2016 FULL YEAR RESULTS

PRESS RELEASE
Paris, 7 February 2017

REVENUE GROWTH DESPITE A LOW INTEREST RATE ENVIRONMENT AND A LACKLUSTRE MARKET CONTEXT THIS YEAR

REVENUES: +1.1% vs. 2015

COST CONTAINMENT

+0.4% vs. 2015

RISE IN GROSS OPERATING INCOME

+2.6% vs. 2015

SIGNIFICANT DECREASE IN THE COST OF RISK

-14.1% vs. 2015 (46 bp)*

RISE IN NET INCOME GROUP SHARE

€7,702 M (+15.1% vs. 2015)

DIVIDEND PER SHARE: €2.70**

SOLID ORGANIC CAPITAL GENERATION

CET1*: 11.5% (+60 bp vs. 31.12.15)**

* COST OF RISK/CUSTOMER LOANS AT THE BEGINNING OF THE PERIOD; ** SUBJECT TO THE APPROVAL OF THE ANNUAL GENERAL MEETING ON 23 MAY 2017; *** AS AT 31 DECEMBER 2016, CRD4 (FULLY LOADED RATIO)

BNP PARIBAS

The bank for a changing world

2016 FULL YEAR RESULTS

PRESS RELEASE
Paris, 7 February 2017

SUCCESS OF THE 2014-2016 BUSINESS DEVELOPMENT PLAN

Progress on all the major strategic priorities

ROE in line with the objective of the plan

LAUNCH OF THE NEW 2017-2020 BUSINESS DEVELOPMENT PLAN

Leverage the strength of the integrated and diversified business model

Build the bank of the future by accelerating digital transformation

Conduct an ambitious Corporate Social Responsibility policy

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

"With 7.7 billion euros net income, BNP Paribas delivered a good performance in 2016 thanks to its integrated and diversified business model and the dedicated work of all its employees.

Revenues are up despite a lacklustre environment this year. Costs were well contained and the cost of risk was significantly lower.

The Group's balance sheet is rock-solid and the significant increase in the fully loaded Basel 3 common equity Tier 1 ratio to 11.5% testifies the capital generation.

After the success of its 2014-2016 plan, which allowed to attain the defined targets, the Group now unveils its 2020 business development plan that announces an acceleration of digitalisation and targets an average growth of net income of more than 6.5% per year until 2020.

Serving its customers all over the world, the Group is thus building the bank of the future."

The Board of Directors of BNP Paribas met on 6 February 2017. The meeting was chaired by Jean Lemierre and the Board examined the Group's results for the fourth quarter and endorsed the 2016 financial statements.

RISE IN INCOME AND SOLID CAPITAL GENERATION

BNP Paribas delivered a good overall performance this year, showing the strength of its integrated and diversified business model.

Revenues totalled 43,411 million euros, up by 1.1% compared to 2015 despite the low interest rate environment and a lacklustre market context this year. They included this year the exceptional impact of +597 million euros of the capital gain from the sale of Visa Europe shares as well as the -59 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) (+314 million euros in 2015).

Revenues were up by 0.2% in the operating divisions and by 0.9 % at constant scope and exchange rates given an unfavourable exchange rate. They were down by 0.5% in Domestic Markets[1] (-1.2% at constant scope and exchange rates) due to the low interest rate environment, rose by 1.2% at International Financial Services (+2.7% at constant scope and exchange rates) and decreased by 0.3% at CIB but were up by 1.2% at constant scope and exchange rates despite a particularly challenging market environment in the first quarter of 2016.

Operating expenses, which amounted to 29,378 million euros, were well contained (+0.4% compared to 2015). They included exceptional items for a total of 749 million euro impact (862 million euros in 2015): 159 million euros in the acquisitions' restructuring costs[2] (171 million euros in 2015), 395 million euros in CIB transformation costs (0 in 2015), 144 million euros in restructuring costs related to the businesses[3] (0 in 2015) and the 52 million euros compulsory contribution to the resolution process of 4 Italian banks (69 million euros in 2015). They no longer included any costs related to the Simple & Efficient plan (622 million euros in 2015): in line with the target, the final costs related to this plan were booked in the fourth quarter 2015.

The operating expenses of the operating divisions were up by 1.0%: +2.3% for Domestic Markets[1], +2.3% for International Financial Services and -1.8% for CIB. At constant scope and exchange rates, they rose by 0.5%[4] for Domestic Markets, by 3.6%[4] for International Financial Services and 0.1% for CIB. They included the impact of new regulations and of the strengthening of compliance but benefited from the success of the Simple & Efficient savings plan which offset the natural costs' drift, as well as from the first effects of CIB's savings plan.

The Group's gross operating income was up thus by 2.6%, at 14,033 million euros.

The cost of risk was down significantly by 14.1% due in particular to the good control of risk at loan origination, the low interest rate environment and the continued improvement in Italy. It came to 3,262 million euros (3,797 million euros in 2015) or 46 basis points of outstanding customer loans.

The Group's operating income rose by 10.1% to 10,771 million euros (9,787 million euros in 2015).

Non operating items totalled +439 million euros (+592 million euros in 2015). They included this year -127 million euros[5] in goodwill impairment (-993 million euros in goodwill impairments in 2015[6]). Non operating items also included in 2015 a +716 million euros capital gain from the sale

[1] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)
[2] LaSer, Bank BGZ, DAB Bank and GE LLD
[3] BNL bc (50 million euros), Belgian Retail Banking (80 million euros), Wealth and Asset Management (7 million euros), Corporate Centre (7 million euros)
[4] Excluding exceptional costs
[5] Full goodwill impairment of BGZ
[6] Of which BNL bc's full goodwill impairment: -€917m

of the residual stake in Klépierre-Corio, a +123 million euros dilution capital gain due to the merger between Klépierre and Corio and a +94 million euros capital gain from the sale of a non-strategic stake.

Pre-tax income thus came to 11,210 million euros compared to 10,379 million euros in 2015 (+8.0%).

Net income attributable to equity holders was 7,702 million euros, up by 15.1% compared to 2015. Excluding one-off items[1], it came to 7,802 million euros (+6.3%). The return on equity was 9.3% (9.4% excluding one-off items). The return on tangible equity came to 11.1% (11.2% excluding one-off items). The net earnings per share was at €6.0.

At 31 December 2016, the fully loaded Basel 3 common equity Tier 1 ratio[2] was 11.5%, up by 60 basis points compared to 31 December 2015, illustrating the solid capital generation of the Group. The fully loaded Basel 3 leverage ratio[3] came to 4.4% (+40 basis points compared to 31 December 2015). The Liquidity Coverage Ratio was 123% at 31 December 2016. Lastly, the Group's immediately available liquidity reserve was 305 billion euros (266 billion euros as at 31 December 2015), equivalent to over one year of room to manoeuvre in terms of wholesale funding.

The net book value per share reached 73.9 euros, equivalent to a compounded annual growth rate of 6.2% since 31 December 2008, illustrating the continuous value creation throughout the cycle.

The Board of Directors will propose at the Shareholders' Meeting the payment of a dividend of €2.70 per share to be paid in cash, equivalent to a 45% pay-out ratio which is in line with the objective of the plan.

The Group is actively implementing the remediation plan agreed as part of the comprehensive settlement with the U.S. authorities and is continuing to reinforce its compliance and control procedures.

The Group's good overall performance this year illustrates the success of the 2014-2016 business development plan. The average annual revenue growth was 4.0% over the period and the target of 10% return on equity, calculated on the basis of a CET1 ratio of 10%, was exceeded[4].

The Group unveiled the main highlights of its 2017-2020 business development plan. The plan leverages the strength of the integrated and diversified business model and takes into account regulatory constraints which will continue to grow during the period in the current Basel 3 regulatory framework. It is designed to build the bank of the future by continuing the development of the businesses and implementing an ambitious programme of new customer experience, digital transformation and savings. The target is thus to achieve more than 6.5% average annual growth of net income until 2020, a CET1 of 12%[5] in 2020 and a 10% return on equity at that date.

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[1] Effect of exceptional items after tax: -100 million euros in 2016, -644 million euros in 2015

[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] 10.3% of return on equity in 2016 (excluding one-off items) on the basis of a CET1 ratio of 10%.

[5] With a constant regulatory framework

In the fourth quarter 2016, the Group reported a very solid performance. Revenues totalled 10,656 million euros, up by 2.0% compared to the fourth quarter 2015. They included the exceptional impact of -18 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) (+160 million euros in the fourth quarter 2015).

Revenues of the operating divisions were up by 2.8% compared to the fourth quarter 2015. They were down at Domestic Markets[1] (-1.0%) due to the persistently low interest rate environment but they were up in International Financial Services (+3.1%) and up significantly at CIB (+8.0%) in connection with a favourable market context. The foreign exchange effect this quarter was negligible.

Operating expenses, at 7,444 million euros, rose by only 0.5% compared to the fourth quarter 2015. They included a total of 342 million euros in exceptional items (355 million euros in the fourth quarter 2015): 48 million euros in acquisitions' restructuring costs[2] (54 million euros in the fourth quarter 2015), 98 million euros in CIB's transformation plan costs (0 in the fourth quarter 2015), 144 million euros in restructuring costs related to the businesses[3] (0 in the fourth quarter 2015) and the 52 million euros compulsory contribution to the resolution process of 4 Italian banks (69 million euros in the fourth quarter 2015). They no longer included any Simple & Efficient transformation costs (232 million euros in the fourth quarter 2015).

Operating expenses rose by 3.0% for Domestic Markets[1] but were down 0.5% excluding the impact of exceptional items[4] thanks to the effects of cost savings measures. They rose by 3.2% for International Financial Services as a result of the development of the businesses and decreased by 3.2% for CIB thanks to the effect of the cost cutting plan and despite business growth.

The gross operating income of the Group thus rose by 5.6%, to 3,212 million euros.

The cost of risk was down by 1.9% compared to the fourth quarter 2015. It came to 950 million euros (968 million euros in the fourth quarter 2015).

Non-operating items totalled +5 million euros (-502 million euros in the fourth quarter 2015 which included in particular -993 million euros[5] in exceptional goodwill impairments and the 352 million euros capital gain from the sale of the residual stake in Klépierre-Corio).

Pre-tax income thus came to 2,267 million euros compared to 1,473 million euros in the fourth quarter 2015 (+53.9%).

BNP Paribas posted 1,442 million euros in net income attributable to equity holders (665 million euros in the fourth quarter 2015). Excluding exceptional items[6], it was 1,814 million euros, up by 14.3% compared to the same quarter a year earlier.

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[1] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)

[2] LaSer, Bank BGZ, DAB Bank, General Electric LLD

[3] BNL bc (50 million euros), Belgian Retail Banking (80 million euros), Wealth and Asset Management (7 million euros) and Corporate Centre (7 million euros)

[4] BNL bc and Belgian Retail Banking restructuring costs totalling 130 million euros (20 million euros in the fourth quarter 2015) and a 47 million euros compulsory contribution to the resolution process of 4 Italian banks (65 million euros in the fourth quarter 2015)

[5] Of which BNL bc's full goodwill impairment: -917 million euros

[6] Effect of exceptional items after tax: -372 million euros in the fourth quarter 2016 (-922 million euros in the fourth quarter 2015)

RETAIL BANKING & SERVICES

DOMESTIC MARKETS

For the whole of 2016, Domestic Markets' outstanding loans rose by 2.5% compared to 2015 due to a good pick-up in demand. Deposits were up by 6.4% driven by a strong growth across all the networks. The sales and marketing drive was reflected in particular by growth in Private Banking's assets under management (+5.4% compared to 31 December 2015).

