2020 FULL YEAR RESULTS

PRESS RELEASE
Paris, 5 February 2021

2020: BNP PARIBAS' DIVERSIFIED AND INTEGRATED MODEL DEMONSTRATED ITS EFFECTIVENESS AND RESILIENCE IN A CONTEXT MARKED BY THE HEALTH CRISIS

RESOURCES AND EXPERTISE MOBILISED TO SERVE THE ECONOMY AND SOCIETY

Loans outstanding: +€33bn (+4.4% vs. 2019)
More than 120,000 state-guaranteed loans[1]
€396bn raised for clients on the syndicated credit, bond and equity markets[2]

STABLE REVENUES

Revenues: -0.7% vs. 2019
(+1.3% at constant scope and exchange rates)

OPERATING EXPENSES DOWN, DRIVEN BY THE SUCCESSFUL DIGITAL AND INDUSTRIAL TRANSFORMATION

OPERATING EXPENSES: -3.6% vs. 2019
(-2.7% at constant scope and exchange rates)

COST OF RISK UP WITH THE EFFECTS OF THE HEALTH CRISIS

66 bps[3]
including €1.4bn (16 bps) in provisioning of performing loans (stages 1 and 2)

RESILIENT NET INCOME[4]

NET INCOME[4]: €7,067m (-13.5% vs. 2019)

VERY SOLID BALANCE SHEET

CET1 RATIO: 12.8%
(+70 bps vs. 31.12.19)

1. Granted by the Group's retail networks as at 31 December 2020; 2. Source: Dealogic as of 31.12.20, bookrunner, apportioned amount; 3. Cost of risk / Customer loans at the beginning of the period (in bps); 4. Group share

BNP PARIBAS

The bank for a changing world

The Board of Directors of BNP Paribas met on 4 February 2021, chaired by Jean Lemierre. The Board examined the Group's results for the fourth quarter and endorsed the 2020 financial statements.

Commenting on these results, Jean-Laurent Bonnafé, Chief Executive Officer, said after the Board meeting:

"The world is now experiencing a health crisis that is unprecedented in its extent and duration. It has tested us, as it has tested all components of our societies. And it has reminded us of the importance of values such as solidarity and inclusion.

In 2020 and still today, our main concerns are helping our clients cope with the effects of the health crisis and safeguarding our employees' health. I would like to thank our teams for having adjusted nimbly throughout the year. The bank has mobilised all its resources to help our clients weather this crisis and lay the foundation for a solid and sustainable economic recovery.

BNP Paribas has been highly resilient, thanks to its diversified and integrated model, its financial solidity, its digital and industrial transformation, and its platforms' execution capabilities. On the strength of these advantages, we are well positioned to enter a new phase in the development of our activities."

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MOBILISATION AT THE SERVICE OF THE ECONOMY

In response to the Covid-19 pandemic, many countries worldwide took public health measures in 2020 to protect their citizens and slow the spread of the virus. The health crisis has had considerable economic and social repercussions.

Against this backdrop, BNP Paribas has taken steps to safeguard its employees' health and to provide all services that are essential to keeping the economy functioning.

Moreover, BNP Paribas is mobilising all its resources and expertise to support its individual, corporate and institutional customers during these challenging times and to respond to the economy's specific needs during the various phases of this health crisis.

Loans outstanding rose by 4.4% compared to 2019, an increase of 33 billion euros. The Group granted more than 120,000 state-guaranteed loans in 2020 in the Group's retail banking networks, and raised more than 396 billion euros in financing for its clients on the syndicated loan, bond and equity markets[1].

[1] Source: Dealogic, as at 31 December 2020, bookrunner, apportioned amounts

RESILIENT RESULTS IN A CONTEXT MARKED BY THE HEALTH CRISIS – POSITIVE JAWS EFFECT

All in all, revenues, at 44,275 million euros, were almost stable (-0.7%) compared to 2019 at historical scope and exchange rates and rose by 1.3% at constant scope and exchange rates[1].

