Group share	**3,960**	**4,290**	(1)
Exceptional items (after tax) (a)	-247	-95	(2)
Contribution to the Single Resolution Fund (SRF) and levies after tax	-954	-881	(3)
Annualised net income Group share (exceptional items, contribution to SRF and taxes not annualised) (b)	**9,121**	**9,556**	(4)
Remuneration net of tax of Undated Super Subordinated Notes and exchange effect	-367	-361	
Impact of annualised transformation and restructuring costs	-331	-179	
Net income Group share restated used for the calculation of ROE/ROTE	**8,423**	**9,016**	
Average permanent shareholders' equity, not revaluated (c)	**87,712**	**85,161**	
Return on Equity (ROE)	**9.6%**	**10.6%**	
Average tangible permanent shareholders' equity, not revaluated (d)	**75,235**	**72,343**	
Return on Tangible Equity (ROTE)	**11.2%**	**12.5%**	

(a) See slide 39; (b) As at 30.06.18 and 30.06.17, (4) = 2*[(1) - (2) -(3)] +(2) +(3)
(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 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 taxes not annualised (Tangible permanent shareholders' equity = permanent shareholders' equity - intangible assets - goodwill)

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

in millions of euros	30-Jun-18 *IFRS 9*	1-Jan-18 *IFRS 9*	31-Dec-17 *IAS 39*	
Net Book Value	**90,423**	**91,188**	**93,745**	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	1,009	1,787	3,198	(2)
of which 2017 dividend		3,769	3,769	(3)
of which 2018 dividend distribution assumption	4,495			(4)
Annualisation of restated result (a)	5,161			(5)
Impact of transformation and restructuration costs annualised	-331			(6)
Restatement of remuneration of Undated Super Subordinated Notes for the annualised calculation	42			(7)
Permanent shareholders' equity, not revaluated (b)	**89,791**	**85,632**	**86,778**	(1)-(2)-(3)-(4)+(5)+(6)+(7)
Goodwill and intangibles	12,511	12,443	12,443	
Tangible permanent shareholders' equity, not revaluated (b)	**77,280**	**73,189**	**74,335**	

(a) 1H18 Net Income Group Share excluding exceptional items and contribution to the SRF and levies after tax;
(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-18 *IFRS 9*	1-Jan-18 *IFRS 9*
Doubtful loans (a) / Loans (b)	2.9%	3.0%

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

Coverage ratio

€bn	30-Jun-18 *IFRS 9*	1-Jan-18 *IFRS 9*
Allowance for loan losses (a)	22.1	22.9
Doubtful loans (b)	27.8	28.6
Stage 3 coverage ratio	79.4%	80.2%

(a) Stage 3 provisions
(b) Gross doubtful loans (customers and credit institutions), on-balance sheet and off-balance sheet, netted of guarantees, including debt securities measured at amortized costs or at fair value through shareholders' equity (excluding insurance)

Immediately available liquidity reserve

€bn	30-Jun-18	31-Dec-17
Immediately available liquidity reserve (counterbalancing capacity) (a)	308	285

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

Ratio Common Equity Tier 1

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

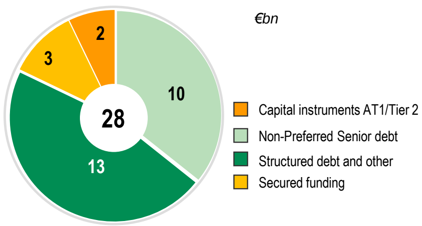
€bn	30-Jun-18	31-Mar-18
Consolidated Equity	**104.2**	**105.3**
Undated super subordinated notes	-8.2	-8.2
2017 dividend		-3.8
2018 project of dividend distribution	-1.9	-0.7
Regulatory adjustments on equity**	-1.1	-1.1
Regulatory adjustments on minority interests	-2.9	-2.8
Goodwill and intangible assets	-13.0	-12.7
Deferred tax assets related to tax loss carry forwards	-0.8	-0.8
Other regulatory adjustments	-0.5	-0.7
Deduction of Irrevocable payments commitments***	-0.5	-0.5
Common Equity Tier One capital	**75.3**	**74.1**
Risk-weighted assets	**657**	**638**
Common Equity Tier 1 Ratio	**11.5%**	**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; *** New SSM general requirement

Wholesale Medium/Long Term Funding 2018 Programme

- Indicative breakdown of 2018 MLT funding plan (€28bn)*
  - €2bn of AT1 and Tier 2 issuances (target of 3% of RWA by 2020 on capital instruments)
  - €10bn of Non-Preferred Senior, in line with 2017
  - €13bn of structured notes and other
  - €3bn of secured funding allocated equally between Covered Bonds and Securitisation
- 80% of 2018 total funding plan completed**
  - Tier 2: USD1.25bn
  - Preferred and Non Preferred Senior Debt issued in 2018**: €21.4bn
  - Almost 90% of the NPS programme realised
- 2018 senior debt issuance**: €21.4bn, 4.7-year average maturity, mid-swap +39bps
  - Of which NPS issuances: €8.9bn (6.6-year average maturity, mid-swap +59bps)
  - Of which preferred senior issuances: €11.3bn (2.8-year average maturity, mid-swap +14bps)
  - Of which secured funding: €1.1bn (7.5 years, mid-swap -3bps)

2018 programme breakdown



Main issuances of the year

NPS	NPS	Tier 2 / NPS	NPS
$2bn 3.375% 7-Year UST + 103bps	€1.25bn 1.125% long 8-Year mid-swap+47bps	**Dual tranche** US$ 1.25bn 15NC10 Tier 2 UST + 150bps & USD1.5bn 5-year NPS UST+90bps	**Samuraï Bonds Multi-tranches** 5y/7y/10y JPY64.5bn (~€500m) at YOS+20/25/36bps

80% of the 2018 funding plan already achieved

* Subject to market conditions; ** As at 19 July 2018

Cost of Risk on Outstandings (1/2)

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

	2015	2016	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18
Domestic Markets*									
Loan outstandings as of the beg. of the quarter (€bn)	339.2	344.4	356.4	359.2	365.6	367.8	362.3	397.2	398.4
Cost of risk (€m)	1,812	1,515	319	355	311	370	1,356	270	204
Cost of risk (in annualised bp)	53	44	36	40	34	40	37	27	20
FRB*									
Loan outstandings as of the beg. of the quarter (€bn)	144.7	144.3	151.5	154.2	158.2	159.6	155.9	187.5	185.4
Cost of risk (€m)	343	342	79	80	65	107	331	59	54
Cost of risk (in annualised bp)	24	24	21	21	17	27	21	13	12
BNL bc*									
Loan outstandings as of the beg. of the quarter (€bn)	77.4	77.4	79.4	78.5	77.6	77.6	78.3	78.1	77.6
Cost of risk (€m)	1,248	959	228	222	203	218	871	169	127
Cost of risk (in annualised bp)	161	124	115	113	105	113	111	87	66
BRB*									
Loan outstandings as of the beg. of the quarter (€bn)	91.5	96.4	98.7	99.3	102.0	101.7	100.4	102.0	104.3
Cost of risk (€m)	85	98	-1	28	23	15	65	6	-2
Cost of risk (in annualised bp)	9	10	0	11	9	6	6	2	-1

**With Private Banking at 100%*

Cost of Risk on Outstandings (2/2)

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

	2015	2016	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18
BancWest*									
Loan outstandings as of the beg. of the quarter (€bn)	55.0	60.3	67.3	66.7	63.5	62.2	64.9	61.4	59.6
Cost of risk (€m)	50	85	22	38	32	20	111	20	5
Cost of risk (in annualised bp)	9	14	13	23	20	13	17	13	3
Europe-Mediterranean*									
Loan outstandings as of the beg. of the quarter (€bn)	38.8	39.1	38.3	38.3	38.3	37.9	38.2	38.2	38.2
Cost of risk (€m)	466	437	67	70	60	62	259	70	55
Cost of risk (in annualised bp)	120	112	70	73	62	66	68	73	58
Personal Finance									
Loan outstandings as of the beg. of the quarter (€bn)	57.0	61.4	65.9	68.9	70.9	68.9	68.7	80.6	82.9
Cost of risk (€m)	1,176	979	240	225	273	271	1,009	276	265
Cost of risk (in annualised bp)	206	159	146	131	154	157	147	137	128
CIB - Corporate Banking									
Loan outstandings as of the beg. of the quarter (€bn)	116.5	118.7	123.4	128.6	122.8	119.2	123.5	131.1	127.0
Cost of risk (€m)	138	292	-57	-78	-4	209	70	-1	-13
Cost of risk (in annualised bp)	12	25	-19	-24	-1	70	6	0	-4
Group**									
Loan outstandings as of the beg. of the quarter (€bn)	698.9	709.8	737.6	742.9	739.1	734.9	738.6	776.9	780.8
Cost of risk (€m)	3,797	3,262	592	662	668	985	2,907	615	567
Cost of risk (in annualised bp)	54	46	32	36	36	54	39	32	29

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

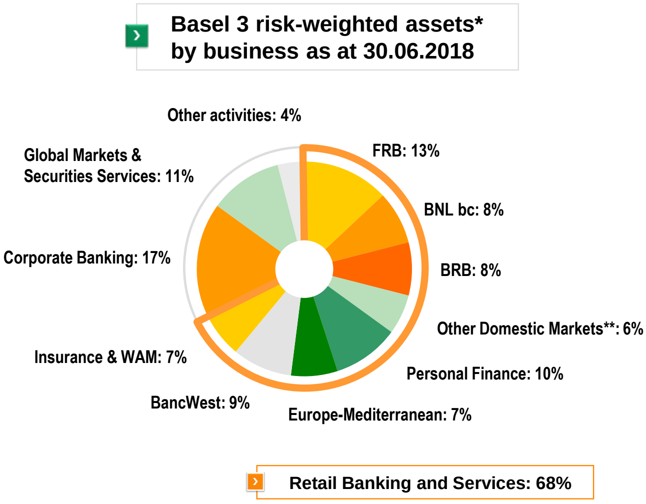
Basel 3* Risk-Weighted Assets

- Basel 3* Risk-Weighted Assets: €657bn as at 30.06.18 (€638bn as at 31.03.18)
  - Impact of foreign exchange effect related to the depreciation of the euro
  - Increase in risk-weighted assets related to credit risk
  - Risk-weighted assets related to the operational risk raised to the standard method level

€bn	30.06.18	31.03.18
Credit Risk	516	504
Operational Risk	74	68
Counterparty Risk	30	29
Market / Foreign exchange Risk	18	19
Securitisation positions in the banking book	4	4
Others**	16	15
Total of Basel 3* RWA	**657**	**638**

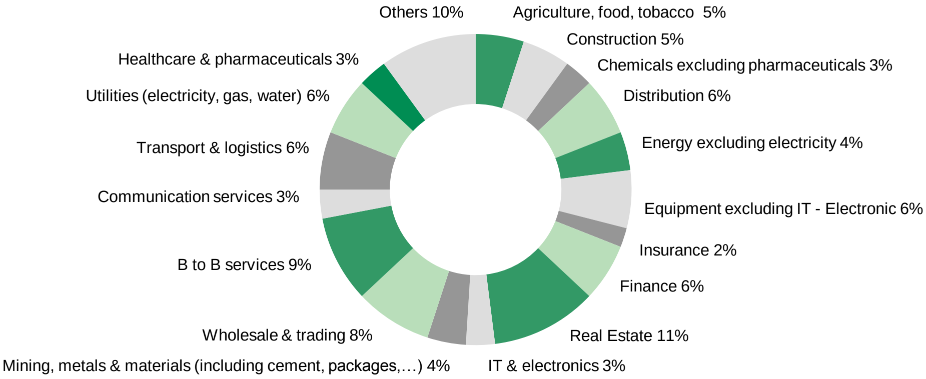
* CRD4; ** Including the DTAs and significant investments in entities in the financial sector subject to 250% weighting

Basel 3* Risk-Weighted Assets by Business



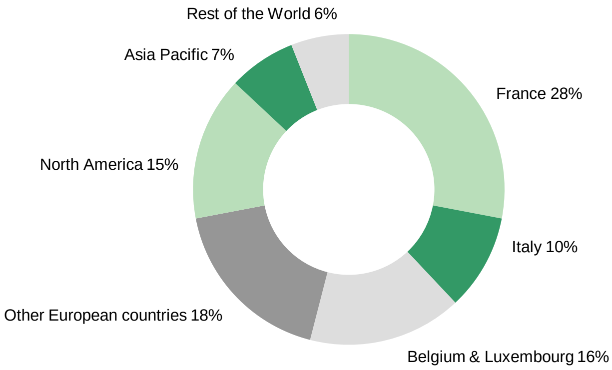
* CRD4; ** Including Luxembourg

Breakdown of Commitments by Industry (Corporate Asset Class)



Total gross commitments on and off-balance sheet, unweighted (corporate asset class) = €661bn as at 30.06.2018

Breakdown of Commitments by Region



Total gross commitments on and off balance sheet, unweighted = €1,559bn as at 30.06.2018

CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	2Q18	2Q17	2Q18 / 2Q17	1Q18	2Q18 / 1Q18	1H18	1H17	1H18 / 1H17
Revenues	**11,206**	**10,938**	**+2.5%**	**10,798**	**+3.8%**	**22,004**	**22,235**	**-1.0%**
Operating Expenses and Dep.	-7,368	-7,071	+4.2%	-8,260	-10.8%	-15,628	-15,190	+2.9%
Gross Operating Income	**3,838**	**3,867**	**-0.7%**	**2,538**	**+51.2%**	**6,376**	**7,045**	**-9.5%**
Cost of Risk	-567	-662	-14.4%	-615	-7.8%	-1,182	-1,254	-5.7%
Operating Income	**3,271**	**3,205**	**+2.1%**	**1,923**	**+70.1%**	**5,194**	**5,791**	**-10.3%**
Share of Earnings of Equity-Method Entities	132	223	-40.8%	162	-18.5%	294	388	-24.2%
Other Non Operating Items	50	33	+51.5%	171	-70.8%	221	36	n.s.
Non Operating Items	**182**	**256**	**-28.9%**	**333**	**-45.3%**	**515**	**424**	**+21.5%**
Pre-Tax Income	**3,453**	**3,461**	**-0.2%**	**2,256**	**+53.1%**	**5,709**	**6,215**	**-8.1%**
Corporate Income Tax	-918	-943	-2.7%	-558	+64.5%	-1,476	-1,695	-12.9%
Net Income Attributable to Minority Interests	-142	-122	+16.4%	-131	+8.4%	-273	-230	+18.7%
Net Income Attributable to Equity Holders	**2,393**	**2,396**	**-0.1%**	**1,567**	**+52.7%**	**3,960**	**4,290**	**-7.7%**
Cost/Income	**65.8%**	**64.6%**	**+1.2 pt**	**76.5%**	**-10.7 pt**	**71.0%**	**68.3%**	**+2.7 pt**

BNP Paribas' financial disclosures for the second quarter 2018 are contained in this press release and in the presentation attached herewith.
All legally required disclosures, including the Registration document, are available online at http://invest.bnpparibas.com in the "Results" section and are made public by BNP Paribas pursuant to the requirements under Article L.451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the Autorité des Marchés Financiers' general rules.

2Q18 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**3,792**	**4,279**	**2,979**	**11,050**	**156**	**11,206**
	%Change/2Q17	-0.3%	+8.7%	-6.8%	+1.0%	n.s.	+2.5%
	%Change/1Q18	-0.7%	+5.4%	+2.5%	+2.4%	n.s.	+3.8%
Operating Expenses and Dep.		-2,454	-2,534	-1,970	-6,959	-409	-7,368
	%Change/2Q17	+1.6%	+7.1%	-0.9%	+2.8%	+36.6%	+4.2%
	%Change/1Q18	-15.0%	-2.9%	-17.5%	-11.8%	+9.4%	-10.8%
Gross Operating Income		**1,338**	**1,745**	**1,009**	**4,091**	**-253**	**3,838**
	%Change/2Q17	-3.5%	+11.3%	-16.6%	-1.7%	-14.7%	-0.7%
	%Change/1Q18	+43.5%	+20.2%	+95.0%	+41.0%	-30.2%	+51.2%
Cost of Risk		-205	-326	-23	-554	-13	-567
	%Change/2Q17	-42.5%	-1.2%	n.s.	-2.5%	-85.9%	-14.4%
	%Change/1Q18	-24.0%	-10.6%	n.s.	-8.3%	+16.9%	-7.8%
Operating Income		**1,133**	**1,418**	**986**	**3,538**	**-267**	**3,271**
	%Change/2Q17	+9.9%	+14.6%	-25.7%	-1.6%	-31.9%	+2.1%
	%Change/1Q18	+70.8%	+30.6%	+79.9%	+54.0%	-28.8%	+70.1%
Share of Earnings of Equity-Method Entities		-3	109	7	113	19	132
Other Non Operating Items		1	-1	3	4	46	50
Pre-Tax Income		**1,132**	**1,526**	**996**	**3,654**	**-201**	**3,453**
	%Change/2Q17	+7.5%	+8.7%	-26.2%	-4.0%	-41.7%	-0.2%
	%Change/1Q18	+71.9%	+19.1%	+78.3%	+46.3%	-17.0%	+53.1%

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**3,792**	**4,279**	**2,979**	**11,050**	**156**	**11,206**
	2Q17	3,803	3,935	3,197	10,935	3	10,938
	1Q18	3,820	4,060	2,906	10,787	11	10,798
Operating Expenses and Dep.		-2,454	-2,534	-1,970	-6,959	-409	-7,368
	2Q17	-2,417	-2,367	-1,988	-6,771	-300	-7,071
	1Q18	-2,888	-2,609	-2,389	-7,886	-374	-8,260
Gross Operating Income		**1,338**	**1,745**	**1,009**	**4,091**	**-253**	**3,838**
	2Q17	1,387	1,568	1,209	4,164	-297	3,867
	1Q18	933	1,451	517	2,901	-363	2,538
Cost of Risk		-205	-326	-23	-554	-13	-567
	2Q17	-356	-331	118	-568	-94	-662
	1Q18	-269	-365	31	-604	-11	-615
Operating Income		**1,133**	**1,418**	**986**	**3,538**	**-267**	**3,271**
	2Q17	1,031	1,237	1,328	3,596	-391	3,205
	1Q18	664	1,086	548	2,297	-374	1,923
Share of Earnings of Equity-Method Entities		-3	109	7	113	19	132
	2Q17	21	153	5	179	44	223
	1Q18	-6	137	9	140	22	162
Other Non Operating Items		1	-1	3	4	46	50
	2Q17	1	14	15	31	2	33
	1Q18	1	58	2	61	110	171
Pre-Tax Income		**1,132**	**1,526**	**996**	**3,654**	**-201**	**3,453**
	2Q17	1,053	1,405	1,349	3,807	-346	3,461
	1Q18	659	1,281	558	2,498	-242	2,256
Corporate Income Tax							-918
Net Income Attributable to Minority Interests							-142
Net Income Attributable to Equity Holders							**2,393**

1H18 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**7,613**	**8,339**	**5,885**	**21,837**	**167**	**22,004**
	%Change/1H17	+0.0%	+6.3%	-8.3%	-0.2%	-53.5%	-1.0%
Operating Expenses and Dep.		-5,342	-5,143	-4,360	-14,844	-784	-15,628
	%Change/1H17	+2.4%	+5.5%	-3.0%	+1.8%	+28.9%	+2.9%
Gross Operating Income		**2,271**	**3,195**	**1,526**	**6,992**	**-616**	**6,376**
	%Change/1H17	-5.2%	+7.5%	-20.8%	-4.1%	n.s.	-9.5%
Cost of Risk		-474	-692	8	-1,157	-25	-1,182
	%Change/1H17	-29.8%	+7.2%	-95.4%	+0.8%	-76.7%	-5.7%
Operating Income		**1,797**	**2,504**	**1,534**	**5,835**	**-641**	**5,194**
	%Change/1H17	+4.5%	+7.6%	-26.9%	-5.0%	+81.3%	-10.3%
Share of Earnings of Equity-Method Entities		-8	246	15	253	41	294
Other Non Operating Items		2	58	5	65	156	221
Pre-Tax Income		**1,791**	**2,808**	**1,554**	**6,153**	**-444**	**5,709**
	%Change/1H17	+1.9%	+6.9%	-26.9%	-5.5%	+49.7%	-8.1%
Corporate Income Tax							-1,476
Net Income Attributable to Minority Interests							-273
Net Income Attributable to Equity Holders							**3,960**

QUARTERLY SERIES

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

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
RETAIL BANKING & SERVICES Excluding PEL/CEL Effects						
Revenues	**8,071**	**7,879**	**7,881**	**7,707**	**7,737**	**7,719**
Operating Expenses and Dep.	-4,988	-5,497	-5,101	-4,854	-4,784	-5,305
Gross Operating Income	**3,082**	**2,383**	**2,780**	**2,853**	**2,953**	**2,414**
Cost of Risk	-531	-634	-722	-662	-686	-634
Operating Income	**2,551**	**1,748**	**2,058**	**2,191**	**2,267**	**1,780**
Share of Earnings of Equity-Method Entities	107	132	147	162	174	139
Other Non Operating Items	0	59	55	361	16	11
Pre-Tax Income	**2,658**	**1,939**	**2,261**	**2,714**	**2,457**	**1,930**
Allocated Equity (€bn, year to date)	53.0	52.8	51.4	50.9	50.7	50.6

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
RETAIL BANKING & SERVICES						
Revenues	**8,071**	**7,880**	**7,894**	**7,714**	**7,738**	**7,717**
Operating Expenses and Dep.	-4,988	-5,497	-5,101	-4,854	-4,784	-5,305
Gross Operating Income	**3,083**	**2,384**	**2,793**	**2,860**	**2,955**	**2,412**
Cost of Risk	-531	-634	-722	-662	-686	-634
Operating Income	**2,552**	**1,749**	**2,071**	**2,198**	**2,269**	**1,778**
Share of Earnings of Equity-Method Entities	107	132	147	162	174	139
Other Non Operating Items	0	59	55	361	16	11
Pre-Tax Income	**2,659**	**1,940**	**2,273**	**2,721**	**2,458**	**1,927**
Allocated Equity (€bn, year to date)	53.0	52.8	51.4	50.9	50.7	50.6

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
DOMESTIC MARKETS (including 100% of Private Banking in France, Italy, Belgium and Luxembourg)* Excluding PEL/CEL Effects						
Revenues	**3,938**	**3,969**	**3,897**	**3,918**	**3,951**	**3,952**
Operating Expenses and Dep.	-2,528	-2,971	-2,653	-2,599	-2,488	-2,880
Gross Operating Income	**1,411**	**998**	**1,244**	**1,319**	**1,463**	**1,072**
Cost of Risk	-204	-270	-370	-311	-355	-319
Operating Income	**1,206**	**727**	**874**	**1,008**	**1,108**	**753**
Share of Earnings of Equity-Method Entities	-3	-6	7	23	21	11
Other Non Operating Items	1	1	1	3	1	5
Pre-Tax Income	**1,205**	**723**	**882**	**1,034**	**1,130**	**769**
Income Attributable to Wealth and Asset Management	-73	-65	-70	-64	-78	-61
Pre-Tax Income of Domestic Markets	**1,132**	**658**	**812**	**970**	**1,052**	**707**
Allocated Equity (€bn, year to date)	24.7	24.4	24.6	24.3	24.1	23.8

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
DOMESTIC MARKETS (including 2/3 of Private Banking in France, Italy, Belgium and Luxembourg)						
Revenues	**3,792**	**3,820**	**3,768**	**3,786**	**3,803**	**3,807**
Operating Expenses and Dep.	-2,454	-2,888	-2,582	-2,524	-2,417	-2,799
Gross Operating Income	**1,338**	**933**	**1,185**	**1,262**	**1,387**	**1,008**
Cost of Risk	-205	-269	-369	-310	-356	-319
Operating Income	**1,133**	**664**	**817**	**952**	**1,031**	**689**
Share of Earnings of Equity-Method Entities	-3	-6	7	22	21	11
Other Non Operating Items	1	1	1	3	1	5
Pre-Tax Income	**1,132**	**659**	**825**	**977**	**1,053**	**705**
Allocated Equity (€bn, year to date)	24.7	24.4	24.6	24.3	24.1	23.8

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

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

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

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

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

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

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

*

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

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

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

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

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

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)*						
Revenues	**731**	**728**	**730**	**692**	**686**	**674**
Operating Expenses and Dep.	-433	-467	-420	-400	-382	-405
Gross Operating Income	**298**	**261**	**310**	**292**	**304**	**269**
Cost of Risk	-25	-36	-30	-19	-26	-14
Operating Income	**273**	**225**	**279**	**273**	**278**	**256**
Share of Earnings of Equity-Method Entities	-3	-2	5	5	14	14
Other Non Operating Items	0	-1	0	0	0	5
Pre-Tax Income	**271**	**223**	**284**	**277**	**292**	**274**
Income Attributable to Wealth and Asset Management	-1	-1	-1	-1	-1	-1
Pre-Tax Income of Other Domestic Markets	**270**	**222**	**283**	**277**	**291**	**274**
Allocated Equity (€bn, year to date)	4.3	4.2	4.0	3.9	3.9	3.9

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)						
Revenues	**728**	**725**	**727**	**690**	**683**	**671**
Operating Expenses and Dep.	-431	-464	-419	-399	-381	-403
Gross Operating Income	**297**	**260**	**309**	**291**	**303**	**269**
Cost of Risk	-25	-36	-30	-19	-26	-14
Operating Income	**272**	**225**	**278**	**272**	**277**	**255**
Share of Earnings of Equity-Method Entities	-3	-2	5	5	14	14
Other Non Operating Items	0	-1	0	0	0	5
Pre-Tax Income	**270**	**222**	**283**	**277**	**291**	**274**
Allocated Equity (€bn, year to date)	4.3	4.2	4.0	3.9	3.9	3.9

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

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
INTERNATIONAL FINANCIAL SERVICES						
Revenues	**4,279**	**4,060**	**4,126**	**3,928**	**3,935**	**3,909**
Operating Expenses and Dep.	-2,534	-2,609	-2,519	-2,330	-2,367	-2,506
Gross Operating Income	**1,745**	**1,451**	**1,608**	**1,598**	**1,568**	**1,404**
Cost of Risk	-326	-365	-353	-352	-331	-315
Operating Income	**1,418**	**1,086**	**1,254**	**1,246**	**1,237**	**1,089**
Share of Earnings of Equity-Method Entities	109	137	141	140	153	128
Other Non Operating Items	-1	58	54	358	14	6
Pre-Tax Income	**1,526**	**1,281**	**1,449**	**1,744**	**1,405**	**1,222**
Allocated Equity (€bn, year to date)	28.3	28.3	26.8	26.5	26.6	26.7

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
PERSONAL FINANCE						
Revenues	**1,381**	**1,354**	**1,280**	**1,222**	**1,220**	**1,201**
Operating Expenses and Dep.	-672	-725	-639	-575	-579	-634
Gross Operating Income	**709**	**629**	**641**	**647**	**641**	**568**
Cost of Risk	-265	-276	-271	-273	-225	-240
Operating Income	**443**	**353**	**369**	**375**	**415**	**328**
Share of Earnings of Equity-Method Entities	8	15	19	21	30	20
Other Non Operating Items	-2	4	0	24	0	5
Pre-Tax Income	**450**	**373**	**389**	**420**	**445**	**353**
Allocated Equity (€bn, year to date)	7.1	7.0	5.8	5.5	5.4	5.3

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey)*						
Revenues	**614**	**581**	**581**	**573**	**590**	**592**
Operating Expenses and Dep.	-402	-416	-414	-403	-420	-424
Gross Operating Income	**212**	**165**	**167**	**170**	**170**	**168**
Cost of Risk	-55	-70	-62	-60	-70	-67
Operating Income	**157**	**96**	**105**	**110**	**100**	**101**
Share of Earnings of Equity-Method Entities	43	41	49	47	53	48
Other Non Operating Items	-1	54	3	1	-1	0
Pre-Tax Income	**199**	**191**	**158**	**159**	**152**	**150**
Income Attributable to Wealth and Asset Management	-1	-1	-1	0	-1	-1
Pre-Tax Income of EUROPE-MEDITERRANEAN	**199**	**191**	**157**	**158**	**151**	**149**
Allocated Equity (€bn, year to date)	4.8	4.8	4.9	5.0	5.0	5.0

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey)						
Revenues	**612**	**579**	**579**	**571**	**588**	**590**
Operating Expenses and Dep.	-401	-415	-413	-401	-419	-423
Gross Operating Income	**211**	**164**	**167**	**170**	**169**	**167**
Cost of Risk	-55	-70	-62	-60	-70	-67
Operating Income	**156**	**95**	**105**	**110**	**99**	**100**
Share of Earnings of Equity-Method Entities	43	41	49	47	53	48
Other Non Operating Items	-1	54	3	1	-1	0
Pre-Tax Income	**199**	**191**	**157**	**158**	**151**	**149**
Allocated Equity (€bn, year to date)	4.8	4.8	4.9	5.0	5.0	5.0

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

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BANCWEST (Including 100% of Private Banking in United States)*						
Revenues	**731**	**683**	**738**	**734**	**762**	**761**
Operating Expenses and Dep.	-488	-495	-483	-482	-513	-556
Gross Operating Income	**243**	**188**	**255**	**251**	**249**	**205**
Cost of Risk	-5	-20	-20	-32	-38	-22
Operating Income	**239**	**168**	**235**	**219**	**211**	**183**
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0
Other Non Operating Items	0	0	1	3	1	-1
Pre-Tax Income	**239**	**168**	**236**	**222**	**212**	**182**
Income Attributable to Wealth and Asset Management	-7	-6	-6	-5	-5	-5
Pre-Tax Income of BANCWEST	**232**	**162**	**230**	**217**	**206**	**177**
Allocated Equity (€bn, year to date)	6.0	5.9	6.4	6.4	6.6	6.7

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BANCWEST (Including 2/3 of Private Banking in United States)						
Revenues	**716**	**669**	**724**	**720**	**748**	**748**
Operating Expenses and Dep.	-480	-487	-475	-474	-505	-548
Gross Operating Income	**236**	**182**	**249**	**246**	**243**	**200**
Cost of Risk	-5	-20	-20	-32	-38	-22
Operating Income	**232**	**162**	**229**	**214**	**206**	**178**
Non Operating Items	0	0	1	3	1	-1
Pre-Tax Income	**232**	**162**	**230**	**217**	**206**	**177**
Allocated Equity (€bn, year to date)	6.0	5.9	6.4	6.4	6.6	6.7

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
INSURANCE						
Revenues	**735**	**661**	**636**	**662**	**619**	**597**
Operating Expenses and Dep.	-342	-367	-317	-311	-297	-326
Gross Operating Income	**393**	**294**	**319**	**351**	**322**	**271**
Cost of Risk	1	0	5	1	-1	-1
Operating Income	**394**	**294**	**324**	**352**	**321**	**271**
Share of Earnings of Equity-Method Entities	46	75	53	63	55	54
Other Non Operating Items	0	0	49	325	0	1
Pre-Tax Income	**440**	**369**	**425**	**740**	**376**	**326**
Allocated Equity (€bn, year to date)	8.5	8.7	7.8	7.7	7.7	7.8

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
WEALTH AND ASSET MANAGEMENT						
Revenues	**834**	**795**	**907**	**753**	**760**	**773**
Operating Expenses and Dep.	-639	-614	-675	-569	-567	-576
Gross Operating Income	**195**	**181**	**233**	**183**	**193**	**198**
Cost of Risk	-2	0	-5	12	4	14
Operating Income	**193**	**181**	**228**	**195**	**197**	**212**
Share of Earnings of Equity-Method Entities	12	5	19	8	15	5
Other Non Operating Items	1	0	1	5	14	0
Pre-Tax Income	**206**	**187**	**248**	**208**	**226**	**217**
Allocated Equity (€bn, year to date)	1.9	1.9	1.9	1.9	1.9	1.9

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

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
CORPORATE AND INSTITUTIONAL BANKING						
Revenues	**2,979**	**2,906**	**2,626**	**2,658**	**3,197**	**3,223**
Operating Expenses and Dep.	-1,970	-2,389	-1,883	-1,897	-1,988	-2,506
Gross Operating Income	**1,009**	**517**	**744**	**761**	**1,209**	**717**
Cost of Risk	-23	31	-264	10	118	54
Operating Income	**986**	**548**	**480**	**772**	**1,328**	**770**
Share of Earnings of Equity-Method Entities	7	9	13	-2	5	8
Other Non Operating Items	3	2	-1	8	15	0
Pre-Tax Income	**996**	**558**	**491**	**778**	**1,349**	**778**
Allocated Equity (€bn, year to date)	20.3	19.9	21.1	21.4	21.9	22.1

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
CORPORATE BANKING						
Revenues	**1,015**	**904**	**1,050**	**948**	**1,176**	**991**
Operating Expenses and Dep.	-596	-691	-603	-546	-590	-691
Gross Operating Income	**418**	**213**	**447**	**402**	**586**	**299**
Cost of Risk	13	1	-209	4	78	57
Operating Income	**431**	**214**	**238**	**407**	**664**	**356**
Non Operating Items	7	9	5	6	19	7
Pre-Tax Income	**438**	**223**	**243**	**413**	**683**	**364**
Allocated Equity (€bn, year to date)	12.0	11.9	12.4	12.5	12.7	12.6

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
GLOBAL MARKETS						
Revenues	**1,447**	**1,498**	**1,073**	**1,234**	**1,523**	**1,754**
incl. FICC	*729*	*805*	*592*	*801*	*883*	*1,174*
incl. Equity & Prime Services	*718*	*692*	*482*	*433*	*640*	*580*
Operating Expenses and Dep.	-955	-1,275	-875	-958	-997	-1,424
Gross Operating Income	**492**	**223**	**198**	**276**	**526**	**330**
Cost of Risk	-37	28	-57	6	39	-3
Operating Income	**455**	**251**	**142**	**281**	**565**	**327**
Share of Earnings of Equity-Method Entities	1	1	5	-6	-1	0
Other Non Operating Items	1	0	1	6	3	0
Pre-Tax Income	**457**	**252**	**147**	**281**	**567**	**326**
Allocated Equity (€bn, year to date)	7.4	7.1	7.8	8.0	8.4	8.7

€m	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
SECURITIES SERVICES						
Revenues	**517**	**505**	**503**	**476**	**498**	**478**
Operating Expenses and Dep.	-419	-423	-405	-392	-400	-390
Gross Operating Income	**98**	**82**	**98**	**84**	**97**	**87**
Cost of Risk	2	1	2	0	1	0
Operating Income	**100**	**83**	**100**	**84**	**99**	**87**
Non Operating Items	1	0	0	0	0	0
Pre-Tax Income	**101**	**83**	**100**	**84**	**99**	**88**
Allocated Equity (€bn, year to date)	0.9	0.8	0.9	0.9	0.9	0.8

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

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 Reconciliation with the revenues of the Group is provided in the table "Results by core businesses".	Representative measure of the BNP Paribas Group's operating performance
Revenues excluding PEL/CEL effects	Revenues excluding PEL/CEL effects Reconciliation with the revenues of the Group is provided in the table "Quarterly series".	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 activity with 100% of Private Banking	Profit & Loss account of a retail banking activity including the whole Profit & Loss account of private banking Reconciliation with the revenues of the Group is provided in the table "Quarterly series".	Representative measure of the performance of retail banking activity including the total performance of private banking (before sharing the profit & loss account with the Wealth Management business, private banking being under a joint responsibility of retail banking (2/3) and Wealth Management business (1/3))
Evolution of operating expenses excluding IFRIC 21	Evolution of operating expenses excluding taxes and contributions subject to IFRIC 21 Details of the impact of IFRIC 21 is provided in the slide "Breakdown of taxes and contributions subject to IFRIC 21" of the results' presentation	Representative measure of the operating expenses' evolution in the 1st quarter excluding taxes and contributions subject to IFRIC 21 booked almost entirely for the whole year in the 1st semester.
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 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, Nickel and Luxembourg Retail Banking (LRB);
- International Financial Services (IFS) including: Europe-Mediterranean, BancWest, Personal Finance, Insurance, Wealth & Asset Management (WAM) that includes Asset Management, Wealth Management and Real Estate Services;
- Corporate and Institutional Banking (CIB) including: Corporate Banking, Global Markets, Securities Services.

1.3 Long term credit ratings

Long Term/Short Term Rating	S&P	Fitch	Moody's	DBRS
As at 4 May 2018	A/A-1 (stable outlook)	A+/F1 (stable outlook)	Aa3/Prime-1 (stable outlook)	AA (low)/R-1 (middle) (stable outlook)
As at 1st August 2018	A/A-1 (positive outlook)	A+/F1 (stable outlook)	Aa3/Prime-1 (stable outlook)	AA (low)/R-1 (middle) (stable outlook)
Date of last review	4 July 2018	21 June 2018	27 September 2017	13 July 2018

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 2017.

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 pages 253 to 263 of the 2017 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 2017 Registration document and annual financial report was issued on 4 May 2018.

2. Governance

2.1 The Board of Directors

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

The names of Directors that validate the independence criteria contained in the Afep-Medef Code are written in italics.

2.2 The Executive Committee

As at 1 August 2018, 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;
Nathalie Hartmann*, 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;
Antoine Sire, Head of Company Engagement;
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 2018

3.1 Consolidated financial statements as at 30 june 2018

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Prepared in accordance with IFRS as adopted by the European Union

The consolidated financial statements of the BNP Paribas Group are presented for the first halves of 2018 and 2017. 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 2016 are provided in the update, registered on 31 July 2017 under number D.17-0132-A02, to the registration document filed with the Autorité des marchés financiers on 7 March 2017 under number D.17-0132.

IFRS 9 and IFRS 15 are applicable retrospectively as from 1 January 2018 and introduce the option not to restate the comparative figures for prior periods. Since the Group has retained this option, the comparative financial statements for 2017 have not been restated for these changes in method.
Presentation changes have however been performed on these comparative figures in order to present separately the assets and liabilities related to insurance activities and to harmonise item headings with those established by IFRS 9. These changes are described in note 2.a. Moreover, the synthetic balance sheet includes a comparative reference as at 1 January 2018 which takes into account the impacts of the IFRS 9 and IFRS 15 adoption (note 2.b). Comparative figures presented in the notes to the financial statements related to balance sheet items (note 5) are based on that reference.

PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2018

In millions of euros	Notes	First half 2018 *IFRS 9 & IFRS 15*	First half 2017[1] *IAS 39*
Interest income	3.a	17,948	16,756
Interest expense	3.a	(7,495)	(6,084)
Commission income	3.b	6,502	6,479
Commission expense	3.b	(1,842)	(1,758)
Net gain on financial instruments at fair value through profit or loss	3.c	3,545	2,928
Net gains on financial instruments at fair value through equity	3.d	170	1,106
Net gains on derecognised financial assets at amortised cost	3.d	14	21
Net income from insurance activities	3.e	2,133	1,914
Income from other activities	3.f	6,612	5,745
Expense on other activities	3.f	(5,583)	(4,872)
REVENUES		**22,004**	**22,235**
Salary and employee benefit expense		(8,385)	(8,337)
Other operating expenses	3.g	(6,434)	(6,048)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		(809)	(805)
GROSS OPERATING INCOME		**6,376**	**7,045**
Cost of risk	3.h	(1,182)	(1,254)
OPERATING INCOME		**5,194**	**5,791**
Share of earnings of equity-method entities		294	388
Net gain on non-current assets		206	29
Goodwill	5.k	15	7
PRE-TAX INCOME		**5,709**	**6,215**
Corporate income tax	3.i	(1,476)	(1,695)
NET INCOME		**4,233**	**4,520**
Net income attributable to minority interests		273	230
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		**3,960**	**4,290**
Basic earnings per share	7.a	3.02	3.30
Diluted earnings per share	7.a	3.02	3.30

(1) Revised presentation based on the reclassifications and the re-labelling within Net Banking Income described in note 2a: re-labelling of "net gains on available-for sale financial assets and other assets not measured at fair value" to "net gains on financial assets at fair value through equity" and "net gains on derecognised financial assets at amortised cost", reclassification of items related to insurance activities within "Net income from insurance activities" and reclassification of interest on trading instruments within "Net gains on financial instruments at fair value through profit or loss".

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

In millions of euros	First half 2018 *IFRS 9 & IFRS 15*	First half 2017[(1)] *IAS 39*
Net income for the period	**4,233**	**4,520**
Changes in assets and liabilities recognised directly in equity	**(753)**	**(1,944)**
Items that are or may be reclassified to profit or loss	**(959)**	**(2,057)**
- Changes in exchange rate items	(156)	(1,468)
- Changes in fair value of financial assets at fair value through equity		
Changes in fair value recognised in equity	*(315)*	*578*
Changes in fair value reported in net income	*(99)*	*(720)*
- Changes in fair value of investments of insurance activities		
Changes in fair value recognised in equity	*(253)*	*(165)*
Changes in fair value reported in net income	*(60)*	*(8)*
- Changes in fair value of hedging instruments		
Changes in fair value recognised in equity	*(413)*	*(98)*
Changes in fair value reported in net income	*(1)*	*3*
- Income tax	296	233
- Changes in equity-method investments	42	(412)
Items that will not be reclassified to profit or loss	**206**	**113**
- Changes in fair value of equity instruments designated as at fair value through equity		
Changes in fair value recognised in equity	*(16)*	
Items sold during the period		
- Debt remeasurement effect arising from BNP Paribas Group issuer risk	141	
- Remeasurement gains (losses) related to post-employment benefit plans	177	155
- Income tax	(97)	(42)
- Changes in equity-method investments	1	
Total	**3,480**	**2,576**
- Attributable to equity shareholders	3,192	2,470
- Attributable to minority interests	288	106

(1) Revised presentation, including the changes described in note 2a: reallocation of "changes in fair value of available-for-sale financial assets, including those reclassified as loans and receivables" related to insurance activities into "changes in fair value of investments of insurance activities" and the re-labelling of "changes in fair value of available-for-sale financial assets, including those reclassified as loans and receivables" into "changes in fair value of financial instruments at fair value through equity".