The operating division expanded its digital offering with the development of new customer journeys that provide a new, seamless and value added banking experience and the launch of new services. For example, the merger between Wa! and Fivory (Crédit Mutuel[1]), will lead to the launch in 2017, in partnership with Carrefour, Auchan and Total, among others, a single universal mobile payment solution combining payment, loyalty programmes and discount offers. Hello bank! saw a rapid rise in the number of its clients to 2.5 million (+200,000 compared to the number as at 31 December 2015), and already generates 9.8% of revenues of individual clients[2].

Lastly, the operating division continued to transform its network by optimising the footprint and rolling out new branch formats.

At 15,715 million euros, revenues[3] were slightly down (-0.5%) compared to 2015. In addition to the impact of persistently low interest rates on interest margins, there was a decrease in financial fees due to an unfavourable market context this year. BRB and the specialised businesses however reported good performance and grew their revenues.

Operating expenses[3] (10,629 million euros) were up by 2.3% compared to last year. Excluding exceptional items[4], they rose by 1.2%, driven by growing business units (Arval, Leasing Solutions). The effect of cost saving measures was partly offset by the impact of the evolution of banking taxes and contributions.

Gross operating income[3] thus decreased by 5.9%, at 5,086 million euros, compared to last year.

The cost of risk was down significantly (-16.4% compared to 2015), in particular due to the significant decline 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 pre-tax income[5] that was up 1.4% compared to 2015, at 3,382 million euros.

In the fourth quarter 2016, revenues[3], which totalled 3,866 million euros, were down slightly (-1.0%) compared to the fourth quarter 2015 as a result of the persistently low interest rate environment. BRB and the specialised business units, however, reported good performance.

Operating expenses[3] (2,794 million euros) were up by 3.0% compared to the same quarter a year earlier. Excluding the impact of exceptional items[4], they were down by 0.5% thanks to the effect of cost saving measures.

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1 CM11-CIC

2 FRB, BNL bc, BRB and Personal Investors, excluding private banking

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

4 50 million euros in restructuring costs for BNL bc (20 million euros in the fourth quarter 2015) and 80 million euros for Belgian Retail Banking (0 in the fourth quarter 2015); BNL bc's 47 million euros contribution to the resolution process of 4 Italian banks (65 million euros in the fourth quarter 2015)

5 Excluding PEL/CEL effects (-2 million euros in 2016, -31 million euros in 2015)

Gross operating income[1] thus decreased by 10.0% (-2.1% excluding exceptional items), to 1,072 million euros.

The cost of risk was down significantly (-15.3% compared to the fourth quarter 2015), in particular in Italy.

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 pre-tax income down by 7.8%, at 622 million euros. Excluding the impact of exceptional items, it was up by 5.2%.

French Retail Banking (FRB)

For the whole of 2016, FRB's outstanding loans rose by 0.3% compared to 2015 despite the impact of early repayments. There was a good pick-up in outstandings in the second half of the year which are thus up by 4.2% in the fourth quarter 2016 compared to the same quarter in 2015 with a rise in loans to individual and corporate clients. Deposits rose by 5.4% compared to 2015 driven by strong growth in current account deposits. The pick-up of the sales and marketing drive was also illustrated by the good performance of life insurance (rise of 2.6% in outstandings compared to 31 December 2015) and Private Banking (5.6% growth in assets under management thanks to strong net asset inflows of 2.8 billion euros). The business unit implemented new customer journeys with the BuyMyHome app which notably enables customers to simulate loans for home purchase.

Revenues[2] totalled 6,401 million euros, down by 3.0% compared to 2015. Net interest income[2] was down by 3.4% due to the impact of persistently low interest rates. Fees[2] were down for their part by 2.4% (-1.4% excluding the impact of a non-recurring item) with a decrease in financial fees due to the unfavourable market environment. Financial fees did though pick-up in the fourth quarter of the year (+4.6% compared to the fourth quarter 2015[3]).

Operating expenses[2], at 4,673 million euros, were contained and rose by only 0.7% compared to 2015 despite the rise in taxes and regulatory costs.

Gross operating income[2] thus came to 1,728 million euros, down by 11.7% compared to last year.

The cost of risk[2] was still low, at 342 million euros (343 million euros in 2015). It was 24 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 1,251 million euros in pre-tax income[4] (-14.2% compared to 2015) due to the lacklustre environment this year and the impact of persistently low interest rates. The business unit recorded however a good pick-up in its sales and marketing drive.

In the fourth quarter 2016, revenues[2] totalled 1,548 million euros, down by 3.4% compared to the fourth quarter 2015. Net interest income[2] were down by 5.0% due to the impact of persistently low interest rates. Fees[2] were down for their part by 1.2% but rose by 3.2% excluding the impact of a non-recurring item, with a good pick-up in banking fees and financial fees.

Operating expenses[2], at 1,216 million euros, were contained and rose by only 0.7% compared to the fourth quarter 2015.

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[1] Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg
[2] Including 100% of Private Banking in France (excluding PEL/CEL effects)
[3] Excluding a non-recurring item
[4] Excluding PEL/CEL effects (-2 million euros in 2016, -31 million euros in 2015)

Gross operating income[1] thus totalled 332 million euros, down by 16.1% compared to the same quarter a year earlier (-8.8% excluding the impact of a non-recurring item).

The cost of risk[1] reflected this quarter the impact of a specific loan and totalled 124 million euros (88 million euros in the fourth quarter 2015) or 34 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 177 million euros in pre-tax income[2] (-36.0% compared to the fourth quarter 2015).

BNL banca commerciale (BNL bc)

For the whole of 2016, BNL bc's outstanding loans were up by 0.5% compared to 2015 with a gradual recovery in volumes, in particular on individual clients. Deposits rose by 12.6% with a sharp rise in current accounts. BNL bc delivered a good performance in off balance sheet savings: life insurance outstandings were up by 9.8% and mutual fund outstandings by 7.2% compared to 31 December 2015. BNL bc continued to expand Private Banking with 1.2 billion euros in net asset inflows. The business unit implemented new customer journeys with for example the #Digibiz app that offers a wide range of online services to corporate clients.

Revenues[3] were down by 5.7% compared to 2015, to 2,972 million euros. Net interest income[3] was down by 7.1% due to the persistently low interest rate environment and the residual effect of the repositioning, finalised in 2016, on the better corporate clients. Fees[3] were down by -2.9% with a decrease in financial fees due to the unfavourable market context.

Operating expenses[3], at 1,885 million euros, were down by 0.9%. Excluding the impact of non-recurring items[4], they were down by 1.7% thanks to the effect of cost reduction measures.

Gross operating income[3] thus totalled 1,086 million euros, down by 12.9% compared to last year.

The cost of risk[3], at 124 basis points of outstanding customer loans, was down by 289 million euros compared to 2015 with a gradual improvement of the quality of the loan portfolio.

Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc posted 90 million euros of pre-tax income, a strong improvement compared to 2015 (+134 million euros).

In the fourth quarter 2016, revenues[3] were down by 4.6% compared to the fourth quarter 2015, at 745 million euros. Net interest income[3] was down by 4.2% due to the persistently low interest rate environment and the last effects of the repositioning on the better corporate clients. Fees[3] were down by 5.2% due to banking fees.

Operating expenses[3], at 543 million euros, were down by 1.3% compared to the fourth quarter 2015. Excluding the impact of non-recurring items[4], they were down by 4.3% thanks to the effect of cost reduction measures.

Gross operating income[3] thus totalled 202 million euros, down by 12.5% (-5.1% excluding non-recurring items).

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[1] Including 100% of Private Banking in France (excluding PEL/CEL effects)
[2] Excluding PEL/CEL effects (8 million euros in the fourth quarter 2016, 5 million euros in the fourth quarter 2015)
[3] With 100% of Private Banking in Italy
[4] Restructuring costs: 50 million euros (20 million euros in the fourth quarter 2015); compulsory contribution to the resolution process of 4 Italian banks: 47 million euros (65 million euros in the fourth quarter 2015)

The cost of risk[1], at 118 basis points of outstanding customer loans, was down by 71 million euros compared to the fourth quarter 2015.

Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc posted -36 million euros of pre-tax losses (-80 million euros in the fourth quarter 2015). Excluding non-recurring items, it came to +61 million euros (+4 million euros in the fourth quarter 2015).

Belgian Retail Banking (BRB)

For the whole of 2016, BRB reported sustained business activity. Loans were up by 4.7% compared to 2015 with growth in loans to individual customers (in particular mortgages) and to SMEs. For their part, deposits rose by 5.8% thanks in particular to strong growth in current accounts. The business continued to develop digital banking with new features of the Easy Banking app and Easy Banking Web which now have 1 million and 2.4 million users respectively. The business unit also implemented new customer journeys with the Home on the Spot app which allows customers to simulate loans and offers tools assisting them in the context of home purchase projects.

Revenues[2] were up by 3.1% compared to 2015, at 3,661 million euros: net interest income[2] rose by 5.9% as a result of volume growth and margins holding up well, but fees[2] were down by 4.8% due to a decrease in financial fees as a result of the unfavourable market context.

Operating expenses[2] rose by 4.9% compared to 2015, to 2,582 million euros. Excluding the impact of exceptional items[3] and the evolution in banking taxes, they rose by only 0.9%, reflecting the good cost control.

At 1,079 million euros, gross operating income[2] was down by 1.0% compared to last year (+7.0% excluding exceptional items and the evolution in banking taxes).

The cost of risk[2], at 98 million euros or 10 basis points of outstanding customer loans, was very low and rose by only 13 million euros compared to 2015.

Thus, after allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 918 million euros in pre-tax income, down by 1.1% compared to last year but up by 8.0% excluding exceptional items and evolution in banking taxes, which reflects the business unit's good performance.

In the fourth quarter 2016, revenues[2] were up by 2.9% compared to the fourth quarter 2015, at 908 million euros: net interest income[2] rose by 3.5% as a result of good growth in volumes and fees[2] rose by 1.3% with a rise in banking fees.

Operating expenses[2] rose by 12.5% compared to the fourth quarter 2015, to 661 million euros. Excluding exceptional items[4], they were down by 1% thanks to the effects of cost saving measures.

Gross operating income[2], at 247 million euros, was down by 16.3% compared to the same quarter a year earlier but rose by 10.7%, excluding exceptional items[4].

The cost of risk[2], at 9 million euros or 4 basis points of outstanding customer loans, was particularly low. It was down by 43 million euros compared to the fourth quarter 2015.

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[1] With 100% of Private Banking in Italy
[2] With 100% of Private Banking in Belgium
[3] In particular 80 million euros in restructuring costs (0 in 2015) partly offset by a 30 million euros provision write-back
[4] 80 million euros in restructuring costs (0 in the fourth quarter 2015)

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 222 million euros in pre-tax income, down by 5.6% compared to the same quarter a year earlier but up by 28.3% excluding exceptional items[1].

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

For the whole of 2016, the specialised businesses of Domestic Markets showed a good overall drive. The business activity of Arval was sustained and the financed fleet showed strong growth at constant scope (+10.1% compared to 2015) bringing the number of financed vehicles to over 1 million. The business unit actively implemented the integration of GE Fleet Services. The financing outstandings of Leasing Solutions were up (+4.8% at constant scope and exchange rates) thanks to the good growth in the core business, despite the continued reduction of the non-strategic portfolio. Personal Investors saw a good level of new clients' acquisition.

Luxembourg Retail Banking's outstanding loans rose by 1.5% compared to 2015, due in particular to mortgages and deposits were up by 14.4% with good inflows notably on the corporate segment.