In the operating divisions, revenues were up slightly at historical scope and exchange rates (+0.2%) and increased more significantly (+2.0%) at constant scope and exchange rates. They were down by 2.1% in Domestic Markets[2], as the very good performance of the specialised businesses (in particular Personal Investors) only partially offset the impact on the networks of the persistently low-interest-rate environment and the health crisis. Revenues at International Financial Services were down by 7.2%[3], due to the effects of the health crisis and despite BancWest's good performance. CIB achieved strong growth (+13.9%[4]) with revenues up in all business lines.

Thanks to the successful digital and industrial transformation, the Group's operating expenses, at 30,194 million euros, were down by 3.6% compared to 2019, in line with the objectives of the 2020 plan. The Group's operating expenses included the following exceptional items for a total of 521 million euros (compared with 1,217 million euros in 2019): 211 million euros in restructuring[5] and adaptation[6] costs (compared with 473 million euros in 2019), 178 million euros in IT reinforcement costs, and 132 million euros in donations and staff safety measures relating to the health crisis. As announced, exceptional transformation costs were nil; they amounted to 744 million euros in 2019.

The operating expenses of the operating divisions were down by 1.0% compared to 2019. They decreased by 1.6% at Domestic Markets[2], with a more pronounced decrease in the networks[7] (-2.7%), while the division's specialised businesses were up but achieved a positive jaws effect of 4.3 points. Operating expenses were down by 3.7%[8] at International Financial Services, thanks to cost-saving measures that were accentuated with the health crisis. CIB's operating expenses were up by 3.0%, due to business growth, but were contained by cost-saving measures. CIB achieved a very positive jaws effect of 10.9 points.

The proven effectiveness of the digital and industrial transformation and good cost containment thus allowed the Group to generate a positive 2.9-point jaws effect (1.2 points in the operating divisions).

The Group's gross operating income thus came to 14,081 million euros, up by 6.2%.

Cost of risk, at 5,717 million euros, rose by 2,514 million euros compared to 2019. It stood at 66 basis points of outstanding customer loans, including 16 basis points (1.4 billion euros) related to the provisioning of performing loans (stages 1 and 2).

The Group's operating income, at 8,364 million euros, was thus down by 16.8%.

Non-operating items totalled 1,458 million euros, up from 2019 (1,337 million euros). They included +699 million euros in capital gains from the sale of buildings, a +371 million euro capital gain related to the strategic agreement with Allfunds, as well as a -130 million euro impairment of an investment accounted for under equity method. In 2019, they had reflected the exceptional impact of the 16.8% capital gain from the sale of SBI Life in India, followed by the deconsolidation of the residual stake[9]

[1] 2020 revenues included a -104 million euro exceptional accounting impact of a swap set up for the transfer of an activity.
[2] Including 100% of Private Banks in the domestic networks (excluding PEL/CEL effects)
[3] -4.6% at constant scope and exchange rates
[4] +16.2% at constant scope and exchange rates
[5] Related in particular to the restructuring of certain businesses (amongst others CIB)
[6] Adaptation measures related in particular to BancWest and CIB
[7] FRB, BNL bc and BRB
[8] -1.6% at constant scope and exchange rates
[9] 5.2% residual stake in SBI Life

(+1,450 million euros), the +101 million euro capital gain from the sale of a building, as well as goodwill impairments (-818 million euros).

Pre-tax income, at 9,822 million euros (11,394 million euros in 2019), was down by 13.8%.

Total corporate income taxes stood at 2,407 million euros. The average corporate tax rate was 25.6%, compared to 24.2% in 2019. At 1,323 million euros, taxes subject to IFRIC 21 increased by 158 million euros compared to 2019.

The Group's net income attributable to equity holders thus came to 7,067 million euros, down by 13.5% compared to 2019. Excluding exceptional items, it came to 6,803 million euros, down by 19.2%.

The return on tangible equity not revaluated[1] was 7.6% and reflected the good resilience of the results, thanks to the strength of the Group's diversified and integrated model in a context strongly marked by the health crisis.

As at 31 December 2020, the common equity Tier 1 ratio stood at 12.8%, up by 70 basis points compared to 31 December 2019. The Group's immediately available liquidity reserve totalled 432 billion euros, equivalent to more than one year of room to manoeuvre in terms of wholesale funding. The leverage ratio[2] stood at 4.9% taking into account the temporary exemptions related to deposits with Eurosystem central banks (4.4% excluding this effect).