BALANCE SHEET AT 30 JUNE 2018

In millions of euros	Notes	30 June 2018 IFRS 9 & IFRS 15	1 January 2018 [1] IFRS 9 & IFRS 15	31 December 2017[2] IAS 39
ASSETS				
Cash and balances at central banks		211,441	178,433	178,446
Financial instruments at fair value through profit or loss				
Securities	5.a	182,883	130,326	122,964
Loans and repurchase agreements	5.a	285,578	144,948	143,988
Derivative financial instruments	5.a	240,778	229,896	229,897
Derivatives used for hedging purposes		11,750	13,721	13,723
Financial assets at fair value through equity				
Debt securities	5.b	50,465	53,942	110,881
Equity securities	5.b	2,319	2,330	6,928
Financial assets at amortised cost				
Loans and advances to credit institutions	5.d	22,433	20,356	20,405
Loans and advances to customers	5.d	747,799	731,176	735,013
Debt securities	5.d	71,432	69,426	15,378
Remeasurement adjustment on interest-rate risk hedged portfolios		2,972	3,064	3,064
Financial investments of insurance activities	5.g	233,617	227,712	227,712
Current and deferred tax assets	5.i	7,197	7,368	6,568
Accrued income and other assets	5.j	102,346	92,961	92,875
Equity-method investments		5,787	6,221	6,426
Property, plant and equipment and investment property		25,773	25,000	25,000
Intangible assets		3,412	3,327	3,327
Goodwill	5.k	8,389	9,571	9,571
Non-current assets held for sale	7.d	18,114		
TOTAL ASSETS		**2,234,485**	**1,949,778**	**1,952,166**
LIABILITIES				
Deposits from central banks		5,948	1,471	1,471
Financial instruments at fair value through profit or loss				
Securities	5.a	95,521	67,087	67,087
Deposits and repurchase agreements	5.a	330,679	174,645	174,645
Issued debt securities	5.a	56,877	50,490	50,490
Derivative financial instruments	5.a	233,935	227,644	227,644
Derivatives used for hedging purposes		13,535	15,682	15,682
Financial liabilities at amortised cost				
Deposits from credit institutions	5.e	97,569	76,503	76,503
Deposits from customers	5.e	783,854	760,941	760,941
Debt securities	5.f	162,489	148,156	148,156
Subordinated debt	5.f	16,553	15,951	15,951
Remeasurement adjustment on interest-rate risk hedged portfolios		2,696	2,372	2,372
Current and deferred tax liabilities	5.i	2,507	2,234	2,466
Accrued expenses and other liabilities	5.j	88,037	80,472	79,994
Technical reserves and other insurance liabilities	5.h	214,317	210,494	210,494
Provisions for contingencies and charges	5.l	10,236	11,084	11,061
Liabilities associated with non-current assets held for sale	7.d	15,487		
TOTAL LIABILITIES		**2,130,240**	**1,845,226**	**1,844,957**
EQUITY				
Share capital, additional paid-in capital and retained earnings		*93,742*	*89,880*	*91,026*
Net income for the period attributable to shareholders		*3,960*	*7,759*	*7,759*
Total capital, retained earnings and net income for the period attributable to shareholders		**97,702**	**97,639**	**98,785**
Changes in assets and liabilities recognised directly in equity		1,009	1,787	3,198
Shareholders' equity		**98,711**	**99,426**	**101,983**
Minority interests		**5,534**	**5,126**	**5,226**
TOTAL EQUITY		**104,245**	**104,552**	**107,209**
TOTAL LIABILITIES AND EQUITY		**2,234,485**	**1,949,778**	**1,952,166**

[1] As of 1 January 2018 after implementation of IFRS 9 and IFRS 15, as described in note 2.b.

[2] Revised presentation, based on reclassifications and adjustments detailed in note 2.a, mainly related to the re-labelling of financial instruments item headings, the reclassification of financial instruments of insurance activities into "Investments of insurance activities", and the impact of securities recognition at settlement date.

CASH FLOW STATEMENT FOR THE FIRST HALF OF 2018

In millions of euros	Notes	First half 2018 IFRS 9 & IFRS 15	First half 2017 IAS 39
Pre-tax income		**5,709**	**6,215**
Non-monetary items included in pre-tax net income and other adjustments		**7,303**	**11,753**
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		2,554	2,245
Impairment of goodwill and other non-current assets		(25)	(22)
Net addition to provisions		6,369	5,110
Share of earnings of equity-method entities		(294)	(388)
Net expense (income) from investing activities		(475)	35
Net expense from financing activities		64	185
Other movements		(890)	4,588
Net increase in cash related to assets and liabilities generated by operating activities		**11,775**	**68,794**
Net increase in cash related to transactions with customers and credit institutions		39,095	69,579
Net increase (decrease) in cash related to transactions involving other financial assets and liabilities		(24,164)	2,336
Net decrease in cash related to transactions involving non-financial assets and liabilities		(2,435)	(2,622)
Taxes paid		(721)	(499)
NET INCREASE IN CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		**24,787**	**86,762**
Net increase in cash related to acquisitions and disposals of consolidated entities		607	685
Net decrease related to property, plant and equipment and intangible assets		(541)	(527)
NET INCREASE IN CASH AND EQUIVALENTS RELATED TO INVESTING ACTIVITIES		**66**	**158**
Decrease in cash and equivalents related to transactions with shareholders		(4,044)	(3,823)
Increase in cash and equivalents generated by other financing activities		7,553	1,951
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS RELATED TO FINANCING ACTIVITIES		**3,509**	**(1,872)**
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS		**1,395**	**(4,990)**
NON-MONETARY IMPACTS FROM NON-CURRENT ASSETS HELD FOR SALE		**(724)**	**-**
NET INCREASE IN CASH AND EQUIVALENTS		**29,033**	**80,058**
Balance of cash and equivalent accounts at the start of the period		**175,061**	**155,963**
Cash and amounts due from central banks		178,446	160,400
Due to central banks		(1,471)	(233)
On demand deposits with credit institutions	5.d	8,063	6,513
On demand loans from credit institutions	5.e	(9,906)	(10,775)
Deduction of receivables and accrued interest on cash and equivalents		(71)	58
Balance of cash and equivalent accounts at the end of the period		**204,094**	**236,021**
Cash and amounts due from central banks		211,455	243,384
Due to central banks		(5,948)	(3,785)
On demand deposits with credit institutions	5.d	9,451	6,966
On demand loans from credit institutions	5.e	(10,828)	(10,508)
Deduction of receivables and accrued interest on cash and equivalents		(36)	(36)
NET INCREASE IN CASH AND EQUIVALENTS		**29,033**	**80,058**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital and retained earnings				Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss			
In millions of euros	Share capital and additional paid-in-capital	Undated Super Subordinated Notes	Non-distributed reserves	Total	Financial instruments designated as at fair value through equity	Own-credit valuation adjustment of debt securities designated as at fair value through profit or loss	Remeasurement gains (losses) related to post-employment benefits plans	Total
Capital and retained earnings at 31 December 2016	**26,948**	**8,430**	**59,118**	**94,496**				**-**
Appropriation of net income for 2016			**(3,369)**	**(3,369)**				**-**
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				-
Remuneration on preferred shares and undated super subordinated notes			(149)	(149)				-
Impact of internal transactions on minority shareholders (note 7.d)			1	1				-
Acquisitions of additional interests or partial sales of interests (note 7.d)			242	242				-
Change in commitments to repurchase minority shareholders interests				-				-
Other movements				-				-
Changes in assets and liabilities recognised directly in equity			113	113				-
Net income for first half of 2017			**4,290**	**4,290**				**-**
Interim dividend payments				-				-
Capital and retained earnings at 30 June 2017	**26,976**	**7,825**	**60,281**	**95,082**				**-**
Appropriation of net income for 2016				**-**				**-**
Increases in capital and issues	22	636	(2)	656				-
Reduction or redemption of capital		(289)	64	(225)				-
Movements in own equity instruments	53		(43)	10				-
Share-based payment plans			1	1				-
Remuneration on preferred shares and undated super subordinated notes			(162)	(162)				-
Movements in consolidation scope impacting minority shareholders				-				-
Acquisitions of additional interests or partial sales of interests (note 7.d)			11	11				-
Change in commitments to repurchase minority shareholders interests				-				-
Other movements			(34)	(34)				-
Changes in assets and liabilities recognised directly in equity			45	45				-
Net income for second half of 2017			**3,469**	**3,469**				**-**
Interim dividend payments				-				-
Capital and retained earnings at 31 December 2017	**27,051**	**8,172**	**63,630**	**98,853**				**-**
Revised presentation (note 2.a)			(68)	(68)			68	68
Capital and retained earnings at 31 December 2017 new presentation	**27,051**	**8,172**	**63,562**	**98,785**			**68**	**68**
IFRS 9 impacts (note 2.b)			(1,122)	(1,122)	561	(323)		238
IFRS 15 impacts (note 2.b)			(24)	(24)				-
Capital and retained earnings at 1 January 2018	**27,051**	**8,172**	**62,416**	**97,639**	**561**	**(323)**	**68**	**306**
Appropriation of net income for 2017			**(3,772)**	**(3,772)**				**-**
Increases in capital and issues	49			49				-
Movements in own equity instruments	(36)	(5)	(126)	(167)				-
Share-based payment plans			2	2				-
Remuneration on preferred shares and undated super subordinated notes			(134)	(134)				-
Impact of internal transactions on minority shareholders (note 7.d)			6	6				-
Movements in consolidation scope impacting minority shareholders				-				-
Acquisitions of additional interests or partial sales of interests (note 7.d)			127	127			9	9
Change in commitments to repurchase minority shareholders interests			(7)	(7)				-
Other movements			(2)	(2)				-
Changes in assets and liabilities recognised directly in equity			1	1	(33)	90	129	186
Net income for first half of 2018			**3,960**	**3,960**				**-**
Interim dividend payments				-				-
Capital and retained earnings at 30 June 2018	**27,064**	**8,167**	**62,471**	**97,702**	**528**	**(233)**	**206**	**501**

BETWEEN 1 JAN. 2017 AND 30 JUNE 2018

Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss							
Exchange rates	Financial instruments at fair value through equity	Financial investments of insurance activities	Derivatives used for hedging purposes	Total	Total shareholders' equity	Minority interests (note 7.d)	Total equity
645	4,372		1,152	6,169	100,665	4,555	105,220
				-	**(3,369)**	**(117)**	**(3,486)**
				-	66		66
				-	(638)		(638)
				-	28		28
				-	2	1	3
				-	(149)	(1)	(150)
				-	1	(1)	-
				-	242	591	833
				-	-	(6)	(6)
				-	-	(1)	(1)
(1,669)	(304)		40	(1,933)	(1,820)	(124)	(1,944)
				-	**4,290**	**230**	**4,520**
						(21)	(21)
(1,024)	4,068		1,192	4,236	99,318	5,106	104,424
				-		**(14)**	**(14)**
				-	656		656
				-	(225)		(225)
				-	10		10
				-	1	1	2
				-	(162)	(1)	(163)
				-	-	493	493
(89)	10		1	(78)	(67)	(487)	(554)
				-	-	(2)	(2)
				-	(34)	24	(10)
(1,079)	106		(55)	(1,028)	(983)	(92)	(1,075)
				-	**3,469**	**218**	**3,687**
				-		(20)	(20)
(2,192)	4,184		1,138	3,130	101,983	5,226	107,209
	(1,947)	1,947					-
(2,192)	2,237	1,947	1,138	3,130	101,983	5,226	107,209
	(1,648)		(1)	(1,649)	(2,533)	(100)	(2,633)
					(24)		(24)
(2,192)	589	1,947	1,137	1,481	99,426	5,126	104,552
				-	**(3,772)**	**(151)**	**(3,923)**
				-	49	4	53
				-	(167)		(167)
				-	2	2	4
				-	(134)	(1)	(135)
				-	6	(6)	-
				-	-	19	19
(29)	10			(19)	117	304	421
				-	(7)	(27)	(34)
				-	(2)	1	(1)
(209)	(273)	(163)	(309)	(954)	(767)	15	(752)
				-	**3,960**	**273**	**4,233**
				-	-	(25)	(25)
(2,430)	326	1,784	828	508	98,711	5,534	104,245

NOTES TO THE FINANCIAL STATEMENTS

Prepared in accordance with IFRS 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[47]. 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”.

IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from contracts with customers”

Since 1st January 2018, the Group applies:

- IFRS 9 “Financial Instruments” and amendments to IFRS 9: “Prepayment Features with Negative Compensation” adopted by the European Union, on 22 November 2016 and on 22 March 2018 respectively.

  IFRS 9 replaces 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 (Phase 1), 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 and trade receivables and contract assets (Phase 2), as well as for general hedge accounting ; i.e. micro hedging (Phase 3).

  IFRS 9 has modified the provisions relating to the own credit risk of financial liabilities designated as at fair value through profit or loss (fair value option).

  As regards hedge accounting (micro-hedging), the Group has maintained the hedge accounting principles under IAS 39. Besides, 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, continue to apply.

- The amendment to IFRS 4 “Insurance Contracts”: “*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*” adopted by the European Union on 3 November 2017.

  This amendment gives to entities that predominantly undertake insurance activities the option to defer the effective date of IFRS 9 until 1 January 2021. The effect of such a deferral is that those entities may continue to report their financial statements under the existing standard IAS 39.

[(1)] The full set of standards adopted for use in the European Union can be found on the website of the European Commission at: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en

This temporary exemption from IFRS 9, which was limited to groups that predominantly undertook insurance activities according to the IASB amendment, has been extended to the insurance sector of financial conglomerates as defined by the Directive 2002/87/EC as adopted by the European Union. This exemption is subject to conditions, notably the absence of internal transfer of financial instruments, other than financial instruments that are measured at fair value through profit or loss, between insurance entities and other entities of the financial conglomerate.

BNP Paribas Group applies this amendment as adopted by the European Union to all its insurance entities, including funds related to this activity, which will apply IAS 39 “Financial instruments: Recognition and Measurement” until 31 December 2020.

- IFRS 15 “Revenue from Contracts with Customers” adopted by the European Union on 22 September 2016.

IFRS 9 and IFRS 15 introduce the option to not restate the comparative figures for prior periods. Since the Group has retained this option, the comparative financial statements for 2017 have not been restated for these changes in method.

The introduction of standards and amendments effective 1 January 2018 did not have an effect on the half-year condensed financial statements as of 30 June 2018.

The Group did not anticipate the application of the new standards, amendments, and interpretations adopted by the European Union, when the application in 2018 was optional, except for the amendment to IFRS 9 “*Prepayment Features with Negative Compensation*”.

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

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 control of the right to use 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.

Adopted by the European Union on 31 October 2017, IFRS 16 will become mandatory for annual periods beginning on or after 1 January 2019.

In 2018, the work on the identification and analysis of the lease contracts continues. Application of the standard will result in an increase in assets and liabilities related to lease agreements currently accounted for as operating leases. That impact is expected to come mainly from property leases and to a lesser extent from IT equipment leases and auto leases.

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.

The analysis of the standard and the identification of its potential effects started in 2017 following its publication.

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. 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

Exclusive control

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 holds, directly or indirectly, the majority of the voting rights (and if there are no contractual provisions that alter the power of these voting rights) or if the power to direct the relevant activities of the entity is conferred on it by contractual agreements.

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.

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 fair 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.

Joint control

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.

Significant influence

Companies over which the Group exercises significant influence or associates are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of a company without exercising control. Significant influence is presumed to exist when the Group holds, directly or indirectly, 20% or more of the voting rights of a company. Interests of less than 20% can be included in consolidation scope if the Group effectively exercises significant influence. This is the case for example for entities developed in partnership with other associates, where the BNP Paribas Group participates in strategic decisions of the enterprise through representation on the Board of Directors or equivalent governing body, or 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 recorded 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 contracted a legal or constructive obligation, or has made payments on behalf of this entity.

Where the Group holds an interest in an associate, directly or indirectly through an entity that is a venture capital organisation, a mutual fund, an open-ended investment company or similar entity such as an investment-related insurance fund, it may elect to measure that interest at 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".

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

1.b.3 CONSOLIDATION RULES

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 accounts 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», 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 percentage of interest change without leading to a modification in the nature of the investment, the translation difference is reallocated between the portion attributable to shareholders and that attributable to minority interests if the entity is fully consolidated; if the entity is consolidated under the equity method, it is recorded in profit or loss for the portion related to the interest sold.

1.b.4 BUSINESS COMBINATION 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 has been 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), had 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[48] 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.

[2] As defined by IAS 36.

- 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.

1.C TRANSLATION OF 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 liabilities49 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. Foreign exchange 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.

Foreign exchange differences relating to non-monetary assets denominated in foreign currencies and recognised at fair value (equity instruments) are recognised in profit or loss when the asset is classified in 'Financial assets at fair value through profit or loss' and in equity when the asset is classified under 'Financial assets at fair value through shareholders' equity.'

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

1.d NET INTEREST INCOME, COMMISSIONS AND INCOME FROM OTHER ACTIVITIES

1.d.1 NET INTEREST INCOME

Income and expenses relating to debt instruments measured at amortised cost and at fair value through shareholders' equity are recognised in the income statement using the effective interest rate method.

The effective interest rate is the rate that ensures the discounted value of estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period, is equal to the gross carrying amount of the asset or liability in the balance sheet. The effective interest rate measurement 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.

Commissions considered as an additional component of interest are included in the effective interest rate, and are recognised in the profit and loss account in “Net interest income”. This category includes notably commissions on financing commitments when it is considered that the setting up of a loan is more likely than unlikely. Commissions received in respect of financing commitments are deferred until they are drawn and then included in the effective interest rate calculation and amortised over the life of the loan. Syndication commissions are also included in this category for the portion of the commission equivalent to the remuneration of other syndication participants.

1.d.2 COMMISSIONS AND INCOME FROM OTHER ACTIVITIES

Commissions received with regards to banking and similar services provided (except for those that are integral part of the effective interest rate), revenues from property development and revenues from services provided in connection with lease contracts fall within the scope of IFRS 15 ‘Revenue from Contracts with Customers.’

This standard defines a single model for recognising revenue based on five-step principles. These five steps enable to identify the distinct performance obligations included in the contracts and allocate the transaction price among them. The income related to those performance obligations is recognized as revenue when the latter are satisfied, namely when the control of the promised goods or services has been transferred.

The price of a service may contain a variable component. Variable amounts may be recognized in the income statement only if it is highly probable that the amounts recorded will not result in a significant downward adjustment.

Commission

The group records commission income and expenses in profit or loss:

- either over time as the service is rendered when the client receives continuous service. These include, for example, certain commissions on transactions with customers when services are rendered on a continuous basis, commissions on financing commitments that are not included in the interest margin, because the probability that they give rise to the drawing up of a loan is low, commissions on financial collateral, clearing commissions on financial instruments, commissions related to trust and similar activities, securities custody fees…

  Commissions received under financial guarantee commitments are deemed to represent the initial fair value of the commitment. The resulting liability is subsequently amortised over the term of the commitment, in Commission income.

- or at a point in time when the service is rendered, in other cases. These include, for example, distribution fees received, loan syndication fees remunerating the arrangement service, advisory fees…

Income from other activities

Income from property development as well as income from services provided in connection with lease contracts is recorded under ‘income from other activities’ in the income statement.

Regarding property development income, the group records it in profit or loss:

- over time when the performance obligation creates or enhances an asset on which the customer obtains control as it is created or enhanced (e.g. work in progress controlled by the client on the land in which the asset is located…) or where the service performed does not create an asset that the entity could otherwise use and gives it enforceable right to payment for performance completed to date. This is the case for contracts such as VEFA (sale in the future state of completion) in France.
- at completion in other cases.

Regarding income from services provided in connection with lease contracts, the group records them in profit or loss as the service is rendered, i.e. in proportion to the costs incurred for maintenance contracts.

1.e FINANCIAL ASSETS AND LIABILITIES

Financial assets, except those relating to insurance activities (see note 1.f) are classified at amortised cost, at fair value through shareholders' equity or at fair value through profit or loss depending on the business model and the contractual features of the instruments at initial recognition.

Financial liabilities are classified at amortised cost or at fair value through profit or loss at initial recognition.

Financial assets and liabilities are recognised in the balance sheet when the group becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets made within a period established by the regulations or by a convention in the relevant marketplace are recognised in the balance sheet at the settlement date.

1.e.1 FINANCIAL ASSETS AT AMORTISED COST

Financial assets are classified at amortised cost if the following two criteria are met: the business model objective is to hold the instrument in order to collect the contractual cash flows and the cash flows consist solely of payments relating to principal and interest on the principal.

Business model criterion

Financial assets are managed within a business model whose objective is to hold financial assets in order to collect cash flows through the collection of contractual payments over the life of the instrument.

The realisation of disposals close to the maturity of the instrument and for an amount close to the remaining contractual cash-flows, or due to an increase in the counterparty's credit risk is consistent with a business model whose objective is to collect the contractual cash flows (“collect”). Sales imposed by regulatory requirements or to manage the concentration of credit risk (without an increase in the asset’s credit risk) are also consistent with this business model when they are infrequent or insignificant in value.

Cash flow criterion

The cash flow criterion is satisfied if the contractual terms of the debt instrument give rise, on specified dates, to cash flows that are solely repayments of principal and interest on the principal amount outstanding.

The criterion is not met in the event of a contractual characteristic that exposes the holder to risks or to the volatility of contractual cash flows that are inconsistent with those of an non structured or 'basic lending' arrangement. It is also not satisfied in the event of leverage that increases the variability of the contractual cash flows.

Interests consist of consideration for the time value of money, for the credit risk, and for the remuneration of other risks (e.g. liquidity risk), costs (e.g. administration fees), and a profit margin consistent with that of a basic lending arrangement. The existence of negative interests does not call into question the cash flow criterion.

The time value of money is the component of interest - usually referred to as the 'rate' component - which provides consideration for only the passage of time. The relationship between the interest rate and the passage of time shall not be modified by specific characteristics that would likely call into question the respect of the cash flow criterion.

Thus, for example when the variable interest rate of the financial asset is periodically reset on a frequency that does not match the duration for which the interest rate is established, the time value of money may be considered as modified and, depending on the significance of that modification, the cash flow criterion may not be met.

Regulated rates meet the cash flow criterion when they provide a consideration that is broadly consistent with the passage of time and does not expose to risks or volatility in the contractual cash flows that would be inconsistent with those of a basic lending arrangement (example: loans granted in the context of Livret A savings accounts).

Some contractual clauses may change the timing or the amount of cash flows. Early redemption options do not call into question the cash flow criterion if the prepayment amount substantially represents the principal amount outstanding and the interest thereon, which may include a reasonable compensation for the early termination of the contract (for example, regarding loans to retail customers, the compensation limited to 6 months of interest or 3% of the capital outstanding is considered as reasonable). An option that permits the issuer or the holder of a financial instrument to change the interest rate from floating to fixed rate does not breach the cash flow criterion if the fixed rate is determined at origination, or if it represents the time value of money for the residual maturity of the instrument at the date of exercise of the option,

In the particular case of financial assets contractually linked to payments received on a portfolio of underlying assets and which include a priority order for payment of cash flows between investors ('tranches'), thereby creating concentrations of credit risk, a specific analysis is carried out. The contractual characteristics of the tranche and those of the underlying financial instruments portfolios must meet the cash flow criterion and the credit risk exposure of the tranche must be equal or lower than the exposure to credit risk of the underlying pool of financial instruments.

Certain loans may be "non-recourse", either contractually, or in substance when they are granted to a special purpose entity. The cash-flow criterion is met as long as these loans do not represent a direct exposure on the assets acting as collateral.

The 'financial assets at amortised cost' category includes, in particular, loans granted by the Group, reverse repurchase agreements and some securities held within the activity of Asset-and Liability Management in order to collect contractual flows (treasury bills, government bonds and other debt securities).

Recognition

On initial recognition, financial assets are recognised at their fair value, including transaction costs directly attributable to the transaction as well as commissions related to the origination of the loans.

They are subsequently measured at amortised cost, including accrued interest and net of repayments of principal and interest during the past period. These financial assets are also subject from initial recognition, to the measurement of a loss allowance for expected credit losses (note 1.e.5).

Interest is calculated using the effective interest method determined at inception of the contract.

1.e.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH SHAREHOLDERS' EQUITY

Debt instruments

Debt instruments are classified at fair value through shareholders' equity if the following two criteria are met:

- Business model criterion: Financial assets are held in a business model whose objective is achieved by both holding the financial assets in order to collect contractual cash flows and selling the financial assets ("collect and sale"). The latter is not incidental but is an integral part of the business model.
- Cash flow criterion: The principles are identical to those applicable to financial assets at amortised cost.

The securities held within Asset and Liability Management activity in order to collect contractual flows or to be sold and meeting the cash flow criterion are in particular classified in this category.

On initial recognition, financial assets are recognised at their fair value, including transaction costs directly attributable to the transaction. They are subsequently measured at fair value and changes in fair value are recognized, under a specific line of shareholders' equity entitled 'Changes in assets and liabilities recognized directly in equity'. These financial assets are also subject to the measurement of a loss allowance for expected credit losses on the same approach as for debt instruments at amortised cost. On disposal, changes in fair value previously recognised in shareholders' equity are reclassified to profit or loss.

In addition, interest is recognised in the income statement using the effective interest method determined at the inception of the contract.

Equity instruments

Investments in equity instruments such as shares are classified on option, and on a case by case basis, at fair value through shareholders' equity (under a specific line). On disposal of the shares, changes in fair value previously recognised in equity are not recognised in profit or loss. Only dividends, if they represent remuneration for the investment and not repayment of capital, are recognised in profit or loss. These instruments are not subject to impairment.

Investments in mutual funds do not meet the definition of equity instruments as they are puttable to the issuer. They do not meet the cash flow criterion either, and thus are recognized at fair value through profit or loss.

1.e.3 FINANCING AND GUARANTEE COMMITMENTS

Financing and financial guarantee commitments that are not recognised as derivative instruments at fair value through profit or loss are presented in the note relating to Financing and guarantee commitments. They are subject to the measurement of a loss allowance for expected credit losses. These loss allowances are presented under 'provisions for contingencies and charges.

1.e.4 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.e.5 IMPAIRMENT OF FINANCIAL ASSETS MEASURED AT AMORTISED COST AND DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH SHAREHOLDERS' EQUITY

The impairment model for credit risk is based on expected losses.

This model applies to loans and debt instruments measured at amortised cost or fair value through equity, to loan commitments and financial guarantee contracts that are not recognised at fair value, as well as to lease receivables, trade receivables and contract assets.

General model

The group identifies three 'stages' that correspond each to a specific status with regards to the evolution of counterparty credit risk since the initial recognition of the asset.

- 12-month expected credit losses ('stage 1'): If at the reporting date, the credit risk of the financial instrument has not increased significantly since its initial recognition, this instrument is impaired at an amount equal to 12-month expected credit losses (resulting from the risk of default within the next 12 months).
- Lifetime expected credit losses for non-impaired assets ('stage 2'): The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk of the financial instrument has increased significantly since initial recognition, but the financial asset is not credit-impaired.
- Lifetime expected credit losses for credit-impaired financial assets ('stage 3'): when an asset is "credit-impaired", the loss allowance is also measured for an amount equal to the lifetime expected credit losses.

This general model is applied to all instruments within the scope of IFRS 9 impairment, except for purchased or originated credit-impaired financial assets and instruments for which a simplified model is used (see below).

The IFRS 9 expected credit loss approach is symmetrical, i.e. if lifetime expected credit losses have been recognised in a previous reporting period, and if it is assessed in the current reporting period that there is no longer any significant increase in credit risk since initial recognition, the loss allowance reverts to a 12-months expected credit loss.

Regarding interest income, under ‘stage’ 1 and 2, it is calculated on the gross carrying amount. Under ‘stage’ 3, interest income is calculated on the amortised cost (i.e. the gross carrying amount adjusted for the loss allowance).

Definition of default

The definition of default is aligned with the Basel regulatory default definition, with a rebuttable presumption that the default occurs no later than 90 days past-due.

The definition of default is used consistently for assessing the increase in credit risk and measuring expected credit losses.

Credit impaired financial assets

Definition

A financial asset is credit-impaired and classified in ‘stage 3’ when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

At an individual level, objective evidence that a financial asset is credit-impaired includes observable data regarding the following events: the existence of accounts that are more than 90 days past due; knowledge or indications that the borrower meets significant financial difficulties, 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 financial assets for financial difficulties’).

Specific cases of purchased or originated credit-impaired assets

In some cases, financial assets are credit-impaired at their initial recognition.

For these assets, there is no loss allowance accounted for at initial recognition. The effective interest rate is calculated taking into account the lifetime expected credit losses in the initial estimated cash flows. Any change in lifetime expected credit losses since initial recognition, positive or negative, is recognized as a loss allowance adjustment in profit or loss.

Simplified model

The simplified approach consists in accounting for a loss allowance corresponding to lifetime expected credit losses since initial recognition, and at each reporting date.

The group applies this model to trade receivables with a maturity shorter than 12 months.

Significant increase in credit risk

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

Assessment of deterioration is based on the comparison of the probabilities of default or the ratings on the date of initial recognition with those existing at the reporting date.

There is also, according to the standard, a rebuttable presumption that the credit risk of an instrument has significantly increased since initial recognition when the contractual payments are more than 30 days past due.

In consumer credit specialised business, a significant increase in credit risk is also considered when a past due event has occurred within the last 12 months, even if regularized since.

The principles applied to assess the significant increase in credit risk are detailed in note 3.h Cost of risk.

Measurement of expected credit losses

Expected credit losses are defined as an estimate of credit losses (i.e. the present value of all cash shortfalls) weighted by the probability of occurrence of these losses over the expected life of financial instrument. They are measured on an individual basis, for all exposures.

In practice, for exposures classified in stage 1 and stage 2, expected credit losses are measured as the product of the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"), discounted at the effective interest rate of the exposure (EIR). They result from the risk of default within the next 12 months (stage 1), or from the risk of default over the maturity of the facility (stage 2). In the consumer credit specialised business, because of the specificity of credit exposures, the methodology used is based on the probability of transition to term forfeiture, and on discounted loss rates after term forfeiture. The measurement of these parameters is performed on a statistical basis for homogeneous populations.

For exposures classified in stage 3, expected credit losses are measured as the value, discounted at the effective interest rate, of all cash shortfalls over the life of the financial instrument. Cash shortfalls represent the difference between the cash-flows that are due in accordance with the contract, and the cash-flows that are expected to be received.

The methodology developed is based on existing concepts and methods (in particular the Basel framework) on exposures for which capital requirement for credit risk is measured according to the IRBA methodology. This method is also applied to portfolios for which capital requirement for credit risk are measured according to the standardised approach. Besides, the Basel framework has been supplemented with the specific provisions of IFRS 9, in particular the use of forward-looking information.

Maturity

All contractual terms of the financial instrument (including prepayment, extension and similar options) over the life of the instrument are taken into account. In the rare cases where the expected life of the financial instrument cannot be estimated reliably, the residual contractual term must be used.

The Standard specifies that the maximum period to consider when measuring expected credit losses is the maximum contractual period. However, for revolving credit cards and overdrafts, in accordance with the exception provided by IFRS 9 for these products, the maturity considered for expected credit losses measurement is the period over which the entity is exposed to credit risk, which may extend beyond the contractual maturity (notice period). For revolving credits and overdrafts to non retail counterparties, the contractual maturity can be taken, for example if the next review date is the contractual maturity as they are individually managed.

Probabilities of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon.

The measurement of expected credit losses requires the estimation of both 1 year probabilities of default and lifetime probabilities of default:

- 1 year PDs are derived from long term average regulatory "through the cycle" PDs to reflect the current situation ("point in time" or "PIT").
- Lifetime PDs are determined from the rating migration matrices reflecting the expected rating evolution of the exposure until maturity, and the associated probabilities of default.

Loss Given Default (LGD)

The Loss Given Default is the difference between the contractual cash-flows and the expected cash-flows, discounted using the effective interest rate (or an approximation thereof) at the default date. The LGD is expressed as a percentage of the EAD.

The estimate of expected cash flows takes into account cash flows resulting from the sale of collateral held or other credit enhancements if they are part of the contractual terms and are not accounted for separately by the entity (for example, a mortgage associated with a residential loan), net of the costs of obtaining and selling the collateral.

The LGD used for IFRS 9 purpose is derived from the Basel LGD parameter. It is retreated from downturn and conservatism margins (in particular regulatory margins), except margins for model uncertainties.

Exposure at Default (EAD)

The Exposure at Default (EAD) of an instrument is the anticipated outstanding amount owed by the obligor at the time of default. It is determined by the expected payment profile taking into account, depending on the product type: the contractual repayment schedule, expected early repayments and expected future drawings for revolving facilities.

Forward looking

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

The principles applied to take into account forward looking information when measuring expected credit losses are detailed in note 3.h Cost of risk.

Write-offs

A write-off consists in reducing the gross carrying amount of a financial asset when there is no longer reasonable expectations of recovering that financial asset in its entirety or a portion thereof, or when it has been fully or partially forgiven. The write-off is recorded when all other means available to the Bank for recovering the receivables or guarantees have failed, and also generally depends on the context specific to each jurisdiction.

If the amount of loss on write-off is greater than the accumulated loss allowance, the difference is an additional impairment loss posted in 'Cost of risk'. For any receipt occurring when the financial asset (or part of it) is no longer recognised on the balance-sheet, the amount received is recorded as an impairment gain in 'Cost of risk'.

Recoveries through the repossession of the collateral

When a loan is secured by a financial or a non-financial asset serving as a guarantee and the counterparty is in default, the group may decide to exercise the guarantee and, according to the jurisdiction, it may then become owner of the asset. In such a situation, the loan is written-off in counterparty of the asset received as collateral.

Once ownership of the asset is carried out, it is accounted for at fair value and classified according to the intent of use.

Restructuring of financial assets for financial difficulties

A restructuring due to the borrower's financial difficulties is defined as a change in the terms and conditions of the initial transaction that the Group is considering only for economic or legal reasons related to the borrower's financial difficulties.

For restructurings not resulting in derecognition of the financial asset, the restructured asset is subject to an adjustment of its gross carrying amount, to reduce it to the discounted amount, at the original effective interest rate of the asset, of the new expected future flows. The change in the gross carrying amount of the asset is recorded in the income statement in 'Cost of risk'.

The existence of a significant increase in credit risk for the financial instrument is then assessed by comparing the risk of default after the restructuring (under the revised contractual terms) and the risk of default at the initial recognition date (under the original contractual terms). In order to demonstrate that the criteria for recognising lifetime expected credit losses are no longer met, good quality payment behaviour will have to be observed over a certain period of time.

When the restructuring consists of a partial or total exchange against other substantially different assets (for example, the exchange of a debt instrument against an equity instrument), it results in the extinction of the original asset and the recognition of the assets remitted in exchange, measured at their fair value at the date of exchange. The difference in value is recorded in the income statement in 'Cost of risk'.

1.e.6 COST OF RISK

Cost of risk includes the following items of income:

- Impairment gains and losses resulting from the accounting of loss allowances for 12-month expected credit losses and lifetime expected credit losses ('stage 1' and 'stage 2') relating to debt instruments measured at amortised cost or at fair value through shareholders' equity, loan commitments and financial guarantee contracts that are not recognised at fair value as well as lease receivables, contract assets and trade receivables;
- Impairment gains and losses resulting from the accounting of loss allowances relating to financial assets for which there is objective evidence of impairment ('stage 3'), write-offs on irrecoverable loans and amounts recovered on loans written-off;
- Impairment gains and losses relating to fixed-income securities of insurance entities that are individually impaired (which fall under IAS 39).

It also includes expenses relating to fraud and to disputes inherent to the financing activity.

1.e.7 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Trading portfolio and other financial assets measured at fair value through profit or loss

The trading portfolio includes instruments held for trading (trading transactions), including derivatives.

Other financial assets measured at fair value through profit or loss include debt instruments that do not meet the "collect" or "collect and sale" business model criterion or that do not meet the cash-flow criterion, as well as equity instruments for which the fair value through shareholders' equity option has not been retained.

All those financial instruments are measured at fair value at initial recognition, with transaction costs directly posted in profit or loss. At reporting date, they are measured at fair value, with changes presented in "Net gain/loss on financial instruments at fair value through profit or loss". Income, dividends, and realised gains and losses on disposal related to held for trading transactions are accounted for in the same profit or loss account.

Financial liabilities measured at fair value through profit or loss

Financial liabilities are recognised under option in this category in the two following situations:

- for hybrid financial instruments containing one or more embedded derivatives which otherwise would have been separated and accounted for separately. An embedded derivative is such that its economic characteristics and risks are not closely related to those of the host contract;
- when 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 otherwise arise if they were to be classified in separate categories;

Changes in fair value due to the own credit risk are recognised under a specific heading of shareholders' equity.

1.e.8 FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

A financial instrument issued or its various components are classified as a financial liability or equity instrument, in accordance with the economic substance of the legal contract.

Financial instruments issued by the Group are qualified as debt instruments if the entity in the Group 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.

Equity instruments result from contracts evidencing a residual interest in an entity's assets after deducting all of its liabilities.

Debt securities and subordinated debt

Debt securities and subordinated debt are measured at amortised cost unless they are recognised at fair value through profit or loss.

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 or convertible into own equity are hybrid instruments that may contain a debt component and an equity component, determined upon initial recognition of the transaction.

Equity instruments

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 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.

Financial instruments issued by the group and classified as equity instruments (e.g. Perpetual Super Subordinated Notes) are presented in the balance sheet in 'capital and retained earnings.'

Distributions from a financial instrument classified as an equity instrument are recognised directly as a deduction from equity. Similarly, the transaction costs of an instrument classified as equity are recognised as a deduction from 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 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 recognises the debt at its present value with an offsetting entry in shareholders' equity.

1.e.9 HEDGE ACCOUNTING

The group retained the option provided by the standard to maintain the hedge accounting requirements of IAS 39 until the future standard on macro-hedging is entered into force. Furthermore, 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 in IAS 39 for these portfolio hedges, as adopted by the European Union, continue to apply.
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 underlying;
- 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 underlying. Retrospectively, a hedge will be disqualified from hedge accounting once a shortfall arises in the underlying 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, "Changes in fair value recognised directly in equity". 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.

1.e.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.e.11 DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Derecognition of financial assets

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.

Derecognition of financial liabilities

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

Repurchase agreements and securities lending/borrowing

Securities temporarily sold under repurchase agreements continue to be recognised in the Group’s balance sheet in the category of securities to which they belong. The corresponding liability is recognised at amortised cost under the appropriate « Financial liabilities at amortised cost » category on the balance sheet, except in the case of repurchase agreements contracted for trading purposes, for which the corresponding liability is recognised in ‘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 at amortised cost under the appropriate « Financial assets at amortised cost » category in the balance sheet, except in the case of reverse repurchase agreements contracted for trading purposes, for which the corresponding receivable is recognised in ‘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.’

1.e.12 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 that meet the two criteria set out in the accounting standard are offset in the balance sheet.

1.f ACCOUNTING STANDARDS SPECIFIC TO INSURANCE ACTIVITIES

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.

Financial assets and liabilities of insurance entities fall under IAS 39, as explained in note 1.a.1.

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.f.1 PROFIT AND LOSS ACCOUNT

Income and expenses recognised under insurance contracts issued by the group are presented in the income statement under 'Net income from insurance activities'.

This heading in the income statement includes gross premiums written, net gain in investment contracts with no discretionary participation feature, net investment income (including income on investment property and impairments on shares and other equity instruments'), technical changes related to contracts; (including commissions), net charges for ceded reinsurance and technical external expenses.

Other income and expenses relating to insurance activities (i.e. recorded by insurance entities) are presented in the other statement headings according to their nature.

1.f.2 FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES

Investments of insurance activities mainly include:

- Investments by insurance entities in financial instruments that are recognised in accordance with the principles of IAS 39, which include investments representing technical reserves of insurance activities and notably unit-linked contracts
- Derivative instruments with a positive fair value. Group insurance entities underwrite derivative instruments for hedging purposes.
- Investment Properties
- Equity method investments
- And reinsurers' share in liabilities arising from insurance and investment contracts.

Investments in financial instruments

Financial investments held by the group's insurance entities are classified in one of the four categories provided for in IAS 39: Financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

- Financial assets at fair value through profit or loss

The category of 'Financial assets at fair value through profit or loss' includes derivatives and financial assets that the Group has elected to recognise and measure at fair value through profit or loss at inception, in accordance with the option offered by IAS 39.

Financial assets may be designated at fair value through profit or loss in the following cases (in accordance with IAS 39):
- hybrid financial instruments containing one or more embedded derivatives which otherwise would have been separated and accounted for separately. An embedded derivative is such that its economic characteristics and risks are not closely related to those of the host contract;
- 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 accounting categories;
- when the 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.

Investments held in respect of insurance or investment contracts where the financial risk is borne by policyholders (unit-linked contracts) are recognised at fair value through profit or loss.

When the Group measures at fair value through profit or loss investments made in respect of its insurance activities in entities over which it exercises significant influence or joint control, these investments are presented under the line '"Financial assets at fair value through profit or loss" (cf. §1.b.2).

Financial instruments classified in this category are initially recognised at their fair value, with transaction costs being directly recognised in the income statement.
At the closing date, they are valued at their fair value.
Changes in value compared to the last valuation, income, dividends and realised gains and losses are presented under 'Net income from insurance activities' and under 'Income on financial instruments at fair value through profit or loss.'

- Loans and advances

Fixed or determinable -income securities, which are not quoted in an active market, other than those for which the holder may not recover substantially all of its initial investment for reasons other than credit deterioration, are classified as 'Loans and receivables' when they do not meet the conditions for classification as financial assets at fair value through profit or loss.