Revenues[2] on the whole were up by 7.3% compared to 2015, at 2,681 million euros, reflecting the effect of the acquisition of GE Fleet Services in Europe. At constant scope and exchange rates, they rose by 3.4% with a rise in all the business units.

Operating expenses[2] rose by 7.3% compared to 2015, at 1,488 million euros. At constant scope and exchange rates, they were up by only 1.9%, the effect of the business development being partly offset by the first cost synergies between DAB Bank et Consors bank ! in Germany.

The cost of risk[2] was down by 21 million euros compared to 2015, at 115 million euros.

Thus, the contribution of these four business units to Domestic Markets' pre-tax income, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was 1,123 million euros, up sharply compared to 2015: +13.1% (+9.2% at constant scope and exchange rates).

In the fourth quarter 2016, revenues[2] were on the whole up by 4.2% compared to the fourth quarter 2015, at 666 million euros, reflecting the effect of the acquisition of GE Fleet Services in Europe. At constant scope and exchange rates, they were also up by 4.2% with a rise in all the businesses, as scope and exchange rates effects offset each other.

Operating expenses[2] rose by 1.5% compared to the fourth quarter 2015, at 374 million euros. At constant scope and exchange rates, they were down by 0.2% thanks to the first cost synergies between DAB Bank and Consors bank! in Germany.

The cost of risk[2] was up by 6 million euros compared to the fourth quarter 2015, at 37 million euros.

Thus, the contribution of these four business units to Domestic Markets' pre-tax income, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was 259 million euros, up by 6.3% compared to the fourth quarter 2015 (+8.6% at constant scope and exchange rates).

[1] 80 million euros in restructuring costs (0 in the fourth quarter 2015)
[2] With 100% of Private Banking in Luxembourg

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INTERNATIONAL FINANCIAL SERVICES

For the whole of 2016, the International Financial Services' businesses reported a good sales and marketing drive: Personal Finance had a sustained business activity, Europe-Mediterranean and BancWest posted good growth in their activity while the Insurance and Wealth & Asset Management businesses generated good asset inflows. The division's sales and marketing drive was also illustrated by the development of digital offering and innovations in all the businesses.

At 15,479 million euros, revenues were up by 1.2% compared to 2015. At constant scope and exchange rates, they were up by +2.7% with growth in International Retail Banking, Insurance and Personal Finance, and Wealth & Asset Management held up well.

Operating expenses (9,544 million euros) were up by 2.3% compared to last year. At constant scope and exchange rates, they were up by 3.7%.

Gross operating income thus totalled 5,935 million euros, down by 0.4% compared to last year (+1.2% at constant scope and exchange rates).

The cost of risk was 1,496 million euros, down by 226 million compared to 2015 due in particular to the decline in the cost of risk at Personal Finance.

Operating income thus totalled 4,439 million euros, up by 4.7% compared to last year (+5.8% at constant scope and exchange rates).

Thus, International Financial Services' pre-tax income increased to 4,924 million euros (+4.0% compared to 2015 and +5.8% at constant scope and exchange rates).

In the fourth quarter 2016, revenues, at 4,025 million euros, were up by 3.1% compared to the fourth quarter 2015. They were up by +3.3% at constant scope and exchange rates with growth in all the businesses.

Operating expenses (2,481 million euros) were up by 3.2% compared to the same quarter a year earlier. At constant scope and exchange rates and excluding exceptional costs[1], they were up by 3.3%, as a result of business growth.

Gross operating income thus totalled 1,544 million euros, up by 2.9% compared to the same quarter a year earlier (+2.8% at constant scope and exchange rates).

The cost of risk was 425 million euros, up by 14 million compared to the fourth quarter 2015.

Operating income thus totalled 1,118 million euros, up by 2.7% compared to the same quarter a year earlier (+2.0% at constant scope and exchange rates).

International Financial Services' pre-tax income was thus up by 2.5% compared to the fourth quarter 2015, at 1,236 million euros (+2.4% at constant scope and exchange rates).

[1] In particular Wealth and Asset Management's restructuring costs for 7 million euros in (0 in the fourth quarter 2015)

Personal Finance

For the whole of 2016, Personal Finance continued its strong sales and marketing drive. Outstanding loans grew by +8.8%[1] compared to 2015 in connection with the rise in demand and the effect of new commercial agreements. The business unit signed new partnership agreements this year in banking (Banco CTT in Portugal), in retail (Eggo Kitchen House in Belgium, Ikea and Mr Bricolage in France) and telecoms (Yoigo in Spain). Outstanding car loans rose by 16.5% compared to 2015[2] and the business unit forged new business deals with Honda in France and Volvo in Italy. Lastly, Personal Finance continued to expand the digital processing of loans with 3.1 million applications signed digitally, up 80% over last year.

Revenues were up by 0.4% compared to 2015, at 4,679 million euros with an unfavourable foreign exchange effect. At constant scope and exchange rates, they were up by 2.0% under the opposite influence of a rise in volumes and an increase in products that have a better risk profile. There was a good drive in Germany, Spain and Italy.

Operating expenses were down by 0.7% compared to 2015, at 2,298 million euros. They were up by 1.0% at constant scope and exchange rates, reflecting good cost control.

Gross operating income thus totalled 2,381 million euros, up by 1.5% compared to last year (+3.0% at constant scope and exchange rates).

At 979 million euros, or 159 basis points of outstanding customer loans, the business recorded a sharp decline in the cost of risk (-196 million euros compared to 2015) due to the low interest rate environment and the growing positioning on products with a better risk profile (car loans in particular) as well as 50 million euros in provisions write-backs following sales of doubtful loans.

Personal Finance's pre-tax income was thus 1,442 million euros, up sharply compared to 2015: +15.9% (+17.9% at constant scope and exchange rates).

In the fourth quarter 2016, Personal Finance's revenues were up by 2.1% compared to the fourth quarter 2015, at 1,185 million euros. At constant scope and exchange rates, they were up 2.5% as a result of volumes rise and the growing positioning on products with a better risk profile.

Operating expenses were up by 3.2% compared to the fourth quarter 2015, at 598 million euros. They were up by 3.6% at constant scope and exchange rates, as a result of good business development.

Gross operating income thus totalled 587 million euros, up by 0.9% compared to the same quarter a year earlier (+1.4% at constant scope and exchange rates).

At 269 million euros, or 170 basis points of outstanding customer loans, the business unit recorded a significant decrease in the cost of risk (-39 million euros compared to the fourth quarter 2015) due to the low interest rate environment and the growing positioning on products with a better risk profile.

Personal Finance's pre-tax income thus totalled 334 million euros, up sharply compared to the fourth quarter 2015: +14.0% (+16.7% at constant scope and exchange rates).

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[1] At constant scope and exchange rates

[2] Outstandings at the end of the period at historical scope and constant exchange rates

Europe-Mediterranean

For the whole of 2016, Europe-Mediterranean reported good business growth. Outstanding loans rose by 5.5%[1] compared to 2015 with a rise in all regions. Deposits grew by 9.8%[1], with good growth in all countries. There was a sustained development in the digital offering with 350,000 clients for CEPTETEB in Turkey and over 200,000 clients for BGZ OPTIMA in Poland.

At 2,513 million euros, revenues[2] were up by 6.0%[1] compared to 2015, in connection with the increase in volumes.

Operating expenses[2], at 1,705 million euros, rose by 4.6%[1] compared to last year. Excluding the rise in banking taxes and contributions in Poland[3], they were up by only 3.7%[1], reflecting the good control of expenses and the effect of cost synergies in Poland.

The cost of risk[2] totalled 437 million euros, or 112 basis points of outstanding customer loans, largely stable compared to 2015 (+0.7%[1]).

Given the rise in the contribution from associated companies and after allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean generated 566 million euros in pre-tax income, up sharply (+19.9%[4] compared to last year).

In the fourth quarter 2016, revenues[2], at 630 million euros, were up by 5.9%[1] compared to the fourth quarter 2015, in connection with increase in volumes and margins; they were up significantly in particular in Turkey.

At 431 million euros, operating expenses[2] rose by 1.1%[1] (+3.4% excluding the evolution of taxes and contributions in Poland) compared to the same quarter a year earlier.

Gross operating income[2] thus rose by 18.0%[1] compared to the fourth quarter 2015.

The cost of risk[2] totalled 127 million euros, or 129 basis points of outstanding customer loans. It was up by 31 million euros compared to the fourth quarter 2015 due to a rise in the cost of risk in Turkey but was stable compared to the third quarter 2016.

Given the good contribution of the associated companies and after allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean thus generated 120 million euros down by 1.2%[5] compared to the same quarter a year earlier.

BancWest

For the whole of 2016, BancWest continued its growth in a favourable economic context.

Loans were up by 8.5%[1] compared to 2015, both for corporate and individual customers. Deposits were up by 7.9%[1] with strong rise in current and savings accounts. BancWest continued to expand Private Banking with assets under management totalling 12.1 billion U.S. dollars as at 31 December 2016 (+19% compared to 31 December 2015).

[1] At constant scope and exchange rates
[2] With 100% of Private Banking in Turkey
[3] Introduction of a banking tax in Poland in 2016: 44 million euros (one-off contribution to the deposit guarantee fund & to the support fund for borrowers for 31 million euros in 2015
[4] At constant scope and exchange rates (+10.2% at historical scope and exchange rates)
[5] At constant scope and exchange rates (-9.8% at historical scope and exchange rates)

The year was also marked for BancWest by the success of the Comprehensive Capital Analysis and Review (CCAR) and by the success of the initial public offering of First Hawaiian Bank that continues to be fully consolidated so long as the Group maintains control over it.

Revenues[1], at 2,984 million euros, rose by 5.5%[2] compared to 2015, the increase in volumes being partly offset by the effect of lower interest rates in the United States for the whole of 2016 compared to 2015.

At 2,038 million euros, operating expenses[1] rose by 8.5%[2] compared to 2015. Excluding regulatory costs[3] and non-recurring costs[4], they grew by 6.9% as a result of the strengthening of the commercial set up (private banking, consumer finance).

The cost of risk[1] (85 million euros) was still at a low level, at 14 basis points of outstanding customer loans. It was however up by 35 million euros compared to the particularly low level in 2015.

Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest generated 862 million euros in pre-tax income (-4.7%[5] compared to 2015).

In the fourth quarter 2016, revenues[1], totalling 795 million euros, rose by 6.5%[2] compared to the fourth quarter 2015 in connection with a rise in volumes.

Operating expenses[1], at 521 million euros, rose by 6.5%[2] compared to the fourth quarter 2015. Excluding regulatory costs[3] and non-recurring costs related to the initial public offering of First Hawaiian Bank, they grew by 5.3% because of the strengthening of the commercial set-ups.

The cost of risk[1] (23 million euros) was still at a low level, at 15 basis points of outstanding customer loans. It was up by 27 million euros compared to the fourth quarter 2015 when provisions were more than offset by write-backs.

Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest generated 251 million euros in pre-tax income (-4.1%[6] compared to the fourth quarter 2015).

Insurance and Wealth and Asset Management

Insurance and Wealth & Asset Management posted, in a lacklustre context in 2016, a good overall performance with good asset inflows in all the business units.

Their assets under management[7] reached, as at 31 December 2016, the record level of 1,010 billion euros (+5.8% compared to 31 December 2015). They rose by 56 billion euros compared to 31 December 2015 due in particular to very good net asset inflows totalling 34.9 billion euros (strong asset inflows at Wealth Management in Asia, France, Italy and at BancWest, very good asset inflows in Asset Management, in particular into diversified and bond funds; good asset inflows in Insurance particularly in unit-linked accounts).

As at 31 December 2016, assets under management[7] broke down as follows: Asset Management (416 billion euros), Wealth Management (344 billion euros), Insurance (226 billion euros) and Real Estate Services (24 billion euros).