Tangible net book value per share[3] reached 73.2 euros, equivalent to a compound annual growth rate of 7.2% since 31 December 2008, illustrating the continuous value creation throughout the cycle.

The Board of Directors will propose to the shareholders' Annual General Meeting to pay out a dividend of 1.11 euro per share in May 2021 in cash[4], equivalent to 21% of 2020 net income, maximum amount based on the European Central Bank recommendation of 15 December 2020[5]. The additional restitution of 29% of 2020 net income is intended after the end of September 2021 in the form of share buybacks[6] or distribution of reserves[7] as soon as the ECB repeals its recommendation, which it is expected to do by the end of September 2021 "in the absence of materially adverse developments".

The Group pursues its ambitious policy of engagement in society through transformation projects that will continue into 2021 with, in particular, the strengthening of the ESG[8] set-up, the implementation of steering tools to align the loan portfolio emissions with the Paris Agreement trajectory, and the mobilisation in favour of thematics having a strong contribution to meet the United Nations Sustainable Development Goals. The Group's action in this area has been recognised by ShareAction ("European leader in managing climate risks"), *Euromoney* magazine ("World Best Bank for Financial Inclusion", thanks to the support for microfinance and inclusive products and services).

[1] With 2019 earnings placed into reserves
[2] Calculated in accordance with Regulation (EU) No. 2020/873, Article 500b
[3] Revaluated with 2019 earnings placed into reserves
[4] Subject to the approval of the Annual General Meeting of 18 May 2021: detached on 24 May 2021 and paid out on 26 May 2021
[5] "[…] until 30 September 2021 […] the ECB expects dividends and share buy-backs to remain below 15% of the cumulated profit for 2019-20 and not higher than 20 basis points of the CET1 ratio."
[6] Subject to European Central Bank approval
[7] Subject to European Central Bank and Annual General Meeting approval
[8] Environmental, Social, Governance risks

The Group continued to reinforce its internal control set-up.

In the fourth quarter 2020, revenues, at 10,827 million euros, were down by 4.5% compared to the fourth quarter 2019[1].

In the operating divisions, they were down by 2.7%[2]: -1.5% at Domestic Markets[3], where the impact of the persistently low-interest-rate environment and the health crisis was only partially offset by higher volumes and the continued growth of the specialised businesses (in particular Consorsbank in Germany); -10.8%[4] at International Financial Services, where good performance of Asset Management did not offset the decrease in revenues, due to the effects of the health crisis and the impact of low interest rates on the other businesses; and +6.9% in CIB, with revenues up in all the businesses[5].

At 7,562 million euros, the Group's operating expenses were down by 5.9% compared to the fourth quarter 2019. They included the following exceptional items for a total of 175 million euros (compared to 420 million euros in the fourth quarter 2019): restructuring[6] and adaptation[7] costs (91 million euros), IT reinforcement costs (59 million euros), and donations and staff security measures relating to the health crisis (24 million euros). As announced, exceptional transformation costs were nil; they had amounted to 175 million euros in the fourth quarter 2019.

The operating expenses of the operating divisions were down by 3.0% compared to the fourth quarter 2019. They were down by 1.0% at Domestic Markets[3], with a more pronounced decrease in the networks[8] (-2.2%) and a moderate increase in the specialised businesses, in connection with their growth. Operating expenses were down by 5.9%[9] at International Financial Services, due to ongoing cost savings reinforced with the health crisis, and were down by 1.8% at CIB, due to good cost control.

The jaws effect was positive (1.4 points), thanks to the implementation and increase of cost-saving measures, under the 2020 plan.

The Group's gross operating income thus came to 3,265 million euros (3,301 million euros in the fourth quarter 2019), down by 1.1%. It was down by 2.2% in the operating divisions.

The cost of risk, at 1,599 million euros, rose by 633 million euros compared to the fourth quarter 2019, due in particular to the provisioning of performing loans (stages 1 and 2). It stood at 74 basis points of outstanding customer loans.

The Group's operating income, at 1,666 million euros (2,335 million euros in the fourth quarter 2019), was thus down by 28.6%. It was down by 25.3% for the operating divisions.