Loans and receivables are initially recognised at their fair value or equivalent, which generally corresponds to the net amount originally paid.
Loans and receivables are subsequently measured at amortised cost using the effective interest method and net of repayments of principal and interest.
Interest is calculated using the effective interest method, which includes interest, transaction costs and commissions included in their initial value and is presented under 'Net income from insurance activities' and under sub-heading 'Income on available-for-sale financial assets and other financial assets not measured at fair value.'

Impairment losses recognised when there is objective evidence of impairment related to an event subsequent to the acquisition of the asset are presented under 'Cost of risk.'

- *Held-to-maturity financial assets*

'Held-to-maturity financial assets' includes debt securities, with fixed maturity, that the group intends and ability to hold until maturity.

Securities classified in this category are recognised at amortised cost using the effective interest method.

Income received on these securities is presented under 'Net income from insurance activities' and under sub-heading 'Income on available-for-sale financial assets and other financial assets not measured at fair value.' Impairment losses recognised when there is objective evidence of impairment related to an event subsequent to the acquisition of the asset are presented under 'Cost of risk.'

- *Available-for-sale financial assets*

The category 'Available-for-sale financial assets' includes debt or equity securities that do not fall within the previous three categories.

Assets included in the available-for-sale category are initially recorded at fair value, plus transaction costs where material. At the end of the reporting period, they are valued at their fair value and the changes in the latter, excluding accrued income, are presented under a specific heading of equity. On disposal of the securities, these unrealised gains or losses previously recognised in equity are reclassified in the income statement under the heading 'Net income from insurance activities'

Income recognised using the effective interest method on debt securities, dividends received and impairments (in the event of a significant or lasting decline in the value of the securities) of equity securities are presented under 'Net income from insurance activities' and under section 'Income on available-for-sale financial assets and other financial assets not measured at fair value.' Impairment losses on debt securities are presented under 'Cost of risk'.

Investment property

Investment property corresponds to buildings held directly by insurance companies and property companies controlled.

Investment property, except for those used for unit-linked contracts, is recognised at cost and follows the accounting methods of the assets described elsewhere.

Investment property, held in respect of unit-linked contracts, is valued at fair value at fair value or equivalent, with changes in the income statement recognised in the income statement.

Equity method investments

Investments in entities or real estate funds over which the Group exercises significant influence or joint control and for which the equity method is applied are recognized in the line "Equity method investments".

1.f.3 TECHNICAL RESERVES AND OTHER INSURANCE LIABILITIES

The item 'Technical reserves and other insurance liabilities' includes:

- Commitments to policyholders and beneficiaries of contracts, which include technical reserves for insurance contracts subject to significant insurance hazard (mortality, longevity, disability, incapacity…) and technical liabilities of investment contracts with a discretionary profit-sharing feature, falling within IFRS 4.
  The discretionary participation clause grants life insurance policyholders the right to receive, in addition to the guaranteed remuneration, a share of the financial results achieved;
- Other insurance liabilities related to unit-linked contracts that fall within the scope of IAS 39 (i.e. investment contracts with no discretionary participating features);

- Deferred profit-sharing;
- Liabilities arising from insurance and reinsurance operations, including liabilities to policyholders;
- Financial derivative instruments of insurance activities carried at fair value through profit or loss, the fair value of which is negative. Group insurance entities underwrite derivative instruments for hedging purposes.

Financial liabilities that are not insurance liabilities (e.g. subordinated debt) fall under IAS 39. They are presented in 'Financial liabilities at amortised cost'.

Insurance and reinsurance contracts and investment contracts with discretionary participating features

Life insurance guarantees cover mainly death risk (term life insurance, annuities, repayment of loans or guaranteed minimum on unit-linked contracts) and, regarding borrowers' insurance, to disability, incapacity and unemployment risks.

For life insurance, technical reserves consist mainly of mathematical reserves that corresponds as a minimum, to the surrender value of contracts and surplus reserve.

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.

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.

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.

At the reporting date, a liability adequacy test is performed: the level of technical reserves (net of acquisition costs outstanding) is compared to the average value of cash flows resulting from stochastic calculations. Related adjustment to technical reserves, if any, is taken to the profit and loss account for the period.

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".

Investment contracts with no discretionary participating features

Investment contracts with no discretionary participating features correspond mainly to unit-linked contracts that do not meet the definition of insurance and investment contracts with discretionary participating features.

Liabilities arising from unit-linked contracts are measured by reference to the fair value of the assets backing these contracts at the closing date.

1.g 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.

Investment property is recognised at cost, with the exception of those representing insurance or investment contracts whose risk is borne by policyholders (unit-linked contracts), which are measured at fair value through profit or loss and presented in the balance sheet under 'Financial investments of insurance activities' (note 1.f.2).

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 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.h LEASES

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

1.h.1 GROUP'S COMPANY AS LESSOR

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.

Impairments of lease receivables are determined using the same principles as applied to financial assets measured at amortised cost.

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.h.2 GROUP'S COMPANY AS LESSEE

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.i NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Where the Group decides to sell non-current assets or a group of assets and liabilities 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". When the Group is committed to a sale plan involving loss of control of a subsidiary and the sale is highly probable within 12 months, all the assets and liabilities of that subsidiary are classified as held for sale.

Once classified in this category, non-current assets and the group 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.

In this case, 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.j EMPLOYEE BENEFITS

Employee benefits are classified in one of four categories:

1. short-term benefits, such as salary, annual leave, incentive plans, profit-sharing and additional payments;
2. long-term benefits, including compensated absences, long-service awards, and other types of cash-based deferred compensation;
3. termination benefits;
4. 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.k 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.

1.l 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.m CURRENT AND DEFERRED TAX

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.n 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 those relating to financial investments of insurance activities 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.o 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:

- The measurement of expected credit losses. This applies in particular to the assessment of significant increase in credit risk, the models and assumptions used to measure expected credit losses, the determination of the different economic scenarios and their weighting;
- 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 “Financial assets at fair value through equity”, or in “Financial instruments at fair value through profit or loss”, whether as assets or liabilities, 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 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. In particular, while investigations and litigations are ongoing, it is difficult to foresee their outcome and potential impact. Provision estimation is established by taking into account all available information at the date of the preparation of the financial statements, in particular the nature of the dispute, the underlying facts, the ongoing legal proceedings and court decisions, including those related to similar cases. The Group may also use the opinion of experts and independent legal advisers to exercise its judgement.

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. IMPACTS OF PRESENTATION CHANGES AND OF THE FIRST TIME ADOPTION OF IFRS 9 AND IFRS 15

As at 31 December 2017, the BNP Paribas Group operated presentation changes and recognised securities at their settlement date:

- Financial instruments of insurance entities, which continue to be recognised according to IAS 39 until 31 December 2020, have been grouped on separate lines of the balance sheet, of the profit and loss account and of the statement of net income and changes in assets and liabilities recognised directly in equity;
- Ahead of the implementation of IFRS 9 "Financial instruments" as of 1 January 2018, a few item headings have been renamed in the balance sheet, the profit and loss account and in the statement of net income and changes in assets and liabilities recognised directly in equity;
- In order to align the definition of "credit institutions" in the financial statements with the definition used in regulatory reportings, outstanding balances with some counterparties were reclassified from "Loans and advances to credit institutions" to "Loans and advances to customers";
- Securities transactions, previously recognised at trade date, are now recognised at settlement date. This new representation of securities converges with rules applied for liquidity ratios.

The impacts of these changes on the balance sheet, the profit and loss account and on the statement of net income and changes in assets and liabilities recognised directly in equity are presented in note 2.a.

Then, as of 1 January 2018, the BNP Paribas Group has applied the new accounting standards IFRS 9 and IFRS 15:

- Financial instruments held by non-insurance entities have been classified and measured in accordance with IFRS 9 "Financial instruments";
- IFRS 15 "Revenue from Contracts with Customers" has been applied without any significant change to the balance sheet.

The impacts of the IFRS 9 and IFRS 15 first time adoption are presented in note 2.b.

2.a IMPACTS OF PRESENTATION CHANGES AND OF THE SECURITIES ACCOUNTING AT SETTLEMENT DATE

- **Balance sheet**

In millions of euros	31 December 2017 *IAS 39 former presentation*	Reclassification of financial instruments of insurance entities *(a)*	Re-labelling of financial instruments items	Other reclassifications	Effects of securities transactions previously recognised at trade date *(g)*	31 December 2017 *IAS 39 revised presentation*
ASSETS						
Cash and balances at central banks	**178,446**					**178,446**
Financial instruments at fair value through profit or loss						
Securities	**119,452**		470 *(b)*		3,042	**122,964**
Loan and repurchase agreements	**143,558**		224 *(b)*		206	**143,988**
Instruments designated as at fair value through profit or loss	**96,932**	(96,238)	(694) *(b)*			
Derivative financial instruments	**230,230**	(333)				**229,897**
Derivatives used for hedging purposes	**13,756**	(33)				**13,723**
Available-for-sale financial assets	**231,975**	(114,166)	(117,809) *(c)*			
Financial assets at fair value through equity						
Debt securities			110,881 *(c)*			**110,881**
Equity securities			6,928 *(c)*			**6,928**
Financial assets at amortised cost						
Loans and advances to credit institutions	**45,670**	(1,134)	(378) *(d)*	(23,753) *(f)*		**20,405**
Loans and advances to customers	**727,675**	(1,976)	(14,439) *(d)*	23,753 *(f)*		**735,013**
Debt securities			15,378 *(d)*			**15,378**
Remeasurement adjustment on interest-rate risk hedged portfolios	**3,064**					**3,064**
Held-to-maturity financial assets	**4,792**	(4,231)	(561) *(d)*			
Financial investments of insurance activities		227,712				**227,712**
Current and deferred tax assets	**6,568**					**6,568**
Accrued income and other assets	**107,211**	(3,002)			(11,334)	**92,875**
Equity-method investments	**6,812**	(386)				**6,426**
Property, plant and equipment and investment property	**31,213**	(6,213)				**25,000**
Intangible assets	**3,327**					**3,327**
Goodwill	**9,571**					**9,571**
TOTAL ASSETS	**1,960,252**	**-**	**-**	**-**	**(8,086)**	**1,952,166**
LIABILITIES						
Deposit from central banks	**1,471**					**1,471**
Financial instruments at fair value through profit or loss						
Securities	**69,313**				(2,226)	**67,087**
Deposits and repurchase agreements	**172,147**		2,498 *(b)*			**174,645**
Instruments designated as at fair value through profit or loss	**53,441**		(53,441) *(b)*			
Issued debt securities			50,943 *(b)*		(453)	**50,490**
Derivative financial instruments	**228,019**	(375)				**227,644**
Derivatives used for hedging purposes	**15,682**					**15,682**
Financial liabilities at amortised cost						
Deposits from credit institutions	**76,503**					**76,503**
Deposits from customers	**766,890**	(5,949)				**760,941**
Debt securities	**148,156**					**148,156**
Subordinated debt	**15,951**					**15,951**
Remeasurement adjustment on interest-rate risk portfolios	**2,372**					**2,372**
Current and deferred tax liabilities	**2,466**					**2,466**
Accrued expenses and other liabilities	**86,135**	(734)			(5,407)	**79,994**
Technical reserves and other insurance liabilities	**203,436**	7,058				**210,494**
Provisions for contingencies and charges	**11,061**					**11,061**
TOTAL LIABILITIES	**1,853,043**	**-**	**-**	**-**	**(8,086)**	**1,844,957**
EQUITY						
Share capital, additional paid-in capital and retained earnings	***91,094***		*(68) (e)*			***91,026***
Net income for the period attributable to shareholders	***7,759***					***7,759***
Total capital, retained earnings and net income for the period attributable to shareholders	**98,853**	-	(68)	-	-	**98,785**
Changes in assets and liabilities recognized directly in equity that will not be reclassified to profit or loss			68 *(e)*			**68**
Changes in assets and liabilities recognized directly in equity that may be reclassified to profit or loss	**3,130**					**3,130**
Shareholders' equity	**101,983**	**-**	**-**	**-**	**-**	**101,983**
Retained earnings and net income for the period attributable minority interests	**5,352**		30 *(e)*			**5,382**
Changes in assets and liabilities recognized directly in equity that will not be reclassified to profit or loss			(30) *(e)*			**(30)**
Changes in assets and liabilities recognized directly in equity that may be reclassified to profit or loss	**(126)**					**(126)**
Minority interests	**5,226**	**-**	**-**	**-**	**-**	**5,226**
TOTAL EQUITY	**107,209**	**-**	**-**	**-**	**-**	**107,209**
TOTAL LIABILITIES AND EQUITY	**1,960,252**	**-**	**-**	**-**	**(8,086)**	**1,952,166**

The balance sheet as at 31 December 2017 has undergone the following presentation changes:

(a) Financial instruments of the Group's insurance entities continue to be recognised and presented in accordance with IAS 39. On the asset side, they amount to EUR 228 billion and are classified in "Financial investments of insurance activities". These assets were mainly presented previously within "Available-for-sale financial assets" (EUR 114 billion) and within "Instruments designated as at fair value through profit or loss" (EUR 96 billion). The amount of financial liabilities reclassified is less material.

The Group renamed balance sheet item headings and details in this table the re-labelling from former headings and to new headings:

(b) "Instruments designated as at fair value through profit or loss", previously presented on specific asset and liability lines, have been broken down by type of instruments within "Financial instruments at fair value through profit or loss". On the liability side of the balance sheet, EUR 53 billion were split between EUR 51 billion of "Debt securities" and EUR 2 billion of "Deposits and repurchase agreements".

(c) « Available-for-sale financial assets » were re-labelled into « Financial assets at fair value through equity ».

(d) « Held-to-maturity financial assets » and securities previously included in « Loans and advances to customers » and « Loans and advances to credit institutions » were grouped into the « Debt securities » sub-section of « Financial assets at amortised cost ».

(e) Remeasurement gains (losses) related to post-employment benefit plans were presented separately within the new heading « Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss ».

(f) In order to align the definition of "credit institutions" in the financial statements and in the FINREP regulatory reports, some counterparties were reclassified from "Loans and advances to credit institutions" to "Loans and advances to customers" for an amount of EUR 24 billion.

Moreover, the settlement date accounting of securities *(g)* led to a decrease in the total balance sheet of EUR 8 billion (mainly due to a EUR 11 billion decrease in "Accrued income and other assets").

- **Profit and loss account**

In millions of euros	First half 2017 *former presentation*	Reclassification of income and expense from insurance activities	Re-labelling of financial instruments item headings	Reclassification of interest income and expense on trading instruments	First half 2017 *revised presentation*
Interest income	20,633	(1,741)		(2,136)	16,756
Interest expense	(9,935)	1,763		2,088	(6,084)
Commission income	6,659	(180)			6,479
Commission expense	(2,884)	1,126			(1,758)
Net gains on financial instruments at fair value through profit or loss	3,262	(382)		48	2,928
Net gains on available-for-sale financial assets and other financial assets not measured at fair value	1,537	(410)	(1,127)		
of which net gains on available-for-sale financial instruments	*1,516*	*(410)*	*(1,106)*		
of which net gains on loans and receivables and held-to-maturity financial assets	*21*		*(21)*		
Net gains on financial instruments at fair value through equity			1,106		1,106
Net gains on derecognised amortised-cost financial assets			21		21
Net income from insurance activities		1,914			1,914
Income from other activities	21,898	(16,153)			5,745
Expense on other activities	(18,935)	14,063			(4,872)
REVENUES	**22,235**	**-**	**-**	**-**	**22,235**
Salary and employee benefit expense	(8,337)				(8,337)
Other operating expenses	(6,048)				(6,048)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(805)				(805)
GROSS OPERATING INCOME	**7,045**	**-**	**-**	**-**	**7,045**
Cost of risk	(1,254)				(1,254)
OPERATING INCOME	**5,791**	**-**	**-**	**-**	**5,791**
Share of earnings of equity-method entities	388				388
Net gain on non-current assets	29				29
Goodwill	7				7
PRE-TAX INCOME	**6,215**	**-**	**-**	**-**	**6,215**
Corporate income tax	(1,695)				(1,695)
NET INCOME	**4,520**	**-**	**-**	**-**	**4,520**
Net income attributable to minority interests	230				230
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS	**4,290**	**-**	**-**	**-**	**4,290**

Income and expense from insurance activities have been reclassified into « Net income from insurance activities », which amounts to EUR 1,914 million, thus including:

1. Gross written premiums and changes in unearned premiums from insurance contracts and investment contracts with discretionary participating features according to IFRS 4;
2. Investments income, net of expense ;
3. Amortisation of deferred acquisition costs;
4. Claims and benefits expenses;
5. Net result from reinsurance ceded.

Other income and expense amounts related to insurance entities are grouped, depending on their nature, with amounts presented on other profit or loss headings.

Moreover, interest income and expense from trading instruments, previously presented under “Interest income / expense”, are now presented within « Net gain on financial instruments at fair value through profit or loss » (net amount of EUR 48 million for the first half of 2017).

- **Statement of net income and changes in assets and liabilities recognised directly in equity**

In millions of euros	First half 2017 IAS 39 *former presentation*	Reclassification of changes in value of investments of insurance activities	Re-labelling of financial instruments item headings	First half 2017 IAS 39 *revised presentation*
Net income for the period	**4,520**	**-**	**-**	**4,520**
Changes in assets and liabilities recognised directly in equity	**(1,944)**	**-**	**-**	**(1,944)**
Items that are or may be reclassified to profit or loss	**(2,057)**	**-**	**-**	**(2,057)**
Changes in exchange rate items	(1,468)			(1,468)
- Changes in fair value of financial assets at fair value through equity				
Changes in fair value recognised in equity			578	578
Changes in fair value reclassified to net income			(720)	(720)
- Changes in fair value of available-for-sale financial assets, including those reclassified as loans and receivables				
Changes in fair value recognised in equity	413	165	(578)	
Changes in fair value reclassified to net income	(728)	8	720	
- Changes in fair value of investments of insurance activities				
Changes in fair value recognised in equity		(165)		(165)
Changes in fair value reclassified to net income		(8)		(8)
- Changes in fair value of hedging instruments				
Changes in fair value recognised in equity	(98)			(98)
Changes in fair value reclassified to net income	3			3
- Income tax	233			233
- Changes in equity-method investments	(412)			(412)
Items that will not be reclassified to profit or loss	**113**	**-**	**-**	**113**
- Remeasurement gains (losses) related to post-employment benefit plans	155			155
- Income tax	(42)			(42)
- Changes in equity-method investments				
TOTAL	**2,576**	**-**	**-**	**2,576**
- Attributable to equity shareholders	2,470			2,470
- Attributable to minority interests	106			106

2.b IMPACTS OF THE ADOPTION OF IFRS 9 AND IFRS 15

- **Synthesis of IFRS 9 and IFRS 15 first time adoption impacts on the balance sheet as at 1 January 2018**

In millions of euros	31 December 2017 IAS 39 *revised presentation*	Impacts of the IFRS 9 adoption			Impacts of the IFRS 15 adoption	1 January 2018 *IFRS 9 et IFRS 15*
		Reclassifications	Remeasurements			
			Phase 1	Phase 2		
ASSETS						
Cash and balances at central banks	178,446			(13)		**178,433**
Financial instruments at fair value through profit or loss						
Securities	122,964	7,353	9			**130,326**
Loans and repurchase agreements	143,988	980	(20)			**144,948**
Derivative financial instruments	229,897	(1)				**229,896**
Derivatives used for hedging purposes	13,723	(2)				**13,721**
Financial assets at fair value through equity						
Debt securities	110,881	(57,008)	91	(22)		**53,942**
Equity securities	6,928	(4,598)				**2,330**
Financial assets at amortised cost						
Loans and advances to credit institutions	20,405			(49)		**20,356**
Loans and advances to customers	735,013	(980)		(2,857)		**731,176**
Debt securities	15,378	54,256	(172)	(36)		**69,426**
Remeasurement adjustment on interest-rate risk hedged portfolios	3,064					**3,064**
Financial investments of insurance activities	227,712					**227,712**
Current and deferred tax assets	6,568		30	754	16	**7,368**
Accrued income and other assets	92,875			(12)	98	**92,961**
Equity-method investments	6,426		(62)	(143)		**6,221**
Property, plant and equipment and investment property	25,000					**25,000**
Intangible assets	3,327					**3,327**
Goodwill	9,571					**9,571**
TOTAL ASSETS	**1,952,166**	**-**	**(124)**	**(2,378)**	**114**	**1,949,778**
LIABILITIES						
Deposits from central banks	1,471					**1,471**
Financial instruments at fair value through profit or loss						
Securities	67,087					**67,087**
Deposits and repurchase agreements	174,645					**174,645**
Issued debt securities	50,490					**50,490**
Derivative financial instruments	227,644					**227,644**
Derivatives used for hedging purposes	15,682					**15,682**
Financial liabilities at amortised cost						
Deposits from credit institutions	76,503					**76,503**
Deposits from customers	760,941					**760,941**
Debt securities	148,156					**148,156**
Subordinated debt	15,951					**15,951**
Remeasurement adjustment on interest-rate risk hedged portfolios	2,372					**2,372**
Current and deferred tax liabilities	2,466		5	(245)	8	**2,234**
Accrued income and other assets	79,994				478	**80,472**
Technical reserves and other insurance liabilities	210,494					**210,494**
Provisions for contingencies and charges	11,061			371	(348)	**11,084**
TOTAL LIABILITIES	**1,844,957**	**-**	**5**	**126**	**138**	**1,845,226**
EQUITY						
Share capital, additional paid-in capital and retained earnings	*91,026*	*1,308*	*(12)*	*(2,418)*	*(24)*	***89,880***
Net income for the period attributable to shareholders	*7,759*					***7,759***
Total capital, retained earnings and net income for the period attributable to shareholders	**98,785**	**1,308**	**(12)**	**(2,418)**	**(24)**	**97,639**
Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	68	238				**306**
Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	3,130	(1,546)	(103)			**1,481**
Shareholders' equity	**101,983**	**-**	**(115)**	**(2,418)**	**(24)**	**99,426**
Retained earnings and net income from the period attributable to minority interests	5,382	18	1	(86)		**5,315**
Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	(30)	3				**(27)**
Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	(126)	(21)	(15)			**(162)**
Minority interests	**5,226**	**-**	**(14)**	**(86)**	**-**	**5,126**
TOTAL EQUITY	**107,209**	**-**	**(129)**	**(2,504)**	**(24)**	**104,552**
TOTAL LIABILITIES AND EQUITY	**1,952,166**	**-**	**(124)**	**(2,378)**	**114**	**1,949,778**

The post-tax impact of IFRS 15 adoption on shareholders' equity as at 1 January 2018 amounts to EUR -24 million. This impact is generated by:

1. a change in the timing of recognition of revenues derived from maintenance services offered by operating lease entities;
2. a change in the timing of recognition of revenues derived from real estate programmes.

Income from these activities is recognised in the profit and loss account within "Income / expense from other activities".

- **Detail of the impacts of IFRS 9 and IFRS 15 adoption on the balance sheet**

In millions of euros	31 December 2017 IAS 39 revised presentation	Reclassification phase 1							Balance after reclassification Phase 1
		IAS 39 original categories				Reclassification of debt remeasurement effect arising from the Group issuer risk	Other reclassifications	TOTAL	
		Available-for-sale financial assets at fair value through equity		Held-to-maturity financial assets at amortised cost					
		Debt securities	Equity securities	Debt securities	Loans and receivables				
ASSETS									
Cash and balances at central banks	178,446							-	178,446
Financial instruments at fair value through profit or loss									
Securities	122,964	1,536 (b)	4,598 (c)	1,216 (f)			3	7,353	130,317
Loans and repurchase agreements	143,988				980 (f)			980	144,968
Derivative financial instruments	229,897						(1)	(1)	229,896
Derivatives uses for hedging purposes	13,723						(2)	(2)	13,721
Financial assets at fair value through equity									
Debt securities	110,881	(58,500)(a)(b)		1,492 (e)				(57,008)	53,873
Equity securities	6,928		(4,598)(c)					(4,598)	2,330
Financial assets at amortised cost									
Loans and advances to credit institutions	20,405							-	20,405
Loans and advances to customers	735,013				(980)(f)			(980)	734,033
Debt securities	15,378	56,964 (a)		(2,708)(e)(f)				54,256	69,634
Remeasurement adjustment on interest-rate risk hedged portfolios	3,064							-	3,064
Financial investments of insurance activities	227,712							-	227,712
Current and deferred tax assets	6,568							-	6,568
Accrued income and other assets	92,875							-	92,875
Equity-method investments	6,426							-	6,426
Property, plant and equipment and investment property	25,000							-	25,000
Intangible assets	3,327							-	3,327
Goodwill	9,571							-	9,571
TOTAL ASSETS	**1,952,166**	-	-	-	-	-	-	-	**1,952,166**
TOTAL LIABILITIES	**1,844,957**	-	-	-	-	-	-	-	**1,844,957**
of which current and deferred tax liabilities	2,466							-	2,466
of which accrued expenses and other liabilities	79,994							-	79,994
of which provisions for contingencies and charges	11,061							-	11,061
EQUITY									
Capital, retained earnings and net income for the period attributable to shareholders	98,785	46 (b)	938 (c)			323 (g)	1	1,308	100,093
Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	68		561 (d)			(323)(g)		238	306
Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	3,130	(46)	(1,499)(c)(d)				(1)	(1,546)	1,584
Shareholders' equity	**101,983**	-	-	-	-	-	-	-	**101,983**
Retained earnings and net income for the period attributable to minority interests	5,382	5 (b)	14 (c)			(1)(g)		18	5,400
Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	(30)		2 (d)			1 (g)		3	(27)
Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	(126)	(5)	(16)(c)(d)					(21)	(147)
Minority interests	**5,226**	-	-	-	-	-	-	-	**5,226**
TOTAL EQUITY	**107,209**	-	-	-	-	-	-	-	**107,209**
TOTAL LIABILITIES AND EQUITY	**1,952,166**	-	-	-	-	-	-	-	**1,952,166**

The adoption of IFRS 9 provisions related to the classification and measurement of financial instruments led to the following impacts as of 1 January 2018:

- Securities previously classified as available-for-sale financial assets recognised at fair value through equity:

  (a) Treasury bills, Government bonds and other debt securities previously recognised as at fair value through equity for which the business model consists of collecting contractual cash flows have been classified at amortised cost for EUR 57 billion; their cumulated changes in value, which were included in equity as at 31 December 2017 were cancelled (EUR 170 million before tax, or EUR 111 million in equity attributable to shareholders).

  (b) By way of exception, EUR 1.5 billion for which the contractual cash flows do not consist solely of payments relating to principal and interest on the principal are measured at fair value through profit and loss. Within shareholders' equity, this classification triggered the transfer of EUR 46 million (Group share) from "Changes in assets and liabilities recognised directly in equity" to "Retained earnings".

  (c) Investments in equity instruments such as shares were classified as financial instruments at fair value through profit or loss for EUR 4.6 billion. This classification triggered the transfer of EUR 938 million net unrealised gain (Group share) from "Changes in assets and liabilities recognised directly in equity" to "Retained earnings".

  (d) The option of recognising equity securities at fair value through equity was retained for EUR 2.3 billion. This classification triggered the transfer of EUR 561 million net unrealised gain (Group share) from "Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss" to "Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss".

In millions of euros	Balances after phase 1 reclassifications	Remeasurement - phase 1					Total phase 1	Impairment ajustments phase 2	TOTAL IFRS 9 Impact	IFRS 15 Impact	1 January 2018
		From available-for-sale debt securities to amortised cost	From Loans and receivables to Financial assets at fair value through equity	From Loans and receivables to Financial instruments at fair value through profit or loss	Other adjustments	TOTAL					
ASSETS											
Cash and balances at central banks	178,446					-	-	(13)	(13)		178,433
Financial instruments at fair value through profit or loss											
Securities	130,317			25 (f)	(16)	9	7,362		7,362		130,326
Loans and repurchases agreements	144,968			(10)(f)	(10)	(20)	960		960		144,948
Derivative financial instruments	229,896					-	(1)		(1)		229,896
Derivatives uses for hedging purposes	13,721					-	(2)		(2)		13,721
Financial assets at fair value through equity											
Debt securities	53,873		84 (e)		7	91	(56,917)	(22)	(56,939)		53,942
Equity securities	2,330					-	(4,598)		(4,598)		2,330
Financial assets at amortised cost											
Loans and advances to credit institutions	20,405					-	-	(49)	(49)		20,356
Loans and advances to customuers	734,033					-	(980)	(2,857)	(3,837)		731,176
Debt securities	69,634	(170)(a)			(2)	(172)	54,084	(36)	54,048		69,426
Remeasurement adjustment on interest-rate risk hedged portfolios	3,064					-	-		-		3,064
Financial investments of insurance activities	227,712					-	-		-		227,712
Current and deferred tax assets	6,568	42 (a)	(25)(e)	(9)(f)	22	30	30	754	784	16	7,368
Accrued income and other assets	92,875					-	-	(12)	(12)	98	92,961
Equity-method investments	6,426				(62)(h)	(62)	(62)	(143)	(205)		6,221
Property, plant and equipment and investment property	25,000					-	-		-		25,000
Intangible assets	3,327					-	-		-		3,327
Goodwill	9,571					-	-		-		9,571
TOTAL ASSETS	**1,952,166**	**(128)**	**59**	**6**	**(61)**	**(124)**	**(124)**	**(2,378)**	**(2,502)**	**114**	**1,949,778**
TOTAL LIABILITIES	**1,844,957**	**-**	**-**	**-**	**5**	**5**	**5**	**126**	**131**	**138**	**1,845,226**
of which current and deferred tax liabilities	2,466				5	5	5	(245)	(240)	8	2,234
of which accrued expenses and other liabilities	79,994					-	-		-	478	80,472
of which provisions for contingencies and charges	11,061					-	-	371	371	(348)	11,084
EQUITY											
Capital, retained earnings and net income for the period attributable to shareholders	100,093			5 (f)	(17)	(12)	1,296	(2,418)	(1,122)	(24)	97,639
Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	306						238		238		306
Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	1,584	(111)(a)	59 (e)		(51)	(103)	(1,649)		(1,649)		1,481
Shareholders' equity	**101,983**	**(111)**	**59**	**5**	**(68)**	**(115)**	**(115)**	**(2,418)**	**(2,533)**	**(24)**	**99,426**
Retained earnings and net income for the period attributable to minority interests	5,400			1		1	19	(86)	(67)		5,315
Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	(27)					-	3		3		(27)
Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	(147)	(17)(a)			2	(15)	(36)		(36)		(162)
Minority interests	**5,226**	**(17)**	**-**	**1**	**2**	**(14)**	**(14)**	**(86)**	**(100)**	**-**	**5,126**
TOTAL EQUITY	**107,209**	**(128)**	**59**	**6**	**(66)**	**(129)**	**(129)**	**(2,504)**	**(2,633)**	**(24)**	**104,552**
TOTAL LIABILITIES AND EQUITY	**1,952,166**	**(128)**	**59**	**6**	**(61)**	**(124)**	**(124)**	**(2,378)**	**(2,502)**	**114**	**1,949,778**

- Loans and receivables and assets held to maturity recognised at amortised cost:

  (e) reclassification of debt securities previously included in « Loans and advances » into « Financial assets at fair value through equity » for EUR 1.5 billion, based on their « collect and sell » business model. A EUR 84 million difference (before tax) between the fair value of these securities and their previous net carrying amount was recognised in assets, and a EUR 59 million after tax (Group share) revaluation was recognised in « changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss ».

  (f) reclassification of loans and debt securities previously included in "Loans and advances" into "Financial instruments at fair value through profit or loss" for respectively EUR 1 billion and EUR 1.2 billion (instruments for which the contractual cash flows do not consist solely of payments relating to principal and interest on the principal, or for which the business model does not allow a classification at amortised cost or at fair value through equity). Minor changes in value related to these classifications were recognised with an impact in retained earnings.

With respect to financial liabilities, the main change introduced by IFRS 9 relates to the 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 are recognised on a separate line in shareholders' equity and no longer through profit or loss. Thus, EUR 323 million cumulated changes in value (Group share) were reclassified as of 1 January 2018 from "retained earnings" into "changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss" *(g)*.

The main "other adjustment" is related to the adoption of the IFRS 9 provisions on classification and measurement of financial instruments by equity-method entities *(h)*.

- **Reconciliation between IAS 39 and the IAS 37 impairment provisions and the IFRS 9 expected credit losses**

The impact of the new impairment model defined by IFRS 9 is an increase in the impairment of financial instruments by EUR 3.3 billion before tax (a decrease in the value of “Loans and advances to customers” by EUR 2.9 billion and an increase in the amount of “Provisions for contingencies and charges” related to financing and guarantee commitments by EUR 0.4 billion).

In millions of euros	31 December 2017 IAS 39	From Loans and receivables to Financial instruments at fair value through profit or loss	From available-for-sale debt securities to amortised cost	From available-for-sale debt securities to assets at fair value through equity	From available-for-sale debt securities to assets at fair value through profit or loss	Change in impairment calculation method	Other impacts	1 January 2018 IFRS 9 & IFRS 15
Cash and balances at central banks						13		13
Financial instruments at fair value through profit or loss	89	128			31		(58)	190
Available-for-sale financial assets	146		(5)	(110)	(31)			-
Financial assets at fair value through equity				110		22	(1)	131
Financial assets at amortised cost								-
Loans and advances to credit institutions	109					49	(12)	146
Loans and advances to customers	24,686	(128)				2,857	(5)	27,410
Debt securities			5			36	61	102
Other assets	63					12		75
Commitments and other items	906					371		1,277
Total expected credit losses	**25,999**	**-**	**-**	**-**	**-**	**3,360**	**(15)**	**29,344**

- **Financial instruments at fair value through equity under IAS 39, reclassified at amortised cost under IFRS 9**

IAS 39 accounting categories In millions of euros	IFRS 9 accounting categories	Carrying value at 30 June 2018	Fair value at 30 June 2018	Change in value which would be recognised in equity for the first half 2018
Available-for-sale financial assets	**Financial assets at amortised cost**			
	Debt securities	47,306	46,764	(542)

3. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2018

3.a NET INTEREST INCOME

The BNP Paribas Group includes in 'interest and similar income' and 'interest and similar expenses' all income and expense from financial instruments measured at amortised cost (interest, fees and transaction costs) and from financial instruments measured at fair value through equity. These amounts are calculated using the effective interest method.

These items also include the interest income and expense of non-trading financial instruments the characteristics of which do not allow for recognition at amortised cost or at fair value through equity, as well as of financial instruments that the Group has designated as at fair value through profit or loss. The change in fair value on financial instruments at fair value through profit or loss (excluding accrued interest) is recognised under "Net gain 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.

	First half 2018 IFRS 9 & IFRS 15			First half 2017 IAS 39		
In millions of euros	Income	Expense	Net	Income	Expense	Net
Financial instrument at amortised cost	**14,216**	**(4,919)**	**9,297**	**13,239**	**(4,092)**	**9,147**
Deposits, loans and borrowings	13,170	(3,838)	9,332	12,576	(3,108)	9,468
Repurchase agreements	82	(29)	53	67	(42)	25
Finance leases	635	(37)	598	577	(26)	551
Debt securities	329		329	19		19
Issued debt securities and subordinated debt		(1,015)	(1,015)		(916)	(916)
Financial instruments at fair value through equity	**474**	**-**	**474**	**781**	**-**	**781**
Debt securities	474		474	781		781
Financial instruments at fair value through profit or loss (Trading securities excluded)	**20**	**(249)**	**(229)**	**27**	**(132)**	**(105)**
Cash flow hedge instruments	**1,795**	**(1,043)**	**752**	**1,122**	**(359)**	**763**
Interest rate portfolio hedge instruments	**1,443**	**(1,284)**	**159**	**1,587**	**(1,501)**	**86**
Total interest income/(expense)	**17,948**	**(7,495)**	**10,453**	**16,756**	**(6,084)**	**10,672**

Interest on financial instruments at amortised cost includes, for the first half of 2017, interest income and expenses on held-to-maturity financial assets, customer and interbank items and debt issued by the group (excluding issues that the Group has designated as at fair value through profit or loss).

Interest on financial instruments at fair value through equity corresponds, for the first half of 2017, to interest on debt securities available for sale, of which about half of the portfolio was reclassified at amortised cost as of 1 January 2018. This reclassification mainly explains the variation of interest on debt securities within interest on financial instruments at amortised cost between the two periods.

Interest on financial instruments at fair value through profit or loss corresponds, for the first half of 2017, to interest income and expenses on financial instruments that the Group designated as at fair value through profit or loss. For the first half of 2018, this aggregate also includes interest on non-trading financial instruments whose characteristics prevent their classification at amortised cost or at fair value through equity.

The effective interest rate applied on the second series of Targeted Longer-Term Refinancing Operations (TLTRO II) conducted by the European Central Bank takes into account a 40 bp interest incentive.

Interest income on individually impaired loans amounted to EUR 225 million for the first half of 2018, compared to EUR 289 million for the first half of 2017.

3.b COMMISSION INCOME AND EXPENSE

In millions of euros	First half 2018 *IFRS 9 & IFRS 15*			First half 2017 *IAS 39*		
	Income	Expense	Net	Income	Expense	Net
Customer transactions	1,887	(514)	1,373	1,751	(406)	1,345
Securities and derivatives transactions	924	(538)	386	1,226	(618)	608
Financing and guarantee commitments	560	(21)	539	540	(17)	523
Asset management and other services	2,361	(137)	2,224	2,118	(146)	1,972
Others	770	(632)	138	844	(571)	273
Commission income/expense	**6,502**	**(1,842)**	**4,660**	**6,479**	**(1,758)**	**4,721**
- of which 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	*1,461*	*(140)*	*1,321*	*1,390*	*(135)*	*1,255*
- of which commission income and expense on financial instruments not measured at fair value through profit or loss	*1,492*	*(183)*	*1,309*	*1,310*	*(157)*	*1,153*

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

Net gain on financial instruments measured at fair value through profit or loss includes all profit and loss items relating to financial instruments managed in the trading book, financial instruments that the Group has designated as at fair value through profit or loss, as well as debt instruments whose cash flows are not solely repayments of principal and interest on the principal or whose business model is not to collect cash flows nor to collect cash flows and sell the assets.

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.

These income items include dividends on these instruments and exclude interest income and expense from financial instruments designated as at fair value through profit or loss and instruments whose cash flows are not only repayments of principal and interest on the principal or whose business model is not to collect cash flows nor to collect cash flows and sell the assets, which are presented in "interest margin" (note 3.a).

In millions of euros	First half 2018 IFRS 9 & IFRS 15	First half 2017 IAS 39
Trading book	**3,363**	**4,098**
Interest rate and credit instruments	2,731	634
Equity financial instruments	183	4,097
Foreign exchange financial instruments	208	(361)
Loans and repurchase agreements	(309)	(270)
Other financial instruments	550	(2)
Financial instruments designated as at fair value through profit or loss	**(18)**	**(1,254)**
of which debt remeasurement effect arising from BNP Paribas Group issuer risk[(1)]		*(98)*
Other financial instruments at fair value through profit or loss	**238**	
Debt instruments	(25)	
Equity instruments	263	
Impact of hedge accounting	**(38)**	**84**
Fair value hedging derivatives	(21)	24
Hedged items in fair value hedge	(17)	60
Total	**3,545**	**2,928**

[(1)]Debt remeasurement effect arising from BNP Paribas Group issuer risk (Own Credit Adjustment - OCA) is recognised as of 1 January 2018 in equity, within "Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss".

Net gains on the trading book in 2018 and 2017 include a non-material amount related to the ineffective portion of cash flow hedges.

3.d NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH EQUITY AND ON FINANCIAL ASSETS AT AMORTISED COST

In millions of euros	First half 2018 IFRS 9 & IFRS 15	First half 2017 IAS 39
Net gain on debt instruments at fair value through equity	111	236
Debt securities[(1)]	111	236
Net gain on equity instruments at fair value through equity	59	870
Dividend income	59	223
Additions to impairment provisions		(111)
Net disposal gains		758
Net gain on financial instruments at fair value through equity	**170**	**1,106**
Net gain on financial instruments at amortised cost	14	21
Loans and receivables	13	21
Debt securities[(1)]	1	-
Net gain on financial assets at amortised cost	**14**	**21**

[(1)]Interest income from debt instruments is included in “Net interest income” (note 3.a), and impairment losses related to potential issuer default are included in “Cost of risk” (note 3.h).

For the first half of 2018, net gain on financial instruments at fair value through equity includes gains and losses from disposals of debt securities at fair value through equity and dividends on equity securities for which the Group applied the fair value through equity option; gains and losses on the latter are no longer recognised in profit and loss, but directly in equity.

For the first half of 2017, additions to impairment provisions and gains and losses from disposals of equity securities were those recognised under IAS 39 on available-for-sale securities.

Unrealised gains and losses on debt securities previously recorded under “Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss” and included in the pre-tax income, amount to a gain of EUR 98 million for the first half of 2018.

3.e NET INCOME FROM INSURANCE ACTIVITIES

In millions of euros	First half 2018	First half 2017
Gross premiums	14,203	12,590
Net gain from investment contracts with discretionary participation feature and other services	23	7
Net investment income	1,725	5,538
Technical charges related to contracts	(12,678)	(15,215)
Net charges from ceded reinsurance	(99)	15
Policy benefit expenses	(1,041)	(1,021)
Net income from insurance activities	**2,133**	**1,914**

"Policy benefit expenses" include expenses arising from surrenders, maturities and claims relating to insurance contracts. "Technical charges related to contracts" include changes in the value of financial contracts, in particular unit-linked policies. Interest paid on such contracts is recognised in "Net investment income".