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1 With 100% of Private Banking in the United States
2 At constant scope and exchange rates
3 CCAR and Intermediate Holding Company
4 Costs related to the initial public offering of First Hawaiian Bank and a provision for an IT project
5 At constant scope and exchange rates (-6.6% at historical scope and exchange rates)
6 At constant scope and exchange rates (-2.5% at historical scope and exchange rates)
7 Including distributed assets

The implementation of new customer journeys and digital transformation is illustrated, for Wealth Management, by the launch of new digital services ("myAdvisory" a portfolio management mobile app and "myBioPass", a unique key to access digital banking services) and, for Insurance, by 70 digital projects to transform services and improve performances.

Insurance's revenues, at 2,382 million euros, were up by 2.7% compared to 2015, due to the rise in protection insurance revenues in Europe and in Latin America. Operating expenses, at 1,201 million euros, rose by 3.8%, due to the business development and the rise in regulatory costs. After taking into account the good performance of associated companies, pre-tax income was thus up by 3.0% compared to last year, at 1,369 million euros.

Wealth and Asset Management's revenues, at 2,977 million euros, held up well in a lacklustre context (-1.2% compared to 2015). Operating expenses, at 2,341 million euros, were up by 1.4% as a result in particular of the development of Wealth Management. At 685 million euros, Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, was thus down by 5.4% compared to 2015.

In the fourth quarter 2016, Insurance and Wealth & Asset Management recorded 2 billion euros net asset inflows.

Insurance's revenues, at 636 million euros, were up by 5.3% compared to the fourth quarter 2015, with in particular the rise in protection insurance revenues in Europe. Operating expenses, at 315 million euros, rose by 4.4%, due to the business development and the rise in regulatory costs. Pre-tax income was thus up by 5.4% compared to last year, at 356 million euros,

Wealth and Asset Management's revenues, at 794 million euros, were up slightly (+0.5% compared to the fourth quarter 2015), driven by Wealth Management. Operating expenses, at 626 million euros, were up by 3.3%. Excluding the impact of exceptional restructuring costs, they rose by 2.3% as a result of the expansion of Wealth Management. At 176 million euros, Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, was thus down by 5.0% compared to the fourth quarter 2015 (-1.1% excluding exceptional restructuring costs).

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CORPORATE AND INSTITUTIONAL BANKING (CIB)

For the whole of 2016, CIB's business units continued to grow in their markets and the business reported solid growth in the second half of the year after a particularly challenging context in the first quarter. The division actively implemented its transformation plan, on track with the defined timetable, and launched transformation initiatives and cost-saving measures in all regions.

Revenues of the business, at 11,469 million euros, were on the whole virtually stable compared to 2015 (-0.3%) but they rose by 1.2% at constant scope and exchange rates.

At 5,650 million euros, Global Markets' revenues were down by 1.1% compared to 2015 but up by 1.6% at constant scope and exchange rates, showing a good recovery of the business after a particularly challenging market context in Europe at the beginning of the year. The revenues of FICC[1], at 3,860 million euros, were up by 10.0% compared to 2015 with good performance of rates

[1] Fixed Income, Currencies, and Commodities

and credit. The business unit reported sustained business performances and gained market share. It ranked number 1 for all bond issues in euros and number 9 for all international issues. At 1,791 million euros, Equity and Prime Services' revenues were down for their part by 18.7% compared to a high base in 2015 due to the less favourable context in the equity markets. The VaR, which measures market risks, remained very low (34 million euros).

Securities Services' revenues, at 1,824 million euros, were up by 1.9% (+2.2% at constant scope and exchange rates), in connection with the rise in assets under custody, reflecting good business development.

Corporate Banking's revenues, at 3,994 million euros, were stable (-0.3% compared to 2015 but +0.3% at constant scope and exchange rates) with a good pick-up in business after a lacklustre context in the first quarter. Revenues remained at a good level in Europe and Asia Pacific and grew in the Americas region. At 129.4 billion euros, loans were up by 4.3% compared to 2015. Deposits were up sharply, at 117.2 billion euros (+22.8% compared to 2015) in connection with the good development of cash management. The business unit continued to strengthen its positions and confirmed its number 1 ranking in Europe for syndicated financing. It gained new clients and developed transaction banking business (trade finance, etc.), also confirming its global number 4 ranking in cash management.

At 8,309 million euros, CIB's operating expenses were down by 1.8% compared to 2015 (stable at constant scope and exchange rates). They benefited from cost saving measures (about 350 million euros in savings in 2016) but recorded the impact of the rise in banking taxes and regulatory costs.

CIB's cost of risk totalled 217 million euros (+5 million euros compared to 2015). Corporate Banking's cost of risk was low at 292 million euros or 25 basis points of outstanding customer loans (+154 million euros increase compared to the very low level in 2015 which benefited from provision write-backs). Global Markets' cost of risk was a 72 million euros net write-back compared to an 80 million euro provision in 2015.

The operating income of CIB was thus up by 3.8% (+4.6% at constant scope and exchange rates), at 2,943 million euros.

CIB generated, though, income that was down by 1.2%, at 2,962 million euros, compared to last year which had recorded a one-off capital gain of 74 million euros from the sale of a non-strategic stake (+3.4% at constant scope and exchange rates).

In the fourth quarter 2016, CIB reported a very good performance. Revenues rose by 8.0% compared to the fourth quarter 2015, at 2,821 million euros.

Global Markets' revenues, at 1,284 million euros, were up sharply by 21.9% compared to the fourth quarter 2015 with strong client business in a favourable market context. The revenues of FICC[1], at 838 million euros, were up by 22.9% with very good growth of rates, credit and bond issues. At 446 million euros, the revenues of the Equity and Prime Services business unit were up by 20.2% with good volumes growth. The revenues of Securities Services, at 466 million euros, were up by 7.6% as a result of the rise in outstandings and in transaction volumes. At 1,071 million euros, Corporate Banking's revenues were down by 4.9% compared to a very good level in the fourth quarter 2015 which had registered significant transactions.

At 1,914 million euros, operating expenses were down by 3.2% compared to the fourth quarter 2015 due to cost savings measures and despite business growth.

CIB' cost of risk totalled 70 million euros (+7 million euros compared to the fourth quarter 2015). It was still low at Corporate Banking, at 115 million euros, or 39 basis points of outstanding customer

[1] Fixed Income, Currencies, and Commodities

loans, but rose by 46 million euros compared to the same quarter a year earlier due to a specific file. Global Markets' cost of risk was a net write-back of 44 million euros (net write-back of 4 million euros during the same quarter a year earlier).

CIB thus posted income up sharply, at 841 million euros (+50.8% compared to the fourth quarter 2015).

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CORPORATE CENTRE

For the whole of 2016, Corporate Centre revenues were 1,294 million euros compared to 910 million euros in 2015. They included the exceptional impact of +597 million euros of the capital gain from the sale of Visa Europe shares, the -59 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) (+314 million euros in 2015) as well as a very good contribution of Principal Investments.

Operating expenses totalled 1,189 million euros compared to 1,336 million euros in 2015. They included the exceptional impact of 159 million euros in the acquisitions' restructuring costs[1] (171 million euros in 2015), 395 million euros in CIB transformation costs (0 in 2015) and 7 million euros restructuring costs (0 in 2015). They no longer included any Simple & Efficient costs (622 million euros in 2015): in keeping with the objective, the final costs related to this plan were booked in the fourth quarter 2015.

The cost of risk totalled 39 million euros (51 million euros in 2015).

Non-operating items totalled -121 million euros (-79 million euros in 2015). They included -181 million euros[2] in goodwill impairments of subsidiaries' shares (-993 million euros in goodwill impairments in 2015[3]). Non-operating items also included in 2015 a +716 million euros capital gain from the sale of the residual stake in Klépierre-Corio; a +123 million euros dilution capital gain due to the merger between Klépierre and Corio and the +20 million euro share of the capital gain from the sale of a non-core investment allocated to the Corporate Centre.

The Corporate Centre's pre-tax income was -55 million euros compared to -656 million euros in 2015.

In the fourth quarter 2016, Corporate Centre revenues were 70 million euros compared to 151 million euros in the fourth quarter 2015. They included in particular -18 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) (+160 million euros in the fourth quarter 2015) and a good contribution of Principal Investments.

Operating expenses came to 330 million euros compared to 381 million euros in the fourth quarter 2015. They included 48 million euros in acquisitions' restructuring costs[1] (54 million euros in the fourth quarter 2015), 98 million euros in CIB transformation costs (0 in the fourth quarter 2015) and 7 million euros in restructuring costs (0 in the fourth quarter 2015). They no longer included any Simple & Efficient transformation costs (232 million euros in the fourth quarter 2015).

The cost of risk totalled 56 million euros (24 million euros in the fourth quarter 2015).

[1] LaSer, Bank BGZ, DAB Bank and GE LLD
[2] Of which -127 million euros for BGZ's full goodwill impairment
[3] Of which BNL bc's full goodwill impairment: -917 million euros

For reference purposes, a final exceptional provision of 100 million euros was booked in the fourth quarter 2015 in connection with the remediation plan agreed as part of the comprehensive settlement with the U.S. authorities to industrialise existing processes.

Non-operating items totalled -123 million euros (-617 million euros in the fourth quarter 2015). They included -127 million euros[1] in goodwill impairments (-993 million euros in goodwill impairments in 2015[2]). Non-operating items also included in the fourth quarter 2015 the +352 million euros capital gain from the sale of the residual stake in Klépierre-Corio.

The Corporate Centre's pre-tax income was thus -440 million euros compared to -970 million euros in the fourth quarter 2015.

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FINANCIAL STRUCTURE

The Group's balance sheet is rock-solid.

The fully loaded Basel 3 common equity Tier 1 ratio[3] was 11.5% as at 31 December 2016, up by 60 basis points compared to 31 December 2015, primarily due to the year's results after the dividend payment.

The Basel 3 fully loaded leverage ratio[4], calculated on total Tier 1 capital, totalled 4.4% as at 31 December 2016 (+40 basis points compared to 31 December 2015).

The Liquidity Coverage Ratio stood at 123% as at 31 December 2016.

The Group's liquid and asset reserve immediately available totalled 305 billion euros (compared to 266 billion euros as at 31 December 2015), which is equivalent to more than one year of room to manoeuvre in terms of wholesale funding.

The evolution of the Group's ratios illustrates its solid capital generation and its ability to manage its balance sheet in a disciplined manner.

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SUCCESS OF THE 2014-2016 BUSINESS DEVELOPMENT PLAN

The good performance of the Group this year illustrates the success of the 2014-2016 business development plan.

During the period, the Group made progress on all the major strategic priorities defined in the plan. To prepare itself for the transformations of retail banking, the Group has launched Hello bank! which already has 2.5 million customers, developed digital banks in International Retail Banking, continued to adapt the branch networks and expanded private banking in all the networks. CIB,

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[1] Full goodwill impairment of BGZ
[2] Of which BNL bc's full goodwill impairment: -917 million euros
[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

strengthened by Securities Services, gained market share on large corporate and institutional clients and developed transaction banking. All the businesses managed to adapt to the transformations in their environment, like BNL bc. which refocused the corporate sales and marketing approach on the better clients, already reaping the first positive effects in terms of its results, and CIB that grouped together its market businesses in Global Markets. Lastly, regional business development plans (Germany, Asia Pacific, CIB-North America) achieved their growth targets, as well as the specialised businesses.