Non-operating items totalled 564 million euros, up compared to the fourth quarter 2019, when they totalled 194 million euros. They included +193 million euros in capital gains from the sale of several buildings, a +371 million euro capital gain from the sale related to the strategic agreement with Allfunds, and a -130 million euro impairment of an investment accounted for under equity method. In the fourth quarter 2019 they included a +101 million euro real estate capital gain on the sale of a building.

[1] This included the -104 million euro exceptional accounting impact of a swap set up for the transfer of an activity
[2] +0.3% at constant scope and exchange rates
[3] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)
[4] -6.1% at constant scope and exchange rates
[5] At constant scope and exchange rates
[6] Related in particular to the restructuring of certain businesses (amongst others CIB)
[7] Related in particular to BancWest and CIB
[8] FRB, BNL bc and BRB
[9] -1.4% at constant scope and exchange rates

Pre-tax income, at 2,230 million euros (2,529 million euros in the fourth quarter 2019), was down by 11.8% and the Group's net income attributable to equity holders came in at 1,592 million euros, down by 13.9% compared to the fourth quarter 2019 (-31.8% excluding exceptional items).

RETAIL BANKING & SERVICES

DOMESTIC MARKETS

For the whole of 2020, and in a context marked by the health crisis, Domestic Markets' business provided strong support for the economy, while at the same time achieving operational efficiency gains. The division mobilised throughout the year to support customers, with in particular the implementation of state-guaranteed loans, notably in France and Italy. Loans outstanding rose by 5.4% compared to 2019, up in all businesses, with good growth in the production of loans to corporate and individual customers (in particular in mortgages). Deposits rose by 11.6% compared to 2019, due to the effects of the health crisis. Private Banking reported strong net asset inflows of 6.1 billion euros, including 4.9 billion euros of external inflows.

Lastly, the use of digital tools continued to accelerate, with more than 6.1 million active customers on mobile apps[1] and an increase of 41.5% compared to the fourth quarter 2019 in the number of daily connections (almost 4.6 million). The division rapidly expanded its digital offering, with increases of +27% in accounts opened at Nickel and 30% in customer numbers in the electronic portfolio Lyf Pay in one year.

The evolution in customer behaviours and the deployment of innovative digital solutions helped improve customer service and adapt branch set-ups (618 branches closed since the end of 2016 in France, Belgium and Italy).

Revenues[2], at 15,477 million euros, were down by 2.1% compared to 2019: the impact of low interest rates in the networks was partly offset by higher loan volumes; the specialised businesses achieved a good performance, in particular at Personal Investors (+36.0% compared to 2019 with a strong rise at Consorsbank in Germany).

Operating expenses[2], at 10,568 million euros, were down by 1.6% compared to 2019, with a more pronounced decline in networks[3] (-2.7%), mitigated by a 3.4% increase in the specialised businesses, in connection with their growth.

Gross operating income[2], at 4,909 million euros, was down by 3.2% compared to 2019.

The cost of risk[2] rose to 1,456 million euros (1,021 million euros in 2019), due to the effect of the health crisis.

Thus, after allocating one-third of Private Banking's net income to Wealth Management (International Financial Services division), the division's pre-tax income[4] came to 3,271 million euros, down by 13.9% compared to 2019.

In the fourth quarter 2020, revenues[2], at 3,976 million euros, were down by 1.5% compared to the fourth quarter 2019. The impacts of the low-interest-rate environment and the health crisis were only partially offset by higher loan volumes and growth in the specialised businesses, in particular at

[1] Customers with at least one connection to the mobile apps per month (on average in 4Q20) – scope: individual, small business and Private Banking customers of DM networks or digital banks (including Germany, Austria and Nickel)
[2] Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg
[3] FRB, BNL bc and BRB
[4] Excluding PEL/CEL effects of +3 million euros compared to +12 million euros in 2019

Personal Investors (+39.0% compared to the fourth quarter 2019, with a sharp rise at Consorsbank in Germany). Operating expenses[1], at 2,610 million euros, were down (-1.0%) compared to the fourth quarter 2019, with a more pronounced decline in the networks[2] (-2.2%) and an increase in the specialised businesses, in connection with business growth. Gross operating income[1], at 1,366 million euros, was thus down by 2.5% compared to the fourth quarter 2019. The cost of risk[1] came to 458 million euros (254 million euros in the fourth quarter 2019), due in particular to the provisioning of performing loans (stages 1 and 2). After allocating one-third of Private Banking's net income to Wealth Management (International Financial Services division), the division's pre-tax income[3] came to 890 million euros, down by 18.6% compared to the fourth quarter 2019.