In millions of euros	First half 2018	First half 2017
Net gain on available-for-sale financial assets	1,997	1,897
Interest income and dividends	*1,649*	*1,679*
Additions to impairment provisions	*(7)*	*(12)*
Net disposal gains	*355*	*230*
Net gain on financial instruments at fair value through profit or loss	(461)	3,435
Net gain on financial instruments at amortised cost	138	180
Investment property income/expense	58	12
Share of earnings of equity-method investments	(1)	-
Other income/expense	(6)	14
NET INVESTMENT INCOME	**1,725**	**5,538**

3.f NET INCOME FROM OTHER ACTIVITIES

In millions of euros	First half 2018 *IFRS 9 & IFRS 15*			First half 2017 *IAS 39*		
	Income	Expense	Net	Income	Expense	Net
Net income from investment property	47	(18)	29	83	(14)	69
Net income from assets held under operating leases	4,925	(4,233)	692	4,236	(3,581)	655
Net income from property development activities	436	(309)	127	576	(466)	110
Other net income	1,204	(1,023)	181	850	(811)	39
Total net income from other activities	**6,612**	**(5,583)**	**1,029**	**5,745**	**(4,872)**	**873**

3.g OTHER OPERATING EXPENSES

In millions of euros	First half 2018 *IFRS 9 & IFRS 15*	First half 2017 *IAS 39*
External services and other operating expenses	(4,957)	(4,680)
Taxes and contributions [1]	(1,477)	(1,368)
Total other operating expenses	**(6,434)**	**(6,048)**

[1] Contributions to European resolution funds, including exceptional contributions, amount to EUR 608 million for the first half 2018 compared with EUR 502 million for the first half 2017.

3.h Cost of risk

The group general model for impairment described in note 1.e.5 used by the Group relies on the following two steps:

1. Assessing whether there has been a significant increase in credit risk since initial recognition, and
2. Measuring impairment allowance as either 12-month expected credit losses or lifetime expected credit losses.

Both steps shall rely on forward looking information.

Significant increase in credit risk

The assessment of increase in credit risk is done at instrument level based on indicators and thresholds that vary depending on the nature of the exposure and the type of the counterparty.

The internal credit rating methodology used by the Group is described in chapter 5. Pillar 3 of the Registration document as at 31 December 2017 (section 5.4 Credit risk).

- *Wholesale (Corporates / Financial institutions / Sovereigns) and bonds*

The indicator used for assessing increase in credit risk is the internal counterparty rating of the obligor of the facility.

The deterioration in credit quality is considered significant, and the facility is therefore placed in stage 2, if the difference between the counterparty rating at origination and the one as at the reporting date is equal or superior to 3 notches (for instance, a downgrade from 4- to 5-).

The low risk expedient permitted by IFRS 9 (i.e. whereby bonds with an investment grade rating at reporting date are considered as stage 1, and bonds with a non-investment grade rating at reporting date are considered as stage 2) is used only for debt securities for which no ratings are available at acquisition date .

- *SME Corporates facilities and Retail*

As far as SME Corporates exposures are concerned, the indicator used for assessing increase in credit risk is also the internal counterparty rating of the obligor of the facility. Due to a higher volatility in the rating system applied, deterioration is considered significant, and the facility is therefore placed in stage 2, if the difference between the counterparty rating at origination and the one as at the reporting date is equal or superior to 6 notches.

For retail exposures, two alternative risk indicators of increase in credit risk can be taken into consideration:

- Probability of default (PD): Changes in the 1-year probability of default are considered as a reasonable approximation of changes in the lifetime probability of default. Deterioration in credit quality is considered significant, and the facility is therefore placed in stage 2, if the ratio 1 year PD at the reporting date / 1 year PD at origination is higher than 4.
- Existence of a past due within the last 12 months: in the consumer credit specialised business, the existence of a past due that has been regularised but that has occurred within the last 12 months is considered as a significant deterioration in credit risk and the facility is therefore placed into stage 2.

- *Furthermore, for all portfolios:*

1. The facility is assumed to be in stage 1 when its rating is between above 4- (or its 1 year PD is below or equal to 0,25%) at reporting date, since changes in PD related to downgrades in this zone are less material, and therefore not considered as “significant”.

2. When the rating is at 9+ or worse (or the 1 year PD is above 10%) at reporting date, as long as the facility is not credit-impaired, it is considered as significantly deteriorated and therefore placed into stage 2.

As a backstop, when an asset becomes 30 days past due, the credit risk is deemed to have increased significantly since initial recognition and the asset is therefore placed into stage 2.

Forward Looking Information

The Group considers forward-looking information both when assessing significant increase in credit risk and when measuring Expected Credit Losses (ECL).

Regarding the assessment of significant increase in credit risk, beyond the rules based on the comparison of risk parameters between initial recognition and reporting date (cf. "significant increase in credit risk" section), the determination of significant increase in credit risk is supplemented by the consideration of more systemic forward looking factors (such as macro-economic, sectorial or geographical risk drivers) that could increase the credit risk of some exposures. These factors can lead to tighten the transfer criteria into stage 2, resulting in an increase of ECL amounts for exposures deemed vulnerable to these risk drivers.

Regarding the measurement of expected credit losses, the Group has made the choice to use 3 macroeconomic scenarios covering a wide range of potential future economic conditions:

- a baseline scenario, consistent with the scenario used for budgeting,
- an adverse scenario, corresponding to the scenario used quarterly in Group stress tests,
- a favourable scenario, allowing to capture situations where the economy performs better than anticipated.

The weighting of the expected credit losses under each scenario is performed as follows:

- 50% for the baseline scenario,
- The weighting of the two alternative scenarios is computed using a relationship with the position in the credit cycle. In this approach, the adverse scenario receives a higher weight when the economy is in strong expansion than in lower growth period in anticipation of a potential downturn of the economy.

In addition, when appropriate, the ECL measurement can take into account scenarios of sale of the assets.

Macro-economic scenarios:

The three macro-economic scenarios correspond to:

- A baseline scenario which describes the most likely path of the economy over the projection horizon. This scenario is updated on a quarterly basis. It is designed by Group Economic Research in collaboration with various experts within the Group. Projections are provided for key markets of the Group, through main macro-economic variables (GDP and its components, unemployment rate, consumer prices, interest rates, foreign exchange rates, oil prices, real estate prices…) which are drivers for risk parameter models used downstream in the credit stress testing process;
- An adverse scenario which describes the impact of the materialisation of some of the risks weighing on the baseline scenario, resulting in a much less favourable economic path. The starting point is a shock on GDP. This shock on GDP is applied with variable magnitudes, but simultaneously among economies when the crisis considered is a global contemporaneous crisis. These assumptions are broadly consistent with those proposed by the regulators. Other variables (unemployment, inflation, interest rate) are deducted on the basis of econometric relationships and expert judgment.
- A favourable scenario which reflects the impact of the materialisation of some of the upside risks for the economy, resulting in a much more favourable economic path. To achieve an unbiased estimation of provisions, the favourable scenario is designed in such a way that the probability of the shock on GDP growth (on average over the cycle) is equal to the probability of the corresponding shock in the adverse scenario. The magnitude of favourable GDP shocks generally corresponds to 80%-95% of the magnitude of adverse GDP shocks. Other variables

(unemployment, inflation, interest rate) are deducted in the same way as in the adverse scenario.

- **Cost of credit risk for the period**

In millions of euros	First half 2018 *IFRS 9 & IFRS 15*	First half 2017 *IAS 39*
Net allowances to impairment	(1,122)	(1,254)
Recoveries on loans and receivables previously written off	254	319
Losses on irrecoverable loans	(314)	(319)
Total cost of risk for the period	**(1,182)**	**(1,254)**

Cost of risk for the period by accounting categories and asset type

In millions of euros	First half 2018 *IFRS 9 & IFRS 15*	First half 2017 *IAS 39*
Cash and balances at central banks	3	-
Financial instruments at fair value through profit or loss	(10)	6
Financial assets at fair value through equity [(1)]	(7)	(85)
Financial assets at amortised cost[(2)]	(1,190)	(1,174)
Loans and receivables	(1,165)	(1,217)
Debt securities	(25)	43
Other assets	4	(1)
Financing and guarantee commitments and other items	18	-
Total cost of risk for the period	**(1,182)**	**(1,254)**
Cost of risk on unimpaired assets and commitments[(3)]	169	88
of which stage 1	*(51)*	
of which stage 2	*220*	
Cost of risk on impaired assets and commitments - stage 3[(4)]	(1,351)	(1,342)

[(1)]2017 figures represent the cost of risk related to fixed-income available-for-sale financial assets.

[(2)]2017 figures represent the cost of risk related to loans and advances to credit institutions and customers and to held-to-maturity financial assets.

[(3)]2017 figures represent the cost of risk on a collective basis.

[(4)]2017 figures represent the cost of risk on a specific basis.

- **Credit risk impairment**

Change in impairment by accounting category and asset type during the period

In millions of euros,	1 January 2018 IFRS 9 & IFRS 15	Net allowance to impairment	Impairment provisions used	Effect of exchange rate movements and other	30 June 2018 IFRS 9 & IFRS 15
Assets impairment					
Amounts due from central banks	13	3	-	(2)	14
Financial instruments at fair value through profit or loss	190	(19)	-	10	181
Impairment of assets at fair value through equity	131	7	-	-	138
Financial assets at amotised cost	27,658	1,143	(2,057)	(188)	26,556
Loans and receivables	*27,556*	*1,134*	*(2,057)*	*(168)*	*26,465*
Debt securities	*102*	*9*	-	*(20)*	*91*
Other assets	75	(3)	-	(2)	70
Total impairment of financial assets	**28,067**	**1,131**	**(2,057)**	**(182)**	**26,959**
of which stage 1	*1,477*	*44*	*(1)*	*(30)*	*1,490*
of which stage 2	*3,707*	*(207)*	*(3)*	*(94)*	*3,403*
of which stage 3	*22,883*	*1,294*	*(2,053)*	*(58)*	*22,066*
Provisions recognised as liabilities					
Provisions for commitments	763	(5)	(61)	56	753
Other provisions	514	(5)	(26)	(9)	474
Total provisions recognised for credit commitments	**1,277**	**-10**	**(87)**	**47**	**1,227**
of which stage 1	*201*	*7*	-	*10*	*218*
of which stage 2	*265*	*(14)*	-	*(7)*	*244*
of which stage 2	*811*	*(3)*	*(87)*	*44*	*765*
Total impairment and provisions	**29,344**	**1,121**	**(2,144)**	**(135)**	**28,186**

Change in impairment of amortised cost financial assets during the period

In millions of euros	Impairment on assets subject to 12-month Expected Credit Losses (Stage 1)	Impairment on assets subject to lifetime Expected Credit Losses (Stage 2)	Impairment on doubtful assets (Stage 3)	Total
At 1 January 2018	**1,445**	**3,691**	**22,522**	**27,658**
Net allowance to impairment	**48**	**(210)**	**1,305**	**1,143**
Financial assets purchased or originated during the period	190	133	5	328
Financial assets derecognised during the period [(1)]	(64)	(72)	(84)	(220)
Transfer to stage 2	(23)	650	(178)	449
Transfer to stage 3	(6)	(260)	684	418
Transfer to stage 1	40	(293)	(27)	(280)
Other allowances/reversals without stage transfer [(2)]	(89)	(368)	905	448
Impairment provisions used	**(1)**	**(3)**	**(2,053)**	**(2,057)**
Effect of exchange rate movements and other items	**(29)**	**(94)**	**(65)**	**(188)**
At 30 June 2018	**1,463**	**3,384**	**21,709**	**26,556**

[(1)] Including disposals
[(2)] Including amortisation

CORPORATE INCOME TAX

In millions of euros	First half 2018 *IFRS 9 & IFRS 15*	First half 2017 *IAS 39*
Net current tax expense	(996)	(1,234)
Net deferred tax expense	(480)	(461)
Corporate income tax expense	**(1,476)**	**(1,695)**

4. 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 2018 IFRS 9 & IFRS 15						First half 2017 IAS 39					
	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)	**3,034**	(2,218)	(112)	**704**	1	**704**	**3,072**	(2,225)	(158)	**689**		**689**
BNL banca commerciale (1)	**1,366**	(897)	(296)	**173**	(1)	**171**	**1,413**	(880)	(450)	**83**		**83**
Belgian Retail Banking (1)	**1,760**	(1,331)	(4)	**424**		**424**	**1,771**	(1,327)	(27)	**417**	5	**422**
Other Domestic Markets activities (1)	**1,452**	(895)	(61)	**497**	(5)	**491**	**1,355**	(784)	(39)	**532**	33	**565**
International Financial Services												
Personal Finance	**2,735**	(1,397)	(541)	**797**	26	**822**	**2,421**	(1,213)	(465)	**743**	55	**798**
International Retail Banking												
Europe-Mediterranean (1)	**1,192**	(816)	(125)	**251**	139	**389**	**1,178**	(842)	(137)	**199**	101	**300**
BancWest (1)	**1,386**	(967)	(25)	**394**		**394**	**1,495**	(1,052)	(59)	**384**		**384**
Insurance	**1,397**	(710)	1	**688**	121	**810**	**1,216**	(623)	(2)	**592**	110	**702**
Wealth and Asset Management	**1,630**	(1,253)	(2)	**374**	18	**392**	**1,533**	(1,143)	18	**408**	34	**443**
Corporate & Institutional Banking												
Corporate Banking	**1,919**	(1,288)	14	**645**	16	**661**	**2,167**	(1,282)	135	**1,021**	26	**1,047**
Global Markets	**2,945**	(2,230)	(9)	**706**	4	**709**	**3,277**	(2,421)	36	**892**	1	**893**
Securities Services	**1,022**	(842)	3	**183**		**183**	**975**	(791)	1	**186**	1	**186**
Other Activities	**167**	(784)	(25)	**(641)**	197	**(444)**	**360**	(608)	(106)	**(353)**	57	**(296)**
Total Group	**22,004**	**(15,628)**	**(1,182)**	**5,194**	**515**	**5,709**	**22,235**	**(15,190)**	**(1,254)**	**5,791**	**424**	**6,215**

(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.

5. NOTES TO THE BALANCE SHEET AT 30 JUNE 2018

5.a FINANCIAL INSTRUMENTS 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 -, of certain liabilities designated by the Group as at fair value through profit or loss at the time of issuance and of non-trading instruments whose characteristics prevent their accounting at amortised cost or at fair value through equity.

	30 June 2018 IFRS 9 & IFRS 15				1 January 2018 IFRS 9 & IFRS 15			
In millions of euros	Trading book	Financial instruments designated as at fair value through profit or loss	Other financial assets at fair value through profit or loss	Total	Trading book	Financial instruments designated as at fair value through profit or loss	Other financial assets at fair value through profit or loss	Total
Securities	175,216		7,667	182,883	122,494		7,832	130,326
Loans and repurchase agreements	284,404		1,174	285,578	143,765		1,183	144,948
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**459,620**	**-**	**8,841**	**468,461**	**266,259**	**-**	**9,015**	**275,274**
Securities	95,521			95,521	67,087			67,087
Deposits and repurchase agreements	328,027	2,652		330,679	172,147	2,498		174,645
Issued debt securities (note 5.f)		56,877		56,877		50,490		50,490
of which subordinated debt		*789*		*789*		*836*		*836*
of which non subordinated debt		*50,777*		*50,777*		*47,034*		*47,034*
of which debt representative of shares of consolidated funds held by third parties		*5,311*		*5,311*		*2,620*		*2,620*
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**423,548**	**59,529**		**483,077**	**239,234**	**52,988**		**292,222**

Detail of these assets and liabilities is provided in note 5.c.

- **Financial liabilities designated as at fair value through profit or loss**

Financial liabilities at fair value through profit or loss mainly consist of debt securities in issue, originated and structured on behalf of customers, where the risk exposure is managed in combination with the hedging strategy. These types of debt securities in issue contain significant embedded derivatives, whose changes in value may be compensated by changes in the value of economic hedging derivatives.

The redemption value of debt issued and designated as at fair value through profit or loss at 30 June 2018 was EUR 55,550 million (EUR 49,919 million at 1 January 2018).

- **Other financial assets measured at fair value through profit or loss**

Other financial assets at fair value through profit or loss are financial assets not held for trading:

Debt instruments that do not meet the criteria defined by IFRS 9 to be classified as financial instruments at "fair value through equity" or at "amortised cost":

Their business model is not to "collect contractual cash flows" nor "collect contractual cash flows and sell the instruments"; and/or

Their cash flows are not solely repayments of principal and interest on the principal amount outstanding.

Equity instruments that the Group did not choose to classify as at "fair value through equity".

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.

	30 June 2018 *IFRS 9 & IFRS 15*		1 January 2018 *IFRS 9 & IFRS 15*	
In millions of euros	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	117,378	103,701	122,110	110,804
Foreign exchange derivatives	81,841	79,756	66,550	65,269
Credit derivatives	6,467	6,964	7,553	8,221
Equity derivatives	28,489	37,634	28,797	39,150
Other derivatives	6,603	5,880	4,886	4,200
Derivative financial instruments	**240,778**	**233,935**	**229,896**	**227,644**

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.

	30 June 2018 *IFRS 9 & IFRS 15*				1 January 2018 *IFRS 9 & IFRS 15*			
In millions of euros	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	1,652,444	9,590,460	5,769,896	17,012,800	1,398,333	9,348,490	4,913,384	15,660,207
Foreign exchange derivatives	12,712	70,375	5,396,893	5,479,980	1,809	48,028	4,631,422	4,681,259
Credit derivatives		303,642	585,820	889,462		288,459	557,572	846,031
Equity derivatives	1,002,436	1,158	685,302	1,688,896	856,023	940	590,719	1,447,682
Other derivatives	123,908	50,602	94,315	268,825	86,262	26,470	78,134	190,866
Derivative financial instruments	**2,791,500**	**10,016,237**	**12,532,226**	**25,339,963**	**2,342,427**	**9,712,387**	**10,771,231**	**22,826,045**

5.b FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

In millions of euros	30 June 2018 IFRS 9 & IFRS 15		1 January 2018 IFRS 9 & IFRS 15	
	Net	of which changes in value taken directly to equity	Net	of which changes in value taken directly to equity
Debt securities	**50,465**	**287**	**53,942**	**584**
Governments	28,758	362	28,649	549
Other public administrations	14,802	(24)	18,615	63
Credit institutions	4,350	(76)	4,099	(56)
Others	2,555	25	2,579	28
Equity securities	**2,319**	**583**	**2,330**	**599**
Total financial assets at fair value through equity	**52,784**	**870**	**56,272**	**1,183**

The option to recognise at fair value through equity certain equity instruments was retained in particular for shares held through strategic partnerships and shares that the Group is required to hold in order to carry out certain activities.

During the first half of 2018, the Group did not sell any of these investments and no unrealised gains or losses were transferred to "retained earnings".

Changes in value taken directly to equity are detailed as follows:

In millions of euros	30 June 2018 IFRS 9 & IFRS 15			1 January 2018 IFRS 9 & IFRS 15		
	Debt securities	Equity securities	Total	Debt securities	Equity securities	Total
Non-hedged changes in value of securities, recognised in "Financial assets at fair value through equity"	**287**	**583**	**870**	**584**	**599**	**1,183**
Deferred tax linked to these changes in value	(69)	(35)	(104)	(192)	(36)	(228)
Group share of changes in value of financial assets at fair value through equity owned by equity-method entities, after deferred tax	50	1	51	62		62
Expected credit loss recognised in profit or loss	138		138	130		130
Changes in value of non-current assets held for sale recognised directly in equity	(121)		(121)			
Other variations	(3)		(3)	1		1
Changes in value of assets taken directly to equity under the heading "Financial assets at fair value through equity"	**282**	**549**	**831**	**585**	**563**	**1,148**
Attributable to equity shareholders	326	528	854	590	561	1,151
Attributable to minority interests	(44)	21	(23)	(5)	2	(3)

5.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 306 million as at 30 June 2018, compared with an increase in value of EUR 452 million as at 1 January 2018, i.e. a EUR -146 million variation recognised directly in equity.

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.e.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.

	30 June 2018 *IFRS 9 & IFRS 15*											
	Trading book				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through equity			
In millions of euros	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	**142,028**	**32,985**	**203**	**175,216**	**750**	**2,333**	**4,584**	**7,667**	**40,930**	**11,013**	**841**	**52,784**
Governments	59,146	7,276		66,422		244		244	26,771	1,987		28,758
Asset Backed Securities	818	12,255	26	13,099	-	488	-	488	-	1,263	-	1,263
CDOs / CLOs (1)		*171*	*25*	*196*				-				-
Other Asset Backed Securities	*818*	*12,084*	*1*	*12,903*		*488*		*488*		*1,263*		*1,263*
Other debt securities	15,761	11,543	67	27,371	69	1,232	797	2,098	12,880	7,536	28	20,444
Equities and other equity securities	66,303	1,911	110	68,324	681	369	3,787	4,837	1,279	227	813	2,319
Loans and repurchase agreements	**-**	**283,646**	**758**	**284,404**	**-**	**53**	**1,121**	**1,174**	**-**	**-**	**-**	**-**
Loans		2,634	3	2,637		53	919	972				
Repurchase agreements		281,012	755	281,767			202	202				
FINANCIAL ASSETS AT FAIR VALUE	**142,028**	**316,631**	**961**	**459,620**	**750**	**2,386**	**5,705**	**8,841**	**40,930**	**11,013**	**841**	**52,784**
Securities	**91,545**	**3,963**	**13**	**95,521**	**-**	**-**	**-**	**-**				
Governments	69,733	341		70,074				-				
Other debt securities	9,929	2,643	9	12,581				-				
Equities and other equity securities	11,883	979	4	12,866				-				
Borrowings and repurchase agreements	**-**	**325,942**	**2,085**	**328,027**	**-**	**2,242**	**410**	**2,652**				
Borrowings		5,280		5,280		2,242	410	2,652				
Repurchase agreements		320,662	2,085	322,747				-				
Issued debt securities (note 5.f)	**-**	**-**	**-**	**-**	**4,109**	**38,852**	**13,917**	**56,878**				
Subordinated debt (note 5.f)				-		724		724				
Non subordinated debt (note 5.f)				-		36,925	13,917	50,842				
Debt representative of shares of consolidated funds held by third parties				-	4,109	1,203		5,312				
FINANCIAL LIABILITIES AT FAIR VALUE	**91,545**	**329,905**	**2,098**	**423,548**	**4,109**	**41,094**	**14,327**	**59,530**				

	1 January 2018 *IFRS 9 & IFRS 15*											
	Trading book				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through equity			
In millions of euros	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	**97,844**	**24,147**	**503**	**122,494**	**713**	**2,417**	**4,702**	**7,832**	**42,697**	**12,726**	**849**	**56,272**
Governments	42,265	7,831		50,096		253		253	26,713	1,935		28,648
Asset Backed Securities	-	7,928	97	8,025	-	555	-	555	-	1,386	-	1,386
CDOs / CLOs (1)		*495*	*26*	*521*				-				-
Other Asset Backed Securities		*7,433*	*71*	*7,504*		*555*		*555*		*1,386*		*1,386*
Other debt securities	10,293	7,113	223	17,629		1,295	807	2,102	14,695	9,178	35	23,908
Equities and other equity securities	45,286	1,275	183	46,744	713	314	3,895	4,922	1,289	227	814	2,330
Loans and repurchase agreements	**-**	**143,502**	**263**	**143,765**	**-**	**38**	**1,145**	**1,183**	**-**	**-**	**-**	**-**
Loans		2,047		2,047		38	939	977				
Repurchase agreements		141,455	263	141,718			206	206				
FINANCIAL ASSETS AT FAIR VALUE	**97,844**	**167,649**	**766**	**266,259**	**713**	**2,455**	**5,847**	**9,015**	**42,697**	**12,726**	**849**	**56,272**
Securities	**64,714**	**2,286**	**87**	**67,087**	**-**	**-**	**-**	**-**				
Governments	47,421	249		47,670				-				
Other debt securities	6,150	1,979	85	8,214				-				
Equities and other equity securities	11,143	58	2	11,203				-				
Borrowings and repurchase agreements	**-**	**171,082**	**1,065**	**172,147**	**-**	**2,026**	**472**	**2,498**				
Borrowings		4,500		4,500		2,026	472	2,498				
Repurchase agreements		166,582	1,065	167,647				-				
Issued debt securities (note 5.f)	**-**	**-**	**-**	**-**	**1,916**	**35,673**	**12,901**	**50,490**				
Subordinated debt (note 5.f)						836		836				
Non subordinated debt (note 5.f)						34,133	12,901	47,034				
Debt representative of shares of consolidated funds held by third parties					1,916	704		2,620				
FINANCIAL LIABILITIES AT FAIR VALUE	**64,714**	**173,368**	**1,152**	**239,234**	**1,916**	**37,699**	**13,373**	**52,988**				

(1) Collateralised Debt Obligations / Collateralised Loan Obligations

In millions of euros	30 June 2018 IFRS 9 & IFRS 15							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	417	115,728	1,233	117,378	340	101,899	1,462	103,701
Foreign exchange derivatives	740	80,829	272	81,841	744	78,742	270	79,756
Credit derivatives		6,269	198	6,467		6,339	625	6,964
Equity derivatives	7,513	19,764	1,212	28,489	5,943	26,235	5,456	37,634
Other derivatives	1,850	4,654	99	6,603	1,288	4,349	243	5,880
Derivative financial instruments not used for hedging purposes	10,520	227,244	3,014	240,778	8,315	217,564	8,056	233,935
Derivative financial instruments used for hedging purposes	-	11,750	-	11,750	-	13,535	-	13,535

In millions of euros	1 January 2018 IFRS 9 & IFRS 15							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	271	120,184	1,655	122,110	357	109,033	1,414	110,804
Foreign exchange derivatives	1	66,318	231	66,550		64,938	331	65,269
Credit derivatives		7,347	206	7,553		7,622	599	8,221
Equity derivatives	7,781	19,941	1,075	28,797	5,527	27,088	6,535	39,150
Other derivatives	1,046	3,787	53	4,886	673	3,434	93	4,200
Derivative financial instruments not used for hedging purposes	9,099	217,577	3,220	229,896	6,557	212,115	8,972	227,644
Derivative financial instruments used for hedging purposes	-	13,721	-	13,721	-	15,682	-	15,682

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 2018, 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 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.

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.

To a lesser extent, the repurchase agreement transactions classified as level 3 are transactions on government bonds with maturities exceeding the ones observed in the usual repurchase agreements activity.

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 :

- ***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.

- ***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.

- ***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.

- ***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.

- ***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.

- 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.

- ***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.

- ***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)* Asset	Balance Sheet valuation *(in millions of euros)* Liability	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
Repurchase agreements	957	2,085	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 76 bp	49 bp (a)
Interest rate derivatives	1,233	1,462	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	9% to 60%	40% (a)
			Hybrid inflation rates / Interest rates derivatives	Hybrid inflation interest rate option pricing model	Correlation between interest rates and inflation rates mainly in Europe.	-1% to 29%	25%
			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%	(b)
					Volatility of the year on year inflation rate	0.3% to 2.1%	
			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%	(b)
			Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly on European collateral pools	Prepayment modelling Discounted cash flows	Constant prepayment rates	0.1 % to 18%	9% (a)
Credit Derivatives	198	625	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 80%	(b)
					Inter-regions default cross correlation	80 % to 90%	90%(c)
					Recovery rate variance for single name underlyings	0 to 25%	(b)
			N-to-default baskets	Credit default model	Default correlation	50% to 99%	53% (a)
			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)	53 bp to 305 bp (1)	240 bp (c)
					Illiquid credit default spread curves (across main tenors)	2 bp to 640 bp (2)	112 bp (c)
Equity Derivatives	1,212	5,456	Simple and complex derivatives on multi-underlying baskets on stocks	Various volatility option models	Unobservable equity volatility	0% to 88% (3)	26% (d)
					Unobservable equity correlation	10% to 93%	55% (c)

(1) The upper part of the range relates to non-material balance sheet position on a European corporate. The other part relates mainly to sovereign issuers.

(2) The upper bound of the range relates to an energy sector issuer that represents an insignificant portion of the balance sheet on CDSs with illiquid underlying.

(3) The upper part of the range relates to seven equity instruments representing a non-material portion of the balance sheet on options with equity underlying instrument. Including these inputs, the upper bound of the range would be around 425 %.

(a) Weights based on relevant risk axis at portfolio level

(b) No weighting, since no explicit sensitivity is attributed to these inputs

(c) Weighting is not based on risks, but on an alternative methodology in relation with the Level 3 instruments (present value or notional)

(d) Simple averaging

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

For Level 3 financial instruments, the following movements occurred during the first half of 2018:

In millions of euros	Financial assets				Financial liabilities		
	Financial instruments at fair value through profit or loss held for trading	Financial instruments at fair value through profit or loss not held for trading	Financial assets at fair value through equity	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 1 January 2018	**3,986**	**5,847**	**849**	**10,682**	**(10,124)**	**(13,373)**	**(23,497)**
Purchases	357	417	6	**780**			**-**
Issues				**-**		(3,318)	**(3,318)**
Sales	(373)	(453)		**(826)**	20		**20**
Settlements [(1)]	112	(161)	(3)	**(52)**	(422)	1,729	**1,307**
Transfers to level 3	80	95		**175**	(65)	(188)	**(253)**
Transfers from level 3	(981)	(25)	(43)	**(1,049)**	155	340	**495**
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	58	2	(5)	**55**	(243)	(352)	**(595)**
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	736	(12)		**724**	595	886	**1,481**
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements		(5)		**(5)**	(70)	(51)	**(121)**
- Changes in fair value of assets and liabilities recognised in equity			37	**37**			**-**
At 30 June 2018	**3,975**	**5,705**	**841**	**10,521**	**(10,154)**	**(14,327)**	**(24,481)**

[(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, and of market parameters related to repurchase agreements and credit transactions 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 2018 *IFRS 9 & IFRS 15*	
In millions of euros	Potential impact on income	Potential impact on equity
Asset Backed Securities (ABS)	+/-1	
Other debt securities	+/-9	
Equities and other equity securities	+/-39	+/-8
Loans and repurchase agreements	+/-24	
Derivative financial instruments	+/-629	
Interest rate and foreign exchange derivatives	*+/-395*	
Credit derivatives	*+/-37*	
Equity derivatives	*+/-195*	
Other derivatives	*+/-2*	
Sensitivity of Level 3 financial instruments	**+/-702**	**+/-8**

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 1 January 2018	Deferred margin on transactions during the year	Margin taken to the profit and loss account during the year	Deferred margin at 30 June 2018
Interest rate and foreign exchange derivatives	309	80	(73)	316
Credit derivatives	96	22	(39)	79
Equity derivatives	276	117	(131)	262
Other derivatives	5	2	(3)	4
Derivative financial instruments	**686**	**221**	**(246)**	**661**

5.d FINANCIAL ASSETS AT AMORTISED COST

Detail of loans and advances by nature

	30 June 2018 IFRS 9 & IFRS 15			1 January 2018 IFRS 9 & IFRS 15		
In millions of euros	Gross Value	Impairment (note 3.h)	Carrying amount	Gross Value	Impairment (note 3.h)	Carrying amount
Loans and advances to credit institutions	**22,589**	**(156)**	**22,433**	**20,502**	**(146)**	**20,356**
On demand accounts	7,840	(23)	7,817	7,226	(18)	7,208
Loans[(1)]	11,905	(133)	11,772	11,616	(128)	11,488
Repurchase agreements	2,844	-	2,844	1,660	-	1,660
Loans and advances to customers	**774,108**	**(26,309)**	**747,799**	**758,586**	**(27,410)**	**731,176**
On demand accounts	44,135	(4,816)	39,319	42,605	(5,308)	37,297
Loans to customers	697,541	(20,347)	677,194	685,019	(20,976)	664,043
Finance leases	32,003	(1,146)	30,857	30,293	(1,126)	29,167
Repurchase agreements	429	-	429	669	-	669
Total loans and advances at amortised cost	**796,697**	**(26,465)**	**770,232**	**779,088**	**(27,556)**	**751,532**

[(1)]Loans and advances to credit institutions include term deposits made with central banks, which amounted to EUR 2 866 million as at 30 June 2018 (EUR 1 603 million as at 1 January 2018).

- **Detail of debt securities**

In millions of euros	30 June 2018 IFRS 9 & IFRS 15			1 January 2018 IFRS 9 & IFRS 15		
	Gross Value	Impairment (note 3.h)	Carrying amont	Gross Value	Impairment (note 3.h)	Carrying amont
Governments	32,407	(6)	32,401	30,891	(17)	30,874
Other public administration	17,527	-	17,527	18,463	(5)	18,458
Credit institutions	4,732	(1)	4,731	3,836	(4)	3,832
Other	16,857	(84)	16,773	16,338	(76)	16,262
Total debt securities at amortised cost	**71,523**	**(91)**	**71,432**	**69,528**	**(102)**	**69,426**

- **Detail of loans and advances and debt securities by stage**

In millions of euros	30 June 2018 IFRS 9 & IFRS 15			1 January 2018 IFRS 9 & IFRS 15		
	Gross Value	Impairment (note 3.h)	Carrying amount	Gross Value	Impairment (note 3.h)	Carrying amount
Loans and advances to credit institutions	**22,589**	**(156)**	**22,433**	**20,502**	**(146)**	**20,356**
Stage 1	21,825	(20)	21,805	19,640	(9)	19,631
Stage 2	610	(36)	574	706	(41)	665
Stage 3	154	(100)	54	156	(96)	60
Loans and advances to customers	**774,108**	**(26,309)**	**747,799**	**758,586**	**(27,410)**	**731,176**
Stage 1	652,040	(1,412)	650,628	631,760	(1,422)	630,338
Stage 2	85,459	(3,317)	82,142	89,413	(3,626)	85,787
Stage 3	36,609	(21,580)	15,029	37,413	(22,362)	15,051
Debt securities	**71,523**	**(91)**	**71,432**	**69,528**	**(102)**	**69,426**
Stage 1	70,624	(31)	70,593	68,325	(14)	68,311
Stage 2	725	(31)	694	952	(24)	928
Stage 3	174	(29)	145	251	(64)	187

5.e FINANCIAL LIABILITIES AT AMORTISED COST DUE TO CREDIT INSTITUTIONS AND CUSTOMERS

In millions of euros	30 June 2018 IFRS 9 & IFRS 15	1 January 2018 IFRS 9 & IFRS 15
Deposits from credit institutions	**97,569**	**76,503**
On demand accounts	10,828	9,906
Interbank loans	71,802	61,881
Repurchase agreements	14,939	4,716
Deposits from customers	**783,854**	**760,941**
On demand deposits	453,802	450,381
Savings accounts	144,511	146,422
Term accounts and short-term notes	177,706	162,672
Repurchase agreements	7,835	1,466

5.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 5.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)	30 June 2018 *IFRS 9 & IFRS 15*	1 January 2018 *IFRS 9 & IFRS 15*
Debt securities							**50,777**	**47,034**
Subordinated debt							**789**	**836**
- Redeemable subordinated debt			(2)				**120**	**167**
- Perpetual subordinated debt							**669**	**669**
BNP Paribas Fortis Dec. 2007(3)	EUR	3,000	Dec.-14	3-month Euribor +200 bp		A	669	669

(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) 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.

(3) Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) issued by BNP Paribas Fortis (previously Fortis Bank) 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.
As at 30 June 2018, the subordinated liability is eligible to Tier 1 capital for EUR 205 million (considering the transitional period).

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]	30 June 2018 *IFRS 9 & IFRS 15*	1 January 2018 *IFRS 9 & IFRS 15*
Debt securities							**162,489**	**148,156**
- Debt securities in issue with an initial maturity of less than one year							**81,289**	**72,337**
Negotiable debt securities							81,289	72,337
- Debt securities in issue with an initial maturity of more than one year							**81,200**	**75,819**
Negotiable debt securities							53,706	54,756
Bonds							27,494	21,063
Subordinated debt							**16,553**	**15,951**
- Redeemable subordinated debt							**14,704**	**14,116**
- Undated subordinated notes			[2]				**1,589**	**1,593**
BNP Paribas SA Oct. 85	EUR	305	-	TMO - 0.25%	-	B	254	254
BNP Paribas SA Sept. 86	USD	500	-	6 month-Libor + 0.075%	-	C	235	228
BNP Paribas Cardif Nov. 14	EUR	1,000	Nov. - 25	4.032%	3-month Euribor + 393 bp	D	987	1,000
Others							113	111
- Participating notes							**222**	**222**
BNP Paribas SA July 84 [3]	EUR	337	-	[4]	-	NA	215	215
Others							7	7
- Expenses and commission, related debt							**38**	**20**

[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] See reference relating to "Debt securities at fair value through profit or loss".

[3] 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.

[4] Depending on net income subject to a minimum of 85% of the TMO rate and a maximum of 130% of the TMO rate.

5.g FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES

In millions of euros	30 June 2018			1 January 2018		
	Assets not representative of unit-linked insurance contracts	Assets representative of unit-linked insurance contracts (financial risk supported by policyholders)	Total	Assets not representative of unit-linked insurance contracts	Assets representative of unit-linked insurance contracts (financial risk supported by policyholders)	Total
Financial instruments designated as at fair value through profit or loss	43,233	62,266	105,499	35,951	60,287	96,238
Derivative financial instruments	744		744	366		366
Available-for-sale financial assets	109,991		109,991	114,166		114,166
Held-to-maturity financial assets	3,758		3,758	4,231		4,231
Loans and receivables	3,969		3,969	3,110		3,110
Equity-method investments	370	-	370	386	-	386
Investment property	3,138	3,178	6,316	3,107	3,106	6,213
Total	**165,203**	**65,444**	**230,647**	**161,317**	**63,393**	**224,710**
Reinsurers' share of technical reserves	2,970	-	2,970	3,002	-	3,002
Financial investments of insurance activities	**168,173**	**65,444**	**233,617**	**164,319**	**63,393**	**227,712**

Investments in financial instruments of insurance activities are accounted for according to IAS 39 principles.

- **Measurement of the fair value of financial instruments**

The criteria for allocating instruments to the levels of the fair value hierarchy, the corresponding valuation methodologies and the principles of transfer between the levels of the hierarchy for insurance investments are similar to those applied for the Group's other financial instruments (note 5.c).

In millions of euros,	30 June 2018				1 January 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available-for-sale financial instruments	94,508	15,152	331	109,991	98,206	14,828	1,132	114,166
Equity instruments	*5,300*	*1,217*	*291*	*6,808*	*5,063*	*1,193*	*1,091*	*7,347*
Debt securities	*89,208*	*13,935*	*40*	*103,183*	*93,143*	*13,635*	*41*	*106,819*
Financial instruments at fair value through profit or loss	83,518	15,870	6,111	105,499	78,444	12,213	5,581	96,238
Equity instruments	*81,359*	*10,431*	*5,951*	*97,741*	*76,112*	*7,514*	*5,434*	*89,060*
Debt securities	*2,159*	*5,439*	*160*	*7,758*	*2,332*	*4,700*	*147*	*7,179*
Derivative instruments	33	711	-	744	11	355	-	366
AVAILABLE-FOR-SALE FINANCIAL ASSETS AND FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**178,059**	**31,733**	**6,442**	**216,234**	**176,661**	**27,397**	**6,713**	**210,771**

Level 1: this level comprises equities and liquid bonds, derivative instruments traded on organised markets (futures, options, etc.), units of funds and UCITS for which the net asset value is calculated on a daily basis.

Level 2: this level comprises equities, certain government or corporate bonds, other fund units and UCITS and over-the-counter derivatives.

Level 3: this level consists mainly of fund units and shares which are not quoted on active markets, consisting mainly of units in venture capital companies and funds.

Table of movements in Level 3 financial instruments

For Level 3 financial instruments, the following movements occurred during the period:

In millions of euros,	Financial assets		
	Available-for-sale financial instruments	Financial instruments as at fair value through profit or loss	Total
At 1 January 2018	**1,132**	**5,581**	**6,713**
Purchases	*138*	*1,342*	*1,480*
Sales	*(159)*	*(981)*	*(1,140)*
Settlements	*(794)*	*(64)*	*(858)*
Transfers to Level 3	*41*	*13*	*54*
Transfers from Level 3	*(43)*	*(33)*	*(76)*
Gains recognised in profit or loss	*26*	*251*	*277*
Items related to exchange rate movements	*(1)*	*1*	*-*
Changes in fair value of assets and liabilities recognised in equity	*(9)*	*-*	*(9)*
At 30 June 2018	**331**	**6,111**	**6,442**

During the first half of 2018, transfers between Level 1 and Level 2 were not significant.

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

In millions of euros,	30 June 2018			1 January 2018		
	Debt securities	Equity instruments	Total	Debt securities	Equity instruments	Total
Balance sheet value	**103,184**	**6,807**	**109,991**	**106,819**	**7,347**	**114,166**
of which depreciation	**-**	**(300)**	**(300)**	**-**	**(365)**	**(365)**
of which changes in value recognised directly in equity	**9,868**	**1,117**	**10,985**	**11,637**	**1,551**	**13,188**
Deferred tax linked to these changes in value	(2,632)	(310)	(2,942)	(3,126)	(414)	(3,540)
Insurance policyholders surplus reserve from insurance entities, after deferred tax	(6,328)	(739)	(7,067)	(7,443)	(1,005)	(8,448)
Group share of changes in value of available-for-sale securities owned, by equity-method entities, after deferred tax and insurance policyholders' surplus reserve	741	100	841	656	129	785
Unamortised changes in value of available-for-sale securities	(1)	-	(1)	-	-	-
Other variations	-	-	-	(1)	-	(1)
Changes in value of assets taken directly to equity under the heading "Financial investments of insurance activities"	**1,648**	**167**	**1,815**	**1,723**	**261**	**1,984**
Attributable to equity shareholders	1,619	166	1,785	1,688	259	1,947
Attributable to minority interests	29	1	30	35	2	37

5.h TECHNICAL RESERVES AND OTHER INSURANCE LIABILITIES

In millions of euros	30 June 2018	1 January 2018
Technical reserves - Non Life insurance contracts	**4,799**	**4,565**
Technical reserves - Life insurance contracts	**144,934**	**141,702**
- Insurance contracts	82,969	81,990
- Unit-linked contracts	61,965	59,712
Technical liabilities - investment contracts	**41,140**	**39,372**
-Investments contracts with discretionary participation feature	37,472	35,838
-Investment contracts without discretionary participation feature	3,667	3,534
Policyholders' surplus reserve - liability	**19,829**	**21,331**
Total technical reserves and liabilities related to insurance and investment contracts	**210,702**	**206,970**
Debts arising out of insurance and reinsurance operations	2,912	3,149
Derivatives financial instruments	703	375
Total technical reserves and other insurance liabilities	**214,317**	**210,494**

The policyholders' surplus reserve arises from the application of shadow accounting. It represents the interest of policyholders within French and Italian life insurance subsidiaries in unrealised gains and losses and impairment losses on assets where the benefit paid under the policy is linked to the return on those assets. It is obtained from stochastic calculations modelling the unrealised gains and losses attributable to policyholders based on economic scenarios and assumptions as regards rates paid to customers and new business inflows. For France, this resulted in an interest of 90% in 2018, unchanged from 2017.