Average revenue growth[1] thus attained 4.0%[2] per year during the period despite a much more lacklustre environment than expected due to very low interest rates. Organic revenue growth[1] was sustained (+2.2% per year on average[2]) thanks to the good development of the businesses and the success of the regional business development plans, despite the low interest rate environment on Domestic Markets and the impact of the reduction of the Energy & Commodities business in CIB. Targeted acquisitions (DAB Bank, GE Fleet Services Europe, 50% not yet owned by LaSer and Bank BGZ) allowed to use available capital resources while preserving limited growth of risk-weighted assets (+0.7%[2] per year on average) and provided a positive contribution to the growth of revenues.

Operating expenses were well contained. They benefited from the success of the Simple & Efficient plan which helped to generate 3.3 billion euros in recurring savings[3] since it was launched in 2013 or 500 million euros above the initial objective. They recorded however the impact of new taxes and regulations that increased by 1.3 billion euros between 2013 and 2016. Excluding the impact of new taxes and regulations, the average annual growth of operating expenses was 2.7%[2] per year[4] and only 0.7% at constant scope and exchange rates. The jaws effect was thus positive at 1.2 point per year on average excluding new taxes and regulations.

Cost of risk was also reduced and the Group thus achieved or surpassed the main financial targets of the 2014-2016 plan with return on equity excluding exceptional items of 10.3% calculated based on a 10% CET1 ratio (for a 10% target), an 11.5% fully loaded Basel 3 common equity Tier 1 ratio and a 45% dividend pay-out ratio.

During the period, the Group carried out an active Corporate Social Responsibility policy (CSR) and introduced a new Code of Conduct that lead to a large-scale online training programme for employees. Many actions by the Group, such as financing socially responsible businesses, had a positive impact on society. The Group plays an active role in energy transition: it strictly limited financing in the coal industry and successfully launched a green bond. BNP Paribas is the European leader in the Banking category for CSR criteria according to Vigeo Eiris, the extra-financial rating agency.

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2017-2020 BUSINESS DEVELOPMENT PLAN

The 2017-2020 business development plan is based on the Group's integrated and diversified business model with three pillars focused on customers' needs: Domestic Markets, International Financial Services (IFS) and Corporate and Institutional Banking (CIB).

Leveraging this balanced business model, which has demonstrated its strength, the plan aims to build the bank of the future by continuing to grow the businesses and implementing an ambitious

[1] Excluding exceptionals (+€147m in 2013; +€538m in 2016)
[2] 2013-2016 average annual growth rate
[3] Of which 2.5 billion euros during the 2014-2016 period
[4] 4.2% a year on average including new taxes and regulations

programme of digital transformation, new customer experience, and cost savings in strict compliance with the Corporate Social Responsibility policy.

The plan, which is based on conservative macroeconomic assumptions, factors in regulatory constraints expected by 2020 which continue to grow in the current Basel 3 regulatory framework (introduction of Net Stable Funding ratio (NSFR), TLAC requirement on top of the capital constraints…).

In this context, headwinds will continue to be strong at the beginning of the period before letting up in 2019-2020. On average, the Group's target is revenue growth above or equal to 2.5% per year in order to raise the ROE to 10% in 2020.

The Group is targeting an average growth of net income in excess of 6.5% per year for the whole period which will allow, with a 50% dividend pay-out ratio, to grow the dividend by 9% per year on average, and reach a 12%[1] CET1 ratio in 2020.

The 2017-2020 business development plan is based on an ambitious transformation programme in all the operating divisions and on differentiated development strategies between Domestic Markets, IFS and CIB:

An ambitious programme of new customer experience, digital transformation & savings in all the divisions

In all the divisions, the Group will implement an ambitious transformation programme that aims at the same time to implement a new customer experience, the acceleration of digital transformation and improvement of operating efficiency.

It will rely on the success of a significant number of initiatives already underway in terms of products, apps and digital platforms (such as, for example, Hello bank ! and Wa ! in Domestic Markets, Cepteteb and BGZ Optima in IFS, Centric and Cortex in CIB), Tech Labs (such as l'Atelier and l'Echangeur) and incubators (such as the International Hackathon and Wai).

The Group plans to invest 3 billion euros between 2017 and 2019 in this programme that will generate 3.4 billion euros in savings during the same period and 2.7 billion in annual recurring savings starting from 2020 with a balanced contribution of all the divisions.

Five levers will be implemented in all the divisions to renew the customer experience and build a more digital and efficient bank: implement new customer journeys (new services, and digital, expanded, seamless and personalised journeys); improve the operational model by streamlining end-to-end processes, simplifying the organisations, and developing mutualised platforms; adapt information systems by incorporating in particular new technologies in order to accelerate digital and by promoting agile practices; better use data by leveraging them for customers' benefit and by reinforcing data storage, protection and analysis capacities; and, lastly, develop more digital, collaborative and agile work practices.

Differentiated business development strategies per division

In an interest rate environment that will improve only very gradually and given new client expectations influenced by digital usages, Domestic Markets will reinforce the sales and marketing drive with new customer experiences, enhanced attractiveness of the offering and new services. The division will improve its operating efficiency by actively continuing to adapt the branch networks, transforming the operating model and accelerating digitalisation. In a risk environment that will continue to be favourable, it will continue its cost of risk control policy in Italy. The target of

[1] At constant regulatory framework

Domestic Markets[1] is thus an average annual revenue growth of more than 0.5% per year until 2020, a 3 point reduction in its cost income ratio and a return on equity[2] above 17.5% in 2020 (+2 points compared to 2016).

As a growth engine for the Group, International Financial Services will strengthen its positions by accelerating the development (new offerings, new partnerships, new regions for the specialised businesses), consolidating the leading positions of the businesses and continuing to expand retail banking outside of the Eurozone. The division will continue to adapt to future constraints (MIFID 2, etc.) and improve its operating efficiency, in particular by accelerating digital transformation and streamlining processes. The target of IFS[3] is thus an average annual revenue growth of more than 5% per year until 2020, a 5 point reduction in its cost income ratio and a 20% return on equity[2] in 2020 (+2 points compared to 2016).

CIB will capitalise on the good start of its plan in 2016 in all its dimensions: resource optimisation, cost reduction and revenue growth. The operating division will extend to 2020 all the actions under way and accelerate the operating and digital transformation. It will expand its corporate and institutional client base, continue to grow fee-generating businesses (advisory services, cash management, Securities Services) and continue to leverage its regional positions to develop international services. It will also expand its client base in Europe, in particular in the countries of Northern Europe (Germany, Netherlands, etc.), and will continue to develop cooperations with other businesses in the Group. The target of CIB is thus an average annual revenue growth of more than 4.5% per year until 2020, a 8 point reduction in its cost income ratio and a return on equity[2] of more than 19% in 2020 (+6 points compared to 2016).

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[1] Including 100% of Private Banking (excluding PEL/CEL effects)
[2] Return on notional equity (RONE)
[3] Excluding First Hawaiian Bank

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CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	4Q16	4Q15	4Q16 / 4Q15	3Q16	4Q16 / 3Q16	2016	2015	2016 / 2015
Revenues	**10,656**	**10,449**	**+2.0%**	**10,589**	**+0.6%**	**43,411**	**42,938**	**+1.1%**
Operating Expenses and Dep.	-7,444	-7,406	+0.5%	-7,217	+3.1%	-29,378	-29,254	+0.4%
Gross Operating Income	**3,212**	**3,043**	**+5.6%**	**3,372**	**-4.7%**	**14,033**	**13,684**	**+2.6%**
Cost of Risk	-950	-968	-1.9%	-764	+24.3%	-3,262	-3,797	-14.1%
Costs related to the comprehensive settlement with US authorities	0	-100	n.s.	0	n.s.	0	-100	n.s.
Operating Income	**2,262**	**1,975**	**+14.5%**	**2,608**	**-13.3%**	**10,771**	**9,787**	**+10.1%**
Share of Earnings of Equity-Method Entities	151	154	-1.9%	163	-7.4%	633	589	+7.5%
Other Non Operating Items	-146	-656	-77.7%	9	n.s.	-194	3	n.s.
Non Operating Items	**5**	**-502**	**n.s.**	**172**	**-97.1%**	**439**	**592**	**-25.8%**
Pre-Tax Income	**2,267**	**1,473**	**+53.9%**	**2,780**	**-18.5%**	**11,210**	**10,379**	**+8.0%**
Corporate Income Tax	-721	-719	+0.3%	-790	-8.7%	-3,095	-3,335	-7.2%
Net Income Attributable to Minority Interests	-104	-89	+16.9%	-104	-0.0%	-413	-350	+18.0%
Net Income Attributable to Equity Holders	**1,442**	**665**	**n.s.**	**1,886**	**-23.5%**	**7,702**	**6,694**	**+15.1%**
Cost/Income	**69.9%**	**70.9%**	**-1.0 pt**	**68.2%**	**+1.7 pt**	**67.7%**	**68.1%**	**-0.4 pt**

BNP Paribas' financial disclosures for the fourth quarter 2016 and for the year 2016 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.

4Q16 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**3,740**	**4,025**	**2,821**	**10,586**	**70**	**10,656**
	%Change/4Q15	-1.1%	+3.1%	+8.0%	+2.8%	-53.6%	+2.0%
	%Change/3Q16	-1.1%	+2.0%	-2.9%	-0.5%	n.s.	+0.6%
Operating Expenses and Dep.		-2,719	-2,481	-1,914	-7,114	-330	-7,444
	%Change/4Q15	+2.8%	+3.2%	-3.2%	+1.3%	-13.3%	+0.5%
	%Change/3Q16	+9.0%	+7.0%	-5.4%	+4.1%	-13.4%	+3.1%
Gross Operating Income		**1,022**	**1,544**	**907**	**3,472**	**-260**	**3,212**
	%Change/4Q15	-10.1%	+2.9%	+42.6%	+6.1%	+13.2%	+5.6%
	%Change/3Q16	-20.7%	-5.1%	+2.7%	-8.6%	-39.0%	-4.7%
Cost of Risk		-399	-425	-70	-894	-56	-950
	%Change/4Q15	-15.3%	+3.6%	+11.4%	-5.3%	n.s.	-1.9%
	%Change/3Q16	+21.8%	+13.1%	-5.7%	+15.0%	n.s.	+24.3%
Costs related to the comprehensive settlement with US authorities		0	0	0	0	0	0
	%Change/4Q15	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
	%Change/3Q16	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Operating Income		**623**	**1,118**	**837**	**2,578**	**-316**	**2,262**
	%Change/4Q15	-6.5%	+2.7%	+46.0%	+10.7%	-10.6%	+14.5%
	%Change/3Q16	-35.2%	-10.6%	+3.5%	-14.6%	-23.4%	-13.3%
Share of Earnings of Equity-Method Entities		13	116	9	138	13	151
Other Non Operating Items		-6	1	-5	-10	-136	-146
Pre-Tax Income		**630**	**1,236**	**841**	**2,707**	**-440**	**2,267**
	%Change/4Q15	-7.4%	+2.5%	+50.8%	+10.8%	-54.7%	+53.9%
	%Change/3Q16	-36.2%	-10.0%	+3.6%	-14.7%	+12.3%	-18.5%

