SECOND QUARTER 2018 RESULTS

PRESS RELEASE
Paris, 1st August 2018

BUSINESS INCREASE IN THE CONTEXT OF ECONOMIC GROWTH IN EUROPE

OUTSTANDING LOANS: +3.7% vs. 2Q17

STRONG GROWTH AT INTERNATIONAL FINANCIAL SERVICES (IFS)

STABILITY AT DOMESTIC MARKETS (DM) DESPITE THE PERSISTENT LOW INTEREST RATE CONTEXT

UNFAVOURABLE FOREIGN EXCHANGE EFFECT AND LACKLUSTRE CONTEXT VS. 2Q17 FOR CORPORATE AND INSTITUTIONAL BANKING (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

* COST OF RISK/CUSTOMER LOANS AT THE BEGINNING OF THE PERIOD (IN ANNUALISED BP); ** RETURN ON TANGIBLE EQUITY

BNP PARIBAS

The bank for a changing world

The Board of Directors of BNP Paribas met on 31 July 2018. The meeting was chaired by Jean Lemierre and the Board examined the Group's results for the second quarter 2018 and endorsed the interim financial statements for the first half of the year.

SOLID RESULTS

BNP Paribas delivered solid results this quarter. 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 second quarter last year.

Revenues totalled 11,206 million euros, up by 2.5% compared to the second quarter 2017 which included the exceptional impact of -200 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) as well as +85 million euros in capital gains from the sale of Euronext shares.

The revenues of the operating divisions were up by 1.0%, reflecting an unfavourable foreign exchange effect: they were slightly down at Domestic Markets[1] (-0.3%) due to the still low interest rate environment, partly offset by good business development (in particular in the specialised businesses), up significantly at International Financial Services (+8.7%), driven by the development of the businesses, but down at CIB due to a lacklustre market context in Europe compared to the second quarter 2017 (-6.8%, or -1.6% excluding the foreign exchange effect and capital gains realised in the second quarter 2017).

At 7,368 million euros, the Group's operating expenses were up by 4.2% compared to the second quarter 2017. They included the exceptional 275 million euro impact of businesses' transformation costs and acquisitions' restructuring costs[2] (168 million euros in the second quarter 2017).

The operating expenses of the operating divisions rose by 2.8% compared to the second quarter 2017: they were up by 1.6% for Domestic Markets[1] with a rise in the specialised businesses related to business development but down in the domestic networks (France, Belgium, Italy, Luxembourg), up by 7.1% for International Financial Services as a result of business growth, but down by 0.9% for CIB due to cost saving measures.

The gross operating income of the Group thus totalled 3,838 million euros, down by 0.7% and by 1.7% for the operating divisions.

The cost of risk, at 567 million euros (662 million euros in the second quarter 2017), was down significantly (-14.4% compared to the second quarter 2017) and was 29 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 portfolio in Italy.

The Group's operating income, at 3,271 million euros (3,205 million euros in the second quarter 2017), was thus up by 2.1%. It was down by 1.6% for the operating divisions.

Non-operating items totalled 182 million euros (256 million euros in the second quarter 2017).

Pre-tax income, which came to 3,453 million euros (3,461 million euros in the second quarter 2017), was thus down slightly by 0.2%. It was down by 4.0% for the operating divisions.

[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

Net income attributable to equity holders was 2,393 million euros, stable compared to the second quarter 2017 (2,396 million euros). It was up by 0.7% excluding exceptional items[1].

As at 30 June 2018, the fully loaded Basel 3 common equity Tier 1 ratio[2] was 11.5% and takes into account the full implementation of IFRS 9. The fully loaded Basel 3 leverage ratio[3] 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 quarter 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 (149 million euros in cost savings this quarter, 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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For the first half of the year, BNP Paribas delivered solid results. Revenues totalled 22,004 million euros, down by 1.0% compared to the first half 2017 which included the exceptional impact of +233 million euros in capital gains from the sale of Shinhan and Euronext shares and -207 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA).

The revenues of the operating divisions were down by 0.2%, reflecting an unfavourable foreign exchange effect: they were stable at Domestic Markets[4] 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[5] (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).

[1] Effect of exceptional items after tax: -191 million euros (-170 million euros in the second quarter 2017)
[2] Ratio taking into account all the CRD4 rules with no transitory provisions
[3] 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
[4] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)
[5] In particular, LaSer, Bank BGZ, DAB Bank and GE LLD

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%[1] for Domestic Markets[2] 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%[1] for International Financial Services as a result of business growth, but down by 4.1%[1] 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).