5.i CURRENT AND DEFERRED TAXES

In millions of euros	30 June 2018 *IFRS 9 & IFRS 15*	1 January 2018 *IFRS 9 & IFRS 15*
Current taxes	1,949	1,777
Deferred taxes	5,248	5,591
Current and deferred tax assets	**7,197**	**7,368**
Current taxes	1,044	887
Deferred taxes	1,463	1,347
Current and deferred tax liabilities	**2,507**	**2,234**

5.j ACCRUED EXPENSES AND OTHER LIABILITIES

In millions of euros	30 June 2018 *IFRS 9 & IFRS 15*	1 January 2018 *IFRS 9 & IFRS 15*
Guarantee deposits and bank guarantees paid	62,425	56,452
Collection accounts	492	654
Accrued income and prepaid expenses	6,436	6,179
Other debtors and miscellaneous assets	32,993	29,676
Total accrued income and other assets	**102,346**	**92,961**
Guarantee deposits received	43,933	38,918
Collection accounts	4,007	717
Accrued expense and deferred income	8,450	9,195
Other creditors and miscellaneous liabilities	31,647	31,642
Total accrued expense and other liabilities	**88,037**	**80,472**

5.k GOODWILL

In millions of euros	First half 2018 *IFRS 9 & IFRS 15*
Carrying amount at start of period	**9,571**
Acquisitions	28
Divestments	-
Impairment recognised during the period	-
Transfer to non-current assets held for sale	(1,315)
Exchange rate adjustments	102
Other movements	3
Carrying amount at end of period	**8,389**
Gross value	11,349
Accumulated impairment recognised at the end of period	(2,960)

- Goodwill by cash-generating unit is as follows:

In millions of euros	Carrying amount		Impairment recognised during the first half of 2018	Acquisitions during the first half of 2018
	30 June 2018	1 January 2018		
	IFRS 9 & IFRS 15	*IFRS 9 & IFRS 15*	*IFRS 9 & IFRS 15*	*IFRS 9 & IFRS 15*
Retail Banking & Services	**7,251**	**8,472**		**(2)**
Domestic Markets	**1,414**	**1,415**	**-**	
Arval	*506*	*503*		
Leasing Solutions	*134*	*135*		
New Digital Businesses	*159*	*159*		
Personal Investors	*609*	*612*		
Others	*6*	*6*		
International Financial Services	**5,837**	**7,057**		**(2)**
Asset Management	*169*	*167*		
Insurance	*352*	*352*		
BancWest	*2,954*	*4,147*		
Personal Finance	*1,299*	*1,329*		
Personal Finance - partnership tested individually	*348*	*348*		
Real Estate	*405*	*406*		*(2)*
Wealth Management	*273*	*272*		
Others	*37*	*36*		
Corporate & Institutional Banking	**1,135**	**1,096**	**-**	**30**
Corporate Banking	*275*	*274*		
Global Markets	*414*	*407*		
Securities Services	*446*	*415*		*30*
Other Activities	**3**	**3**	**-**	
Total goodwill	**8,389**	**9,571**	**-**	**28**
Negative goodwill			15	
Change in value of goodwill recognised in the profit and loss account			**15**	

5.l PROVISIONS FOR CONTINGENCIES AND CHARGES

- **Provisions for contingencies and charges by type**

In millions of euros	1 Jan. 2018 *IFRS 9 & IFRS 15*	Net additions to provisions	Provisions used	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	30 June 2018 *IFRS 9 & IFRS 15*
Provisions for employee benefits	6,740	45	(415)	(120)	(87)	6,163
Provisions for home savings accounts and plans	156	(1)	-		-	155
Provisions for credit commitments (note 3.h)	1,277	(10)	(87)		48	1,228
Provisions for litigations	1,858	107	(186)		(15)	1,764
Other provisions for contingencies and charges	1,053	52	(121)		(58)	926
Total provisions for contingencies and charges	**11,084**	**193**	**(809)**	**(120)**	**(112)**	**10,236**

5.m 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 2018 IFRS 9 & IFRS 15	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						
Securities	182,883		182,883			182,883
Loans and repurchase agreements	379,608	(94,030)	285,578	(59,526)	(214,583)	11,469
Derivative financial instruments (including derivatives used for hedging purposes)	348,547	(96,019)	252,528	(184,740)	(28,972)	38,816
Financial assets at amortised cost	842,107	(443)	841,664	(682)	(2,459)	838,523
of which repurchase agreements	*3,273*		*3,273*	*(682)*	*(2,459)*	*132*
Accrued income and other assets	102,346		102,346		(30,215)	72,131
of which guarantee deposits paid	*62,425*		*62,425*		*(30,215)*	*32,210*
Other assets not subject to offsetting	569,486		569,486			569,486
TOTAL ASSETS	**2,424,977**	**(190,492)**	**2,234,485**	**(244,948)**	**(276,229)**	**1,713,308**

In millions of euros, at 30 June 2018 IFRS 9 & IFRS 15	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						
Securities	95,521		95,521			95,521
Deposits and repurchase agreements	424,709	(94,030)	330,679	(56,329)	(256,036)	18,314
Issued debt securities	56,877		56,877			56,877
Derivative financial instruments (including derivatives used for hedging purposes)	343,489	(96,019)	247,470	(184,740)	(30,883)	31,847
Financial liabilities at amortised cost	881,866	(443)	881,423	(3,879)	(17,634)	859,910
of which repurchase agreements	*22,774*		*22,774*	*(3,879)*	*(17,634)*	*1,261*
Accrued expense and other liabilities	88,037		88,037		(26,155)	61,882
of which guarantee deposits received	*43,933*		*43,933*		*(26,155)*	*17,778*
Other liabilities not subject to offsetting	430,233		430,233			430,233
TOTAL LIABILITIES	**2,320,732**	**(190,492)**	**2,130,240**	**(244,948)**	**(330,708)**	**1,554,584**

In millions of euros, at 1 January 2018 IFRS 9 & IFRS 15	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	130,326		130,326			130,326
Loans and repurchase agreements	276,134	(131,186)	144,948	(29,448)	(107,725)	7,775
Derivative financial instruments (including derivatives used for hedging purposes)	332,931	(89,314)	243,617	(177,227)	(27,164)	39,226
Financial assets at amortised cost	821,819	(861)	820,958	(492)	(1,818)	818,648
of which repurchase agreements	*2,330*		*2,330*	*(492)*	*(1,818)*	*20*
Accrued income and other assets	93,080	(119)	92,961		(31,947)	61,014
of which guarantee deposits paid	*56,452*		*56,452*		*(31,947)*	*24,505*
Other assets not subject to offsetting	516,968		516,968			516,968
TOTAL ASSETS	**2,171,258**	**(221,480)**	**1,949,778**	**(207,167)**	**(168,654)**	**1,573,957**

In millions of euros, at 1 January 2018 IFRS 9 & IFRS 15	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						
Securities	67,087		67,087			67,087
Deposits and repurchase agreements	305,831	(131,186)	174,645	(28,875)	(133,009)	12,761
Issued debt securities	50,490		50,490			50,490
Derivative financial instruments (including derivatives used for hedging purposes)	332,640	(89,314)	243,326	(177,227)	(34,126)	31,973
Financial liabilities at amortised cost	838,305	(861)	837,444	(1,065)	(4,954)	831,425
of which repurchase agreements	*6,182*		*6,182*	*(1,065)*	*(4,954)*	*163*
Accrued expense and other liabilities	80,591	(119)	80,472		(24,287)	56,185
of which guarantee deposits received	*38,918*		*38,918*		*(24,287)*	*14,631*
Other liabilities not subject to offsetting	391,762		391,762			391,762
TOTAL LIABILITIES	**2,066,706**	**(221,480)**	**1,845,226**	**(207,167)**	**(196,376)**	**1,441,683**

6. FINANCING AND GUARANTEE COMMITMENTS

6.a FINANCING COMMITMENTS GIVEN OR RECEIVED

Contractual value of financing commitments given and received by the Group:

In millions of euros	30 June 2018 IFRS 9 & IFRS 15	1 January 2018 IFRS 9 & IFRS 15
Financing commitments given		
- to credit institutions	**1,980**	**2,153**
- to customers	**297,898**	**283,948**
Confirmed financing commitments	224,989	221,268
Other commitments given to customers	72,909	62,680
Total financing commitments given	**299,878**	**286,101**
of which stage 1	*287,983*	*271,773*
of which stage 2	*10,325*	*12,684*
of which stage 3	*828*	*909*
of which insurance activities	*742*	*735*
Financing commitments received		
- from credit institutions	**76,255**	**70,360**
- from customers	**5,814**	**3,208**
Total financing commitments received	**82,069**	**73,568**

6.b GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

In millions of euros	30 June 2018 IFRS 9 & IFRS 15	1 January 2018 IFRS 9 & IFRS 15
Guarantee commitments given		
- to credit institutions	**30,013**	**33,114**
- to customers	**108,831**	**109,529**
Property guarantees	1,807	1,968
Sureties provided to tax and other authorities, other sureties	51,213	52,088
Other guarantees	55,811	55,473
Total guarantee commitments given	**138,844**	**142,643**
of which stage 1	*132,325*	*135,290*
of which stage 2	*5,459*	*6,385*
of which stage 3	*1,060*	*968*

7. ADDITIONAL INFORMATION

7.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

At 30 June 2018, the share capital of BNP Paribas SA amounted to EUR 2,499,597,122, and was divided into 1,249,798,561 shares. The nominal value of each share is EUR 2. At 31 December 2017, the share capital amounted to EUR 2,497,718,772 euros and was divided into 1,248,859,386 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 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**
Acquisitions	142,413	9			142,413	9
Disposals	(124,413)	(8)			(124,413)	(8)
Capital decrease						
Other movements			(859,453)	(54)	(859,453)	(54)
Shares held at 31 December 2017	**807,742**	**43**	**(158,177)**	**(10)**	**649,565**	**33**
Acquisitions	513,568	31			513,568	31
Disposals	(473,257)	(30)			(473,257)	(30)
Shares delivered to employees	(791)				(791)	
Other movements			621,446	34	621,446	34
Shares held at 30 June 2018	**847,262**	**44**	**463,269**	**24**	**1,310,531**	**68**

(1) Transactions realised in the framework of an activity of trading and arbitrage transactions on equity indices.

At 30 June 2018, the BNP Paribas Group was a holder of 1,310,531 BNP Paribas shares representing an amount of EUR 68 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 513,568 shares in 2018 at an average share price of EUR 60.74, and sold 473,257 shares at an average share price of EUR 61.12. On 25 June 2018, BNP Paribas and Exane BNP Paribas terminated this market-making agreement. At that date, the portfolio was composed of 120,811 shares, worth EUR 7 million, which were sold in July 2018.

From 1 January 2018 to 30 June 2018, 791 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 2018			**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 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.

On 23 October 2017, BNP Paribas SA redeemed the October 2007 issue, for an amount of GBP 200 million, at the first call date. These notes paid a 7.436% fixed-rate coupon.

On 15 November 2017, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 750 million which pay a 5.125% fixed-rate coupon. These notes could be redeemed at the end of a period of 5 years. If the notes are not redeemed in 2022, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

- 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	6.250%	6 years	6.250%
July 2006	EUR	150	annual	5.450%	20 years	3-month Euribor + 1.920%
June 2007	USD	600	quarterly	6.500%	5 years	6.500%
June 2007	USD	1,100	semi-annual	7.195%	30 years	USD 3-month Libor + 1.290%
June 2008	EUR	500	annual	7.781%	10 years	3-month Euribor + 3.750%
September 2008	EUR	100	annual	7.570%	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%
November 2017	USD	750	semi-annual	5.125%	5 years	USD 5-year swap +2.838%
Total euro-equivalent historical value at 30 June 2018		**8,167** (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 2018, the BNP Paribas Group held EUR 20 million of Undated Super Subordinated Notes which were deducted from shareholders' equity.

- **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 2018	First half 2017
Net profit used to calculate basic and diluted earnings per ordinary share *(in millions of euros)* (1)	**3,771**	**4,106**
Weighted average number of ordinary shares outstanding during the year	**1,248,246,055**	**1,245,800,478**
Effect of potentially dilutive ordinary shares	91,427	302,137
- Stock subscription option plan	91,116	300,790
- Performance share attribution plan	311	1,347
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,248,337,482**	**1,246,102,615**
Basic earnings per share (in euros)	**3.02**	**3.30**
Diluted earnings per share (in euros)	**3.02**	**3.30**

(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 in case of repurchase.

The dividend per share paid in 2018 out of the 2017 net income amounted to EUR 3.02, compared with EUR 2.70 paid in 2017 out of the 2016 net income.

7.b CONTINGENT LIABILITIES : LEGAL PROCEEDINGS AND ARBITRATION

BNP Paribas (the "Bank") is party as a defendant in various claims, disputes and legal proceedings (including investigations by judicial or supervisory authorities) in a number of jurisdictions arising in the ordinary course of its business activities, including inter alia in connection with its activities as market counterparty, lender, employer, investor and taxpayer. While the Bank cannot predict the ultimate outcome of all pending and threatened legal and regulatory proceedings, the Bank reasonably believes that they are either without legal merit, can be successfully defended or that the outcome of these actions is not expected to result in a significant loss for the Bank.

Like many other financial institutions in the banking, investment, mutual funds and brokerage sectors, the Bank has received or may receive requests for information from supervisory, governmental or self-regulated agencies. The Bank responds to such requests, and cooperates with the relevant authorities/regulators and seeks to address and remedy any issues they may raise.

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 who held shares between 28 February 2007 and 14 October 2008. On 13 July 2018, the Amsterdam Court of Appeal has declared the Ageas Settlement binding, in accordance with the Dutch Act on Collective Settlement of Mass Claims ("Wet Collectieve Afwikkeling Massaschade" or "WCAM").

BNP Paribas Fortis is one of the releasees under the Ageas Settlement. This means that each eligible shareholder will be deemed to have fully released BNP Paribas Fortis from any and all claims that such shareholder may have against BNP Paribas Fortis in relation to the 2007 and 2008 events as defined in the Ageas Settlement. Eligible shareholders have the right to opt-out from the Ageas Settlement during a period of 5 months ending on 31 December 2018.

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 been cooperating with the investigations and inquiries and has responded to the information requests. Regarding the United States, 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. 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. Under these respective consent orders, the Bank has also agreed to improve its internal policies and controls relating to its foreign exchange business and certain Designated Market Authorities. The Bank has cooperated with the DFS and the FED in resolving this matter and took remedial actions both before and after these authorities had begun their respective investigations into the Bank's FX trading business to address the issues arising from its FX trading business. Finally, on 25 January 2018, BNP Paribas USA Inc. accepted to plead guilty in front of the Federal trial Court in Manhattan to a single violation of the Sherman Antitrust Act. As part of this plea, BNP Paribas USA Inc. agreed to pay a criminal fine of USD 90 million, to strengthen (alongside certain related entities) its compliance and internal controls as required by the FED and the DFS, and to cooperate with the Department of Justice's ("DOJ" - Antitrust Division) ongoing criminal investigation into the FX market and to report relevant information to the DOJ. No probation has been imposed on BNP Paribas USA Inc., in light of, among other factors, the Bank's substantial efforts relating to compliance and remediation to address and prevent the re-occurrence through its compliance and remediation program of the issues arising from its FX trading business.

The US judicial and supervisory authorities are currently investigating or requesting information from a number of financial institutions in relation to certain activities as reported in the international financial press in relation to the US treasuries market, US Agency bonds or the ISDAFIX index. The Bank which has received some requests for information is cooperating with investigations and is responding to requests for information. The outcome and potential impact of these investigations or requests for information is difficult to predict before their close and the subsequent discussions with the US authorities. It should be noted that a number of financial institutions are involved in these investigations or requests for information and that reviews carried out in connection therewith have often led to settlements including in particular the payment of fines or significant penalties depending on the circumstances specific to each financial institution.

7.C BUSINESS COMBINATIONS

- **Operations realised in 2018**

No significant business combination occurred during the first half of 2018.

- **Operations realised in 2017**

No significant business combination occurred during the first half of 2017.

7.d MINORITY INTERESTS

In millions of euros	Capital and retained earnings	Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	Minority interests
Capital and retained earnings at 31 December 2016	**4,460**	**-**	**95**	**4,555**
Appropriation of net income for 2016	(117)			(117)
Share-based payment plans	1			1
Remuneration on preferred shares	(1)			(1)
Impact of internal transactions on minority shareholders	(1)			(1)
Acquisitions of additional interests or partial sales of interests (note 7.d)	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	-		(124)	(124)
Net income for first half of 2017	**230**			**230**
Interim dividend payments	(21)			(21)
Capital and retained earnings at 30 June 2017	**5,135**	**-**	**(29)**	**5,106**
Appropriation of net income for 2016	(14)			(14)
Share-based payment plans	1			1
Remuneration on preferred shares	(1)			(1)
Movements in consolidation scope impacting minority shareholders	493			493
Acquisitions of additional interests or partial sales of interests (note 7.d)	(476)		(11)	(487)
Change in commitments to repurchase minority shareholders' interests	(2)			(2)
Other movements	24			24
Changes in assets and liabilities recognised directly in equity	(6)		(86)	(92)
Net income for first half of 2017	**218**			**218**
Interim dividend payments	(20)			(20)
Capital and retained earnings at 31 December 2017	**5,352**	**-**	**(126)**	**5,226**
Revised presentation (note 2.a)	30	(30)	-	-
Capital and retained earnings at 31 December 2017 revised presentation	**5,382**	**(30)**	**(126)**	**5,226**
IFRS 9 implementation impacts (note 2.b)	(67)	3	(36)	(100)
Capital and retained earnings at 1 January 2018	**5,315**	**(27)**	**(162)**	**5,126**
Appropriation of net income for 2017	(151)			(151)
Increases in capital and issues	4			4
Share-based payment plans	2			2
Remuneration on preferred shares	(1)			(1)
Impact of internal transactions on minority shareholders	(6)			(6)
Movements in consolidation scope impacting minority shareholders	19			19
Acquisitions of additional interests or partial sales of interests (note 7.d)	323	(9)	(10)	304
Change in commitments to repurchase minority shareholders' interests	(27)			(27)
Other movements	1			1
Changes in assets and liabilities recognised directly in equity	-	20	(5)	15
Net income for first half of 2018	**273**			**273**
Interim dividend payments	(25)			(25)
Capital and retained earnings at 30 June 2018	**5,727**	**(16)**	**(177)**	**5,534**

- **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 2018	First half 2018						
	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	81,507	758	219	206	34%	66	71	76
Other minority interests						207	217	101
TOTAL						273	288	177

In millions of euros	1 January 2018	First 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	75,973	747	274	226	34%	87	69	92
Other minority interests						143	37	47
TOTAL						230	106	139

- **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 2018, nor during the first half of 2017.

- **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 479 million at 30 June 2018, compared with EUR 522 million at 1 January 2018.

- **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 2018		First half 2017	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Cardif Life Insurance Japan				
Sale of 25% of the shares of Cardif Life Insurance Japan in the framework of entities restructuring in Japan	17	76		
Cardif IARD				
Dilutive capital increase, which reduced the Group's interest to 66%	28	22		
Austin Finance				
Accretive capital decrease, bringing the Group's share to 100%		(82)		
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
On 8 May 2018, third offer on First Hawaiian Inc. for 12.1% of its capital, at a 28.35-dollar price per share, and a capital decrease of 1.1%.	85	315		
Other	(3)	(8)	(2)	3
Total	**127**	**323**	**242**	**591**

On 8 May 2018, the Group sold 12.1% of the shares of First Hawaiian Inc. (FHI) on the American market, thus reducing the Group's share to 48.8%, concurrently to the buyback and cancellation of 1.1% of shares. This operation resulted in a EUR 85 million increase of the Group's retained earnings and a EUR 315 million increase in the retained earnings attributable to minority interests.

This was the third offer after the Initial Public Offer of 17.4% of shares and the second offer on 20.6% of shares that were respectively realised in August 2016 and February 2017.

The Group continues to control FHI and to fully consolidate it in its accounts. However, the loss of control within one year is deemed highly probable, therefore the Group applies IFRS 5 "Non-current assets held for sale and discontinued operations".

The IFRS 5 implementation has the following impacts:

- The split of the BancWest homogeneous group of businesses, and thus the breakdown of the business goodwill (EUR 4.3 billion) between Bank of the West (BoW) and FHI. This breakdown was based on the recoverable amounts of First Hawaiian Bank and BoW activities, and led to the allocation of a EUR 1.3 billion goodwill to FHI.
- The reclassification of FHI's assets into a separate balance sheet line called "Non-current assets held for sale", which amounts to EUR 18.1 billion and is mainly composed of debt securities for EUR 4.2 billion, loans and advances to customers for EUR 10.8 billion, and the goodwill related to the sold activity for EUR 1.3 billion. FHI's liabilities were also reclassified into a separate line called "Liabilities associated with non-current assets held for sale" which amounts to EUR 15.5 billion and which is mainly composed of deposits from customers.

7.e EVENT AFTER THE REPORTING PERIOD

On 29 July 2018, the Group announced the launch of a new secondary offering related to 20 million common shares of First Hawaiian Inc (FHI). In addition to the secondary offering, FHI will purchase a total amount of USD 50 million of its own shares from its parent company.

Following the secondary offering and the share buyback, the Group will hold approximately 33% of FHI's common stock (or approximately 31% if the underwriters exercise the option to purchase additional shares in full).

The level of the Group's stake and the concurrent reduction of its representation on the FHI's board of directors will lead to a loss of control of FHI by the Group. As a result, as of third quarter 2018, the Group will consolidate FHI under the equity method in its financial statements.

These operations have no impact on the financial statements as at 30 June 2018.

7.f FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

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 2018. 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;
- 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 30 June 2018	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers[1]		87,106	663,730	750,836	739,375
Debt securities at amortised cost (note 5.d)	53,126	17,427	912	71,465	71,432
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers		881,732		881,732	881,423
Debt securities (note 5.f)	52,842	110,823		163,665	162,489
Subordinated debt (note 5.f)	11,036	5,688		16,724	16,553

(1) Finance leases excluded

In millions of euros, at 1 January 2018	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers[1]		82,054	652,520	734,574	722,365
Debt securities at amortised cost (note 5.d)	51,649	16,573	1,903	70,125	69,426
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers		837,843		837,843	837,444
Debt securities (note 5.f)	49,530	100,495		150,025	148,156
Subordinated debt (note 5.f)	8,891	7,767		16,658	15,951

[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.e.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.

7.g SCOPE OF CONSOLIDATION

		30 June 2018				31 December 2017			
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%		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 (Czech Republic branch)	Czech Republic	Full	100,0%	100,0%		Full	100,0%	100,0%	E2
BNPP SA (Denmark branch)	Denmark	Full	100,0%	100,0%		Full	100,0%	100,0%	E2
BNPP SA (Finland branch)	Finland	Full	100,0%	100,0%		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 (Republic of Korea branch)	Rep. of Korea	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%		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 (Romania branch)	Romania	Full	100,0%	100,0%		Full	100,0%	100,0%	E2
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%		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 (United Arab Emirates branch)	United Arab Emirates	Full	100,0%	100,0%		Full	100,0%	100,0%	
BNPP SA (United Kingdom branch)	UK	Full	100,0%	100,0%		Full	100,0%	100,0%	
BNPP SA (United States 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 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%	
Compagnie pour le Financement des Loisirs	France	Equity	46,0%	46,0%	V4	Equity	46,0%	45,8%	E1
Copartis	France	Equity (3)	50,0%	50,0%		Equity	50,0%	50,0%	E1
Euro Securities Partners	France	Equity (3)	50,0%	50,0%	E1				
Portzamparc Société de Bourse	France	Full (1)	94,9%	94,9%	V1	Full (1)	75,5%	75,5%	V1
Protection 24	France	Full	100,0%	100,0%	E1				
Société Lairoise de Participations	France	Full	100,0%	100,0%	E1				
Retail Banking - Belgium									
Alpha Card SCRL	Belgium								S2
Bancontact Payconiq	Belgium	Equity	22,5%	22,5%	E1				
Banking Funding Company SA	Belgium	Equity	33,5%	33,5%		Equity	33,5%	33,5%	E1
Belgian Mobile ID	Belgium	Equity	15,0%	15,0%	E3				
BNPP Commercial Finance Ltd	UK	Full	100,0%	99,9%		Full	100,0%	99,9%	
BNPP Factor AB	Sweden	Full	100,0%	99,9%	E1				
BNPP Factor AS	Denmark	Full	100,0%	99,9%		Full	100,0%	99,9%	D1
BNPP Factor Deutschland BV	Netherlands				S4	Full	100,0%	99,9%	
BNPP Factor GmbH	Germany	Full	100,0%	99,9%		Full	100,0%	99,9%	
BNPP Factor NV	Netherlands	Full	100,0%	99,9%		Full	100,0%	99,9%	E1
BNPP Factoring Support (Ex- 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								S1
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								S1
BNPP Fortis (Netherlands branch)	Netherlands								S1
BNPP Fortis (Norway branch)	Norway								S1
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								S1
BNPP Fortis (United States 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 Film Finance	Belgium	Full	99,0%	98,9%	E1				
BNPP Fortis Funding SA	Luxembourg	Full	100,0%	99,9%		Full	100,0%	99,9%	
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	Full	100,0%	99,9%		Full	100,0%	99,9%	D1
Bpost Banque	Belgium	Equity (3)	50,0%	50,0%		Equity (3)	50,0%	50,0%	
Credissimo	Belgium	Full	100,0%	99,9%		Full	100,0%	99,9%	E1
Credissimo Hainaut SA	Belgium	Full	99,7%	99,7%		Full	99,7%	99,7%	E1
Crédit pour Habitations Sociales	Belgium	Full	81,7%	81,6%		Full	81,7%	81,6%	E1
Demetris NV	Belgium				S3	Equity *	100,0%	99,9%	
Epimede	Belgium	Equity	20,0%	20,0%	E1				
Favor Finance	Belgium	Full	51,0%	51,0%		Full	51,0%	51,0%	E1
Het Anker NV	Belgium	FV	27,8%	27,8%	E1				
Holding PCS	Belgium	FV	31,7%	31,7%	E1				
Immo Beaulieu	Belgium	Equity	25,0%	25,0%	E1				
Immobilière Sauveniere SA	Belgium	Full	100,0%	99,9%	D1	Equity *	100,0%	99,9%	
Isabel SA NV	Belgium	Equity	25,3%	25,3%	E1				
Microstart	Belgium	Full	85,5%	66,2%	E1				
Novy Invest	Belgium	FV	33,7%	33,7%	D1	Equity	33,7%	33,7%	E1
Omega Invest	Belgium	FV	28,4%	28,3%	E1				
Penne International	Belgium	Equity *	74,9%	74,9%		Equity *	74,9%	74,9%	E1
Sowo Invest SA NV	Belgium	Full	87,5%	87,5%	E1				
Studio 100	Belgium	FV	32,5%	32,5%	D1	Equity	32,5%	32,5%	E1
Structured Entities									
BASS Master Issuer NV	Belgium	Full	-	-		Full	-	-	
Esmee Master Issuer	Belgium	Full	-	-		Full	-	-	
Gemma Frisius Fonds KU Leuven	Belgium	FV	-	-	E1				
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%	
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%	
Europay Luxembourg SC	Luxembourg	Equity	30,5%	0,2%	E1				
FS B SARL	Luxembourg	Equity	28,5%	18,8%	E1				
Visalux	Luxembourg	Equity	23,5%	15,5%	E1				
Structured Entities									
Elimmo	Luxembourg	Full	-	-	E1				
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%	
Business Partner Italia SCPA	Italy	Full	99,9%	99,8%		Full	99,9%	99,8%	
International Factors Italia SPA	Italy	Full	99,7%	99,7%		Full	99,7%	99,7%	
Permicro SPA	Italy	Equity	20,4%	20,4%	E1				
Serfactoring SPA	Italy	Equity	27,0%	26,9%	E1				
Servizio Italia SPA	Italy	Full	100,0%	100,0%	D1	Equity *	100,0%	100,0%	
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	-	-	
Vela ABS SRL	Italy	Full	-	-		Full	-	-	
Vela Consumer 2 SRL	Italy	Full	-	-		Full	-	-	E2
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 RMBS SRL	Italy	Full	-	-		Full	-	-	
Arval									
Artel	France	Full	100,0%	99,9%	D1	Equity *	100,0%	99,9%	
Arval AB	Sweden	Full	100,0%	99,9%	D1	Equity *	100,0%	99,9%	
Arval AS	Denmark	Full	100,0%	99,9%		Full	100,0%	99,9%	D1
Arval Austria GmbH	Austria	Full	100,0%	99,9%		Full	100,0%	99,9%	D1
Arval Belgium NV SA	Belgium	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval Benelux BV	Netherlands	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval Brasil Ltda	Brazil	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval BV	Netherlands	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval CZ SRO	Czech Republic	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval Deutschland GmbH	Germany	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval Fleet Services	France	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval Fleet Services BV	Netherlands								S4
Arval Hellas Car Rental SA	Greece	Full	100,0%	99,9%	D1	Equity *	100,0%	99,9%	
Arval India Private Ltd	India	Full	100,0%	99,9%	D1	Equity *	100,0%	99,9%	
Arval Italy Fleet Services SRL	Italy								S4
Arval Jiutong Co Ltd	China	Equity (3)	40,0%	40,0%		Equity	40,0%	40,0%	
Arval LLC	Russia	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval Luxembourg SA	Luxembourg	Full	100,0%	99,9%		Full	100,0%	99,9%	D1
Arval Magyarorszag KFT	Hungary	Full	100,0%	99,9%	D1	Equity *	100,0%	99,9%	
Arval Maroc SA	Morocco	Full	100,0%	89,0%	D1	Equity *	100,0%	89,0%	
Arval OY	Finland	Full	100,0%	99,9%		Full	100,0%	99,9%	D1

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds
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
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
FV Investment in associates measured at Fair Value through P&L

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 accordance 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 in the prudential scope
(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope.

		30 June 2018				31 December 2017			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Arval Relsa SPA	Chile	Equity (3)	50,0%	50,0%	E1				
Arval Schweiz AG	Switzerland	Full	100,0%	99,9%		Full	100,0%	99,9%	D1
Arval Service Lease	France	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval Service Lease Aluger Operational Automoveis SA	Portugal	Full	100,0%	99,9%	D1	Equity *	100,0%	99,9%	
Arval Service Lease Italia SPA	Italy	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval Service Lease Polska SP ZOO	Poland	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval Service Lease Romania SRL	Romania	Full	100,0%	99,9%	D1	Equity *	100,0%	99,9%	
Arval Service Lease SA	Spain	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval Slovakia SRO	Slovakia	Full	100,0%	99,9%		Full	100,0%	99,9%	D1
Arval Trading	France	Full	100,0%	99,9%		Full	100,0%	99,9%	D1
Arval UK Group Ltd	UK	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval UK Leasing Services Ltd	UK	Full	100,0%	99,9%		Full	100,0%	99,9%	
Arval UK Ltd	UK	Full	100,0%	99,9%		Full	100,0%	99,9%	
BNPP Fleet Holdings Ltd	UK	Full	100,0%	99,9%		Full	100,0%	99,9%	
Cetelem Renting	France	Full	100,0%	99,9%	E1				
Cofiparc	France	Full	100,0%	99,9%		Full	100,0%	99,9%	
Greenval Insurance DAC	Ireland	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	
Locadif	Belgium	Full	100,0%	99,9%		Full	100,0%	99,9%	
Louveo	France	Full	100,0%	99,9%	E1				
Public Location Longue Durée	France	Full	100,0%	99,9%		Full	100,0%	99,9%	D1
TEB Arval Arac Filo Kiralama AS	Turkey	Full	100,0%	75,0%		Full	100,0%	75,0%	
Leasing Solutions									
Albury Asset Rentals Ltd	UK	Full	100,0%	83,0%		Full	100,0%	83,0%	
All In One Vermietung GmbH	Austria	Full	100,0%	83,0%	E1				
All In One Vermietungsgesellschaft für Telekommunicationsanlagen mbH	Germany								S3
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%	
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 GmbH & Co KG	Austria	Full	100,0%	83,0%	E1				
BNPP Lease Group KFT	Hungary								S3
BNPP Lease Group Leasing Solutions SPA	Italy	Full	100,0%	95,5%		Full	100,0%	95,5%	
BNPP Lease Group Lizing RT	Hungary								S3
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	Full	100,0%	83,0%		Full	100,0%	83,0%	D1
BNPP Leasing Services	Poland	Full	100,0%	89,9%	V4	Full	100,0%	88,3%	E1
BNPP Leasing Solutions	Luxembourg	Full	100,0%	83,0%		Full	100,0%	83,0%	
BNPP Leasing Solutions IFN SA	Romania	Full	100,0%	83,0%		Full	100,0%	83,0%	D1
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	Full	100,0%	83,0%	D1	Equity *	100,0%	83,0%	
BNPP Rental Solutions Ltd	UK	Full	100,0%	83,0%		Full	100,0%	83,0%	D1
BNPP Rental Solutions SPA	Italy	Full	100,0%	83,0%	D1	Equity *	100,0%	83,0%	
Claas Financial Services	France	Full (1)	51,0%	42,3%		Full (1)	51,0%	42,3%	V2
Claas Financial Services (Germany branch)	Germany	Full (1)	100,0%	42,3%		Full (1)	100,0%	42,3%	V3
Claas Financial Services (Italy branch)	Italy	Full (1)	100,0%	42,3%		Full (1)	100,0%	42,3%	V3
Claas Financial Services (Poland branch)	Poland	Full (1)	100,0%	42,3%		Full (1)	100,0%	42,3%	V3
Claas Financial Services (Spain branch)	Spain	Full (1)	100,0%	42,3%		Full (1)	100,0%	42,3%	V3
Claas Financial Services Ltd	UK	Full	51,0%	42,3%		Full	51,0%	42,3%	
CMV Mediforce	France	Full (1)	100,0%	83,0%	V3	Full (1)	100,0%	100,0%	
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	Full	100,0%	83,0%		Full	100,0%	83,0%	D1
Fortis Lease Iberia SA	Spain	Full	100,0%	86,6%		Full	100,0%	86,6%	D1
Fortis Lease Portugal	Portugal	Full	100,0%	83,0%		Full	100,0%	83,0%	D1
Fortis Lease UK Ltd	UK	Full	100,0%	83,0%	D1	Equity *	100,0%	83,0%	
Fortis Vastgoedlease BV	Netherlands	Full	100,0%	83,0%	D1	Equity *	100,0%	83,0%	
Heffiq Heftruck Verhuur BV	Netherlands	Full	50,1%	41,5%	E1				
Humberclyde Commercial Investments Ltd	UK	Full	100,0%	83,0%		Full	100,0%	83,0%	
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	Full	100,0%	100,0%	E1				
Natiocredibail	France	Full (1)	100,0%	100,0%		Full (1)	100,0%	100,0%	
RD Portofoliu SRL	Romania								S3

		30 June 2018				31 December 2017			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
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%	
UCB Bail 2	France	Full	100,0%	100,0%		Full	100,0%	100,0%	
Structured Entities									
BNPP B Institutional II Short Term	Belgium								S3
BNPP B Institutional II Treasury 17	Belgium				S3	Full	-	-	E1
FL Zeebrugge	Belgium	Full	-	-	D1	Equity *	-	-	E1
Folea Grundstucksverwaltungs und Vermietungs Gmbh & Co	Germany	Full	-	-	D1	Equity *	-	-	E1
New Digital Businesses									
Financière des Paiements Electroniques	France	Full	95,0%	95,0%		Full	95,0%	95,0%	E3
Lyf SA	France	Equity (3)	46,0%	46,0%	V1	Equity (3)	43,5%	43,5%	E3
Lyf SAS	France	Equity (3)	45,8%	45,8%	V1	Equity (3)	43,3%	43,3%	E3
Personal Investors									
Geojit Technologies Private Ltd	India	Equity	35,0%	35,0%		Equity	35,0%	35,0%	
Hellobank BNPP Austria AG	Austria								S4
Human Value Developers Private Ltd	India	Full	100,0%	100,0%		Full	100,0%	100,0%	
Sharekhan BNPP Financial Services Private Ltd	India	Full	100,0%	100,0%		Full	100,0%	100,0%	D1
Sharekhan Commodities Private Ltd	India	Full	100,0%	100,0%	E1				
Sharekhan Ltd	India	Full	100,0%	100,0%		Full	100,0%	100,0%	
International Financial Services									
BNP Paribas Personal Finance									
Alpha Crédit SA	Belgium	Full	100,0%	99,9%		Full	100,0%	99,9%	
Autop Ocean Indien	France	Full	100,0%	97,8%	E1				
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%	
BGN Mercantil E Servicos Ltda	Brazil	Full	100,0%	100,0%		Full	100,0%	100,0%	D1
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%	
BNPP Personal Finance (Bulgaria branch)	Bulgaria	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 (Romania branch)	Romania	Full	100,0%	100,0%	E2				
BNPP Personal Finance (Slovakia branch)	Slovakia	Full	100,0%	100,0%		Full	100,0%	100,0%	
BNPP Personal Finance BV	Netherlands	Full	100,0%	100,0%		Full	100,0%	100,0%	
BNPP Personal Finance EAD	Bulgaria				S4	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	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 Gestion AIE	Spain	Full	100,0%	96,5%	E1				
Cetelem IFN	Romania				S4	Full	100,0%	100,0%	
Cetelem Servicios Informaticos AIE	Spain	Full	100,0%	81,5%	E1				
Cetelem Servicos Ltda	Brazil	Full	100,0%	100,0%	D1	Equity *	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								S4
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								S4
Domofinance	France	Full (1)	55,0%	55,0%		Full (1)	55,0%	55,0%	
Effico	France	Equity	24,5%	24,5%		Equity	24,5%	24,5%	V2
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								S4
Findomestic Banca SPA	Italy	Full	100,0%	100,0%		Full	100,0%	100,0%	
Findomestic Banka AD	Serbia								S2
GCC Consumo Establecimiento Financiero de Credito SA	Spain	Full	51,0%	51,0%		Full	51,0%	51,0%	D1
Genius Auto Finance Co Ltd	China	Equity (3)	20,0%	20,0%		Equity (3)	20,0%	20,0%	E1
Gesellschaft für Capital & Vermögensverwaltung GmbH	Germany				S3	Equity *	100,0%	99,9%	
Inkasso Kodat GmbH & Co KG	Germany				S3	Equity *	100,0%	99,9%	
International Development Resources AS Services SA	Spain				S3	Equity *	100,0%	100,0%	
Laser ABS 2017 Holding Ltd	UK	Full	100,0%	100,0%		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%	
Neuilly Contentieux	France	Full	96,0%	95,7%	E1				
Norrsken Finance	France	Full (1)	100,0%	100,0%		Full (1)	100,0%	100,0%	
Olympia SAS	France	Full	50,0%	50,0%		Full	50,0%	50,0%	E2
Oney Magyarorszag ZRT	Hungary	Equity	40,0%	40,0%		Equity	40,0%	40,0%	
Opel Bank	France	Full	50,0%	50,0%		Full	50,0%	50,0%	E3
Opel Bank GmbH	Germany	Full	100,0%	50,0%		Full	100,0%	50,0%	E3

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds
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
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
FV Investment in associates measured at Fair Value through P&L

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 accordance 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 in the prudential scope
(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope.