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**3,740**	**4,025**	**2,821**	**10,586**	**70**	**10,656**
	4Q15	3,782	3,903	2,612	10,298	151	10,449
	3Q16	3,782	3,946	2,905	10,634	-45	10,589
Operating Expenses and Dep.		-2,719	-2,481	-1,914	-7,114	-330	-7,444
	4Q15	-2,646	-2,403	-1,976	-7,025	-381	-7,406
	3Q16	-2,494	-2,319	-2,022	-6,836	-381	-7,217
Gross Operating Income		**1,022**	**1,544**	**907**	**3,472**	**-260**	**3,212**
	4Q15	1,137	1,500	636	3,273	-230	3,043
	3Q16	1,288	1,627	883	3,798	-426	3,372
Cost of Risk		-399	-425	-70	-894	-56	-950
	4Q15	-471	-411	-63	-944	-24	-968
	3Q16	-327	-376	-74	-777	13	-764
Costs related to the comprehensive settlement with US authorities		0	0	0	0	0	0
	4Q15	0	0	0	0	-100	-100
	3Q16	0	0	0	0	0	0
Operating Income		**623**	**1,118**	**837**	**2,578**	**-316**	**2,262**
	4Q15	666	1,089	574	2,329	-354	1,975
	3Q16	961	1,251	809	3,021	-413	2,608
Share of Earnings of Equity-Method Entities		13	116	9	138	13	151
	4Q15	21	117	10	149	5	154
	3Q16	18	122	2	141	22	163
Other Non Operating Items		-6	1	-5	-10	-136	-146
	4Q15	-7	0	-27	-34	-622	-656
	3Q16	8	1	1	9	0	9
Pre-Tax Income		**630**	**1,236**	**841**	**2,707**	**-440**	**2,267**
	4Q15	680	1,206	558	2,443	-970	1,473
	3Q16	987	1,373	812	3,171	-391	2,780
Corporate Income Tax							-721
Net Income Attributable to Minority Interests							-104
Net Income Attributable to Equity Holders							**1,442**

2016 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**15,170**	**15,479**	**11,469**	**42,117**	**1,294**	**43,411**
	%Change/2015	-0.4%	+1.2%	-0.3%	+0.2%	+42.1%	+1.1%
Operating Expenses and Dep.		-10,336	-9,544	-8,309	-28,189	-1,189	-29,378
	%Change/2015	+2.1%	+2.3%	-1.8%	+1.0%	-11.0%	+0.4%
Gross Operating Income		**4,834**	**5,935**	**3,160**	**13,928**	**105**	**14,033**
	%Change/2015	-5.2%	-0.4%	+3.6%	-1.3%	n.s.	+2.6%
Cost of Risk		-1,509	-1,496	-217	-3,223	-39	-3,262
	%Change/2015	-16.6%	-13.1%	+2.3%	-14.0%	-23.7%	-14.1%
Costs related to the comprehensive settlement with US authorities		0	0	0	0	0	0
	%Change/2015	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Operating Income		**3,324**	**4,439**	**2,943**	**10,705**	**66**	**10,771**
	%Change/2015	+1.1%	+4.7%	+3.8%	+3.3%	n.s.	+10.1%
Share of Earnings of Equity-Method Entities		53	477	20	550	83	633
Other Non Operating Items		2	8	-1	10	-204	-194
Pre-Tax Income		**3,379**	**4,924**	**2,962**	**11,265**	**-55**	**11,210**
	%Change/2015	+2.3%	+4.0%	-1.2%	+2.1%	-91.6%	+8.0%
Corporate Income Tax							-3,095
Net Income Attributable to Minority Interests							-413
Net Income Attributable to Equity Holders							**7,702**

QUARTERLY SERIES

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
GROUP								
Revenues	**10,656**	**10,589**	**11,322**	**10,844**	**10,449**	**10,345**	**11,079**	**11,065**
Operating Expenses and Dep.	-7,444	-7,217	-7,090	-7,627	-7,406	-6,957	-7,083	-7,808
Gross Operating Income	**3,212**	**3,372**	**4,232**	**3,217**	**3,043**	**3,388**	**3,996**	**3,257**
Cost of Risk	-950	-764	-791	-757	-968	-882	-903	-1,044
Costs related to the comprehensive settlement with US authorities	0	0	0	0	-100	0	0	0
Operating Income	**2,262**	**2,608**	**3,441**	**2,460**	**1,975**	**2,506**	**3,093**	**2,213**
Share of Earnings of Equity-Method Entities	151	163	165	154	154	134	164	137
Other Non Operating Items	-146	9	-81	24	-656	29	428	202
Pre-Tax Income	**2,267**	**2,780**	**3,525**	**2,638**	**1,473**	**2,669**	**3,685**	**2,552**
Corporate Income Tax	-721	-790	-864	-720	-719	-770	-1,035	-811
Net Income Attributable to Minority Interests	-104	-104	-101	-104	-89	-73	-95	-93
Net Income Attributable to Equity Holders	**1,442**	**1,886**	**2,560**	**1,814**	**665**	**1,826**	**2,555**	**1,648**
Cost/Income	**69.9%**	**68.2%**	**62.6%**	**70.3%**	**70.9%**	**67.2%**	**63.9%**	**70.6%**

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
RETAIL BANKING & SERVICES Excluding PEL/CEL Effects								
Revenues	**7,758**	**7,735**	**7,636**	**7,522**	**7,681**	**7,582**	**7,719**	**7,571**
Operating Expenses and Dep.	-5,200	-4,813	-4,681	-5,187	-5,049	-4,701	-4,636	-5,074
Gross Operating Income	**2,558**	**2,922**	**2,956**	**2,335**	**2,632**	**2,881**	**3,082**	**2,496**
Cost of Risk	-824	-704	-740	-738	-882	-837	-865	-950
Operating Income	**1,733**	**2,218**	**2,216**	**1,598**	**1,750**	**2,045**	**2,218**	**1,546**
Share of Earnings of Equity-Method Entities	130	140	124	136	138	117	139	115
Other Non Operating Items	-5	9	-2	8	-8	20	-2	-10
Pre-Tax Income	**1,858**	**2,367**	**2,339**	**1,742**	**1,881**	**2,182**	**2,355**	**1,651**
Allocated Equity (€bn, year to date)	49.0	48.8	48.6	48.7	48.4	48.4	48.3	47.7

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
RETAIL BANKING & SERVICES								
Revenues	**7,765**	**7,728**	**7,615**	**7,540**	**7,685**	**7,580**	**7,713**	**7,543**
Operating Expenses and Dep.	-5,200	-4,813	-4,681	-5,187	-5,049	-4,701	-4,636	-5,074
Gross Operating Income	**2,565**	**2,915**	**2,935**	**2,353**	**2,637**	**2,879**	**3,077**	**2,469**
Cost of Risk	-824	-704	-740	-738	-882	-837	-865	-950
Operating Income	**1,741**	**2,212**	**2,195**	**1,616**	**1,755**	**2,042**	**2,212**	**1,519**
Share of Earnings of Equity-Method Entities	130	140	124	136	138	117	139	115
Other Non Operating Items	-5	9	-2	8	-8	20	-2	-10
Pre-Tax Income	**1,866**	**2,360**	**2,318**	**1,760**	**1,885**	**2,180**	**2,349**	**1,623**
Allocated Equity (€bn, year to date)	49.0	48.8	48.6	48.7	48.4	48.4	48.3	47.7

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
DOMESTIC MARKETS (including 100% of Private Banking in France, Italy, Belgium and Luxembourg)* Excluding PEL/CEL Effects								
Revenues	**3,866**	**3,923**	**3,962**	**3,963**	**3,905**	**3,920**	**3,982**	**3,991**
Operating Expenses and Dep.	-2,794	-2,567	-2,449	-2,818	-2,713	-2,526	-2,398	-2,755
Gross Operating Income	**1,072**	**1,356**	**1,513**	**1,145**	**1,191**	**1,394**	**1,584**	**1,235**
Cost of Risk	-399	-329	-388	-399	-471	-419	-433	-490
Operating Income	**674**	**1,028**	**1,124**	**746**	**721**	**975**	**1,152**	**745**
Share of Earnings of Equity-Method Entities	14	18	13	9	22	14	9	5
Other Non Operating Items	-6	8	2	-2	-7	-7	-4	-15
Pre-Tax Income	**681**	**1,054**	**1,140**	**753**	**735**	**981**	**1,156**	**736**
Income Attributable to Wealth and Asset Management	-59	-61	-63	-63	-60	-71	-72	-70
Pre-Tax Income of Domestic Markets	**622**	**993**	**1,076**	**690**	**675**	**911**	**1,084**	**666**
Allocated Equity (€bn, year to date)	23.0	22.9	22.9	22.9	22.7	22.6	22.6	22.6

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
DOMESTIC MARKETS (including 2/3 of Private Banking in France, Italy, Belgium and Luxembourg)								
Revenues	**3,740**	**3,782**	**3,803**	**3,844**	**3,782**	**3,781**	**3,842**	**3,821**
Operating Expenses and Dep.	-2,719	-2,494	-2,378	-2,745	-2,646	-2,459	-2,336	-2,685
Gross Operating Income	**1,022**	**1,288**	**1,425**	**1,099**	**1,137**	**1,322**	**1,506**	**1,136**
Cost of Risk	-399	-327	-385	-398	-471	-420	-432	-488
Operating Income	**623**	**961**	**1,040**	**701**	**666**	**902**	**1,074**	**648**
Share of Earnings of Equity-Method Entities	13	18	13	9	21	14	9	5
Other Non Operating Items	-6	8	2	-2	-7	-7	-4	-15
Pre-Tax Income	**630**	**987**	**1,055**	**708**	**680**	**908**	**1,078**	**638**
Allocated Equity (€bn, year to date)	23.0	22.9	22.9	22.9	22.7	22.6	22.6	22.6

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

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
FRENCH RETAIL BANKING (including 100% of Private Banking in France)*								
Revenues	**1,556**	**1,594**	**1,587**	**1,661**	**1,608**	**1,649**	**1,663**	**1,646**
Incl. Net Interest Income	*907*	*916*	*879*	*972*	*951*	*959*	*929*	*934*
Incl. Commissions	*649*	*678*	*709*	*689*	*657*	*690*	*734*	*713*
Operating Expenses and Dep.	-1,216	-1,178	-1,106	-1,173	-1,207	-1,172	-1,097	-1,164
Gross Operating Income	**340**	**416**	**481**	**488**	**401**	**477**	**565**	**483**
Cost of Risk	-124	-72	-72	-73	-88	-79	-87	-89
Operating Income	**215**	**345**	**408**	**415**	**313**	**398**	**478**	**394**
Non Operating Items	1	0	1	1	1	1	1	1
Pre-Tax Income	**217**	**345**	**409**	**416**	**314**	**398**	**479**	**395**
Income Attributable to Wealth and Asset Management	-32	-34	-32	-39	-34	-41	-43	-42
Pre-Tax Income of French Retail Banking	**184**	**310**	**377**	**377**	**281**	**358**	**436**	**353**
Allocated Equity (€bn, year to date)	8.7	8.6	8.5	8.6	8.3	8.3	8.3	8.3

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
FRENCH RETAIL BANKING (including 100% of Private Banking in France)* Excluding PEL/CEL Effects**								
Revenues	**1,548**	**1,601**	**1,608**	**1,643**	**1,603**	**1,651**	**1,668**	**1,674**
Incl. Net Interest Income	*899*	*923*	*900*	*954*	*946*	*961*	*935*	*961*
Incl. Commissions	*649*	*678*	*709*	*689*	*657*	*690*	*734*	*713*
Operating Expenses and Dep.	-1,216	-1,178	-1,106	-1,173	-1,207	-1,172	-1,097	-1,164
Gross Operating Income	**332**	**423**	**502**	**470**	**396**	**479**	**571**	**510**
Cost of Risk	-124	-72	-72	-73	-88	-79	-87	-89
Operating Income	**208**	**351**	**430**	**397**	**308**	**400**	**484**	**422**
Non Operating Items	1	0	1	1	1	1	1	1
Pre-Tax Income	**209**	**351**	**430**	**398**	**309**	**401**	**485**	**422**
Income Attributable to Wealth and Asset Management	-32	-34	-32	-39	-34	-41	-43	-42
Pre-Tax Income of French Retail Banking	**177**	**317**	**398**	**359**	**276**	**360**	**442**	**380**
Allocated Equity (€bn, year to date)	8.7	8.6	8.5	8.6	8.3	8.3	8.3	8.3