French Retail Banking (FRB)

For the whole of 2020, the business strongly mobilised to serve clients. More than 69,000 state-guaranteed loans were granted for a total of almost 17.9 billion euros as at 31 December 2020. The equity investment package was doubled to 4 billion euros to support the development of French small and mid-sized businesses between now and 2024.

FRB's level of activity was therefore good despite the health crisis context. The business drive was strong. Loans outstanding rose by 8.8% compared to 2019, driven by the increase in loans to individual customers with the acceleration in mortgage loan production with higher margins, as well as by the increase in corporate loans. Deposits were up by 16.5% compared to 2019, due to the effects of the health crisis. Financial savings grew with net asset inflows of 1.5 billion euros in private banking and very sustained activity in responsible savings (8.2 billion euros in assets under management, twice as much as at 31 December 2019).

In addition, the strong increase in the use of digital tools continued, with 2.8 million active customers on mobile apps[4] (+18% compared to 31 December 2019). Remote interactions with individual and small business customers rose strongly and accounted for over 75% of appointments.

Revenues[1] totalled 5,944 million euros, down by 6.1% compared to 2019. Net interest income[1] was down by 8.0%, as the increase in loan volumes only partially offset the impact of the low-interest-rate environment and the lower contribution of specialised subsidiaries, despite the late-year recovery. Fees[1] were down by 3.5%, as the increase in financial fees was offset by the effects of the health crisis on other fees.

Operating expenses[1], at 4,490 million euros, were down by 2.4% compared to 2019, with the ongoing effect of cost-optimisation measures.

Gross operating income[1] thus came to 1,454 million euros, down by 15.8% compared to 2019.

The cost of risk[1] was 496 million euros, reflecting a contained increase compared to 2019 (+167 million euros). It stood at 25 basis points of outstanding customer loans.

Thus, after allocating one-third of French Private Banking's net income to Wealth Management (International Financial Services division), FRB posted pre-tax income[5] of 862 million euros, down by 31.6% compared to 2019.

[1] Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg
[2] FRB, BNL bc and BRB
[3] Excluding 0 million euros in PEL/CEL effects compared to -9 million euros in the fourth quarter 2019
[4] Individual (including at Hello Bank!), small business and private banking customers with at least one connection to the mobile apps per month (on average in 4Q20)
[5] Excluding PEL/CEL effects of +3 million euros compared to +12 million euros in 2019

In the fourth quarter 2020, revenues[1] totalled 1,516 million euros, down by 3.4% compared to the fourth quarter 2019. Net interest income[1] was down by 3.8%, with the impact of the low-interest-rate environment, partly offset by enhanced credit margins and volumes (in particular mortgage loans) and the recovery effect of the specialised subsidiaries' performance late in the year. Fees[1] were down by 2.8% with the effect of the health crisis, which was partially offset by the increase in financial fees. Operating expenses[1], at 1,126 million euros, were down by 2.3% compared to the fourth quarter 2019, due to the ongoing impact of cost optimisation measures. Gross operating income[1] thus came to 390 million euros, down by 6.4% compared to the fourth quarter 2019. The cost of risk[1] came to 169 million euros, up by 70 million euros compared to the fourth quarter 2019, due in particular to a specific file. It stood at 32 basis points of outstanding customer loans. Thus, after allocating one-third of French Private Banking's net income to Wealth Management business (International Financial Services division), FRB posted 225 million euros in pre-tax income[2], down by 23.0% compared to the fourth quarter 2019.

BNL banca commerciale (BNL bc)

For the whole of 2020, the business strongly mobilised to help customers cope with the health crisis. As at 31 December 2020, it had granted to more than 26,000 corporates a total amount of 4.1 billion euros in loans guaranteed by the Italian state and SACE[3].