Name	Country	30 June 2018 Method		Voting (%)	Interest (%)	Ref.	31 December 2017 Method		Voting (%)	Interest (%)	Ref.
Opel Bank GmbH (Greece branch)	Greece	Full		100,0%	50,0%		Full		100,0%	50,0%	E3
Opel Bank GmbH (Ireland branch)	Ireland	Full		100,0%	50,0%		Full		100,0%	50,0%	E3
Opel Finance	Belgium	Full		100,0%	50,0%	D1	Equity *		100,0%	50,0%	E3
Opel Finance AB	Sweden	Full		100,0%	50,0%	D1	Equity *		100,0%	50,0%	E3
Opel Finance Germany Holdings GmbH	Germany	Full		100,0%	50,0%		Full		100,0%	50,0%	E3
Opel Finance International BV	Netherlands	Full		100,0%	50,0%		Full		100,0%	50,0%	E3
Opel Finance NV	Netherlands	Full		100,0%	50,0%	D1	Equity *		100,0%	50,0%	E3
Opel Finance NV (Belgium branch)	Belgium					S1	Equity *		100,0%	50,0%	E3
Opel Finance SA	Switzerland	Full		100,0%	50,0%	D1	Equity *		100,0%	50,0%	E3
Opel Finance SPA	Italy	Full		100,0%	50,0%		Full		100,0%	50,0%	E3
Opel Leasing GmbH	Germany	Full		100,0%	50,0%		Full		100,0%	50,0%	E3
Opel Leasing GmbH (Austria branch)	Austria	Full		100,0%	50,0%		Full		100,0%	50,0%	E3
OPVF Europe Holdco Ltd	UK	Full		100,0%	50,0%		Full		100,0%	50,0%	E3
OPVF Holdings UK Ltd	UK	Full		100,0%	50,0%		Full		100,0%	50,0%	E3
Prêts et Services SAS	France										S4
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
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%		Full		100,0%	100,0%	E3
Sundaram BNPP Home Finance Ltd	India	Equity	(3)	49,9%	49,9%		Equity	(3)	49,9%	49,9%	
Suning Consumer Finance Co Ltd	China	Equity		15,0%	15,0%		Equity		15,0%	15,0%	
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%	
United Partnership	France	Equity		50,0%	50,0%	E1					
Vauxhall Finance PLC	UK	Full		100,0%	50,0%		Full		100,0%	50,0%	E3
Von Essen Bank GmbH	Germany	Full		100,0%	99,9%		Full		100,0%	99,9%	
Structured Entities											
B Carat	Belgium	Full		-	-	D1	Equity *		-	-	E3
Cartolarizzazione Auto Receivable's SRL	Italy	Full		-	-		Full		-	-	E3
Cofinoga Funding Two LP	UK	Full		-	-		Full		-	-	
Ecarat SA	Luxembourg	Full		-	-		Full		-	-	E3
Ecarat UK (a)	UK	Full		-	-		Full		-	-	
FCC Retail ABS Finance Noria 2009	France										S1
FCT F Carat	France	Full		-	-		Full		-	-	E3
Florence 1 SRL	Italy					S1	Full		-	-	
Florence SPV SRL	Italy	Full		-	-		Full		-	-	
I Carat SRL	Italy	Full		-	-		Full		-	-	E3
Laser ABS 2017 PLC	UK	Full		-	-		Full		-	-	E1
Noria 2015	France										S1
Noria 2018-1	France	Full		-	-	E2					
Phedina Hypotheken 2010 BV	Netherlands	Full		-	-		Full		-	-	
Phedina Hypotheken 2013 I BV	Netherlands	Full		-	-		Full		-	-	
Securely Transferred Auto Receivables II SA	Luxembourg	Full		-	-		Full		-	-	E3
Securitisation funds Autonoria (c)	France	Full		-	-		Full		-	-	
Securitisation funds Domos (d)	France	Full		-	-		Full		-	-	
Securitisation funds UCI and Prado (b)	Spain	Equity	(3)	-	-		Equity	(3)	-	-	
Vault Funding Ltd	UK	Full		-	-		Full		-	-	E3
Warf 2012 Ltd	UK	Full		-	-		Full		-	-	E3
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%	
BancWest Holding Inc	USA	Full		100,0%	100,0%		Full		100,0%	100,0%	
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%	
Bishop Street Capital Management Corp	USA	Full		100,0%	48,8%	V3	Full		100,0%	61,9%	V3
BNPP Leasing Solutions Canada Inc	Canada	Full		100,0%	100,0%	E1					
Center Club Inc	USA	Full		100,0%	48,8%	V3	Full		100,0%	61,9%	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%	
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
FHL SPC One Inc	USA	Full		100,0%	48,8%	V3	Full		100,0%	61,9%	V3
First Bancorp	USA	Full		100,0%	100,0%		Full		100,0%	100,0%	
First Hawaiian Bank	USA	Full		100,0%	48,8%	V3	Full		100,0%	61,9%	V3
First Hawaiian Inc	USA	Full		48,8%	48,8%	V2	Full		61,9%	61,9%	V2
First Hawaiian Leasing Inc	USA	Full		100,0%	48,8%	V3	Full		100,0%	61,9%	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%	
Glendale Corporate Center Acquisition LLC	USA					S2	Full		-	-	
LACMTA Rail Statutory Trust FH1	USA	Full		-	-		Full		-	-	
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%	48,8%	V3	Full		100,0%	61,9%	V3
Riverwalk Village Three Holdings LLC	USA										S1
Santa Rita Townhomes Acquisition LLC	USA										S1
The Bankers Club Inc	USA	Full		100,0%	48,8%	V3	Full		100,0%	61,9%	V3
Ursus Real Estate Inc	USA	Full		100,0%	100,0%		Full		100,0%	100,0%	
VTA 1998 FH	USA					S1	Full		-	-	
Structured Entities											
Bank of the West Auto Trust 2014-1	USA					S1	Full		-	-	
Bank of the West Auto Trust 2015-1	USA	Full		-	-		Full		-	-	
Bank of the West Auto Trust 2017-1	USA					S2	Full		-	-	
Bank of the West Auto Trust 2018-1 (Ex- Bank of the West Auto Trust 2016-2)	USA	Full		-	-		Full		-	-	
Bank of the West Auto Trust 2018-2	USA	Full		-	-	E2					
BOW Auto Receivables LLC	USA	Full		-	-		Full		-	-	
ST 2001 FH 1 Statutory Trust	USA	Full		-	-		Full		-	-	
International Retail Banking - Europe-Mediterranean											
Bank BGZ BNPP SA	Poland	Full		89,9%	89,9%	V4	Full		88,3%	88,3%	
Bank of Nanjing	China	Equity		15,0%	15,0%	V2	Equity		18,2%	18,2%	V2
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%	
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%	
Banque Marocaine pour le Commerce et l'Industrie Banque Offshore	Morocco	Full		100,0%	67,0%		Full		100,0%	67,0%	
Banque pour l'Industrie et le Commerce des Comores	Comoros	Full		51,0%	51,0%	E1					
Bantas Nakit AS	Turkey	Equity	(3)	33,3%	16,7%	E1					
BGZ BNPP Faktoring Spolka ZOO	Poland	Full		100,0%	100,0%		Full		100,0%	100,0%	E1
BICI Bourse	Ivory Coast	Full		90,0%	53,5%	D1	Equity *		90,0%	53,5%	
BMCI Asset Management	Morocco										S3
BMCI Assurance SARL	Morocco										S3
BMCI Leasing	Morocco	Full		86,9%	58,2%		Full		86,9%	58,2%	
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	(3)	49,8%	29,9%		Equity		49,8%	29,9%	
TEB Faktoring AS	Turkey	Full		100,0%	72,5%		Full		100,0%	72,5%	
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%	
Turk Ekonomi Bankasi AS	Turkey	Full		100,0%	72,5%		Full		100,0%	72,5%	
UkrSibbank Public JSC	Ukraine	Full		60,0%	60,0%		Full		60,0%	60,0%	
Union Bancaire pour le Commerce et l'Industrie	Tunisia	Full		50,1%	50,1%		Full		50,1%	50,1%	
Structured Entities											
BGZ Poland ABS1 DAC	Ireland	Full		-	-		Full		-	-	E1
Insurance											
AG Insurance	Belgium	Equity		25,0%	25,0%		Equity		25,0%	25,0%	
Agathe Retail France	France	FV		33,3%	33,3%	E1					
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 Compania de Seguros y Reaseguros SA	Peru	Equity *		100,0%	100,0%		Equity *		100,0%	100,0%	E1
BNPP Cardif Emeklilik AS	Turkey	Full	(2)	100,0%	100,0%		Full	(2)	100,0%	100,0%	
BNPP Cardif General Insurance Co Ltd	Rep. of Korea	Equity *		90,0%	90,0%		Equity *		90,0%	90,0%	V1
BNPP Cardif Hayat Sigorta AS	Turkey	Equity *		100,0%	100,0%		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 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 Sigorta AS	Turkey	Equity *		100,0%	100,0%	E1					
BNPP Cardif TCB Life Insurance Co Ltd	Taiwan	Equity		49,0%	49,0%		Equity		49,0%	49,0%	
BNPP Cardif Vita Compagnia di Assicurazione E Riassicurazione SPA	Italy	Full	(2)	100,0%	100,0%		Full	(2)	100,0%	100,0%	
BOB Cardif Life Insurance Co Ltd	China	Equity	(3)	50,0%	50,0%		Equity		50,0%	50,0%	
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%	

(a) At June 30, 2018, the securitisation fund Ecarat UK includes 6 funds (Ecarat PLC 4 to 9), versus 5 funds (Ecarat PLC 4 to 8) at December 31, 2017
(b) At June 30, 2018, the securitisation funds UCI and Prado include 13 funds (FCC UCI 9 to 12, 14 to 17 and RMBS Prado I to V), versus 14 fonds at December 31, 2017 (FCC UCI 9 to 12, 14 to 18 and RMBS Prado I to V)
(c) At June 30, 2018 and at December 31, 2017, the securitisation fund Autonoria includes 1 silo (Autonoria 2014)
(d) At june 30, 2018, the fund Domos comprise these funds : Domos 2008, Domos 2011 (including 1 compartment B) and Domos 2017, versus Domos 2017, 2008 and Domos 2011 (including 2 compartments A et B) at December 31, 2017

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds
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
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
FV Investment in associates measured at Fair Value through P&L

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 accordance 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 in the prudential scope
(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope.

Name	Country	30 June 2018				31 December 2017			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
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	Equity *	100,0%	100,0%	E1				
Cardif Colombia Seguros Generales SA	Colombia	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	
Cardif Courtage (Ex- Cardif I Services)	France								S3
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 IARD	France	Full (2)	66,0%	66,0%	V3/D1	Equity *	83,3%	83,3%	E1
Cardif Insurance Co LLC	Russia	Full (2)	100,0%	100,0%		Full (2)	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 Life Insurance Japan	Japan	Full (2)	75,0%	75,0%	E1				
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 Ltda	Brazil	Equity *	100,0%	100,0%	E1				
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 Non Life Insurance Japan	Japan	Full (2)	100,0%	75,0%	E1				
Cardif Nordic AB	Sweden	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	
Cardif Osiguranje Dionicko Drustvo ZA	Croatia								S2
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%	
Cardif Seguros SA	Argentina	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	
Cardif Servicios SA	Argentina	Equity *	100,0%	100,0%		Equity *	100,0%	100,0%	E1
Cardif Servicios SAC	Peru	Equity *	100,0%	100,0%	E1				
Cardimmo	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	
Cargeas Assicurazioni SPA	Italy	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	V1
Carma Grand Horizon SARL	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
CB UK Ltd	UK	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	
CFH Algonquin Management Partners France Italia	Italy	Full (2)	100,0%	98,4%	V3	Full (2)	100,0%	98,6%	E1
CFH Bercy	France	Full (2)	100,0%	98,4%	V3	Full (2)	100,0%	98,6%	E1
CFH Bercy Hotel	France	Full (2)	100,0%	98,4%	V3	Full (2)	100,0%	98,6%	E1
CFH Bercy Intermédiaire	France	Full (2)	100,0%	98,4%	V3	Full (2)	100,0%	98,6%	E1
CFH Boulogne	France	Full (2)	100,0%	98,4%	V3	Full (2)	100,0%	98,6%	E1
CFH Cap d'Ail	France	Full (2)	100,0%	98,4%	V3	Full (2)	100,0%	98,6%	E1
CFH Milan Holdco SRL	Italy	Full (2)	100,0%	98,4%	V3	Full (2)	100,0%	98,6%	E1
CFH Montmartre	France	Full (2)	100,0%	98,4%	V3	Full (2)	100,0%	98,6%	E1
CFH Montparnasse	France	Full (2)	100,0%	98,4%	V3	Full (2)	100,0%	98,6%	E1
Corosa	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
Darnell DAC	Ireland	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	
Défense CB3 SAS	France	FV	25,0%	25,0%	E1				
Fleur SAS	France	FV	33,3%	33,3%	E1				
Fonds d'Investissements Immobiliers pour le Commerce et la Distribution	France	FV	25,0%	25,0%	E1				
GIE BNPP Cardif	France	Full (2)	100,0%	100,0%	V4	Full (2)	100,0%	99,0%	
Harewood Helena 2 Ltd	UK	Full (2)	100,0%	100,0%	E1				
Hibernia France	France	Full (2)	100,0%	98,6%		Full (2)	100,0%	98,6%	E1
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 (3)	50,0%	50,0%		Equity	50,0%	50,0%	
Natio Assurance	France	Full (2)	100,0%	100,0%	V1	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%	
Poistovna Cardif Slovakia AS	Slovakia	Equity *	100,0%	100,0%		Equity *	100,0%	100,0%	
Reumal Investissements	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
Rueil Ariane	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SAS HVP	France	Full (2)	100,0%	98,6%		Full (2)	100,0%	98,6%	E1
SCI 68/70 rue de Lagny - Montreuil	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Alpha Park	France	FV	50,0%	50,0%	E1				
SCI BNPP Pierre I	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI BNPP Pierre II	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Bobigny Jean Rostand	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Bouleragny	France	FV	50,0%	50,0%	E1				
SCI Cardif Logement	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Citylight Boulogne	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Clichy Nuovo	France	FV	50,0%	50,0%	E1				
SCI Défense Etoile	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Défense Vendome	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Etoile du Nord	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Fontenay Plaisance	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Imefa Velizy	France	FV	21,8%	21,8%	E1				
SCI Le Mans Gare	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Liberté	France	FV	50,0%	50,0%	E1				
SCI Nanterre Guilleraies	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Nantes Carnot	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Odyssée	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	
SCI Pantin Les Moulins	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Paris Batignolles	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Paris Cours de Vincennes	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Portes de Claye	France	Equity	45,0%	45,0%		Equity	45,0%	45,0%	
SCI Rue Moussorgski	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Rueil Caudron	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Saint Denis Landy	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Saint Denis Mitterrand	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Saint-Denis Jade (Ex- SCI Porte d'Asnières)	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
SCI Scoo	France	Equity	46,4%	46,4%		Equity	46,4%	46,4%	
SCI Vendome Athenes	France	FV	50,0%	50,0%	E1				
SCI Villeurbanne Stalingrad	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
Société Francaise d'Assurances sur la Vie	France	Equity	50,0%	50,0%		Equity	50,0%	50,0%	E1
Société Immobilière du Royal Building SA	Luxembourg	Full (2)	100,0%	55,3%		Full (2)	100,0%	55,3%	
State Bank of India Life Insurance Co Ltd	India	Equity	22,0%	22,0%		Equity	22,0%	22,0%	V2
Valeur Pierre Epargne	France	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	E1
Velizy SAS	France	FV	33,3%	33,3%	E1				
Vietcombank Cardif Life Insurance Co Ltd	Viet Nam	Equity	43,0%	43,0%	E1				
Structured Entities									
AEW Immocommercial	France	FV	-	-	E1				
Ambrosia Avril 2025	France	Full (4)	-	-	E1				
BNPP ABS Europe IG	France	Full (4)	-	-	E1				
BNPP Actions Euroland	France	Full (4)	-	-		Full (4)	-	-	
BNPP Actions Monde	France	Full (4)	-	-	E1				
BNPP Actions PME	France	Full (4)	-	-	E1				
BNPP Aqua	France	Full (4)	-	-		Full (4)	-	-	
BNPP B Fund II	Belgium	Full (4)	-	-	E1				
BNPP Convictions	France	Full (4)	-	-		Full (4)	-	-	
BNPP Court Terme Assurance	France	Full (4)	-	-	E1				
BNPP CP Cardif Alternative	France	Full (2)	-	-		Full (4)	-	-	E1
BNPP CP Cardif Private Debt	France	Full (2)	-	-		Full (4)	-	-	E1
BNPP Développement Humain	France	Full (4)	-	-		Full (4)	-	-	
BNPP Diversipierre	France	Full (2)	-	-		Full (2)	-	-	E1
BNPP Euro Valeurs Durables	France	Full (4)	-	-	E1				
BNPP France Crédit	France	Full (2)	-	-		Full (4)	-	-	E1
BNPP Global Senior Corporate Loans	France	Full (4)	-	-		Full (4)	-	-	
BNPP Indice Amerique du Nord	France	Full (4)	-	-	E1				
BNPP Indice Euro	France	Full (4)	-	-		Full (4)	-	-	E1
BNPP L1	Luxembourg	Full (4)	-	-	E1				
BNPP Midcap France	France	Full (4)	-	-	E1				
BNPP Protection Monde	France	Full (4)	-	-	E1				
BNPP Retraite Responsable	France	Full (4)	-	-	E1				
BNPP Sélection Dynamique Monde	France	Full (4)	-	-	E1				
BNPP Sélection Flexible	France	Full (4)	-	-	E1				
C Santé	France	Full (2)	-	-	E1				
Camgestion Actions Croissance	France	Full (4)	-	-	E1				
Camgestion Actions Euro	France	Full (4)	-	-	E1				
Camgestion Euro Mid Cap	France	Full (4)	-	-	E1				
Camgestion Obliflexible	France	Full (2)	-	-		Full (4)	-	-	E1
Camgestion Rendactis	France	Full (4)	-	-	E1				
Capital France Hotel	France	Full (2)	-	-		Full (2)	-	-	E1
Cardif Alternatives Part I	France	Full (2)	-	-		Full (4)	-	-	E1
Cardif BNPP IP Convertibles World	France	Full (2)	-	-		Full (4)	-	-	E1
Cardif BNPP IP Equity Frontier Markets	France	Full (2)	-	-		Full (4)	-	-	E1
Cardif BNPP IP Signatures	France	Full (2)	-	-		Full (4)	-	-	E1
Cardif BNPP IP Smid Cap Euro	France	Full (2)	-	-		Full (4)	-	-	E1
Cardif BNPP IP Smid Cap Europe	France	Full (2)	-	-		Full (4)	-	-	E1
Cardif CPR Global Return (Ex Cardif CPR Base Credit)	France	Full (2)	-	-		Full (4)	-	-	E1
Cardif Edrim Signatures	France	Full (2)	-	-		Full (4)	-	-	E1
Cardif Vita Convex Fund Eur	France	Full (2)	-	-		Full (4)	-	-	E1
Cedrus Carbon Initiative Trends	France	Full (2)	-	-		Full (4)	-	-	E1
EP L	France	Full (2)	-	-		Full (2)	-	-	E1
Foncière Partenaires	France	FV	-	-	E1				
Fondo Protetto Smart Food 90	France	Full (4)	-	-	E1				
FP Cardif Convex Fund USD	France	Full (2)	-	-		Full (4)	-	-	E1
Fundamenta	Italy	Full (2)	-	-		Full (2)	-	-	E1
Fundquest	France	Full (4)	-	-	E1				
G C Thematic Opportunities II	Ireland	Full (2)	-	-		Full (4)	-	-	E1
Natio Fonds Ampère 1	France	Full (4)	-	-		Full (4)	-	-	
Natio Fonds Athenes Investissement N 5	France	Full (2)	-	-		Full (4)	-	-	E1
Natio Fonds Colline International	France	Full (2)	-	-		Full (4)	-	-	E1
Natio Fonds Collines Investissement N 1	France	Full (2)	-	-		Full (4)	-	-	E1
Natio Fonds Collines Investissement N 3	France	Full (2)	-	-		Full (4)	-	-	E1
New Alpha Cardif Incubator Fund	France	Full (2)	-	-		Full (4)	-	-	E1
Opéra Rendement	France	Full (2)	-	-		Full (2)	-	-	E1

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
- E1 Passing qualifying thresholds
- 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
- 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
FV Investment in associates measured at Fair Value through P&L

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 accordance 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 in the prudential scope
(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope.

Name	Country	30 June 2018 Method	Voting (%)	Interest (%)	Ref.	31 December 2017 Method	Voting (%)	Interest (%)	Ref.
Parvest	Luxembourg	Full (4)	-	-	E1				
Parworld	Luxembourg	Full (4)	-	-	E1				
Permal Cardif Co Investment Fund	France	Full (2)	-	-		Full (4)	-	-	E1
Preim Healthcare SAS	France	FV	-	-	E1				
PWH	France	FV	-	-	E1				
Rubin SARL	Luxembourg	FV	-	-	E1				
Seniorenzentren Deutschland Holding SARL	Luxembourg	FV	-	-	E1				
Theam Quant	Luxembourg	Full (4)	-	-	E1				
Tikehau Cardif Loan Europe	France	Full (2)	-	-		Full (4)	-	-	E1
Valtitres FCP	France	Full (2)	-	-		Full (4)	-	-	E1
Wealth Management									
BNPP Espana SA	Spain	Full	99,7%	99,7%		Full	99,7%	99,7%	
BNPP Wealth Management Monaco	Monaco	Full (1)	100,0%	100,0%		Full (1)	100,0%	100,0%	
SNC Conseil Investissement	France								S3
Asset Management (Ex- Investment Partners)									
Alfred Berg Asset Management AB	Sweden				S4	Full	100,0%	98,3%	
Alfred Berg Asset Management AB (Finland branch)	Finland								S1
Alfred Berg Asset Management AB (Norway branch)	Norway								S1
Alfred Berg Fonder AB	Sweden								S3
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								S2
Alfred Berg Rahastoyhtio OY	Finland								S2
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								S3
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 France (Italy branch)	Italy	Full	100,0%	98,3%	E2				
BNPP Asset Management Holding	France	Full	100,0%	98,3%		Full	100,0%	98,3%	
BNPP Asset Management India Private Ltd	India	Full	100,0%	98,3%	D1	Equity *	100,0%	98,3%	
BNPP Asset Management Japan Ltd	Japan	Full	100,0%	98,3%		Full	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 Services Grouping	France	Full	100,0%	98,3%	E1				
BNPP Asset Management Singapore Ltd	Singapore								S3
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	USA	Full	100,0%	100,0%		Full	100,0%	100,0%	
BNPP Capital Partners	France	Full	100,0%	100,0%	D1	Equity *	100,0%	100,0%	
BNPP Dealing Services	France	Full (1)	100,0%	98,3%		Full (1)	100,0%	98,3%	V3
BNPP Dealing Services (United Kingdom branch)	UK	Full (1)	100,0%	98,3%		Full (1)	100,0%	98,3%	V3
BNPP Dealing Services Asia Ltd	Hong Kong								S3
BNPP Investment Partners Argentina SA	Argentina								S3
BNPP Investment Partners Australia Holdings Pty Ltd	Australia								S3
BNPP Investment Partners Latam SA de CV	Mexico								S3
BNPP Investment Partners PT	Indonesia	Full	100,0%	98,3%		Full	100,0%	98,3%	
BNPP Investment Partners SGR SPA	Italy				S4	Full	100,0%	98,3%	V3
Camgestion	France								S4
Elite Asset Management PLC	Finland	Equity	19,0%	18,7%		Equity	19,0%	18,7%	E3
Fund Channel	Luxembourg	Equity (3)	50,0%	49,1%		Equity	50,0%	49,1%	
Fundquest Advisor	France	Full	100,0%	98,3%	D1	Equity *	100,0%	98,3%	
Fundquest Advisor (United Kingdom branch)	UK	Full	100,0%	98,3%	D1	Equity *	100,0%	98,3%	
Groeivermogen NV	Netherlands	Full	100,0%	98,3%	E1				
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%	
Impax Asset Management Group PLC	UK	Equity	24,5%	24,1%	V3	Equity	25,0%	24,6%	E1
Services Epargne Entreprise	France	Equity	37,1%	37,1%	E1				
Shinhan BNPP Asset Management Co Ltd	Rep. of Korea	Equity	35,0%	34,4%		Equity	35,0%	34,4%	
Theam	France								S4
Structured Entities									
Harewood Helena 1 Ltd	UK	Full	-	-	E1				
Real Estate Services									
99 West Tower GmbH & Co KG	Germany	Full	100,0%	100,0%		Full	100,0%	100,0%	E3
99 West Tower GP GmbH	Germany	Full	100,0%	100,0%		Full	100,0%	100,0%	E3
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 Résidentiel	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%	

Name	Country	30 June 2018 Method	Voting (%)	Interest (%)	Ref.	31 December 2017 Method	Voting (%)	Interest (%)	Ref.
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	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	Netherlands	Full	100,0%	100,0%		Full	100,0%	100,0%	
BNPP Real Estate Hotels France	France								S4
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%	
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	94,9%	94,9%		Full	94,9%	94,9%	
BNPP Real Estate Investment Management Germany GmbH (Spain branch)	Spain	Full	94,9%	94,9%		Full	94,9%	94,9%	
BNPP Real Estate Investment Management International GmbH	Germany	Full	100,0%	100,0%	E2				
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								S2
BNPP Real Estate Magyarorszag Tanacsado Es Ingatlankezelo ZRT	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	96,0%	96,0%	V2	Full	96,1%	96,1%	V2
BNPP Real Estate Valuation France	France	Full	100,0%	100,0%		Full	100,0%	100,0%	
BNPPRE APM INTERNATIONAL (United Arab Emirates branch)	United Arab Emirates	Full	100,0%	100,0%		Full	100,0%	100,0%	
Construction-Sale Companies (Real Estate programmes) (e)	France	Full / Equity	-	-		Full / Equity	-	-	
FG Ingénierie et Promotion Immobilière	France								S4
GIE Siège Issy	France	Full	100,0%	100,0%		Full	100,0%	100,0%	
Horti Milano SRL	Italy	Full	100,0%	100,0%		Full	100,0%	100,0%	E2
Immobilière des Bergues	France								S4
Lifizz	France	Full	100,0%	100,0%	E2				
Locchi SRL	Italy				S3	Full	100,0%	100,0%	
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%	
Société Auxiliaire de Construction Immobilière	France	Full	100,0%	100,0%		Full	100,0%	100,0%	
Sviluppo Residenziale Italia SRL	Italy	Full	100,0%	100,0%		Full	100,0%	100,0%	
Corporate & Institutional Banking									
Securities Services									
BNPP Financial Services LLC	USA	Full	100,0%	100,0%	E1				
BNPP Fund Administration Services Ireland Ltd	Ireland	Full	100,0%	100,0%		Full	100,0%	100,0%	
BNPP Fund Services Australasia Pty Ltd	Australia	Full	100,0%	100,0%	D1	Equity *	100,0%	100,0%	
BNPP Fund Services Australasia Pty Ltd (New zealand branch)	New Zealand	Full	100,0%	100,0%	D1	Equity *	100,0%	100,0%	
BNPP Global Securities Operations Private Ltd	India	Full	100,0%	100,0%		Full	100,0%	100,0%	

(e) At June 30, 2018, 85 Construction-sale companies (71 Full and 14 Equity) versus 96 at December 31, 2017 (81 Full and 15 Equity)

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds
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
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Variance (V) in voting or ownership interest
V1 Additional purchase
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V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates
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(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope.

Name	Country	30 June 2018 Method	Voting (%)	Interest (%)	Ref.	31 December 2017 Method	Voting (%)	Interest (%)	Ref.
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%	
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 (United Kingdom branch)	UK	Full (1)	100,0%	100,0%		Full (1)	100,0%	100,0%	
Services Logiciels d'Intégration Boursière	France	Equity (3)	66,6%	66,6%	E1				
CIB EMEA (Europe, Moyen Orient, Afrique)									
France									
BNPP Arbitrage	France	Full (1)	100,0%	100,0%		Full (1)	100,0%	100,0%	
BNPP Arbitrage (United Kingdom 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%	
Eurotitrisation	France	Equity	23,0%	23,0%	E1				
Financière du Marché Saint Honoré	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 (United Kingdom 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									
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									
Alpha Murcia Holding BV	Netherlands	Equity *	100,0%	99,9%		Equity *	100,0%	99,9%	
BNP PUK Holding Ltd	UK	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 Invest Holdings BV	Netherlands	Full	100,0%	100,0%		Full	100,0%	100,0%	E1
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 Issuance BV	Netherlands	Full	100,0%	100,0%		Full	100,0%	100,0%	
BNPP Net Ltd	UK	Full	100,0%	100,0%	D1	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	Full	100,0%	100,0%	D1	Equity *	100,0%	100,0%	
Diamante Re SRL	Italy	Full	100,0%	100,0%	E1				
Financière Hime SA	Luxembourg	Equity	22,5%	22,5%		Equity	22,5%	22,5%	E1
FScholen	Belgium	Equity (3)	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%	
Hime Holding 1 SA	Luxembourg	Equity	26,4%	26,4%		Equity	26,4%	26,4%	E1
Hime Holding 2 SA	Luxembourg	Equity	21,0%	21,0%		Equity	21,0%	21,0%	E1
Hime Holding 3 SA	Luxembourg	Equity	20,6%	20,6%		Equity	20,6%	20,6%	E1
Landspire Ltd	UK	Full	100,0%	100,0%		Full	100,0%	100,0%	
Ribera Del Loira Arbitrage	Spain	Full	100,0%	100,0%	E1				
SC Nueva Condo Murcia SL	Spain								S2
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	-	-	
Aquarius + Investments PLC	Ireland	Full	-	-		Full	-	-	
Aries Capital DAC	Ireland	Full	-	-		Full	-	-	E1
BNPP International Finance Dublin	Ireland	Full	-	-		Full	-	-	
BNPP Investments N 1 Ltd	UK				S1	Full	-	-	
BNPP Investments N 2 Ltd	UK				S1	Full	-	-	
Boug BV	Netherlands	Full	-	-		Full	-	-	
Boug BV (United Kingdom branch)	UK	Full	-	-		Full	-	-	
Madison Arbor Ltd	Ireland	Full	-	-		Full	-	-	
Matchpoint Finance PLC	Ireland	Full	-	-		Full	-	-	
Omega Capital Funding Ltd	Ireland								S1
Omega Capital Investments PLC	Ireland								S1
Scaldis Capital Ltd	Jersey	Full	-	-		Full	-	-	

Name	Country	30 June 2018 Method	Voting (%)	Interest (%)	Ref.	31 December 2017 Method	Voting (%)	Interest (%)	Ref.
Middle East									
BNPP Investment Co KSA	Saudi Arabia	Full	100,0%	100,0%	D1	Equity *	100,0%	100,0%	
Africa									
BNPP Securities South Africa Holdings Pty Ltd	South Africa								S3
BNPP Securities South Africa Pty Ltd	South Africa								S3
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								S3
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	Full	100,0%	100,0%		Full	100,0%	100,0%	D1
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%		Full	100,0%	100,0%	D1
BNPP Leasing Corp	USA								S1
BNPP Prime Brokerage Inc	USA				S4	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	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%	
Dale Bakken Partners 2012 LLC	USA	Equity	23,8%	23,8%	E1				
French American Banking Corp	USA								S1
FSI Holdings Inc	USA	Full	100,0%	100,0%		Full	100,0%	100,0%	
Via North America Inc	USA				S4	Full	100,0%	100,0%	
Structured Entities									
BNPP EQD Brazil Fund Fundo de Investmento Multimercado	Brazil	Full	-	-		Full	-	-	
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				S1	Full	-	-	
BNPP VPG Northstar LLC	USA				S1	Full	-	-	
BNPP VPG Pacex LLC	USA				S1	Full	-	-	
BNPP VPG PCMC LLC	USA	Full	-	-		Full	-	-	
BNPP VPG SBX Holdings LLC	USA	Full	-	-		Full	-	-	
BNPP VPG SDI Media Holdings LLC	USA								S1
Decart Re Ltd	Bermuda	Full	-	-	E1				
Ozcar Multi Strategies LLC	USA								S3
Starbird Funding Corp	USA	Full	-	-		Full	-	-	
VPG SDI Media LLC	USA								S1
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%		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	Indonesia	Full	99,0%	99,0%		Full	99,0%	99,0%	
BNPP SJ Ltd	Hong Kong								S3
BNPP SJ Ltd (Japan branch)	Japan								S3
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%	
Property companies (property used in operations) and others									
Antin Participation 5	France	Full	100,0%	100,0%		Full	100,0%	100,0%	
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 Procurement Tech	France	Full	100,0%	100,0%	E1				

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds
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
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
FV Investment in associates measured at Fair Value through P&L

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 accordance 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 in the prudential scope
(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope.

		30 June 2018				31 December 2017			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
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%	
Cobema	Belgium	Full	100,0%	100,0%		Full	100,0%	100,0%	
Compagnie Financière Ottomane SA	Luxembourg	Full	97,3%	97,2%		Full	97,3%	97,2%	V1
Ejesur SA	Spain	Full	100,0%	100,0%	E1				
GIE Groupement Auxiliaire de Moyens	France	Full	100,0%	100,0%		Full	100,0%	100,0%	
GIE Groupement d'Etudes et de Prestations	France	Full	100,0%	100,0%	E1				
Le Sphinx Assurances Luxembourg SA	Luxembourg	Full (2)	100,0%	100,0%		Full (2)	100,0%	100,0%	
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 Immobilière du Marché Saint-Honoré	France				S2	Full	100,0%	100,0%	V1
Société Orbaisienne de Participations	France	Full	100,0%	100,0%		Full	100,0%	100,0%	
Structured Entities									
BNPP B Institutional II Court Terme	Belgium	Full	-	-		Full	-	-	
Euro Secured Notes Issuer (Ex- BNPP SME-1)	France	Full	-	-		Full	-	-	
FCT Laffitte 2016	France	Full	-	-		Full	-	-	
FCT Opéra 2014	France	Full	-	-		Full	-	-	

3.2 Statutory Auditor's report on the half year consolidated financial information:

Deloitte & Associés	**PricewaterhouseCoopers Audit**	**Mazars**
6, place de la Pyramide	63, rue de Villiers	61, rue Henri Regnault
92908 Paris La Défense Cedex	92208 Neuilly-sur-Seine Cedex	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 2018, for the six months ended 30, June 2018;
- 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 interim financial information.

Without qualifying our conclusion, we draw your attention to Notes 1.a.1 and 2 to the 2018 condensed half-year consolidated financial statements, which describes the impacts of presentation changes and the first time adoption of IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from contracts with customers”.

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.

Paris La Défense, Neuilly-sur-Seine and Courbevoie, 1 August 2018

The Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
Laurence Dubois	Patrice Morot	Virginie Chauvin

4. Risks and capital adequacy – Pillar 3 [non audited]

CAPITAL RATIOS

Areas of special interest

The Group is impacted by the two following regulatory evolutions that have come into force since 1 January 2018:

- the application of the IFRS 9 accounting standard for classification and measurement of financial instruments pursuant to Regulation (EU) 2016/2067;
- the deduction of the Irrevocable Payment Commitments (IPC) from the Common Equity Tier 1 capital.

Both evolutions have a limited impact on the Group's fully-loaded CET1 ratio, with a reduction of approximately 10 basis points each.

Update of the 2017 Registration document, table 1 page 246.

► CAPITAL RATIOS

Phased in ratios

	Phased in		
In millions of euros	30 June 2018(*)	1 January 2018 Proforma	31 December 2017
COMMON EQUITY TIER 1 (CET1) CAPITAL	75,400	74,467	76,135
TIER 1 CAPITAL	84,104	82,748	84,417
TOTAL CAPITAL	95,499	93,305	94,658
RISK-WEIGHTED ASSETS	657,080	634,698	640,644
RATIOS			
Common Equity Tier 1 (CET1) capital	11.5%	11.7%	11.9%
Tier 1 capital	12.8%	13.0%	13.2%
Total capital	14.5%	14.7%	14.8%

(*) Subject to the provisions of article 26.2 of Regulation (EU) No. 575/273.

Fully loaded ratios(**)

	Fully loaded(*)		
In millions of euros	30 June 2018(*)	1 January 2018 Proforma	31 December 2017
COMMON EQUITY TIER 1 (CET1) CAPITAL	75,284	73,857	75,741
TIER 1 CAPITAL	83,337	81,882	83,766
TOTAL CAPITAL	95,085	92,471	94,039
RISK-WEIGHTED ASSETS	657,080	634,698	642,070
RATIOS			
Common Equity Tier 1 (CET1) capital	11.5%	11.6%	11.8%
Tier 1 capital	12.7%	12.9%	13.0%
Total capital	14.5%	14.6%	14.6%

(*) 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 2017 Registration document, page 253.

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 ENVIRONMENT

Difficult market and economic conditions have in the past had and may in the future have a material adverse effect on the operating environment for financial institutions and hence on 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 was, 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 and 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, cyber-attacks, military conflicts or threats thereof and related risks). 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.

Economies in the Bank's principal markets and generally speaking globally experienced growth in 2017 and the cyclical recovery may continue in 2018. There are nonetheless downside risks arising from factors such as evolving monetary policies (and in particular the risk of sharper than expected tightening leading to financial turbulence), trends in inflation, geopolitical tensions, protectionist tendencies, and possible volatility in financial or commodity markets.

Moreover, a resurgence of sovereign debt tensions cannot be ruled out, particularly in a rising interest rate environment with increasing funding costs. In particular, European markets experienced significant disruptions at various points in recent years from this source, initially originating from 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 may in the future 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 (the latter due to any of the above generally applicable factors or to heightened risk of or even the occurrence of a sovereign default, the failure of a significant financial institution or the exit of a country or territory from the euro zone or the European Union) were to deteriorate, 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. Negotiations between the United Kingdom and the European Union to determine their relationship going forward, including regarding trade, financial and legal arrangements, are ongoing. 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 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 an extended period of 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 has been 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, has resulted in a 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.

The end of a period of prolonged low interest rates, in particular due to tightening monetary policy, also carries risks. In this respect, the U.S. Federal Reserve has been tightening its monetary policy since 2015 and the ECB has announced that it will significantly reduce asset purchases between January and September 2018, and reductions could continue thereafter. Any sharper or more rapid than expected tightening could have a negative impact on the economic recovery. On the lending side, it could in particular cause stress in loan and bond portfolios, possibly leading to an increase in non-performing exposures and defaults. Moreover, it may cause additional financial strain on sovereigns with particularly high debt to GDP ratios, such as countries on the periphery of the Eurozone as well as in Africa, with attendant increased asset quality concerns for their lenders. The Bank's underwriting activity could also be affected particularly in relation to non-investment grade lending. On the borrowing side, 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, the ending of accommodative monetary policies (including liquidity infusions from central bank asset purchases) may lead to severe corrections in certain markets or asset classes (e.g., non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefitted (including from very low risk premia as compared to historical averages) from the prolonged low interest rate and high liquidity environment, and such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility.

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 may also be exposed to risks related to the increasing involvement in the financial sector of players and the introduction of new types of transactions subject to little or no regulation (e.g., unregulated funds, trading venues or crowdfunding platforms). 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. The Bank remains the subject of various claims in connection with the Madoff matter; see 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 2018.

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), enhanced privacy and cybersecurity requirements 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 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 "Global Systemically Important Banks" or "G-SIBs" (including the Bank), in addition to the Basel III capital requirements, to maintain a significant amount of liabilities and instruments readily available for bail-in 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), stress tests and specific reviews (such as the targeted review of internal models), in connection with which it has powers to require banks to hold capital in excess of minimum capital requirements, and more generally to impose additional liquidity requirements or other supervisory 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 (the "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 European Commission Regulation 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. Several modified legislative proposals have been made subsequently and it is possible that further modifications will be made before final adoption. On 8 November 2017, the ECB published two opinions on these proposals. 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 whether these proposals will be adopted in full or what their impact will be.

In December 2017, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (GHOS), endorsed the outstanding Basel III post-crisis regulatory reforms. The reforms endorsed by the GHOS include a revised standardized approach for credit risk, revisions to the internal ratings-based approach for credit risk, revisions to the credit valuation adjustment (CVA) framework, a revised standardized approach for operational risk, revisions to the measurement of the leverage ratio and a leverage ratio buffer for G-SIBs (including the Bank), which will take the form of a Tier 1 capital buffer set at 50% of a G-SIB's risk-weighted capital buffer; and an aggregate output floor, which will ensure that banks' risk-weighted assets (RWAs) generated by internal models are no lower than 72.5% of RWAs as calculated by the Basel III framework's standardized approaches. These new rules are expected to come into effect in 2022 and the output floor is expected to be implemented gradually beginning in January 2022 and reaching its final level in 2027. This proposal will be subject to consultation and impact assessment before it is implemented into EU law.

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 proposed 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 enhanced prudential requirements on a consolidated basis at the IHC level. On 10 April 2018, the Federal Reserve Board issued a proposal that would, among other things, replace an IHC's current fixed capital conservation buffer with an institution-specific risk-based "stress capital buffer" ("SCB") and introduce a new stress Tier 1 leverage buffer requirement ("SLB"). Under the proposal, the SCB and SLB would be recalibrated annually based on the IHC's projected losses under the severely adverse stress scenario in the Federal Reserve Board's supervisory stress tests. The proposal could increase capital requirements and associated compliance burden for IHCs. In addition, on 14 June 2018, the Federal Reserve Board adopted single counterparty credit limits ("SCCL") that will apply to (i) the combined operations of a foreign banking organization that has $250 billion or more in global consolidated assets (such as the Bank), unless it can certify to the Federal Reserve Board that it meets the large exposure standards on a consolidated basis established by its home-country supervisor that are consistent with the Basel large exposures framework; and (ii) the U.S. IHC subsidiary of any such foreign banking organization (including BNP Paribas USA, Inc). The SCCL become effective on 1 January 2020 for the Bank and on 1 July 2020 for its U.S. IHC. Under proposals that remain under consideration, the IHC and the combined U.S. operations of the Bank may 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. In June 2017, the Federal Reserve Board granted the Bank an extended transition period to conform investments in certain illiquid funds under the Volcker Rule for an additional five years (i.e., until 21 July 2022). On 30 May 2018, the Federal Reserve Board and other federal regulators requested comment on proposed modifications to the Volcker Rule, including modifications to the scope of restrictions on proprietary trading and investments in covered funds. It cannot be predicted at this time what, if any, modifications to the Volcker Rule will be adopted or what the impact of such changes would be on the Bank. 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 2018 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.

On 24 May 2018, the United States enacted the Economic Growth, Regulatory Relief, and Consumer Protection Act (the "Relief Act") which adopts certain limited amendments to the Dodd-Frank Act as well as certain other targeted modifications to other regulatory requirements. The Relief Act preserves the fundamental elements of the Dodd-Frank regulatory framework, including application of enhanced prudential standards, but generally increases the threshold for their application from $50 billion to $250 billion in total consolidated assets. However, the Relief Act did not revise the requirements relating to the formation of IHCs.

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, there remains uncertainty surrounding the regulatory agenda of the current administration which includes additional proposals to repeal or significantly reduce additional 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 the regulation of payment services, crowdfunding and fintech;
- changes in the regulation of data privacy and cybersecurity;
- 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; and
- 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 as well as substantial increases in the quantum of applicable fines and penalties. Moreover, litigation by private parties against financial institutions has substantially increased in recent years. Accordingly, 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 7.b "Contingent liabilities: legal proceedings and arbitration" to its consolidated financial statements as of and for the six-month period ended 30 June 2018. 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 and commitment to environmental responsibility.