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)								
Revenues	**1,485**	**1,523**	**1,516**	**1,588**	**1,539**	**1,576**	**1,588**	**1,570**
Operating Expenses and Dep.	-1,178	-1,141	-1,068	-1,139	-1,173	-1,141	-1,065	-1,130
Gross Operating Income	**307**	**382**	**448**	**450**	**367**	**436**	**523**	**440**
Cost of Risk	-124	-71	-72	-73	-87	-79	-87	-88
Operating Income	**183**	**311**	**376**	**377**	**280**	**357**	**436**	**352**
Non Operating Items	1	0	1	1	1	1	1	1
Pre-Tax Income	**184**	**310**	**377**	**377**	**281**	**358**	**436**	**353**
Allocated Equity (€bn, year to date)	8.7	8.6	8.5	8.6	8.3	8.3	8.3	8.3

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

*** Reminder on PEL/CEL provision: this provision takes into account the risk generated by Plans Epargne Logement (PEL) and Comptes Epargne Logement (CEL) during their whole lifetime.*

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
PEL/CEL effects	8	-7	-21	18	5	-2	-6	-28

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
BNL banca commerciale (Including 100% of Private Banking in Italy)*								
Revenues	**745**	**741**	**749**	**737**	**781**	**763**	**797**	**809**
Operating Expenses and Dep.	-543	-448	-433	-462	-550	-446	-443	-464
Gross Operating Income	**202**	**293**	**317**	**275**	**230**	**317**	**354**	**345**
Cost of Risk	-229	-215	-242	-274	-300	-309	-318	-321
Operating Income	**-27**	**78**	**74**	**1**	**-70**	**8**	**36**	**24**
Non Operating Items	0	0	0	0	0	0	0	-1
Pre-Tax Income	**-27**	**78**	**74**	**1**	**-70**	**8**	**36**	**23**
Income Attributable to Wealth and Asset Management	-10	-9	-9	-10	-10	-9	-11	-10
Pre-Tax Income of BNL bc	**-36**	**70**	**65**	**-8**	**-80**	**-1**	**24**	**13**
Allocated Equity (€bn, year to date)	5.7	5.8	5.9	6.0	6.5	6.5	6.5	6.6

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
BNL banca commerciale (Including 2/3 of Private Banking in Italy)								
Revenues	**725**	**721**	**730**	**718**	**762**	**745**	**777**	**790**
Operating Expenses and Dep.	-533	-438	-423	-453	-541	-437	-434	-455
Gross Operating Income	**192**	**284**	**307**	**265**	**221**	**308**	**342**	**335**
Cost of Risk	-229	-214	-242	-274	-301	-309	-318	-321
Operating Income	**-36**	**70**	**65**	**-8**	**-80**	**-1**	**24**	**14**
Non Operating Items	0	0	0	0	0	0	0	-1
Pre-Tax Income	**-36**	**70**	**65**	**-8**	**-80**	**-1**	**24**	**13**
Allocated Equity (€bn, year to date)	5.7	5.8	5.9	6.0	6.5	6.5	6.5	6.6

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium)*								
Revenues	**908**	**914**	**923**	**917**	**882**	**880**	**893**	**897**
Operating Expenses and Dep.	-661	-575	-555	-791	-588	-576	-525	-773
Gross Operating Income	**247**	**339**	**367**	**126**	**295**	**305**	**368**	**123**
Cost of Risk	-9	-19	-49	-21	-52	2	-2	-34
Operating Income	**237**	**320**	**318**	**106**	**243**	**306**	**366**	**90**
Share of Earnings of Equity-Method Entities	2	5	5	-4	3	3	5	-1
Other Non Operating Items	-1	-2	0	0	5	-7	-4	-13
Pre-Tax Income	**239**	**323**	**323**	**102**	**250**	**303**	**367**	**76**
Income Attributable to Wealth and Asset Management	-17	-18	-21	-14	-14	-20	-17	-17
Pre-Tax Income of Belgian Retail Banking	**222**	**305**	**302**	**88**	**235**	**283**	**350**	**60**
Allocated Equity (€bn, year to date)	4.7	4.7	4.7	4.6	4.5	4.5	4.5	4.4

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)								
Revenues	**867**	**871**	**878**	**875**	**846**	**838**	**856**	**852**
Operating Expenses and Dep.	-636	-550	-534	-763	-565	-551	-506	-747
Gross Operating Income	**230**	**321**	**344**	**112**	**280**	**286**	**350**	**105**
Cost of Risk	-10	-19	-46	-20	-52	0	-1	-32
Operating Income	**221**	**302**	**297**	**92**	**228**	**286**	**349**	**73**
Share of Earnings of Equity-Method Entities	2	5	5	-4	3	3	5	-1
Other Non Operating Items	-1	-2	0	0	5	-7	-4	-13
Pre-Tax Income	**222**	**305**	**302**	**88**	**235**	**283**	**350**	**60**
Allocated Equity (€bn, year to date)	4.7	4.7	4.7	4.6	4.5	4.5	4.5	4.4

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

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)*								
Revenues	**666**	**669**	**681**	**666**	**638**	**625**	**624**	**611**
Operating Expenses and Dep.	-374	-367	-355	-393	-368	-332	-332	-354
Gross Operating Income	**292**	**302**	**327**	**273**	**270**	**293**	**292**	**257**
Cost of Risk	-37	-23	-25	-31	-31	-33	-26	-47
Operating Income	**255**	**279**	**302**	**242**	**240**	**260**	**266**	**210**
Share of Earnings of Equity-Method Entities	10	13	8	12	18	10	3	5
Other Non Operating Items	-6	10	3	-2	-13	0	0	-1
Pre-Tax Income	**260**	**301**	**312**	**252**	**245**	**270**	**269**	**214**
Income Attributable to Wealth and Asset Management	0	0	-1	-1	-1	-1	-1	-1
Pre-Tax Income of Other Domestic Markets	**259**	**301**	**311**	**251**	**244**	**269**	**267**	**213**
Allocated Equity (€bn, year to date)	3.8	3.8	3.8	3.8	3.5	3.4	3.4	3.3

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)								
Revenues	**663**	**666**	**679**	**663**	**636**	**622**	**621**	**608**
Operating Expenses and Dep.	-372	-365	-353	-391	-366	-330	-331	-353
Gross Operating Income	**291**	**301**	**326**	**272**	**269**	**292**	**290**	**255**
Cost of Risk	-36	-23	-25	-31	-31	-33	-26	-47
Operating Income	**255**	**278**	**301**	**241**	**238**	**259**	**265**	**209**
Share of Earnings of Equity-Method Entities	10	13	8	12	18	10	3	5
Other Non Operating Items	-6	10	3	-2	-13	0	0	-1
Pre-Tax Income	**259**	**301**	**311**	**251**	**244**	**269**	**267**	**213**
Allocated Equity (€bn, year to date)	3.8	3.8	3.8	3.8	3.5	3.4	3.4	3.3

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

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
INTERNATIONAL FINANCIAL SERVICES								
Revenues	**4,025**	**3,946**	**3,813**	**3,696**	**3,903**	**3,799**	**3,871**	**3,722**
Operating Expenses and Dep.	-2,481	-2,319	-2,303	-2,442	-2,403	-2,242	-2,300	-2,389
Gross Operating Income	**1,544**	**1,627**	**1,510**	**1,254**	**1,500**	**1,558**	**1,571**	**1,333**
Cost of Risk	-425	-376	-355	-339	-411	-417	-432	-462
Operating Income	**1,118**	**1,251**	**1,155**	**915**	**1,089**	**1,141**	**1,138**	**871**
Share of Earnings of Equity-Method Entities	116	122	111	127	117	103	131	109
Other Non Operating Items	1	1	-4	10	0	27	2	5
Pre-Tax Income	**1,236**	**1,373**	**1,262**	**1,052**	**1,206**	**1,272**	**1,271**	**985**
Allocated Equity (€bn, year to date)	26.1	25.9	25.7	25.8	25.7	25.7	25.7	25.0

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
PERSONAL FINANCE								
Revenues	**1,185**	**1,177**	**1,168**	**1,149**	**1,161**	**1,174**	**1,164**	**1,161**
Operating Expenses and Dep.	-598	-544	-547	-609	-580	-545	-581	-609
Gross Operating Income	**587**	**632**	**621**	**540**	**581**	**629**	**583**	**552**
Cost of Risk	-269	-240	-248	-221	-309	-287	-288	-292
Operating Income	**317**	**392**	**373**	**319**	**273**	**342**	**295**	**260**
Share of Earnings of Equity-Method Entities	18	18	-8	13	21	22	15	17
Other Non Operating Items	-2	0	-1	1	-1	0	2	-2
Pre-Tax Income	**334**	**411**	**364**	**333**	**293**	**364**	**312**	**276**
Allocated Equity (€bn, year to date)	4.9	4.9	4.8	4.8	4.5	4.5	4.4	4.2

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey)*								
Revenues	**630**	**659**	**616**	**608**	**626**	**617**	**663**	**609**
Operating Expenses and Dep.	-431	-413	-429	-432	-444	-404	-408	-452
Gross Operating Income	**200**	**245**	**187**	**176**	**183**	**213**	**255**	**158**
Cost of Risk	-127	-127	-87	-96	-96	-112	-109	-150
Operating Income	**73**	**118**	**100**	**80**	**87**	**101**	**146**	**8**
Share of Earnings of Equity-Method Entities	49	48	53	50	46	44	42	42
Other Non Operating Items	-1	0	-4	2	1	0	-2	1
Pre-Tax Income	**121**	**166**	**149**	**132**	**134**	**145**	**186**	**51**
Income Attributable to Wealth and Asset Management	-1	0	-1	-1	-1	-1	-1	-1
Pre-Tax Income of EUROPE-MEDITERRANEAN	**120**	**165**	**149**	**132**	**133**	**145**	**185**	**51**
Allocated Equity (€bn, year to date)	5.2	5.2	5.2	5.1	5.4	5.4	5.4	5.3

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey)								
Revenues	**628**	**656**	**614**	**606**	**625**	**614**	**661**	**607**
Operating Expenses and Dep.	-429	-411	-428	-431	-442	-403	-406	-450
Gross Operating Income	**199**	**245**	**187**	**176**	**182**	**212**	**254**	**157**
Cost of Risk	-127	-127	-87	-96	-96	-112	-109	-150
Operating Income	**72**	**118**	**100**	**80**	**86**	**100**	**145**	**8**
Share of Earnings of Equity-Method Entities	49	48	53	50	46	44	42	42
Other Non Operating Items	-1	0	-4	2	1	0	-2	1
Pre-Tax Income	**120**	**165**	**149**	**132**	**133**	**145**	**185**	**51**
Allocated Equity (€bn, year to date)	5.2	5.2	5.2	5.1	5.4	5.4	5.4	5.3

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

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
BANCWEST (Including 100% of Private Banking in United States)*								
Revenues	**795**	**728**	**688**	**773**	**735**	**702**	**731**	**667**
Operating Expenses and Dep.	-521	-501	-482	-534	-481	-465	-466	-470
Gross Operating Income	**274**	**227**	**207**	**239**	**253**	**237**	**265**	**197**
Cost of Risk	-23	-14	-23	-25	4	-19	-16	-19
Operating Income	**251**	**213**	**184**	**214**	**257**	**218**	**249**	**178**
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0	0	0
Other Non Operating Items	4	1	1	10	2	25	1	3
Pre-Tax Income	**255**	**214**	**184**	**225**	**260**	**243**	**250**	**180**
Income Attributable to Wealth and Asset Management	-5	-4	-3	-3	-3	-3	-2	-2
Pre-Tax Income of BANCWEST	**251**	**210**	**181**	**221**	**257**	**240**	**248**	**178**
Allocated Equity (€bn, year to date)	6.3	6.2	6.3	6.4	6.3	6.3	6.3	6.0