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[3].

The return on equity was thus 9.6%[4]. The return on tangible equity was 11.2%[4].

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[1] Excluding the impact of IFRIC 21
[2] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)
[3] 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)
[4] Taxes and contributions subject to IFRIC 21 and exceptional items non annualised

RETAIL BANKING & SERVICES

DOMESTIC MARKETS

Domestic Markets reported a good business drive. Outstanding loans were up by 5.2% compared to the second quarter 2017 with good growth in loans both in the domestic networks and the specialised businesses (Arval, Leasing Solutions). Deposits were up by 5.7% compared to the second quarter 2017, up in all countries. The operating division reported good net asset inflows in Private banking, at 1.8 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 3,938 million euros, were down slightly by 0.3% compared to the second quarter 2017, the effect of business growth being still more than offset by the impact of low interest rates.

Operating expenses[2] (2,528 million euros) were up by 1.6% compared to the second quarter 2017, the effect of the business development of the specialised businesses being partly offset by the average 0.5% decrease in the retail networks' costs.

Gross operating income[2] was down by 3.6%, at 1,411 million euros, compared to the same quarter last year.

The cost of risk[2] was down by 42.5% compared to the second quarter 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 1,132 million euros in pre-tax income[3], up by 7.6% compared to the second quarter 2017.

<u>For the first half of the year</u>, 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%[4] 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

[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 PEL/CEL effects of 0 million euros compared to +1 million euros in the second quarter 2017
[4] Excluding the impact of IFRIC 21

income to the Wealth Management business (International Financial Services division), the division reported 1,790 million euros in pre-tax income[1], 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 5.8% compared to the second quarter 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 4.8%, driven by the strong growth in current accounts. Life insurance performed well with a 3.4% increase in outstandings compared to 30 June 2017.

The business launched this quarter 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[2] totalled 1,593 million euros, down by 0.8% compared to the second quarter 2017. Net interest income[2] was down by 1.1% despite business growth due to less renegotiation and early repayment penalties compared to the high level in the second quarter 2017. For their part, fees[2] were down slightly by 0.5%.

At 1,104 million euros, operating expenses[2] were down by 1.0% compared to the second quarter 2017, as a result of the cost saving measures (optimisation of the network and streamlining of the management set-up).

Gross operating income[2] thus came to 489 million euros, down by 0.3% compared to the same quarter last year.

The cost of risk[2] was down this quarter, at 54 million euros (80 million euros in the second quarter 2017). It was at a very low level: 12 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 397 million euros in pre-tax income[3], up by 7.1% compared to second quarter 2017.

For the first half of the year, revenues[2] totalled 3,186 million euros, down by 1.2% compared to the first half 2017. Net interest income[2] 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[2] were down by 0.5%. At 2,293 million euros, operating expenses[2] 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[2] thus came to 894 million euros, down by 3.6% compared to the same half last year. The cost of risk[2] 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[1], up by 1.9% compared to first half 2017.

[1] Excluding PEL/CEL effects of +1 million euros compared to -1 million euros in the first half 2017
[2] Including 100% of Private Banking in France (excluding PEL/CEL effects)
[3] Excluding PEL/CEL effects of 0 million euros compared to +1 million euros in the second quarter 2017

<u>BNL banca commerciale (BNL bc)</u>

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 up by only 0.2% compared to the second quarter 2017, they rose by 1.3% excluding the impact of the sale of a portfolio of non-performing loans in the first quarter 2018[1]. 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%[2].

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[3] were down by 4.3% compared to the second quarter 2017, at 698 million euros. Net interest income[3] was down by 4.3% due to the persistently low interest rate environment. Fees[3] were down by 4.2% as a result of a decrease in financial fees this quarter.

Operating expenses[3], at 438 million euros, rose by 1.9% but were down by 0.6% excluding the additional contribution this quarter to the Italian resolution fund (11 million euros), reflecting cost containment.

Gross operating income[3] thus totalled 259 million euros, down by 13.2% compared to the same quarter last year.

The cost of risk[3] continued its decline (-94 million euros compared to the second quarter 2017) at 66 basis points of outstanding customer loans.

Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc confirmed the gradual recovery of its profitability and posted 120 million euros in pre-tax income or almost a twofold increase over the second quarter 2017 level (65 million euros).

<u>For the first half of the year</u>, revenues[3] were down 3.1% compared to the first half 2017, at 1,411 million euros. Net interest income[3] was down by 5.5% due to the persistently low interest rate environment. Fees[3] were up by 0.8% in connection with the development of off balance sheet savings. Operating expenses[3], 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[4]. Gross operating income[3] thus totalled 492 million euros, down by 11.6% compared to the same half last year. The cost of risk[3], at 76 basis points of outstanding customer loans, continued its decline (-153 million euros compared to the first half 2017). 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).