The Bank has announced a strategic plan for the 2017-2020 period presented on 7 February 2017. This plan contemplates a number of initiatives, including the implementation of new customer pathways, the digital transformation of the Bank, continuing to improve operating efficiency and various business development initiatives.

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

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.

Additionally, as part of the Bank's commitment to environmental responsibility within its CSR policy, it has announced a number of initiatives to support the energy transition towards a low-carbon economy, including a reduction in financing for energies with the most negative environmental impact. These measures (and any future ones along similar lines) may in certain cases adversely affect the Bank's results in the relevant sectors.

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 platforms. In particular, competitors subject to less extensive regulatory requirements or to less strict capital requirements (*e.g.*, debt funds, shadow banks), or benefiting from economies of scale, data synergies or technological innovation (*e.g.*, internet and mobile operators, digital platforms, fintechs), could be more competitive. 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, income statement 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" adopted by the European Union, which replaced IAS 39 as from 1 January 2018. The standard amends and complements the rules on the classification and measurement of financial instruments and will lead the Bank to record certain reclassifications in substantial amounts on its balance sheet. The new standard includes an impairment model based on expected credit losses (ECL), while the IAS 39 model was based on provisions for incurred losses, and new rules on general hedge accounting. The new approach based on ECL will result in substantial additional impairment charges for the Bank and could 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; see note [1] to the consolidated financial statements [as of and for the six-month period ended 30 June 2018] for a detailed discussion of the transition to IFRS 9.

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 and blockchain technologies. 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 and its third-party service providers may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. Any failures of or interruptions in the Bank's information systems or those of its providers 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 cause significant losses and 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 or climate change-related events, a pandemic, terrorist attacks, military conflicts, cyber-attacks 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, personal data 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 2017 Registration document, table 6 page 266.

► CONSOLIDATED BALANCE SHEET TO PRUDENTIAL BALANCE SHEET RECONCILIATION (EU LI1-A)

In millions of euros	30 June 2018				
	Accounting scope	Adjustment of insurance companies	Other adjustments related to consolidation methods(*)	Prudential scope	Reference to capital table (see Appendix 3)
ASSETS					
Cash and amounts due from central banks	211,441	-	1,098	212,539	
Financial instruments at fair value through profit or loss					
Securities	182,883	47	(28)	182,902	
of which own funds instruments in credit or financial institutions more than 10%-owned	*218*	*34*	-	*252*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*566*	-	-	*566*	*2*
Loans and repurchase agreements	285,578	2,304	2	287,884	
Derivative financial instruments	240,778	311	(5)	241,084	
Derivatives used for hedging purposes	11,750	(53)	-	11,697	
Financial assets at fair value through equity					
Debt securities	50,465	2,491	4,093	57,049	
of which own funds instruments in credit or financial institutions more than 10%-owned	*518*	*2,490*	-	*3,008*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*1,116*	-	-	*1,116*	*2*
Equity securities	2,319	-	-	2,319	
Financial assets at amortised cost					
Loans and advances to credit institutions	22,433	-	163	22,596	
of which own funds instruments in credit or financial institutions more than 10%-owned	*399*	-	*(40)*	*359*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*1*	-	-	*1*	*2*
Loans and advances to credit customers	747,799	3,122	15,331	766,252	
of which own funds instruments in credit or financial institutions more than 10%-owned	*32*	*339*	*(32)*	*339*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*26*	-	-	*26*	*2*
Debt securities	71,432	14	2,399	73,845	
of which own funds instruments in credit or financial institutions more than 10%-owned	*100*	*14*	-	*114*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*31*	-	-	*31*	*2*
Remeasurement adjustment on interest-rate risk hedged portfolios	2,972	-	3	2,975	
Financial investments of insurance activities	233,617	(233,617)	-	-	
Current and deferred tax assets	7,197	119	198	7,514	
Accrued income and other assets	102,346	(3,163)	805	99,988	
Equity-method investments	5,787	5,091	(571)	10,307	
of which investments in credit or financial institutions	*2,766*	-	*(570)*	*2,196*	*1*
of which goodwill	*374*	*279*	*(18)*	*635*	*3*
Property, plant and equipment	25,773	(394)	257	25,636	
Intangible assets	3,412	(281)	36	3,167	
of which intangible assets excluding mortgage servicing rights	*3,381*	*(281)*	*21*	*3,121*	*3*
Goodwill	8,389	(279)	1,333	9,443	
Non-current assests held for sale(**)	18,114	-	(18,114)	-	
TOTAL ASSETS	**2,234,485**	**(224,288)**	**7,000**	**2,017,197**	

LIABILITIES					
Deposit from central banks	5,948	-	-	5,948	
Financial instruments at fair value through profit or loss					
Securities	95,521	-	-	95,521	
Deposits and repurchase agreements	330,679	-	3	330,682	
Issued debt securities	56,877	(3,673)	(4)	53,200	
of which liabilities qualifing for Tier 1 capital	*205*	-	-	*205*	*4*
of which liabilities qualifying for Tier 2 capital	*118*	-	-	*118*	*5*
Derivative financial instruments	233,935	255	15	234,205	
Derivatives used for hedging purposes	13,535	(5)	10	13,540	
Financial liabilities at amortised cost					
Deposits from credit institutions	97,569	(5,931)	629	92,267	
Deposits from customers	783,854	1,266	20,012	805,132	
Debt securities	162,489	2,732	1,171	166,392	
Subordinated debt	16,553	(1,725)	15	14,843	
of which liabilities qualifying for Tier 1 capital	-	-	-	-	*4*
of which liabilities qualifying for Tier 2 capital	*14,511*	-	-	*14,511*	*5*
Remeasurement adjustment on interest-rate risk hedged portfolios	2,696	-	-	2,696	
Current and deferred tax liabilities	2,507	(158)	86	2,435	
Accrued expenses and other liabilities	88,037	(2,265)	420	86,192	
Technical reserves of insurance companies	214,317	(214,317)	-	-	
Provisions for contingencies and charges	10,236	(255)	130	10,111	
Liabilities associated to non-current assets held for sales(**)	15,487	-	(15,487)	-	
TOTAL LIABILITIES	**2,130,240**	**(224,076)**	**7,000**	**1,913,164**	
Share capital, additional paid-in capital and retained earnings	93,742	14	-	93,756	*6*
Net income for the period attributable to shareholders	3,960	-	-	3,960	*9*
Total capital, retained earnings and net income for the period attributable to shareholders	97,702	14	-	97,716	
Changes in assets and liabilities recognised directly in equity	1,009	-	-	1,009	
Shareholders' equity	98,711	14	-	98,725	
Minority interests	5,534	(226)	-	5,308	
TOTAL CONSOLIDATED EQUITY	**104,245**	**(212)**	**-**	**104,033**	
TOTAL LIABILITIES AND EQUITY	**2,234,485**	**(224,288)**	**7,000**	**2,017,197**	

(*) Adjustment of jointly controlled entities under proportional consolidation for prudential purposes, consolidated using the equity-method in the accounting scope.

(**) The accounts "Non-current assets held for sales" and "Liabilities associated to non-current assets held for sales" are allocated to their original account in the prudential balance-sheet.

In millions of euros	Accounting scope	Adjustment of insurance companies	Other adjustments related to consolidation methods(*)	Prudential scope	Reference - capital table (see Appendix)
	1 January 2018				
ASSETS					
Cash and amounts due from central banks	178,433	-	129	178,562	
Financial instruments at fair value through profit or loss					
Securities	130,326	36	(65)	130,297	
of which own funds instruments in credit or financial institutions more than 10%-owned	*305*	*34*	-	*339*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*492*	-	-	*492*	*2*
Loans and repurchase agreements	144,948	4,569	-	149,517	
Derivative financial instruments	229,896	2	(9)	229,889	
Derivatives used for hedging purposes	13,721	(7)	3	13,717	
Financial assets at fair value through equity					
Debt securities	53,942	2,492	1,371	57,805	
of which own funds instruments in credit or financial institutions more than 10%-owned	*518*	*2,490*	-	*3,008*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*1,104*	-	-	*1,104*	*2*
Equity securities	2,330	-	-	2,330	
Financial assets at amortised cost					
Loans and advances to credit institutions	20,356	-	156	20,512	
of which own funds instruments in credit or financial institutions more than 10%-owned	*401*	-	*(40)*	*361*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*1*	-	-	*1*	*2*
Loans and advances to credit customers	731,176	2,782	4,174	738,132	
of which own funds instruments in credit or financial institutions more than 10%-owned	*32*	*339*	*(32)*	*339*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*26*	-	-	*26*	*2*
Debt securities	69,426	14	1,131	70,571	
of which own funds instruments in credit or financial institutions more than 10%-owned	*100*	*14*	-	*114*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*33*	-	-	*33*	*2*
Remeasurement adjustment on interest-rate risk hedged portfolios	3,064	-	-	3,064	
Financial investments of insurance activities	227,712	(225,678)	-	2,034	
Current and deferred tax assets	7,368	(187)	99	7,280	
Accrued income and other assets	92,961	(4,790)	282	88,453	
Equity-method investments	6,221	4,910	(532)	10,599	
of which investments in credit or financial institutions	*3,256*		*(658)*	*2,598*	*1*
of which goodwill	*375*	*279*	*(15)*	*639*	*3*
Property, plant and equipment	25,000	(395)	6	24,611	
Intangible assets	3,327	(276)	10	3,061	
of which intangible assets excluding mortgage servicing rights	*3,288*	*(276)*	*10*	*3,022*	*3*
Goodwill	9,571	(279)	15	9,307	
Non-current assests held for sale(**)	-	-	-	-	
TOTAL ASSETS	**1,949,778**	**(216,807)**	**6,770**	**1,739,741**	

LIABILITIES					
Deposit from central banks	1,471	-	-	1,471	
Financial instruments at fair value through profit or loss					
Securities	67,087	-	-	67,087	
Deposits and repurchase agreements	174,645	-	-	174,645	
Issued debt securities	50,490	(954)	(4)	49,532	
of which liabilities qualifing for Tier 1 capital	*205*	-	-	*205*	*4*
of which liabilities qualifying for Tier 2 capital	*164*	-	-	*164*	*5*
Derivative financial instruments	227,644	8	(9)	227,643	
Derivatives used for hedging purposes	15,682	(29)	10	15,663	
Financial liabilities at amortised cost					
Deposits from credit institutions	76,503	(4,100)	121	72,524	
Deposits from customers	760,941	635	5,123	766,699	
Debt securities	148,156	2,611	1,295	152,062	
Subordinated debt	15,951	(1,706)	5	14,250	
of which liabilities qualifying for Tier 1 capital	-	-	-	-	*4*
of which liabilities qualifying for Tier 2 capital	*13,808*	-	-	*13,808*	*5*
Remeasurement adjustment on interest-rate risk hedged portfolios	2,372	-	1	2,373	
Current and deferred tax liabilities	2,234	(98)	66	2,202	
Accrued expenses and other liabilities	80,472	(2,177)	159	78,454	
Technical reserves of insurance companies	210,494	(210,494)	-	-	
Provisions for contingencies and charges	11,084	(354)	3	10,733	
Liabilities associated to non-current assets held for sales(**)	-	-	-	-	
TOTAL LIABILITIES	**1,845,226**	**(216,658)**	**6,770**	**1,635,338**	
Share capital, additional paid-in capital and retained earnings	89,878	14		89,892	*6*
Net income for the period attributable to shareholders	7,760			7,760	*9*
Total capital, retained earnings and net income for the period attributable to shareholders	97,638	14	-	97,652	
Changes in assets and liabilities recognised directly in equity	1,788			1,788	
Shareholders' equity	99,426	14	-	99,440	
Minority interests	5,126	(163)		4,963	
TOTAL CONSOLIDATED EQUITY	**104,552**	**(149)**	**-**	**104,403**	
TOTAL LIABILITIES AND EQUITY	**1,949,778**	**(216,807)**	**6,770**	**1,739,741**	

(*) Adjustment of jointly controlled entities under proportional consolidation for prudential purposes, consolidated using the equity-method in the accounting scope.

(**) The accounts "Non-current assets held for sales" and "Liabilities associated to non-current assets held for sales" are allocated to their original account in the prudential balance-sheet.

REGULATORY CAPITAL

Update of the 2017 Registration document, table 10 page 277.

► REGULATORY CAPITAL

In millions of euros	30 June 2018(*)		1 January 2018		31 December 2017	
	Phased in	Transitional arrangements(**)	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	27,133		27,084		27,084	
of which ordinary shares	*27,133*		*27,084*		*27,084*	
Retained earnings	59,090	-	55,271	-	56,536	-
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	1,009		1,842		3,130	
Minority interests (amount allowed in consolidated CET1)	2,652	-	2,782	482	2,843	492
Independently reviewed interim profits net of any foreseeable charge or dividend	1,888	-	3,705	-	3,705	-
COMMON EQUITY TIER 1 (CET1) CAPITAL BEFORE REGULATORY ADJUSTMENTS	**91,771**	**-**	**90,684**	**482**	**93,297**	**492**
Common Equity Tier 1 (CET1) capital: regulatory adjustments(***)	**(16,372)**	**116**	**(16,217)**	**128**	**(17,162)**	**(97)**
COMMON EQUITY TIER 1 (CET1) CAPITAL	**75,400**	**116**	**74,467**	**610**	**76,135**	**394**
Additional Tier 1 (AT1) capital: instruments(***)	**8,744**	**651**	**8,666**	**596**	**8,666**	**596**
Additional Tier 1 (AT1) capital: regulatory adjustments(***)	**(40)**	**-**	**(385)**	**(340)**	**(385)**	**(340)**
ADDITIONAL TIER 1 (AT1) CAPITAL	**8,704**	**651**	**8,282**	**256**	**8,282**	**256**
TIER 1 CAPITAL (T1 = CET1 + AT1)	**84,104**	**767**	**82,748**	**866**	**84,417**	**650**
Tier 2 (T2) capital: instruments and provisions(***)	**14,632**	**(352)**	**13,420**	**(402)**	**13,420**	**(402)**
Tier 2 (T2) capital: regulatory adjustments(***)	**(3,236)**	**-**	**(2,863)**	**369**	**(3,179)**	**369**
Tier 2 (T2) CAPITAL	**11,396**	**(352)**	**10,556**	**(32)**	**10,241**	**(32)**
TOTAL CAPITAL (TC = T1 + T2)	**95,499**	**415**	**93,305**	**834**	**94,658**	**618**

(*) 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

INFORMATION ON DEBT INSTRUMENTS AS REQUIRED BY IMPLEMENTING REGULATION (EU) NO.1423/2013

The table presenting the details of the debt instruments recognised as capital, as well as their characteristics, as required by Implementing Regulation (EU) No. 1423/2013, is available in the BNP Paribas Debt section of the Investor Relations website: www.invest.bnpparibas.com.

RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENT

In the following tables, only relevant items with a non-zero value are included. Capital requirements make up 8% of risk-weighted assets.

Update of the 2017 Registration document, table 13 page 279.

► RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENT (EU OV1)

	In millions of euros	RWAs			Capital requirements	
		30 June 2018	1 January 2018 Proforma	31 December 2017	30 June 2018	
1	**Credit risk**	**516,067**	**504,298**	**512,700**	**41,285**	
2	Of which standardised approach	223,466	216,903	217,601	17,877	EU CR4 & EU CR5
4	Of which advanced IRB approach	249,615	243,398	251,101	19,969	EU CR6
5	Of which equity positions under the simple risk-weighted approach	42,986	43,997	43,998	3,439	EU CR10
6	**Counterparty credit risk**	**30,318**	**26,736**	**26,736**	**2,425**	
7	Of which mark-to-market	2,781	2,755	2,755	223	EU CCR1
10	Of which internal model method (IMM)	23,309	20,802	20,802	1,865	EU CCR1
11	Of which CCP - default fund contributions	1,464	1,268	1,268	117	EU CCR8
12	Of which CVA	2,764	1,910	1,910	221	EU CCR2
13	**Settlement risk**	**0**	**-**	**-**	**-**	
14	**Securitisation exposures in the banking book**	**3,762**	**3,378**	**3,482**	**301**	
15	Of which IRB approach (IRB)	1,394	712	816	112	
16	Of which IRB supervisory formula approach (SFA)	1,427	1,823	1,823	114	
17	Of which internal assessment approach (IAA)	52	66	66	4	
18	Of which standardised approach	889	776	776	71	
19	**Market risk**	**17,681**	**16,666**	**16,666**	**1,414**	
20	Of which standardised approach	1,853	1,814	1,814	148	EU MR1
21	Of which IMA	15,827	14,852	14,852	1,266	EU MR2-A
23	**Operational risk**	**73,745**	**66,515**	**66,515**	**5,900**	
24	Of which basic indicator approach	5,706	5,340	5,340	457	
25	Of which standardised approach	10,809	11,214	11,214	865	
26	Of which advanced measurement approach (AMA)	57,229	49,961	49,961	4,578	
27	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**15,507**	**17,106**	**15,971**	**1,241**	
29	**TOTAL**	**657,080**	**634,698**	**642,070**	**52,566**	

Since 30 June 2018, the amount of risk-weighted assets for operational risk has been raised to the level of the standardised approach, explaining the increase of risk-weighted assets on this risk type.

Update of the 2017 Registration document, table 14 page 280.

► RISK-WEIGHTED ASSETS MOVEMENTS BY KEY DRIVER

RWAs *In millions of euros*	1 January 2018	Key driver: Asset size	Asset quality	Model updates	Methodology and policy	Acquisitions and disposals	Currency	Other	Total Variation	30 June 2018
Credit risk	**504,298**	16,339	(9,920)	2,288	2,278	739	447	(404)	11,769	**516,067**
Counterparty credit risk	**26,736**	3,585	(322)	(66)	375	-	(23)	34	3,581	**30,318**
Settlement risk	**-**	-	-	-	0	-	-	-	-	**0**
Banking book securitisation positions	**3,378**	300	81	-	-	2	32	(32)	385	**3,762**
Market risk	**16,666**	1,067	(188)	-	-	-	-	136	1,015	**17,681**
Operational risk	**66,515**	68	425	6,341	-	396	-	(0)	7,230	**73,745**
Amounts below the thresholds for deduction (subject to 250% risk weight)	**17,106**	(1,095)	-	-	-	(538)	0	33	(1,599)	**15,507**
TOTAL	**634,698**	**20,265**	**(9,925)**	**8,563**	**2,653**	**600**	**457**	**(232)**	**22,379**	**657,080**

Update of the 2017 Registration document, table 15 page 281.

► RISK-WEIGHTED ASSETS BY RISK TYPE AND BUSINESS

RWAs *In millions of euros*	Retail Banking & Services		Corporate & Institutional Banking				30 June 2018
	Domestic Markets	International Financial Services	Corporate Banking	Global Markets	Securities Services	Other activities	Total
Credit risk	204,692	184,829	99,220	5,748	2,376	19,201	**516,067**
of which equity positions under the simple risk-weighted approach	*5,496*	*27,383*	*670*	*1,034*	*218*	*8,185*	***42,986***
Counterparty credit risk	2,329	623	630	25,051	1,671	13	**30,318**
Settlement risk	-	-	-	0	-	-	**0**
Securitisation exposures in the banking book	131	290	622	2,423	-	296	**3,762**
Market risk	30	196	928	16,482	36	8	**17,681**
Operational risk	23,054	19,886	10,519	16,112	3,608	565	**73,745**
Amounts below the thresholds for deduction (subject to 250% risk weight)	1,490	5,329	9	550	51	8,077	**15,507**
TOTAL	**231,727**	**211,153**	**111,929**	**66,366**	**7,743**	**28,162**	**657,080**

RWAs *In millions of euros*	Retail Banking & Services		Corporate & Institutional Banking				1 January 2018
	Domestic Markets	International Financial Services	Corporate Banking	Global Markets	Securities Services	Other activities	Total
Credit risk	197,576	178,752	97,229	6,648	2,074	22,020	**504,298**
of which equity positions under the simple risk-weighted approach	*5,453*	*27,077*	*711*	*1,883*	*259*	*8,614*	***43,997***
Counterparty credit risk	2,368	576	631	21,805	1,347	9	**26,736**
Settlement risk	-	-	-	-	-	-	**-**
Securitisation exposures in the banking book	146	216	688	2,119	-	208	**3,378**
Market risk	99	352	786	14,910	519	0	**16,666**
Operational risk	19,576	18,458	9,879	14,188	3,229	1,185	**66,515**
Amounts below the thresholds for deduction (subject to 250% risk weight)	1,566	6,054	48	560	97	8,781	**17,106**
TOTAL	**221,330**	**204,408**	**109,260**	**60,230**	**7,266**	**32,203**	**634,698**

CREDIT RISK

Update of the 2017 Registration document, table 27 page 315.

► CREDIT RISK-WEIGHTED ASSETS MOVEMENTS BY KEY DRIVER (EU CR8)

In millions of euros	RWAs - Credit risk		Capital Requirements - Credit risk	
	a		b	
	Total	*of which Advanced IRB Approach*	Total	*of which Advanced IRB Approach*
1 January 2018	**504,298**	***243,398***	**40,344**	***19,472***
Asset size	16,339	*10,226*	1,307	*818*
Asset quality	(9,920)	*(9,535)*	(794)	*(763)*
Model update	2,288	*2,408*	183	*193*
Methodology and policy	2,278	*2,278*	182	*182*
Acquisitons and disposals	739	*(25)*	59	*(2)*
Currency	447	*1,170*	36	*94*
Others	(404)	*(306)*	(32)	*(25)*
30 JUNE 2018	**516,067**	***249,615***	**41,285**	***19,969***

Update of the 2017 Registration document, table 30 page 321.

► IRBA EXPOSURE BY PD SCALE AND ASSET CLASS - SOVEREIGN, FINANCIAL INSTITUTION, CORPORATE AND SPECIALISED FINANCING PORTFOLIOS (EU CR6)

	30 June 2018												
In millions of euros	PD scale	Balance sheet exposure	Off-balance sheet exposure	Total exposure	Average off-balance sheet CCF	EAD	Average PD	Number of obligors	Average LGD	Average maturity	RWAs	Average RW(*)	Provisions
Central governments and central banks	0,00 to < 0,15%	297,946	1,845	299,791	67%	299,391	0.01%	1 000 to 10 000	1%	2	955	0%	
	0,15 to < 0,25%	1,473	29	1,502	54%	1,489	0.19%	0 to 100	30%	3	611	41%	
	0,25 to < 0,50%	2,668	70	2,738	68%	2,715	0.29%	0 to 100	25%	2	744	27%	
	0,50 to < 0,75%	928	771	1,699	55%	1,353	0.69%	0 to 100	13%	2	280	21%	
	0,75 to < 2,50%	293	1	294	70%	274	1.21%	0 to 100	22%	3	128	47%	
	2,50 to < 10,0%	736	145	881	55%	815	5.91%	0 to 100	8%	3	243	30%	
	10,0 to < 100%	407	269	676	66%	583	14.60%	0 to 100	6%	3	199	34%	
	100% (defaults)	157	2	159	55%	158	100.00%	0 to 100		3	20	12%	
	Sub-total	**304,609**	**3,132**	**307,741**	**63%**	**306,779**	**0.12%**		**2%**	**2**	**3,180**	**1%**	**20**
Institutions	0,00 to < 0,15%	19,327	9,470	28,796	47%	23,773	0.05%	1 000 to 10 000	18%	2	2,781	12%	
	0,15 to < 0,25%	2,191	3,142	5,333	56%	3,964	0.17%	100 to 1 000	37%	2	1,157	29%	
	0,25 to < 0,50%	2,869	770	3,639	51%	3,268	0.34%	100 to 1 000	26%	2	1,163	36%	
	0,50 to < 0,75%	949	353	1,302	40%	1,095	0.67%	100 to 1 000	22%	2	463	42%	
	0,75 to < 2,50%	1,142	613	1,755	53%	1,466	1.30%	100 to 1 000	29%	2	938	64%	
	2,50 to < 10,0%	597	338	935	44%	747	4.42%	100 to 1 000	42%	2	1,143	153%	
	10,0 to < 100%	17	60	77	83%	67	21.70%	0 to 100	39%	1	142	213%	
	100% (defaults)	276	28	305	100%	304	100.00%	0 to 100		4	8	3%	
	Sub-total	**27,367**	**14,775**	**42,143**	**49%**	**34,683**	**1.17%**		**22%**	**2**	**7,795**	**22%**	**248**
Corporates	0,00 to < 0,15%	56,095	141,348	197,443	50%	126,224	0.07%	30 000 to 40 000	39%	2	27,877	22%	
	0,15 to < 0,25%	30,315	33,554	63,869	49%	46,907	0.18%	10 000 to 20 000	38%	2	17,272	37%	
	0,25 to < 0,50%	48,102	31,329	79,431	50%	64,188	0.35%	40 000 to 50 000	35%	3	30,371	47%	
	0,50 to < 0,75%	15,759	8,433	24,192	51%	20,257	0.68%	10 000 to 20 000	28%	3	10,889	54%	
	0,75 to < 2,50%	51,906	24,289	76,196	47%	63,538	1.35%	50 000 to 60 000	29%	3	43,159	68%	
	2,50 to < 10,0%	31,679	16,407	48,086	49%	39,885	4.36%	40 000 to 50 000	32%	3	42,115	106%	
	10,0 to < 100%	3,899	2,827	6,725	54%	5,469	16.90%	1 000 to 10 000	29%	3	8,083	148%	
	100% (defaults)	13,633	1,518	15,151	42%	14,292	100.00%	10 000 to 20 000		2	1,734	12%	
	Sub-total	**251,389**	**259,706**	**511,095**	**49%**	**380,762**	**4.82%**		**35%**	**3**	**181,501**	**48%**	**9,265**
TOTAL		**583,365**	**277,613**	**860,978**	**50%**	**722,224**	**2.65%**		**20%**	**2**	**192,475**	**27%**	**9,533**

(*) Add-on included.

(**) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard as explained in Note 1.e.5 in the Financial Statements.

In millions of euros												1 January 2018	
	PD scale	Balance sheet exposure	Off-balance sheet exposure	Total exposure	Average off-balance sheet CCF	EAD	Average PD	Number of obligors	Average LGD	Average maturity	RWAs	Average RW(*)	Provisions
Central governments and central banks	0,00 to < 0,15%	263,607	2,147	265,755	65%	265,216	0.01%	100 to 1 000	2%	2	1,014	0%	
	0,15 to < 0,25%	595	20	615	53%	606	0.16%	0 to 100	10%	2	39	6%	
	0,25 to < 0,50%	2,734	48	2,782	55%	2,760	0.34%	0 to 100	29%	2	1,017	37%	
	0,50 to < 0,75%	865	819	1,683	55%	1,316	0.69%	0 to 100	12%	2	271	21%	
	0,75 to < 2,50%	241	2	243	74%	242	1.49%	0 to 100	24%	3	157	65%	
	2,50 to < 10,0%	828	158	986	55%	915	6.26%	0 to 100	8%	3	260	28%	
	10,0 to < 100%	484	236	720	74%	659	16.20%	0 to 100	8%	3	293	44%	
	100% (defaults)	90	-	90	-	90	100.00%	0 to 100		3	5	6%	
	Sub-total	**269,444**	**3,430**	**272,874**	**63%**	**271,804**	**0.11%**		**2%**	**2**	**3,056**	**1%**	**60**
Institutions	0,00 to < 0,15%	19,192	13,017	32,210	58%	26,765	0.05%	1 000 to 10 000	18%	2	3,065	11%	
	0,15 to < 0,25%	2,137	3,681	5,818	49%	3,931	0.17%	100 to 1 000	35%	2	1,075	27%	
	0,25 to < 0,50%	3,317	849	4,166	43%	3,693	0.32%	100 to 1 000	23%	2	1,200	32%	
	0,50 to < 0,75%	1,014	343	1,358	39%	1,147	0.67%	100 to 1 000	27%	2	606	53%	
	0,75 to < 2,50%	1,179	799	1,978	62%	1,674	1.33%	100 to 1 000	32%	2	1,263	75%	
	2,50 to < 10,0%	480	324	804	45%	628	4.05%	100 to 1 000	40%	2	896	143%	
	10,0 to < 100%	14	61	75	82%	64	22.94%	0 to 100	33%	1	114	179%	
	100% (defaults)	294	28	322	100%	321	100.00%	0 to 100		4	9	3%	
	Sub-total	**27,628**	**19,102**	**46,730**	**55%**	**38,225**	**1.11%**		**22%**	**2**	**8,226**	**22%**	**288**
Corporates	0,00 to < 0,15%	48,115	131,686	179,801	49%	113,366	0.07%	30 000 to 40 000	38%	2	25,649	23%	
	0,15 to < 0,25%	26,561	33,580	60,141	49%	43,253	0.18%	10 000 to 20 000	37%	3	15,940	37%	
	0,25 to < 0,50%	47,043	32,763	79,806	50%	63,703	0.35%	30 000 to 40 000	35%	3	30,664	48%	
	0,50 to < 0,75%	15,682	9,095	24,778	52%	20,537	0.68%	10 000 to 20 000	27%	3	10,579	52%	
	0,75 to < 2,50%	48,022	23,458	71,480	48%	59,548	1.36%	50 000 to 60 000	29%	3	39,889	67%	
	2,50 to < 10,0%	31,527	17,397	48,924	49%	40,216	4.27%	40 000 to 50 000	32%	3	43,163	107%	
	10,0 to < 100%	4,650	2,609	7,258	49%	5,963	18.25%	1 000 to 10 000	33%	2	10,654	179%	
	100% (defaults)	13,749	1,670	15,419	47%	14,517	100.00%	10 000 to 20 000		2	1,362	9%	
	Sub-total	**235,348**	**252,258**	**487,606**	**49%**	**361,101**	**5.16%**		**35%**	**3**	**177,900**	**49%**	**9,382**
TOTAL		**532,420**	**274,790**	**807,210**	**50%**	**671,130**	**2.89%**		**20%**	**2**	**189,182**	**28%**	**9,731**

(*) Add-on included.

(**) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard as explained in Note 1.e.5 in the Financial Statements.

Update of the 2017 Registration document, table 32 page 325.

► IRBA EXPOSURE BY INTERNAL RATING AND ASSET CLASS - RETAIL PORTFOLIO (EU CR6)

	30 June 2018											
In millions of euros	PD scale	Balance sheet exposure	Off-balance sheet exposure	Total exposure	Average off-balance sheet CCF	EAD	Average PD	Average LGD	Average maturity	RWAs	Average RW(*)	Provisions
Mortgages	0,00 to < 0,15%	65,139	2,981	68,120	99%	68,101	0.06%	12%	5	6,475	10%	
	0,15 to < 0,25%	15,054	575	15,629	99%	15,624	0.18%	13%	5	778	5%	
	0,25 to < 0,50%	33,964	1,118	35,082	89%	34,963	0.35%	16%	5	3,397	10%	
	0,50 to < 0,75%	12,408	521	12,929	86%	12,859	0.64%	15%	5	1,867	15%	
	0,75 to < 2,50%	15,335	771	16,106	82%	15,967	1.47%	15%	5	3,885	24%	
	2,50 to < 10,0%	7,836	285	8,120	71%	8,040	4.86%	16%	5	4,028	50%	
	10,0 to < 100%	3,357	60	3,417	83%	3,407	22.19%	16%	5	2,898	85%	
	100% (defaults)	4,031	22	4,053	62%	4,048	100.00%		4	1,949	48%	
	Sub-total	**157,123**	**6,333**	**163,456**	**93%**	**163,008**	**3.50%**	**14%**	**5**	**25,276**	**16%**	**1,556**
Revolving exposures	0,00 to < 0,15%	174	5,980	6,154	91%	5,940	0.08%	62%	1	223	4%	
	0,15 to < 0,25%	66	1,222	1,288	76%	1,038	0.19%	62%	1	70	7%	
	0,25 to < 0,50%	126	1,450	1,576	52%	931	0.33%	64%	1	80	9%	
	0,50 to < 0,75%	180	773	953	41%	515	0.64%	65%	1	43	8%	
	0,75 to < 2,50%	1,164	1,958	3,122	47%	2,110	1.33%	52%	1	841	40%	
	2,50 to < 10,0%	1,685	896	2,582	64%	2,278	5.13%	50%	1	1,291	57%	
	10,0 to < 100%	963	205	1,168	64%	1,116	25.14%	53%	1	762	68%	
	100% (defaults)	1,116	30	1,146	82%	1,142	100.00%		1	320	28%	
	Sub-total	**5,475**	**12,513**	**17,989**	**73%**	**15,069**	**10.49%**	**58%**	**1**	**3,628**	**24%**	**1,152**
Other exposures	0,00 to < 0,15%	9,927	2,830	12,757	85%	12,407	0.07%	40%	3	4,194	34%	
	0,15 to < 0,25%	2,815	1,188	4,003	86%	3,898	0.19%	41%	3	610	16%	
	0,25 to < 0,50%	11,954	2,960	14,914	85%	14,543	0.34%	36%	3	2,851	20%	
	0,50 to < 0,75%	7,056	1,078	8,135	83%	7,997	0.65%	37%	3	2,361	30%	
	0,75 to < 2,50%	14,656	3,011	17,667	90%	17,438	1.47%	36%	3	7,115	41%	
	2,50 to < 10,0%	9,859	1,356	11,216	87%	11,104	4.90%	37%	3	5,619	51%	
	10,0 to < 100%	3,861	160	4,020	98%	4,045	26.20%	37%	3	3,203	79%	
	100% (defaults)	5,734	104	5,838	72%	5,817	100.00%		2	2,133	37%	
	Sub-total	**65,863**	**12,686**	**78,549**	**86%**	**77,248**	**10.09%**	**37%**	**3**	**28,086**	**36%**	**4,518**
TOTAL		**228,461**	**31,533**	**259,993**	**82%**	**255,326**	**5.91%**	**23%**	**4**	**56,990**	**22%**	**7,227**

(*) Add-on included.
(**) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard as explained in Note 1.e.5 in the Financial Statements.

	1 January 2018											
In millions of euros	PD scale	Balance sheet exposure	Off-balance sheet exposure	Total exposure	Average off-balance sheet CCF	EAD	Average PD	Average LGD	Average maturity	RWAs	Average RW(*)	Provisions
Mortgages	0,00 to < 0,15%	63,006	3,157	66,163	90%	65,852	0.06%	12%	5	3,729	6%	
	0,15 to < 0,25%	16,008	558	16,566	100%	16,567	0.18%	13%	5	832	5%	
	0,25 to < 0,50%	32,848	914	33,762	96%	33,768	0.36%	16%	5	3,300	10%	
	0,50 to < 0,75%	12,089	431	12,520	93%	12,507	0.64%	15%	5	1,812	14%	
	0,75 to < 2,50%	16,002	741	16,743	89%	16,697	1.48%	15%	5	4,093	25%	
	2,50 to < 10,0%	7,517	223	7,741	78%	7,715	4.81%	16%	5	3,832	50%	
	10,0 to < 100%	3,090	55	3,146	83%	3,139	22.29%	16%	5	2,670	85%	
	100% (defaults)	4,202	20	4,222	53%	4,216	100.00%		4	1,711	41%	
	Sub-total	**154,762**	**6,100**	**160,862**	**91%**	**160,461**	**3.62%**	**14%**	**5**	**21,979**	**14%**	**1,601**
Revolving exposures	0,00 to < 0,15%	109	5,749	5,857	94%	5,768	0.09%	62%	1	187	3%	
	0,15 to < 0,25%	45	654	700	65%	501	0.19%	70%	1	36	7%	
	0,25 to < 0,50%	107	1,972	2,079	54%	1,203	0.32%	60%	1	98	8%	
	0,50 to < 0,75%	166	449	615	49%	404	0.63%	67%	1	106	26%	
	0,75 to < 2,50%	1,137	2,355	3,492	43%	2,170	1.31%	51%	1	733	34%	
	2,50 to < 10,0%	1,629	914	2,543	67%	2,260	5.03%	48%	1	1,255	56%	
	10,0 to < 100%	1,040	251	1,290	59%	1,202	23.74%	55%	1	880	73%	
	100% (defaults)	1,147	36	1,183	75%	1,175	100.00%		1	247	21%	
	Sub-total	**5,381**	**12,379**	**17,760**	**72%**	**14,684**	**11.00%**	**58%**	**1**	**3,542**	**24%**	**1,211**
Other exposures	0,00 to < 0,15%	9,669	3,499	13,168	65%	12,031	0.07%	41%	3	3,481	29%	
	0,15 to < 0,25%	2,820	995	3,815	85%	3,786	0.19%	41%	3	602	16%	
	0,25 to < 0,50%	12,119	2,352	14,471	92%	14,602	0.35%	36%	3	2,847	20%	
	0,50 to < 0,75%	6,574	966	7,540	91%	7,548	0.64%	38%	3	2,250	30%	
	0,75 to < 2,50%	15,698	2,775	18,473	93%	18,577	1.47%	36%	3	7,499	40%	
	2,50 to < 10,0%	9,289	1,151	10,441	89%	10,467	4.88%	37%	3	5,260	50%	
	10,0 to < 100%	3,809	134	3,943	102%	3,985	26.51%	41%	2	3,636	91%	
	100% (defaults)	5,980	99	6,079	83%	6,069	100.00%		2	2,964	49%	
	Sub-total	**65,958**	**11,971**	**77,929**	**83%**	**77,066**	**10.41%**	**38%**	**3**	**28,540**	**37%**	**4,878**
TOTAL		**226,100**	**30,451**	**256,551**	**80%**	**252,211**	**6.12%**	**23%**	**4**	**54,061**	**21%**	**7,691**

(*) Add-on included.

(**) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard as explained in Note 1.e.5 in the Financial Statements.

Update of the 2017 Registration document, table 34 page 328.

► STANDARD CREDIT RISK EXPOSURE BY STANDARD EXPOSURE CLASS (EU CR4)

							30 June 2018
		Gross exposure		EAD		RWAs	
	In millions of euros	Balance sheet	Off-balance sheet	Balance sheet	Off-balance sheet	RWAs	RWA density
1	Central governments or central banks	32,647	44	35,994	21	6,187	17%
2	Regional governments or local authorities	3,542	2,814	3,525	904	756	17%
3	Public sector entities	14,946	1,891	15,463	401	2,301	15%
4	Multilateral development banks	0	-	0-	-	-	0%
5	International organisations	1,341	4	1,341	4	-	0%
6	Institutions	9,435	841	10,937	421	4,491	40%
7	Corporates	86,512	33,639	78,424	13,376	85,158	93%
8	Retail	95,773	31,690	91,560	3,497	66,991	70%
9	Exposures secured by mortgages on immovable property	70,135	7,995	64,729	1,814	29,887	45%
10	Exposures in default	13,085	351	5,164	129	5,812	110%
15	Exposures in the form of units or shares in collective investment undertakings	-	646	-	188	86	46%
16	Equity	-	1,216	-	243	243	100%
17	Other items	28,750	-	28,750	-	21,554	75%
18	**TOTAL**	**356,166**	**81,130**	**335,887**	**20,999**	**223,466**	**63%**

							1 January 2018
		Gross exposure		EAD		RWAs	
	In millions of euros	Balance sheet	Off-balance sheet	Balance sheet	Off-balance sheet	RWAs	RWA density
1	Central governments or central banks	32,695	5	36,291	2	5,759	16%
2	Regional governments or local authorities	3,401	1,904	3,385	624	658	16%
3	Public sector entities	14,515	1,884	14,996	448	2,003	13%
4	Multilateral development banks	1	-	1	-	-	0%
5	International organisations	1,346	147	1,346	147	-	0%
6	Institutions	13,068	1,258	13,111	700	6,713	49%
7	Corporates	81,936	32,711	75,851	13,046	81,217	91%
8	Retail	91,905	29,848	87,749	3,495	64,336	71%
9	Exposures secured by mortgages on immovable property	68,796	7,474	63,374	1,658	29,088	45%
10	Exposures in default	13,808	282	5,273	107	5,891	110%
15	Exposures in the form of units or shares in collective investment undertakings	-	677	-	186	87	47%
16	Equity	4	1,450	-	290	290	100%
17	Other items	28,025	-	28,025		20,862	74%
18	**TOTAL**	**349,500**	**77,639**	**329,402**	**20,703**	**216,903**	**62%**

Update of the 2017 Registration document, table 35 page 329.

► STANDARDISED CREDIT EAD (EU CR5)

											30 June 2018
											EAD
	Risk weight *In millions of euros*	0%	20%	35%	50%	75%	100%	150%	Others	Total	*of which unrated(*)*
1	Central governments or central banks	28,648	643		1,191		5,460		73	**36,015**	*18,397*
2	Regional governments or local authorities	1,310	2,951		0		163		4	**4,429**	*1,367*
3	Public sector entities	10,588	3,572		65		1,526		113	**15,864**	*9,917*
4	Multilateral development banks		0							**0**	*-*
5	International organisations	1,345								**1,345**	*8*
6	Institutions		7,767		995		2,323	0	273	**11,358**	*1,268*
7	Corporates		4,717		4,111		81,366	936	670	**91,800**	*74,658*
8	Retail					93,825	0		1,233	**95,057**	*94,244*
9	Exposures secured by mortgages on immovable property		0	34,197	21,448	6,893	3,277	24	704	**66,543**	*65,611*
10	Exposures in default						3,872	1,125	295	**5,293**	*5,210*
15	Exposures in the form of units or shares in collective investment undertakings	71	38				79			**188**	*188*
16	Equity						243			**243**	*243*
17	Other items	3,055	123		246		14,332		10,994	**28,750**	*28,350*
18	**TOTAL**	**45,018**	**19,811**	**34,197**	**28,056**	**100,718**	**112,641**	**2,085**	**14,360**	**356,886**	***299,461***

(*) Exposures to counterparties without a credit rating from external rating agencies.