In this context marked by the health crisis, BNL's business activity grew. Loans outstanding were up by 1.0%[4] compared to 2019 (+5% excluding non-performing loans). BNL bc raised its market share in corporate clients compared to 2019, while maintaining a prudent risk profile. Deposits were up by 15.6% compared to 2019. The private bank achieved good net asset inflows of almost 1 billion euros in 2020, and life insurance outstandings were up by 4.5% compared to 31 December 2019.

In addition, digital usage continued to rise, with more than 800,000 active customers on mobile apps[5] (+12.4% compared to 31 December 2019).

Revenues[6] were nonetheless down by 3.8% compared to 2019, at 2,671 million euros. In 2019, they had included a positive non-recurring item. Net interest income[6] was down by 4.2%, due to the impact of the low-interest-rate environment which was partly offset by higher loan volumes. Fees[6] were down by 3.2% compared to 2019, due to the effect of the health crisis and the decrease in financial fees, caused by lower transaction volumes.

Operating expenses[6], at 1,746 million euros, were down by 3.0% compared to 2019. They reflected the effect of cost savings and adaptation measures ("*Quota 100"* retirement plan). The jaws effect was very positive when excluding the impact of a non-recurring positive element in 2019.

Gross operating income[6] thus came to 925 million euros, down by 5.4% compared to 2019.

The cost of risk[6], at 525 million euros, or 69 basis points of outstanding customer loans, rose by 7.2% compared to 2019, due to the provisioning of performing loans (stages 1 and 2), while the cost of risk on non-performing loans (stage 3) continued to decrease.

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[1] Including 100% of Private Banking in France (excluding PEL/CEL effects)
[2] Excluding PEL/CEL effects of 0 million euros compared to -9 million euros in the fourth quarter 2019
[3] SACE: Servizi Assicurativi del Commercio Estero, the Italian export credit agency
[4] Loan volumes based on a daily average
[5] Customers with at least one connection to the mobile apps per month (on average in 4Q20), scope: individual, small business and private banking customers (BNP Paribas and Hello Bank!)
[6] Including 100% of Private Banking in Italy

Thus, after allocating one-third of Italian Private Banking's net income to Wealth Management business (International Financial Services division), BNL bc posted pre-tax income of 363 million euros, down by 18.0% compared to 2019.

In the fourth quarter 2020, revenues[1] were down by 8.1% compared to the fourth quarter 2019, at 694 million euros. Net interest income[1] contracted by 11.5%, due to the impact of a non-recurring positive element in the fourth quarter 2019, as well as the impact of the low-interest-rate environment and positioning on clients with a better risk profile, which were partly offset by higher volumes. Fees[1] were down by 2.4% compared to the fourth quarter 2019, due to the effects of the health crisis and the decrease in financial fees, which were partly offset by sustained activity in corporate banking. Operating expenses[1], at 434 million euros, were down by 3.6% compared to the fourth quarter 2019. They reflected the effect of cost-saving and adaptation measures ("*Quota 100"* retirement plan) mitigated by the effect of higher contributions to the deposit-guarantee scheme. The jaws effect was very positive, excluding the impact of a non-recurring item in the fourth quarter 2019. Gross operating income[1] thus came to 260 million euros, down by 14.6% compared to the fourth quarter 2019. The cost of risk[1], at 161 million euros, was up by 52 million euros, due to the increase in provisioning of performing loans. It stood at 82 basis points of outstanding customer loans. Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc posted 90 million euros in pre-tax income, down by 50.4% compared to the fourth quarter 2019.

Belgian Retail Banking

For the whole of 2020, BRB's business activity was up. Loans outstanding grew by 3.5% compared to 31 December 2019, driven by good growth in mortgage loans. Deposits rose by 5.3%, with a strong increase in individual customer deposits. Off-balance sheet savings were up by 4.1% compared to 31 December 2019, thanks in particular to good net asset inflows into mutual funds (+1.6 billion euros).

In addition, the use of digital tools continued to accelerate, with more than 1.5 million active customers on mobile apps[2] (+12.2% compared to the fourth quarter 2019) and an average of more than 45 million monthly connections in the fourth quarter 2020 (+32.9% compared to the fourth quarter 2019).