[1] Sale of a portfolio of non-performing loans for a total of 0.8 billion euros
[2] Market share of loans in the second quarter (Source: Italian Banking Association)
[3] Including 100% of Private Banking in Italy
[4] 11 million euros paid in the second quarter 2018

Belgian Retail Banking

BRB reported sustained business activity. Loans were up by 4.5% compared to the second quarter 2017 with good growth in corporate loans and a rise in mortgage loans. Deposits rose by 4.6% 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 1.4%, compared to the second quarter 2017, at 917 million euros: net interest income[1] rose by 2.6% due to volume growth partly offset by the impact of the low interest rate environment. Fees[1] were down by 12% compared to a high base in the second quarter 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] were down by 1.4% compared to the second quarter 2017, at 552 million euros thanks to the effect of cost saving measures (optimization of the branch network and streamlining of the management set-up).

Gross operating income[1], at 365 million euros, was down by 1.5% compared to the same quarter last year.

The cost of risk[1] reflected this quarter a net 2 million euros provision write-back, provisions being more than offset by write-backs. It was thus down compared to the second quarter 2017 when it recorded a net provision of 28 million euros.

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 345 million euros in pre-tax income, up by 6.0% compared to the second quarter 2017.

For the first half of the year, 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

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

Domestic Markets' specialised businesses continued their good drive: the financed fleet of Arval grew by 7.4% and the financing outstandings of Leasing Solutions were up by 9.2%[1] compared to the second quarter 2017; the assets under management of Personal Investors were up by 9.0% compared to 30 June 2017 and Nickel reported over 85,000 account openings this quarter 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 9.0% compared to the second quarter 2017, with strong growth in mortgage and corporate loans. Deposits were up by 14.6% 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 731 million euros, were up on the whole by 6.6% compared to the second quarter 2017 due to scope effects and the good business development.

Operating expenses[2] rose by 13.3% compared to the second quarter 2017, to 433 million euros as a result of scope effects and business development, as well as the costs to launch new digital services, in particular at Leasing Solutions.

The cost of risk[2] was down by 1 million euros compared to the second quarter 2017, at 25 million euros.

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 270 million euros (-7.3% compared to the second quarter 2017).

For the first half of the year, 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 4,279 million euros, revenues were up by 8.7% compared to the second quarter 2017 despite an unfavourable foreign exchange effect. They rose by 9.4% at constant scope and exchange rates, up in all the businesses thereby confirming IFS operating division as a growth engine for the Group.

Operating expenses, which totalled 2,534 million euros, were up by 7.1% compared to the same quarter last year, as a result of good development of businesses (+6.9% at constant scope and exchange rates).

Gross operating income came to 1,745 million euros, up by 11.3% compared to the second quarter 2017 (+13.3% at constant scope and exchange rates).

The cost of risk, at 326 million euros, remained low (-4 million compared to the second quarter 2017).

International Financial Services' pre-tax income thus totalled 1,526 million euros, up by 8.7% compared to the second quarter 2017 (+9.6% at constant scope and exchange rates), reflecting the very good profitability of the operating division.

For the first half of the year, 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 +12.0%[2] compared to the second quarter 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 13.2% compared to the second quarter 2017, at 1,381 million euros (+9.3% at constant scope and exchange rates), in connection with increased volumes and the positioning on products with a better risk profile. They were driven in particular by a good drive in Italy, Spain and Germany.

Operating expenses were up by 16.0% compared to the second quarter 2017, at 672 million euros. They were up by 8.3% at constant scope and exchange rates, as a result of business development, which generated a positive 1 point jaws effect[2].

Gross operating income thus came to 709 million euros, up by 10.7% compared to the second quarter 2017.

The cost of risk totalled 265 million euros (225 million euros in the second quarter 2017), up by 40 million euros due to increased outstandings. At 128 basis points of outstanding customer loans, it was at a low level (131 basis points in the second quarter 2017).

Personal Finance's pre-tax income thus came to 450 million euros, up by 1.0% compared to the second quarter 2017.

For the first half of the year, 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 6.3%[2] compared to the second quarter 2017 and deposits grew by 9.5%[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.

[1] Acquisition finalised on 31 October 2017
[2] At constant scope and exchange rates

At 614 million euros, Europe-Mediterranean's revenues[1] were up by 16.6%[2] compared to the second quarter 2017, as a result of increased volumes and margins as well as the good level of fees. They were up in all the regions.