	Risk weight *In millions of euros*	0%	20%	35%	50%	75%	100%	150%	Others	Total	*of which unrated(*)*
		1 January 2018									
		EAD									
1	Central governments or central banks	28,960	960		1,187		4,937		248	**36,293**	*17,527*
2	Regional governments or local authorities	1,267	2,602				135		3	**4,008**	*1,433*
3	Public sector entities	10,578	3,519		47		1,268		33	**15,445**	*9,950*
4	Multilateral development banks	1								**1**	*-*
5	International organisations	1,493								**1,493**	*147*
6	Institutions		6,247		4,124		3,356	1	83	**13,811**	*2,304*
7	Corporates		4,510		4,752		77,726	930	980	**88,897**	*70,832*
8	Retail					90,855			390	**91,245**	*91,244*
9	Exposures secured by mortgages on immovable property			33,669	20,484	6,614	3,508	31	725	**65,032**	*63,981*
10	Exposures in default						3,990	1,087	302	**5,380**	*5,357*
15	Exposures in the form of units or shares in collective investment undertakings	57	53				76			**186**	*186*
16	Equity						290			**290**	*290*
17	Other items	3,446	171		112		14,141		10,156	**28,025**	*27,714*
18	**TOTAL**	**45,802**	**18,062**	**33,669**	**30,707**	**97,469**	**109,427**	**2,049**	**12,920**	**350,105**	***290,965***

(*) Exposures to counterparties without a credit rating from external rating agencies.

Update of the 2017 Registration document, table 36 page 331.

► EQUITY POSITIONS UNDER THE SIMPLE RISK-WEIGHTED APPROACH (EU CR10)

In millions of euros	On-balance-sheet amount	Off-balance-sheet amount	Total	EAD	Risk weight	RWAs	Capital requirement
	30 June 2018						
	Gross exposure						
Private equity exposures in diversified portfolios	1,779	573	2,352	2,065	190%	3,924	314
Listed equity exposures	1,358	205	1,563	1,510	290%	4,380	350
Other equity exposures	9,320	106	9,426	9,373	370%	34,681	2,774
TOTAL	**12,457**	**884**	**13,341**	**12,949**		**42,986**	**3,439**

In millions of euros	On-balance-sheet amount	Off-balance-sheet amount	Total	EAD	Risk weight	RWAs	Capital requirement
	1 January 2018						
	Gross exposure						
Private equity exposures in diversified portfolios	1,626	566	2,192	1,909	190%	3,627	290
Listed equity exposures	1,434	488	1,922	1,878	290%	5,445	436
Other equity exposures	9,367	140	9,507	9,439	370%	34,925	2,794
TOTAL	**12,427**	**1,194**	**13,621**	**13,226**		**43,997**	**3,520**

Update of the 2017 Registration document, table 38 page 333.

► DEFAULTED EXPOSURES AND PROVISIONS BY ASSET CLASS (EU CR1-A)

		30 June 2018				
		Gross exposures			Provisions	
	In millions of euros	Defaulted exposures	Non-defaulted exposures	Total	Stage 3	Stage 1 & 2
1	Central governments or central banks	159	307,582	**307,741**	8	
2	Institutions	305	41,838	**42,143**	207	
3	Corporates	15,151	495,943	**511,095**	7,921	
4	*Of which specialised lending*	*1,460*	*44,055*	***45,514***	*689*	
5	*Of which SMEs*	*3,740*	*35,365*	***39,105***	*2,163*	
6	Retail	*11,037*	*248,956*	***259,993***	*6,171*	
7	*Secured by real estate property*	*4,053*	*159,403*	***163,456***	*1,425*	
8	*SMEs*	*485*	*10,211*	***10,696***	*136*	
9	*Non-SMEs*	*3,568*	*149,192*	***152,760***	*1,289*	
10	*Qualifying revolving*	*1,146*	*16,843*	***17,989***	*896*	
11	*Other retail*	*5,838*	*72,711*	***78,549***	*3,849*	
12	*SMEs*	*2,802*	*26,338*	***29,140***	*1,656*	
13	*Non-SMEs*	*3,036*	*46,372*	***49,409***	*2,193*	
14	Other items	-	390	**390**	-	
15	**TOTAL IRBA APPROACH**	**26,652**	**1,094,710**	**1,121,361**	**14,307**	**2,454**
16	Central governments or central banks	22	32,691	**32,713**	8	
17	Regional governments or local authorities	62	6,356	**6,418**	10	
18	Public sector entities	19	16,838	**16,856**	3	
19	Multilateral development banks	-	-	**-**	-	
20	International organisations	-	1,345	**1,345**	-	
21	Institutions	21	10,276	**10,297**	12	
22	Corporates	3,325	120,151	**123,476**	2,091	
23	*Of which SMEs*	*816*	*22,529*	***23,345***	*453*	
24	Retail	6,163	127,462	**133,625**	4,146	
25	*Of which SMEs*	*1,621*	*29,001*	***30,622***	*979*	
26	Exposures secured by mortgages on immovable property	3,805	78,129	**81,934**	1,615	
27	*Of which SMEs*	*1,197*	*17,981*	***19,177***	*586*	
28	Exposures in default					
32	Exposures in the form of units or shares in collective investment undertakings	-	646	**646**	-	
33	Equity	-	1,216	**1,216**	-	
34	Other items	19	28,750	**28,770**	-	
35	**TOTAL STANDARDISED APPROACH**	**13,436**	**423,860**	**437,296**	**7,885**	**3,068**
36	**TOTAL**	**40,088**	**1,518,570**	**1,558,658**	**22,192**	**5,522**

Update of the 2017 Registration document, table 39 page 335.

► DEFAULTED EXPOSURES AND PROVISIONS BY GEOGRAPHICAL BREAKDOWN (EU CR1-C)

		30 June 2018				
		Gross exposures			Provisions	
In millions of euros		Defaulted exposures	Non-defaulted exposures	Total	Stage 3	Stage 1 & 2
Europe (*)		**33,696**	**1,092,099**	**1,125,794**	**18,592**	
	France	8,679	430,691	**439,369**	4,778	
	Belgium	2,716	190,182	**192,898**	988	
	Luxembourg	291	56,369	**56,660**	99	
	Italy	16,230	136,740	**152,969**	9,865	
	United Kingdom	1,329	69,104	**70,433**	728	
	Germany	642	54,198	**54,840**	355	
	Netherlands	208	30,352	**30,559**	59	
	Other European countries	3,601	124,464	**128,065**	1,721	
North America		**1,676**	**226,093**	**227,769**	**562**	
Asia Pacific		**377**	**111,902**	**112,278**	**102**	
	Japan	1	39,998	**39,998**	-	
	North Asia	11	30,833	**30,844**	7	
	South East Asia (ASEAN)	195	20,885	**21,080**	23	
	India peninsula & Pacific	170	20,186	**20,356**	72	
Rest of the World		**4,340**	**88,476**	**92,816**	**2,936**	
	Turkey	456	28,548	**29,003**	316	
	Mediterranean	839	11,376	**12,215**	529	
	Gulf States & Africa	1,679	16,434	**18,112**	806	
	Latin America	327	16,732	**17,059**	275	
	Other countries	1,039	15,388	**16,427**	1,010	
TOTAL		**40,088**	**1,518,570**	**1,558,658**	**22,192**	**5,522**

(*) Within the European Union and the EFTA (European Free Trade Association)

Update of the 2017 Registration document, table 40 page 337.

► DEFAULTED EXPOSURES AND PROVISIONS BY INDUSTRY (EU CR1-B)

	30 June 2018				
	Gross exposure			Provisions	
In millions of euros	Defaulted exposures	Non-defaulted exposures	Total	Stage 3	Stage 1 & 2
Agriculture, Food, Tobacco	1,578	44,177	**45,755**	858	
Insurance	35	12,547	**12,582**	7	
Chemicals excluding Pharmaceuticals	120	16,792	**16,912**	63	
Building & Public works	4,113	32,681	**36,794**	2,280	
Retail trade	1,282	42,607	**43,889**	891	
Energy excluding Electricity	967	23,355	**24,322**	547	
Equipment excluding IT Electronic	1,364	41,815	**43,179**	716	
Finance	1,064	340,330	**341,394**	648	
Real estate	4,216	86,861	**91,077**	1,951	
Information technologies	278	23,159	**23,438**	134	
Minerals, metals & materials (including cement, packaging, etc.)	1,250	28,276	**29,526**	760	
Wholesale trade	2,516	65,844	**68,360**	1,627	
Private individual	14,128	387,261	**401,389**	8,323	
Healthcare & Pharmaceuticals	152	23,741	**23,893**	73	
Services to public authorities (electricity, gas, water, etc.)	409	38,169	**38,578**	191	
Business services	2,011	69,483	**71,494**	942	
Communication services	339	21,668	**22,007**	114	
Sovereign	275	115,631	**115,907**	41	
Transportation & Storage	1,575	42,634	**44,209**	616	
Other	2,417	61,537	**63,954**	1,409	
TOTAL	**40,088**	**1,518,570**	**1,558,658**	**22,192**	**5,522**

COUNTERPARTY CREDIT RISK

Update of the 2017 Registration document, table 64 page 365.

► COUNTERPARTY CREDIT RISK-WEIGHTED ASSETS MOVEMENTS BY KEY DRIVER

In millions of euros	RWAs - Counterparty credit risk		Capital Requirements - Counterparty credit risk	
	a		b	
	Total	of which internal model method (IMM)	Total	of which internal model method (IMM)
1 January 2018	**26,736**	**20,802**	**2,139**	**1,664**
Asset size	3,585	2,018	287	161
Asset quality	(322)	(133)	(26)	(11)
Model update	(66)	89	(5)	7
Methodology and policy	375	375	30	30
Acquisitons and disposals	-	-	-	-
Currency	(23)	1	(2)	-
Others	34	158	3	13
30 JUNE 2018	**30,318**	**23,309**	**2,425**	**1,865**

Update of the 2017 Registration document, table 57 page 359.

► BILATERAL COUNTERPARTY CREDIT RISK BY APPROACH (EU CCR1)

	In millions of euros	30 June 2018						
		b+c	d	e	f	g		
		NPV(*)+Add-on	EEPE(**)	Multiplier	EAD post CRM	RWAs	*of which standardised approach*	*of which IRBA*
1	Mark to market	2,044			1,438	1,017	*975*	*42*
4	Internal model approach (for derivatives and SFTs)		84,191	1.6	134,706	23,309	*5*	*23,304*
5	*of which SFTs*		*37,915*	*1.6*	*60,665*	*5,009*	*2*	*5,007*
6	*of which derivatives and long settlement transactions*		*46,276*	*1.6*	*74,041*	*18,300*	*3*	*18,297*
11	**TOTAL**				**136,144**	**24,326**	***981***	***23,346***

(*) Net Present Value.
(**) Effective Expected Positive Exposure

	In millions of euros	1 January 2018						
		b+c	d	e	f	g		
		NPV(*)+Add-on	EEPE(**)	Multiplier	EAD post CRM	RWAs	*of which standardised approach*	*of which IRBA*
1	Mark to market	1,830			1,134	1,045	*840*	*205*
4	Internal model approach (for derivatives and SFTs)		70,589	1.6	112,943	20,802	*4*	*20,798*
5	*of which SFTs*		*24,404*	*1.6*	*39,046*	*3,266*	*-*	*3,266*
6	*of which derivatives and long settlement transactions*		*46,185*	*1.6*	*73,896*	*17,536*	*4*	*17,531*
11	**TOTAL**				**114,077**	**21,847**	***845***	***21,002***

(*) Net Present Value.
(**) Effective Expected Positive Exposure

Update of the 2017 Registration document, table 58 page 360.

► IRBA BILATERAL COUNTERPARTY CREDIT RISK EXPOSURES (EU CCR4)

								30 June 2018
		a	b	c	d	e	f	g
In millions of euros	PD scale	EAD	Average PD	Number of obligors	Average LGD	Average marturity	RWAs	RWA density
Central governments or central banks	0,00 to < 0,15 %	29,637	0.02%	100 à 1 000	1%	3	118	0%
	0,15 to < 0,25 %	19	0.18%	0 à 100	33%	2	6	33%
	0,25 to < 0,50 %	30	0.34%	0 à 100	50%	1	16	52%
	0,50 to < 0,75 %	338	0.69%	0 à 100	26%	1	118	35%
	0,75 to < 2,50 %	51	1.00%	0 à 100	45%	1	40	78%
	2,50 to < 10,0 %	23	6.89%	0 à 100	14%	4	12	53%
	10,0 to < 100 %	103	13.52%	0 à 100	60%	3	326	316%
	100 % (defaults)	-	0.00%	-			-	-
	Sub-total	**30,202**	**0.08%**		**2%**	**3**	**635**	**2%**
Insitutions	0,00 to < 0,15 %	24,184	0.05%	1 000 à 10 000	21%	1	1,958	8%
	0,15 to < 0,25 %	1,364	0.18%	100 à 1 000	40%	1	411	30%
	0,25 to < 0,50 %	1,141	0.35%	100 à 1 000	50%	1	657	58%
	0,50 to < 0,75 %	340	0.69%	100 à 1 000	53%	1	305	90%
	0,75 to < 2,50 %	228	1.28%	100 à 1 000	51%	1	246	108%
	2,50 to < 10,0 %	211	3.76%	100 à 1 000	58%	1	395	187%
	10,0 to < 100 %	10	11.35%	0 à 100	30%	1	14	137%
	100 % (defaults)	1	100.00%	0 à 100			-	0%
	Sub-total	**27,480**	**0.12%**		**24%**	**1**	**3,985**	**15%**
Corporates	0,00 to < 0,15 %	61,009	0.05%	1 000 à 10 000	31%	1	7,504	12%
	0,15 to < 0,25 %	5,632	0.17%	1 000 à 10 000	32%	2	1,444	26%
	0,25 to < 0,50 %	3,981	0.35%	1 000 à 10 000	43%	2	2,062	52%
	0,50 to < 0,75 %	1,410	0.69%	100 à 1 000	34%	3	933	66%
	0,75 to < 2,50 %	3,519	1.34%	1 000 à 10 000	52%	2	4,089	116%
	2,50 to < 10,0 %	1,264	4.23%	1 000 à 10 000	58%	2	2,352	186%
	10,0 to < 100 %	251	15.78%	100 à 1 000	24%	2	341	136%
	100 % (defaults)	110	100.00%	0 à 100			-	0%
	Sub-total	**77,176**	**0.41%**		**33%**	**1**	**18,725**	**24%**
Retail	**Sub-total**	**1**	**n.s.**		**n.s.**	**n.s.**	**1**	**n.s.**
	TOTAL	**134,858**	**0.28%**		**24%**	**1**	**23,346**	**17%**

								1 January 2018
		a	b	c	d	e	f	g
In millions of euros	PD scale	EAD	Average PD		Average LGD	RWAs	RWAs	RWA density
Central governments or central banks	0,00 to < 0,15 %	26,633	0.02%	100 à 1 000	2%	3	118	0%
	0,15 to < 0,25 %	17	0.17%	0 à 100	21%	1	3	16%
	0,25 to < 0,50 %	43	0.33%	0 à 100	50%	1	21	50%
	0,50 to < 0,75 %	767	0.69%	0 à 100	28%	1	301	39%
	0,75 to < 2,50 %	59	1.96%	0 à 100	46%	1	62	105%
	2,50 to < 10,0 %	21	6.37%	0 à 100	8%	4	5	23%
	10,0 to < 100 %	91	26.06%	0 à 100	60%	4	335	366%
	100 % (defaults)	-	0.00%	-			-	0%
	Sub-total	**27,631**	**0.14%**		**3%**	**3**	**845**	**3%**
Insitutions	0,00 to < 0,15 %	22,567	0.05%	1 000 à 10 000	21%	1	2,194	10%
	0,15 to < 0,25 %	1,268	0.17%	100 à 1 000	43%	1	410	32%
	0,25 to < 0,50 %	990	0.34%	100 à 1 000	48%	1	557	56%
	0,50 to < 0,75 %	393	0.69%	0 à 100	51%	1	366	93%
	0,75 to < 2,50 %	238	1.40%	100 à 1 000	55%	1	294	123%
	2,50 to < 10,0 %	191	3.68%	100 à 1 000	54%	1	333	175%
	10,0 to < 100 %	53	14.11%	0 à 100	68%	0	185	348%
	100 % (defaults)	3	100.00%	0 à 100			-	0%
	Sub-total	**25,703**	**0.15%**		**25%**	**1**	**4,340**	**17%**
Corporates	0,00 to < 0,15 %	42,837	0.05%	1 000 à 10 000	30%	1	5,320	12%
	0,15 to < 0,25 %	6,873	0.17%	1 000 à 10 000	33%	2	1,610	23%
	0,25 to < 0,50 %	3,879	0.37%	1 000 à 10 000	43%	2	2,023	52%
	0,50 to < 0,75 %	1,635	0.69%	100 à 1 000	32%	3	1,073	66%
	0,75 to < 2,50 %	2,873	1.39%	1 000 à 10 000	51%	2	3,309	115%
	2,50 to < 10,0 %	1,197	4.12%	1 000 à 10 000	55%	2	2,104	176%
	10,0 to < 100 %	158	20.09%	100 à 1 000	42%	3	374	237%
	100 % (defaults)	236	100.00%	100 à 1 000			4	2%
	Sub-total	**59,689**	**0.70%**		**32%**	**1**	**15,817**	**27%**
Retail	**Sub-total**	**0**	**n.s.**		**n.s.**	**n.s.**	**0**	**n.s.**
	TOTAL	**113,023**	**0.44%**		**23%**	**2**	**21,002**	**19%**

Update of the 2017 Registration document, table 59 page 362.

► STANDARDISED BILATERAL COUNTERPARTY CREDIT RISK EXPOSURE (EU CCR3)

In millions of euros	30 June 2018									
	EAD									
Risk weight	0 %	20 %	35 %	50 %	75 %	100 %	150 %	Total	*Of which unrated(*)*	RWAs
Central governments or central banks		3		4		2		**9**	*0*	**4**
Corporates		354		22		96		**472**	*12*	**178**
Insitutions			0	7		782	1	**790**	*773*	**787**
Retail					15			**15**	*15*	**12**
TOTAL	**-**	**357**	**-**	**33**	**15**	**880**	**1**	**1,286**	***801***	**981**

(*) Exposures to counterparties without a credit rating from external rating agencies.

In millions of euros	1 January 2018									
	EAD									
Risk weight	0 %	20 %	35 %	50 %	75 %	100 %	150 %	Total	*Of which unrated(*)*	RWAs
Central governments or central banks	0					4		**4**	*-*	**4**
Corporates		237		51		27	0	**315**	*6*	**100**
Insitutions			0	0	-	714	15	**729**	*724*	**736**
Retail					6			**6**	*6*	**5**
TOTAL	**-**	**237**	**-**	**51**	**6**	**744**	**15**	**1,054**	**736**	**845**

(*) Exposures to counterparties without a credit rating from external rating agencies.

Update of the 2017 Registration document, table 61 page 363.

► EXPOSURE TO CENTRAL COUNTERPARTIES (CCP) (EU CCR8)

		30 June 2018		1 January 2018	
In millions of euros		RWAs	Capital requirements	RWAs	Capital requirements
1	Exposures to QCCP (total)		3,114		2,979
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions)	30,304	1,537	29,696	1,426
3	*of which OTC derivatives*	*1,986*	*40*	*1,506*	287
4	*of which exchange-traded derivatives*	*25,198*	*1,135*	*27,104*	1,114
5	*of which SFTs*	*3,120*	*363*	*1,086*	25
8	Non-segregated initial margin(*)	9,108	182	8,595	212
9	Prefunded default fund contributions	3,680	1,346	3,240	1,257
10	Alternative calculation of own funds requirements for exposures		48		83
10.a	*of which exposures for trades at QCCPs*	*151*	*8*	*530*	*36*
10.b	*of which segregated initial margin*	*271*	*5*		
10.c	*of which non-segregated initial margin(*)*	*168*	*29*	*481*	*36*
10.d	*of which prefunded default fund contributions*	*34*	*6*	*193*	*12*
11	Exposures to non-QCCPs (total)		115		
18	Non-segregated initial margin(*)	2	2		
19	Prefunded default fund contributions	3	38		
20	Unfunded default fund contributions	5	75		

(*) Not bankruptcy remote in accordance with article 300.1 Regulation (EU) No. 575/2013.

Update of the 2017 Registration document, table 62 page 364.

► CVA RISK CAPITAL CHARGE (EU CCR2)

		30 June 2018		1 January 2018	
In millions of euros		EAD	RWAs	EAD	RWAs
1	**Advanced approach**	**28,179**	**2,407**	**32,901**	**1,693**
2	CVA VaR charge		354		200
3	CVA SVaR charge		2,053		1,493
4	**Standardised approach**	**654**	**357**	**546**	**217**
5	**TOTAL**	**28,833**	**2,764**	**33,447**	**1,910**

MARKET RISK

Update of the 2017 Registration document, table 68 page 368.

► MARKET RISK-WEIGHTED ASSETS MOVEMENTS BY KEY DRIVER (EU MR2-B)

		a	b	c	d		f	g
	In millions of euros	VaR	SVaR	IRC	CRM	Standardised approach	Total RWAs	Total capital requirements
1	**1 January 2018**	**4,335**	**7,330**	**2,597**	**590**	**1,814**	**16,666**	**1,333**
2.a	Asset size	287	750	28	(20)	22	1,067	85
2.b	Asset quality	(28)	(58)	(8)	8	(103)	(188)	(15)
3	Model update	-	-	-	-	-	-	-
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitons and disposals	-	-	-	-	-	-	-
6	Currency	-	-	-	-	-	-	-
7	Others	6	11	()	()	120	136	11
8	**30 June 2018**	**4,599**	**8,033**	**2,617**	**578**	**1,853**	**17,681**	**1,414**

Update of the 2017 Registration document, table 66 page 367.

► TABLE 68: MARKET RISK UNDER THE INTERNAL MODEL APPROACH (EU MR2-A)

		30 June 2018		1 January 2018	
	In millions of euros	RWAs	Capital requirements	RWAs	Capital requirements
1	**VaR(*) (higher of values 1.a and 1.b)**	**4,599**	**368**	**4,335**	**347**
1.a	Previous day's VaR		87		79
1.b	Average of the daily VaR on each of the preceding 60 business days x multiplication factor		368		347
2	**SVaR(*) (higher of values 2.a and 2.b)**	**8,033**	**643**	**7,330**	**586**
2.a	Latest SVaR		177		132
2.b	Average of the SVaR during the preceding 60 business days x multiplication factor		643		586
3	**IRC(*)(**) (higher of values 3.a and 3.b)**	**2,617**	**209**	**2,597**	**208**
3.a	Most recent IRC value		199		207
3.b	Average of the IRC number over the preceding 12 weeks		209		208
4	**CRM(***) (higher of values 4.a, 4.b and 4.c)**	**578**	**46**	**590**	**47**
4.a	Most recent risk number for the correlation trading portfolio		35		47
4.b	Average of the risk number for the correlation trading portfolio over the preceding 12 weeks		46		47
4.c	8% of the own funds requirement		22		27
6	TOTAL	15,827	1,266	14,852	1,188

(*) VaR, SVaR and IRC values include all the components taken into account in the calculation of risk-weighted assets.

(**) Incremental Risk Charge.

(***) Comprehensive Risk Measure.

Update of the 2017 Registration document, table 67 page 367.

► MARKET RISK UNDER THE STANDARDISED APPROACH (EU MR1)

		30 June 2018		1 January 2018	
	In millions of euros	RWAs	Capital requirements	RWAs	Capital requirements
	Outright products				
1	Interest rate risk (general and specific)	247	20	172	14
2	Equity risk (general and specific)	-	-		
3	Foreign exchange risk	926	74	975	78
	Options				
7	Scenario approach				
8	**Securitisation (specific risk)**	681	54	**667**	**53**
9	TOTAL	1,853	148	1,814	145

Update of the 2017 Registration document, table 71 page 376.

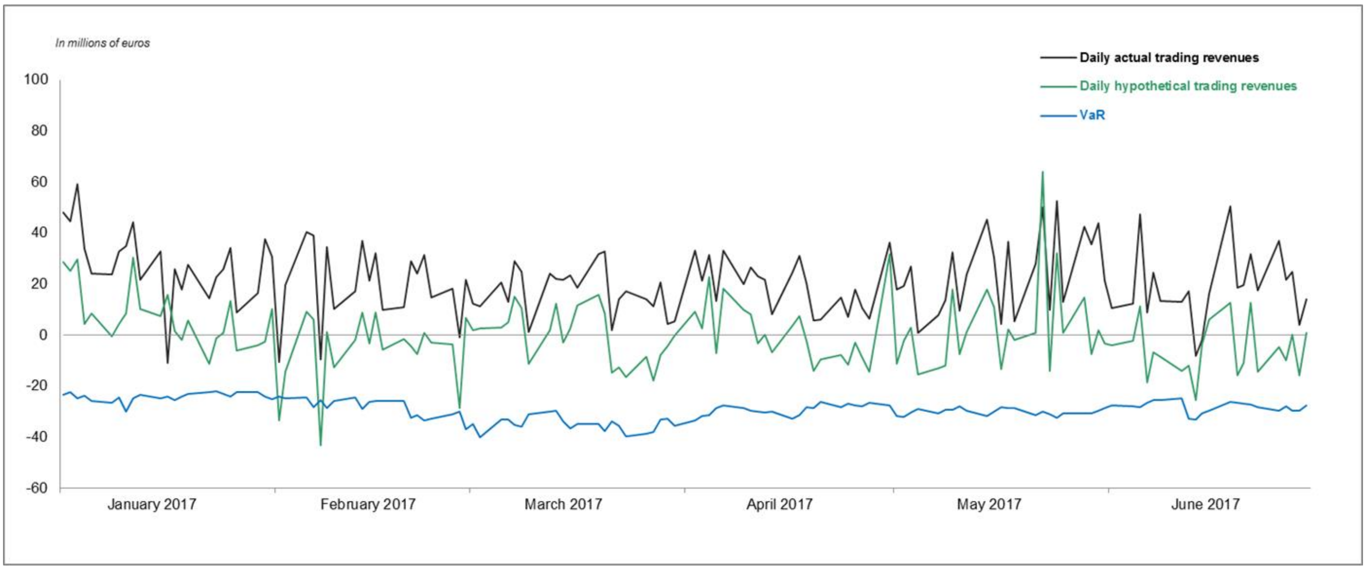
► Internal model approach values for trading portfolios (EU MR3)

	In millions of euros	Year to 30 June 2018(**)	Year to 31 December 2017
	VaR (10-day, 99%)		
1	Maximum	111	121
2	Average	79	81
3	Minimum	56	58
4	Last measure	72	64
	SVaR (10-day, 99%)		
5	Maximum	208	221
6	Average	149	133
7	Minimum	111	81
8	Last measure	165	120
	IRC(*) (99.9%)		
9	Maximum	367	374
10	Average	208	226
11	Minimum	140	135
12	Last measure	181	188
	CRM(*) (99.9%)		
13	Maximum	63	104
14	Average	50	59
15	Minimum	35	37
16	Last measure	35	47

(*) IRC (Incremental Risk Charge), CRM (Comprehensive Risk Measure)

(**) 2018 data include measures observed from 2 January 2018 to 29 June 2018

Update of the 2017 Registration document, figure 10 page 373.



This backtesting consists of making a comparison between the daily global trading book VaR and the actual result. In accordance with the regulation, BNP Paribas supplements this “actual backtesting” method with a comparison between the daily VaR and the hypothetical result generated by the trading book, which is also known as “hypothetical backtesting”. The hypothetical result includes all components of the actual result, except the intra-day revenues, fees and commissions. A backtesting event is declared when a real or hypothetical loss exceeds the daily VaR amount. The confidence interval selected for calculating daily VaR is 99%, which in theory means the observation of two to three events per year.

In 2018, two hypothetical backtesting events were recorded at Group level:

- On 1 February 2018: this hypothetical loss was due to an increase in volatility in financial markets resulting from the combined effect of the disclosure of employment figures in the United States and the anticipation of the increase of Fed’s leading rates.
- On 7 February 2018: this hypothetical loss affected equity derivative portfolios both in Europe and in the United States. It occurred in the context of the sudden decrease in stock indexes and volatility spike resulting from Fed’s announcement to anticipate the timeline of leading rate increases.

LEVERAGE RATIO

Update of the 2017 Registration document, table 20 page 288.

► LEVERAGE RATIO - ITEMISED

► *Summary reconciliation of accounting assets and leverage ratio exposures (LRSum)*

In billions of euros		30 June 2018	1 January 2018
1	Total assets as per published financial statements	2,234	1,950
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(217)	(210)
4	Adjustments for derivative financial instruments	(65)	(79)
5	Adjustment for securities financing transactions (SFTs)	(4)	(1)
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	160	160
7	Other adjustments	(20)	(18)
8	**LEVERAGE RATIO TOTAL EXPOSURE MEASURE**	**2,089**	**1,801**

► *Leverage ratio common disclosure (LRCom)*

In billions of euros		30 June 2018	1 January 2018
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	1,474	1,345
2	(Asset amounts deducted in determining Tier 1 capital)	(16)	(16)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	**1,457**	**1,329**
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	45	44
5	Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	164	144
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(30)	(32)
8	(Exempted CCP leg of client-cleared trade exposures)	(18)	(15)
9	Adjusted effective notional amount of written credit derivatives	446	417
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(420)	(394)
11	**Total derivatives exposures (sum of lines 4 to 10)**	**188**	**165**
	SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	381	280
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(105)	(137)
14	Counterparty credit risk exposure for SFT assets	8	5
16	**Total securities financing transaction exposures (sum of lines 12 to 14)**	**284**	**147**
	Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	394	387
18	(Adjustments for conversion to credit equivalent amounts)	(234)	(227)
19	**Other off-balance sheet exposures (sum of lines 17 and 18)**	**160**	**160**
	Capital and total exposure mesure		
20	**Tier 1 capital(*)**	**83**	**82**
21	**Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19)**	**2,089**	**1,801**
22	**Leverage ratio**	**4.0%**	**4.5%**
	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 the eligibility rules for grandfathered debts in additional Tier 1 capital applicable in 2019.

► *Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (LRSpl)*

In billions of euros		30 June 2018	1 January 2018
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**1,457**	**1,329**
EU-2	Trading book exposures	178	125
EU-3	Banking book exposures, of which:	1,279	1,205
EU-5	Exposures treated as sovereigns	338	307
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	30	29
EU-7	Institutions	32	36
EU-8	Secured by mortgages of immovable properties	193	181
EU-9	Retail exposures	212	214
EU-10	Corporate	298	281
EU-11	Exposures in default	16	17
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	160	140

CAPITAL ADEQUACY AND CAPITAL PLANNING

In the section *Capital adequacy*, the last paragraph under the heading “Compliance with the regulator on the additional supervision of financial conglomerates” on page 286 is amended as follows:

“As at 31 December 2017, BNP Paribas Group, as a financial conglomerate, had capital of EUR 101.8 billion compared to a total requirement of EUR 79.4 billion, which represents a capital surplus of EUR 22.4 billion.”

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

		30 June 2018(**)		1 January 2018			
In millions of euros		Phased in	Transitional arrangements(*)	Phased in	Transitional arrangements(*)	Reference to table 10	Notes
Common Equity Tier 1 (CET1) capital: instruments and reserves							
1	Capital instruments and the related share premium accounts	27,133	-	27,084	-	6	-
	of which ordinary shares	*27,133*	-	*27,084*	-	-	-
2	Retained earnings	59,090	-	55,271	-	-	-
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	1,009	-	1,842	-	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)	2,652	-	2,782	482	10	(1)
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	1,888	-	3,705	-	9	(2)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**91,771**	**-**	**90,684**	**482**	**-**	-
Common Equity Tier 1 (CET1) capital: regulatory adjustments							
7	Additional value adjustments (negative amount)	(751)	-	(715)	-	-	-
8	Intangible assets (net of related tax liability) (negative amount)	(13,042)	-	(12,817)	-	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)	(667)	116	(529)	309	-	-
11	Fair value reserves related to gains or losses on cash flow hedges	(829)	-	(1,140)	-	-	-
12	Negative amounts resulting from the calculation of expected loss amounts	(254)	-	(247)	9	-	-
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	194	-	316	1	-	-
15	Defined-benefit pension fund assets (negative amount)	(205)	-	(190)	-	-	-
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(156)	-	(126)	32	-	-
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	(199)	-	(190)	-	-	-
20b	*of which: qualifying holdings outside the financial sector (negative amount)*	-	-	-	-	-	-
20c	*of which: securitisation positions (negative amount)*	*(199)*	-	*(190)*	-	-	-
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	(462)	-	(356)	-	-	-
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to articles 467 and 468	-	-	(223)	(223)	-	-
	of which: … unrealised gains (phase out)	-	-	*(138)*	*(138)*	-	-
	of which: … unrealised losses (phase out)	-	-		-	-	-
	of which: unrealised gains linked to exposures to central administrations (phase out)	-	-	*(85)*	*(85)*	-	-
	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)**	**(16,372)**	**116**	**(16,217)**	**128**	**-**	-
29	**Common Equity Tier 1 (CET1) capital**	**75,400**	**116**	**74,467**	**610**	**-**	-
Additional Tier 1 (AT1) capital: instruments							
30	Capital instruments and the related share premium accounts	4,760	-	4,766	-	-	-
31	*of which: classified as equity under applicable accounting standards*	*4,760*	-	*4,766*	-	*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	3,407	601	3,406	601	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	577	49	494	(5)	-	-
35	*of which: instruments issued by subsidiaries subject to phase out*	*278*	*49*	*278*	*49*	*4*	*(4)*
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**8,744**	**651**	**8,666**	**596**	**-**	-
Additional Tier 1 (AT1) capital: regulatory adjustments							
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	(40)	-	(36)	9	-	-
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	-	-	(9)	(9)	-	-
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	-	-	(340)	(340)	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**	**(40)**	**-**	**(385)**	**(340)**	**-**	-
44	**Additional Tier 1 (AT1) capital**	**8,704**	**651**	**8,282**	**256**	**-**	-
45	**Tier 1 capital (T1=CET1+AT1)**	**84,104**	**767**	**82,748**	**866**	**-**	-
Tier 2 (T2) capital: instruments and provisions							
46	Capital instruments and the related share premium accounts	13,934	-	12,770		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	(374)	50	(375)	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	647	22	600	(26)	5	(6)
49	*of which: instruments issued by subsidiaries subject to phase out*	*154*	*22*	*151*	*20*	-	-
50	Credit risk adjustments	-	-			-	-
51	**Tier 2 (T2) capital before regulatory adjustments**	**14,632**	**(352)**	**13,420**	**(402)**	**-**	-
Tier 2 (T2) capital: regulatory adjustments							
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(149)	-	(117)	29	-	-
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)	(61)	-	(57)	6	-	-
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)	(3,337)	-	(3,004)	334	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	310	-	315		-	-
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**	**(3,236)**	**-**	**(2,863)**	**369**	**-**	-
58	**Tier 2 (T2) capital**	**11,396**	**(352)**	**10,556**	**(32)**	**-**	-
59	**Total capital (TC=T1+T2)**	**95,499**	**415**	**93,305**	**834**	**-**	-
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**	**657,080**		**634,700**	**-**		
Capital ratios and buffers							
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	11.5%	0.0%	11.7%	0.1%		
62	Tier 1 (as a percentage of risk exposure amount)	12.8%	0.1%	13.0%	0.1%		
63	Total capital (as a percentage of risk exposure amount)	14.5%	0.0%	14.7%	0.1%		

64	Institution specific buffer requirement (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)	3.425%	0.625%	2.25%	1.75%		
65	*of which: capital conservation buffer requirement*	*1.875%*	*0.625%*	*1.25%*	*1.25%*		
66	*of which: countercyclical buffer requirement*	*0.05%*	*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*	*1.5%*	*0.0%*	*1.0%*	*0.5%*		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	7.0%	0.0%	7.2%	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)	2,560	-	2,886	(132)	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)	2,931	-	3,421	-	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)	3,228	-	3,350	-	-	-
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	3,020	-	2,954	-	-	-
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)	310	-	315	-	-	-
79	Cap on inclusion of credit risk adjustments in T2 under internal ratings-based approach	1,613	-	1,622	-	-	-
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	4,046	1,012	5,058	2,023	-	-
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	742	185	927	371	-	-
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.

5. Additional information

5.1 Ownership structure as at 30 June 2018

Dates		30/06/2017			30/06/2018	
Shareholders	**Number of shares** *(in millions)*	**% of share capital**	**% of voting rights**	**Number of shares** *(in millions)*	**% of share capital**	**% of voting rights**
SFPI(*)	**96.55(**)**	**7.7%**	**7.7%**	**96.55(**)**	**7.7%**	**7.7%**
BlackRock Inc.	**63.22(***)**	**5.1%**	**5.1%**	**63.22(***)**	**5.1%**	**5.1%**
Gd Duché de Luxembourg	**12.87**	**1.0 %**	**1.0 %**	**12.87**	**1.0 %**	**1.0%**
Employees	**52.63**	**4.3 %**	**4.3 %**	**51.54**	**4.1 %**	**4.1 %**
• o/w FCPE Groupe	38.07	3.1 %	3.1 %	37.74	3.0 %	3.0 %
• o/w direct ownership	14.56	1.2 %	1.2 %	13.80	1.1 %	1.1 %
Corporate officers	**0.15**	**NS**	**NS**	**0.16**	**NS**	**NS**
Treasury shares (****)	**1.17**	**0.1%**	**-**	**1.30**	**0.1%**	**-**
Retail shareholders	**47.86**	**3.8%**	**3.8%**	**45.30**	**3.6%**	**3.6%**
Institutional investors	**919.83**	**73.7%**	**73.8%**	**967.12**	**77.4%**	**77.5%**
• Europe	537.38	43.1%	43.1%	578.01	46.3%	46.3%
• Outside Europe	382.45	30.6%	30.7%	389.11	31.1%	31.2%
Other and unidentified	**54.14**	**4.3%**	**4.3%**	**11.74**	**1.0%**	**1.0%**
TOTAL	**1,248.43**	**100%**	**100%**	**1,249.80**	**100%**	**100%**

(*) Société Fédérale de Participations et d'Investissement (SFPI): a public-interest limited company ("société anonyme") acting on behalf of the Belgian government.
(**)According to statement by SFPI, AMF Document No. 217C1156 dated 6 June 2017.
(***) According to statement by BlackRock, AMF Document No. 217C0939 dated 9 May 2017.
(****) Excluding trading desks' inventory positions.

5.2 Changes in BNP Paribas' capital

Bank's share capital, updated on July 19, 2018, stands at **€2,499,597,122** divided into **1,249,798,561** 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 Status

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 2,499,597,122 euros divided into 1,249,798,561fully 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 seventy-two 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 seventy-three 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-five 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-six 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. However, the Board may decide to extend the term of office of the Chief Operating Officers until the close of the General Shareholders' Meeting held to approve the financial statements for the year in which they reach sixty-six 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 displays

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.

5.7 Main subsidiaries and associated companies of BNP Paribas SA

On page 475 of the 2017 Registration Document and annual financial report, table **« II. General information about all subsidiaries and associated companies »** is replaced by the following table:

II – General information about all subsidiaries and associated companies

	Subsidiaries		Associated companies	
in millions of euros	French	Foreign	French	Foreign
Book value of shares				
- Gross value	18,324	50,488	605	2,631
- Carrying amount	17,631	44,069	597	2,479
Loans and advances given by BNP Paribas SA	54,208	13,309	440	1,008
Guarantees and endorsements given by BNP Paribas SA	35,837	3,653	61	11
Dividends received	845	667	37	134

5.8 Dependence on external parties :

In April 2004, BNPP began outsourcing IT Infrastructure Management Services to the BNP Paribas Partners for Innovation ("**BP²I**") joint venture set up with IBM France at the end of 2003. BP²I provides IT Infrastructure Management Services for BNPP and several BNPP subsidiaries in France (including BNP Paribas Personal Finance, BP2S, and BNP Paribas Cardif…), or in Europe (Switzerland, Italy). In mid-December 2011 BNPP renewed its agreement with IBM France for a period lasting until end-2017 and has subsequently renewed the agreement for a period lasting until end-2021. At the end of 2012, the parties entered into an agreement to gradually extend this arrangement to BNP Paribas Fortis as from 2013. The Swiss subsidiary was closed on 31 December 2016.

BP²I is under the operational control of IBM France. BNP Paribas has a strong influence over this entity, which is 50/50 owned with IBM France. The BNP Paribas staff made available to BP²I make up half of that entity's permanent staff, its buildings and processing centres are the property of the BNPP Group, and the governance in place provides BNP Paribas with the contractual right to monitor the entity and bring it back into the BNPP Group if necessary.
IBM Luxembourg is responsible for infrastructure services and data production for some of the BNP Paribas Luxembourg entities.
BancWest's data processing operations are outsourced to Fidelity Information Services. Cofinoga France's data processing is outsourced to SDDC, a fully-owned IBM subsidiary.

6. Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
6, place de la Pyramide	63, rue de Villiers	61, rue Henri Regnault
92908 Paris-La Défense Cedex	92208 Neuilly-sur-Seine Cedex	92400 Courbevoie

- Deloitte & Associés was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2006.
  Deloitte & Associés is represented by Laurence Dubois

  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 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 26 May 1994.
  PricewaterhouseCoopers Audit is represented by Patrice Morot.

  Deputy:
  Jean-Baptiste Deschryver, 63, rue de Villiers, Neuilly-sur-Seine (92).

- Mazars was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2000.
  Mazars is represented by Virginie Chauvin.

  Deputy:
  Charles de Boisriou, 28 rue Fernand Forest, 92150 Suresnes (92).

7. Person responsible for the update of 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 72 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, 1st August 2018,

Chief Executive Officer

Jean-Laurent BONNAFÉ

8. Table of concordance

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