Revenues[3] were down by 2.6% compared to 2019, at 3,432 million euros. Net interest income[3] was down by 6.3%, as higher loan volumes only partly offset the impact of the low-interest-rate environment. Fees[3] were up by 8.0% compared to 2019, due in particular to the very marked increase in financial fees.

Operating expenses[3], at 2,408 million euros, were down compared to 2019 (-2.9%), thanks to cost-saving measures and the ongoing branch network optimisation. The jaws effect was positive.

Gross operating income[3], at 1,024 million euros, was down by 1.9% compared to 2019.

The cost of risk[3] rose to 230 million euros compared to 55 million euros in 2019, due in particular to the increase in provisioning of performing loans (stages 1 and 2). It stood at 19 basis points of outstanding customer loans.

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[1] Including 100% of Private Banking in Italy
[2] Individual (including at Hello Bank!), small business and private banking customers with at least one connection to the mobile apps per month (on average in 4Q20)
[3] Including 100% of Private Banking in Belgium

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 762 million euros in pre-tax income, down by 18.0% compared to 2019.

In the fourth quarter 2020, BRB's revenues[1] were down by 1.9% compared to the fourth quarter 2019, at 861 million euros. Net interest income[1] was down by 5.9% compared to the fourth quarter 2019, due to the impact of low interest rates partly offset by higher loan volumes. Fees[1] were up by 8.9% compared to the fourth quarter 2019, as a result of a very significant increase in fees, particularly in financial fees. Operating expenses[1], at 556 million euros, were down (-0.7%) compared to the fourth quarter 2019, with ongoing cost-saving measures and optimisation of the branch network. Gross operating income[1], at 305 million euros, was down by 4.0% compared to the fourth quarter 2019. The cost of risk[1] came to 67 million euros compared to 5 million euros in the fourth quarter 2019. The increase was almost entirely due to the provisioning of performing loans (stages 1 and 2). After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 230 million euros in pre-tax income, down by 24.0% compared to the fourth quarter 2019.

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

For the whole of 2020, the specialised businesses of Domestic Markets achieved a very strong overall increase in business activity. Arval's financed fleet[2] grew by 7.3% compared to 2019, and used car prices were holding up well. The business continued its digital transformation, changed its energy mix, and continued to sign new partnerships (Sixt and Cdiscount). Leasing Solutions' outstandings rose by 1.9%[3] compared to 2019. In 2020 and for the 5th time, it was recognised as "European Lessor of the Year" at the Leasing Life Awards. Led by strong market activity, Personal Investors was on a very strong pace, with a doubling of the number of orders compared to 31 December 2019 and growth in assets under management, particularly in Germany (+14.6% compared to 31 December 2019). Nickel continued its development with close to 1.9 million accounts opened[4] (+27.0% compared to 31 December 2019). 2020 also marked the successful launch of Nickel in Spain in December 2020. Luxembourg Retail Banking (LRB) reported a strong increase in loans in 2020 (+8.2% compared to 2019) with a significant rise in all client segments.

The revenues[5] of the five businesses, at 3,430 million euros, were up by 7.7% compared to 2019. The good development in all businesses was driven by very strong growth in the revenues at Personal Investors (+36%) and Nickel and a significant rise in LRB in line with the increase in loan volumes.

Operating expenses[5] rose by 3.4% compared to 2019, to 1,923 million euros as a result of business development. The jaws effect was positive (4.3 points).

The cost of risk[5] totalled 205 million euros (146 million euros in 2019).

Thus, the pre-tax income of the five businesses, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), came to 1,284 million euros, up sharply by 10.2% compared to 2019.

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[1] Including 100% of Private Banking in Belgium
[2] Average fleet in thousands of vehicles
[3] At constant scope and exchange rates, excluding the transfer of an internal subsidiary (-1.6% including the transfer)
[4] Since inception
[5] Including 100% of Private Banking in Luxembourg

In the fourth quarter 2020, revenues[1] of the five businesses, at 905 million euros, were up on the whole by 8.5% compared to the fourth quarter 2019, with good growth in revenues and in particular a strong rise at Personal Investors (+39.0%) and a significant increase at LRB. Operating expenses[1] rose by 4.6% compared to the fourth quarter 2019 to 494 million euros as a result of growth momentum. The jaws effect was positive at 3.9 points. The cost of risk[1] totalled 61 million euros (42 million euros in the fourth quarter 2019). Thus, the pre-tax income of the five businesses, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was up by 8.7% compared to the fourth quarter 2019, at 345 million euros.