Operating expenses[1], at 402 million euros, were up by 5.3%[2] compared to the same quarter last year due to business development, and generated a largely positive jaws effect.

The cost of risk[1], which totalled 55 million euros, was down this quarter (70 million euros in the second quarter 2017). It was 58 basis points of outstanding customer loans.

After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean thus generated 199 million euros in pre-tax income, up sharply (+53.1%[3] compared to the same quarter last year).

For the first half of the year, at 1,196 million euros, Europe-Mediterranean's revenues[1] 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. 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%[4] compared to the same half last year).

BancWest

BancWest continued its good business drive. Deposits were up by 5.5%[2] and loans were up by 2.2%[2] compared to the second quarter 2017 (+3.0%[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*[5]*.* 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[6], at 731 million euros, were up by 3.9%[2] compared to the second quarter 2017, as a result of volume growth.

At 488 million euros, operating expenses[6] rose by 2.6%[2] compared to the second quarter 2017, reflecting cost containment and producing a positive 1.3 point jaws effect[2].

The cost of risk[6] (5 million euros) was very low this quarter (38 million euros in the second quarter 2017). It was 3 basis points of outstanding customer loans.

[1] Including 100% of Private Banking in Turkey
[2] At constant scope and exchange rates
[3] At constant scope and exchange rates (+31.5% at historical scope and exchange rates given an unfavourable exchange effect)
[4] At constant scope and exchange rates (+29.6% at historical scope and exchange rates given an unfavourable exchange effect)
[5] App developed by a consortium of banks in the United States enabling quick and secure money transfers between individuals.
[6] Including 100% of Private Banking in the United States

Thus, after allocating one-third of U.S. Private Banking's net income to Wealth Management business, BancWest posted 232 million euros in pre-tax income, up sharply (+22.1%[1] compared to the second quarter 2017), reflecting the business' solid performance.

For the first half of the year, revenues[2], at 1,414 million euros, were up by 3.7%[3] compared to the first half 2017, as a result of volume growth. At 983 million euros, operating expenses[2] were up by 2.2%[3] compared to the first half 2017, reflecting cost containment (positive 1.5[3] point jaws effect). The cost of risk[2] (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%[4] 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[5] 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 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[5] 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 Insurance, revenues, at 735 million euros, rose by 18.7% compared to the second quarter 2017 due to strong business drive, particularly internationally, and the good level of capital gains realised this quarter. Operating expenses, at 342 million euros, rose by 15.2%, as a result of business development. Pre-tax income was thus up by 17.1% compared to the second quarter 2017 at 440 million euros, reflecting the business' very 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

[1] At constant scope and exchange rates (+12.2% at historical scope and exchange rates given an unfavourable exchange effect)
[2] Including 100% of Private Banking in the United States
[3] At constant scope and exchange rates
[4] At constant scope and exchange rates (+2.7% at historical scope and exchange rates given an unfavourable exchange effect)
[5] Including distributed assets

Management was named Best European Private Bank at the 2018 WealthBriefing Awards for the second year in a row.

Wealth and Asset Management's revenues (834 million euros) rose by 9.8% compared to the second quarter 2017 reflecting a good overall performance. Operating expenses totalled 639 million euros (+12.8% compared to the second quarter 2017). They were up by 10.9% excluding specific transformation projects at Asset Management and costs related to the acquisition of Strutt & Parker at Real Estate Services. At 206 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 8.9% compared to the second quarter 2017 but up 1.2% excluding non-recurring items[1].

For the first half of the year, revenues of Insurance, 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'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[1]).

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CORPORATE AND INSTITUTIONAL BANKING (CIB)

CIB operated this quarter in a less favourable market environment in Europe compared to the second quarter 2017.

CIB revenues, at 2,979 million euros, were down by 6.8% compared to the second quarter 2017 but by only 1.6% excluding the unfavourable foreign exchange effects and capital gains realised in the second quarter 2017 at Corporate Banking.

At 1,447 million euros, Global Markets' revenues were down by 5.0% compared to the second quarter 2017 as a result, like in the first quarter, of a less favourable market context for FICC[2] in Europe partly offset by a good level of volumes for Equity and Prime Services. The revenues of FICC[2], at 729 million euros, were thus down by 17.4% compared to the second quarter 2017 which had recorded significant volumes. Client business in rates was still weak in Europe and the market context was unfavourable this quarter in forex and credit. 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

[1] 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
[2] Fixed Income, Currencies and Commodities

Prime Services business, at 718 million euros, were up sharply (+12.1%) driven in particular by the good level of client volumes in equity derivatives and the development of the Prime Services businesses. The success of Exane BNP Paribas[1] is illustrated this quarter 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 (24 million euros).