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
BANCWEST (Including 2/3 of Private Banking in United States)								
Revenues	**782**	**716**	**677**	**762**	**724**	**692**	**721**	**658**
Operating Expenses and Dep.	-513	-493	-474	-526	-474	-457	-459	-463
Gross Operating Income	**269**	**223**	**203**	**236**	**250**	**234**	**262**	**195**
Cost of Risk	-23	-14	-23	-25	4	-19	-16	-19
Operating Income	**246**	**209**	**180**	**211**	**255**	**215**	**247**	**175**
Non Operating Items	4	1	1	10	2	25	1	3
Pre-Tax Income	**251**	**210**	**181**	**221**	**257**	**240**	**248**	**178**
Allocated Equity (€bn, year to date)	6.3	6.2	6.3	6.4	6.3	6.3	6.3	6.0

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
INSURANCE								
Revenues	**636**	**679**	**611**	**456**	**604**	**579**	**562**	**575**
Operating Expenses and Dep.	-315	-299	-278	-309	-302	-278	-276	-301
Gross Operating Income	**321**	**380**	**333**	**147**	**302**	**301**	**286**	**275**
Cost of Risk	-1	3	1	-1	-4	2	-4	0
Operating Income	**320**	**383**	**334**	**146**	**298**	**304**	**282**	**275**
Share of Earnings of Equity-Method Entities	36	44	54	55	40	28	60	42
Other Non Operating Items	0	0	0	-3	-1	0	1	0
Pre-Tax Income	**356**	**427**	**387**	**199**	**337**	**332**	**343**	**316**
Allocated Equity (€bn, year to date)	7.5	7.4	7.4	7.4	7.4	7.3	7.3	7.3

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
WEALTH AND ASSET MANAGEMENT								
Revenues	**794**	**718**	**743**	**723**	**789**	**739**	**764**	**720**
Operating Expenses and Dep.	-626	-572	-577	-567	-605	-558	-579	-566
Gross Operating Income	**168**	**146**	**166**	**156**	**184**	**181**	**185**	**154**
Cost of Risk	-5	3	3	3	-7	-1	-16	-1
Operating Income	**163**	**149**	**169**	**159**	**177**	**180**	**169**	**153**
Share of Earnings of Equity-Method Entities	13	12	13	8	11	10	14	8
Other Non Operating Items	0	0	0	0	-3	2	0	3
Pre-Tax Income	**176**	**161**	**181**	**167**	**185**	**191**	**183**	**165**
Allocated Equity (€bn, year to date)	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.2

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

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
CORPORATE AND INSTITUTIONAL BANKING								
Revenues	**2,821**	**2,905**	**3,056**	**2,686**	**2,612**	**2,567**	**3,014**	**3,313**
Operating Expenses and Dep.	-1,914	-2,022	-2,115	-2,258	-1,976	-1,955	-2,051	-2,475
Gross Operating Income	**907**	**883**	**942**	**428**	**636**	**612**	**963**	**838**
Cost of Risk	-70	-74	-46	-28	-63	-40	-14	-96
Operating Income	**837**	**809**	**896**	**400**	**574**	**572**	**948**	**742**
Share of Earnings of Equity-Method Entities	9	2	13	-3	10	2	13	8
Other Non Operating Items	-5	1	-2	6	-27	-2	20	136
Pre-Tax Income	**841**	**812**	**907**	**403**	**558**	**573**	**981**	**885**
Allocated Equity (€bn, year to date)	22.2	22.2	22.0	21.9	21.6	21.6	21.5	20.6

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
CORPORATE BANKING								
Revenues	**1,071**	**958**	**1,037**	**929**	**1,126**	**877**	**1,015**	**988**
Operating Expenses and Dep.	-567	-591	-601	-693	-606	-584	-611	-669
Gross Operating Income	**504**	**368**	**436**	**236**	**520**	**293**	**404**	**319**
Cost of Risk	-115	-79	-42	-55	-69	-50	55	-73
Operating Income	**388**	**289**	**394**	**181**	**451**	**243**	**459**	**246**
Non Operating Items	14	-3	2	0	-10	-1	32	139
Pre-Tax Income	**402**	**286**	**396**	**181**	**441**	**242**	**491**	**385**
Allocated Equity (€bn, year to date)	12.4	12.3	12.3	12.2	11.4	11.4	11.3	11.0

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
GLOBAL MARKETS								
Revenues	**1,284**	**1,490**	**1,558**	**1,318**	**1,053**	**1,245**	**1,526**	**1,886**
incl. FICC	*838*	*1,082*	*1,050*	*890*	*682*	*766*	*900*	*1,159*
incl. Equity & Prime Services	*446*	*408*	*509*	*428*	*371*	*478*	*626*	*728*
Operating Expenses and Dep.	-967	-1,065	-1,139	-1,184	-980	-1,001	-1,073	-1,450
Gross Operating Income	**317**	**425**	**419**	**134**	**73**	**243**	**453**	**436**
Cost of Risk	44	5	-4	27	4	11	-72	-23
Operating Income	**361**	**430**	**415**	**160**	**77**	**254**	**380**	**413**
Share of Earnings of Equity-Method Entities	-3	5	11	-4	6	4	2	6
Other Non Operating Items	-8	0	-2	6	-12	-2	0	-1
Pre-Tax Income	**350**	**435**	**424**	**163**	**72**	**256**	**382**	**418**
Allocated Equity (€bn, year to date)	9.0	9.1	9.0	9.1	9.5	9.5	9.5	9.0

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
SECURITIES SERVICES								
Revenues	**466**	**457**	**461**	**440**	**433**	**444**	**473**	**439**
Operating Expenses and Dep.	-380	-367	-374	-382	-390	-369	-368	-356
Gross Operating Income	**86**	**90**	**87**	**59**	**43**	**75**	**106**	**83**
Cost of Risk	2	0	1	0	3	0	3	0
Operating Income	**87**	**90**	**88**	**59**	**45**	**75**	**109**	**83**
Non Operating Items	1	1	0	0	0	0	0	0
Pre-Tax Income	**88**	**91**	**87**	**59**	**45**	**75**	**109**	**83**
Allocated Equity (€bn, year to date)	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.6

€m	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
CORPORATE CENTRE								
Revenues	**70**	**-45**	**650**	**618**	**151**	**198**	**352**	**209**
Operating Expenses and Dep.	-330	-381	-295	-182	-381	-302	-395	-258
Incl. Restructuring and Transformation Costs	*-154*	*-253*	*-108*	*-46*	*-286*	*-160*	*-217*	*-130*
Gross Operating Income	**-260**	**-426**	**356**	**435**	**-230**	**-103**	**-43**	**-50**
Cost of Risk	-56	13	-5	9	-24	-6	-24	2
Costs related to the comprehensive settlement with US authorities	0	0	0	0	-100	0	0	0
Operating Income	**-316**	**-413**	**350**	**444**	**-354**	**-109**	**-67**	**-47**
Share of Earnings of Equity-Method Entities	13	22	28	21	5	14	12	15
Other Non Operating Items	-136	0	-77	10	-622	11	410	76
Pre-Tax Income	**-440**	**-391**	**301**	**475**	**-970**	**-84**	**354**	**43**

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, IFS and CIB Revenues for BNP Paribas Group = Revenues of the operating divisions + Revenues of Corporate Centre	Representative measure of the BNP Paribas Group's operating performance
Revenues excluding PEL/CEL effects	Revenues excluding PEL/CEL effects	Representative measure of the revenues of the period excluding changes in the provision that accounts for the risk generated by PEL and CEL accounts during their lifetime
Profit & Loss account of retail banking activitywith 100% of Private Banking	Profit & Loss account of a retail banking activity including the whole Profit & Loss account of private banking	Representative measure of the performance of retail banking activity including the total performance of private banking (before sharing the profit & loss account with the Wealth Management business, private banking being under a joint responsibility of retail banking (2/3) and Wealth Management business (1/3))
Cost of risk/Customer loans at the beginning of the period (in basis points)	Cost of risk (in €m) divided by customer loans at the beginning of the period	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	Measure of BNP Paribas Group's net income excluding non-recurring items of a significant amount or items that do not reflect the underlying operating performance, notably Own Credit valuation Adjustments for debts (OCA) and for derivatives (Debit Valuation Adjustment - DVA) as well as transformation and restructuring costs
Return on Equity (ROE) excluding exceptional items	Net income Group share excluding exceptional items and remuneration of Undated Super Subordinated Notes divided by the average of permanent shareholders' equity of the period (shareholders' equity Group share excluding changes in assets and liabilities recognized directly in equity, Undated Super Subordinated Notes, remuneration net of tax payable to holders of Undated Super Subordinated Notes and proposed distribution of dividends)	Measure of the BNP Paribas Group's return on equity excluding non-recurring items of a significant amount or items that do not reflect the operating performance, notably Own Credit valuation Adjustments for debts (OCA) and for derivatives (Debit Valuation Adjustment - DVA) as well as transformation and restructuring costs
Return on Tangible Equity (ROTE) excluding exceptional items	Net income Group share excluding exceptional items and remuneration of Undated Super Subordinated Notes divided by the average of tangible permanent shareholders' equity of the period (permanent shareholders' equity correspond to permanent shareholders' equity less goodwill and intangible assets)	Measure of the BNP Paribas Group's return on tangible equity excluding non recurring items of a significant amount or items that do not reflect the operating performance, notably Own Credit valuation Adjustments for debts (OCA) and for derivatives (Debit Valuation Adjustment - DVA) as well as transformation and restructuring costs

Methodology – Comparative analysis at constant scope and exchange rates

The method used to determine the effect of changes in scope of consolidation depends on the type of transaction (acquisition, sale, etc.). The underlying purpose of the calculation is to facilitate period-on-period comparisons.

In case of acquired or created entity, the results of the new entity are eliminated from the constant scope results of current-year periods corresponding to the periods when the entity was not owned in the prior-year.
In case of divested entities, the entity's results are excluded symmetrically for the prior year for quarters when the entity was not owned.
In case of change of consolidation method, the policy is to use the lowest consolidation percentage over the two years (current and prior) for results of quarters adjusted on a like-for-like basis.

Comparative analysis at constant exchange rates are prepared by restating results for the prior-year quarter (reference quarter) at the current quarter exchange rate (analysed quarter). All of these calculations are performed by reference to the entity's reporting currency.

Reminder

Operating expenses: sum of salary and employee benefit expenses, other operating expenses and depreciation, amortisation and impairment of property, plant and equipment. In the whole document, the terms operating expenses or costs can be used indifferently.

Operating divisions: they consist of 3 divisions:

- Domestic Markets including: French Retail Banking (FRB), BNL banca commerciale (BNL bc), Belgium Retail Banking (BRB), Other Domestic Markets activities including Arval, Leasing Solutions, Personal Investors and Luxembourg Retail Banking (LRB);
- International Financial Services (IFS) including: Europe-Mediterranean, BancWest, Personal Finance, Insurance, Wealth & Asset Management (WAM) that includes Asset Management, Wealth Management and Real Estate Services;
- Corporate and Institutional Banking (CIB) including: Corporate Banking, Global Markets, Securities Services.

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

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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