Securities Services' revenues, at 517 million euros, rose by 3.9% compared to the second quarter 2017, as a result of the good business drive and the positive effect of new mandates. Assets under custody and under administration were up by 2.0% compared to 30 June 2017 and the number of transactions rose by 5.9% compared to the same quarter last year. The business also continued to win significant new mandates with in particular the announcement this quarter of a major agreement with DWS for 240 billion euros in assets in Germany and Luxembourg. The business implemented its digital transformation with already 30 automated processes under production and 44 in development. It conducted several blockchain initiatives in partnership with other market players to facilitate in particular SME securities transactions *(LiquidShare)* and fund distribution *(PlanetFunds)*.

Corporate Banking's revenues, at 1,015 million euros, were down this quarter by 13.7% compared to the second quarter 2017 but by only 1.7% excluding the unfavourable foreign exchange effect and capital gains recorded 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 132 billion euros, were up by 4.6%[2] compared to the second quarter 2017 and deposits, at 122 billion euros, were down by 6.7%[2]. The business confirmed its leadership positions and ranked number 1 for syndicated financing in the EMEA region[3]. 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 1,970 million euros, CIB's operating expenses were down by 0.9% compared to the second quarter 2017. 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 4 end-to-end projects (credit process, FX cash, client onboarding and fund administration).

The gross operating income of CIB was thus down by 16.6%, at 1,009 million euros.

CIB's cost of risk remained low, recording this quarter a net 23 million euro provision. It was higher however compared to the second quarter 2017 which had recorded a significant 118 million euros in net write-backs. The cost of risk reflected a net provision of 37 million euros for Global Markets (net write-back of 39 million euros in the second quarter 2017) and a net write-back of 13 million at Corporate Banking (net write-back of 78 million euros in the second quarter 2017).

CIB thus generated 996 million euros in pre-tax income, down by 26.2% compared to a very high base in the second quarter 2017 which had benefited from capital gains and substantial provision write-backs, but rebounded significantly compared to previous quarters.

<u>For the first half of the year</u>, CIB's 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[4] in Europe in the first half of the year. The revenues of FICC[4],

[1] Equity-method entity
[2] At constant scope and exchange rates
[3] Europe, Middle East and Africa
[4] Fixed Income, Currencies and Commodities

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. 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. 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. 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 the development of the transaction businesses (cash management and trade finance).

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).

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.

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CORPORATE CENTRE

Corporate Centre revenues totalled 156 million euros compared to 3 million euros in the second quarter 2017 which included the exceptional impact of a -200 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) and a +85 million euro capital gain from the sale of Euronext shares.

Operating expenses totalled 409 million euros compared to 300 million euros in the second quarter 2017. They included the exceptional impact of 267 million euros in the transformation costs (153 million euros in the second quarter 2017) and 8 million euros in acquisitions' restructuring costs[2] (15 million in the second quarter 2017).

The cost of risk totalled 13 million euros (94 million euros in the second quarter 2017).

Non-operating items totalled 65 million euros (46 million euros in the second quarter 2017).

The Corporate Centre's pre-tax income was thus -201 million euros compared to -346 million euros in the second quarter 2017.

<u>For the first half of the year</u>, 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

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

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). Revenues included in the first half of the year 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[1] (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.

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FINANCIAL STRUCTURE

The Group's balance sheet is very solid.

The fully loaded Basel 3 common equity Tier 1 ratio[2] was 11.5% as at 30 June 2018, down by 10 basis points compared to 31 March 2018. The quarter's net income, after taking into account a 50% dividend pay-out ratio (+15 bp), balances out the effect of the rise in risk-weighted assets excluding foreign exchange effect and operational risk (-15 bp) 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[3], 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] In particular, LaSer, Bank BGZ, DAB Bank and GE LLD
[2] 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. First time application impacts of IFRS 9 are fully taken into account
[3] 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

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

"BNP Paribas delivered a solid performance this quarter with 2.4 billion euros in net income.

Revenues, driven by the specialised businesses, increased in the context of economic growth in Europe despite an unfavourable foreign exchange effect and less favourable financial markets compared to the second quarter 2017.

The Group is actively implementing its digital transformation and new customer experiences roll-out plan.

I would like to thank all the employees of the Group for their dedicated efforts in achieving these results."

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.

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.

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