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INTERNATIONAL FINANCIAL SERVICES

For the whole of 2020, the International Financial Services division maintained a good business drive despite the health context, while achieving operational efficiency gains. Loans outstanding were up by 1.5%[2], with strong business momentum in international retail networks (a 2.2%[2] increase in outstandings) and a return to growth in Personal Finance outstandings from the low point reached in the third quarter 2020. The division achieved very strong net asset inflows of 54.9 billion euros compared to 31 December 2019, including 40 billion euros at Asset Management (3.4% of assets under management) in a contrasted environment marked by a drop in market prices early in the year followed by a good market performance late in the year. Real Estate Services, meanwhile, heavily impacted by the health crisis, was recovering gradually.

The division continued to expand its digitalisation with 4.6 million digital customers in the international retail networks (+13% compared to 31 December 2019), more than 5 million loans signed electronically, and more than 128 million monthly electronic account statements at Personal Finance.

The division's revenues, at 15,938 million euros, were down by 7.2%[3] compared to 2019, as BancWest's good performance only partially offset the revenue decrease in other businesses due to the effects of the health crisis.

Operating expenses, at 10,117 million euros, were down by 3.7%[4], thanks to ongoing cost savings reinforced with the health crisis.

Gross operating income thus came to 5,821 million euros, down by 12.8% compared to 2019.

The cost of risk, at 2,775 million euros, was up by 864 million euros compared to 2019, due in particular to the provisioning of performing loans (stages 1 and 2).

International Financial Services' pre-tax income thus came to 3,421 million euros, down by 34.5% at historical scope and exchange rates and down by 32.6% at constant scope and exchange rates compared to 2019.

[1] Including 100% of Private Banking in Luxembourg
[2] At constant scope and exchange rates
[3] -4.6% at constant scope and exchange rates
[4] -1.6% at constant scope and exchange rates

In the fourth quarter 2020, the division's revenues, at 3,915 million euros, were down by 10.8% (-6.1% at constant scope and exchange rates) compared to the fourth quarter 2019 as a result of the strong decrease in revenues at most businesses, due to the impact of the health crisis and low interest rates but a good performance of Asset Management and BancWest. Operating expenses, at 2,555 million euros, were down by 5.9% (-1.4% at constant scope and exchange rates), with continued cost savings increased with the health crisis. Gross operating income thus came to 1,360 million euros, down by 18.8% compared to the fourth quarter 2019 (-13.8% at constant scope and exchange rates). The cost of risk, at 678 million euros, was up by 104 million euros compared to the fourth quarter 2019 with in particular the increase in the provisioning of performing loans (stages 1 and 2). International Financial Services' pre-tax income thus came to 759 million euros, down by 36.8% compared to the fourth quarter 2019 (-37.3% at constant scope and exchange rates).

Personal Finance

For the whole of 2020, Personal Finance confirmed its resilience, on the back of a diversified business profile. Cost-adaptation efforts remained sustained and amplified with the health crisis. After experiencing a decrease in business activity, due to the closing of points of sales, in particular in the first half of 2020, the business achieved a return to growth in outstandings after the low point reached in the third quarter 2020. Public health measures late in the year had less of an impact than in the first half on production, and, hence, on average loans outstanding. As a result, the level of average loans outstanding for the year decreased by only 0.7% compared to 2019 at historical scope and exchange rates and rose by 0.9% at constant scope and exchange rates.

Personal Finance's risk profile benefits from its portfolio diversification and from proactive and efficient risk management. Personal Finance's portfolio is thus concentrated in continental Europe (89% as at 31 December 2020) and auto loans' portfolio share rose from 20% to 38% between the end of 2016 and the end of 2020.Personal Finance loans that had been under moratorium were processed efficiently through proactive support for customers and specific reinforcement of resources to optimise back-to-payment levels. The back-to-payment levels were satisfactory and were as anticipated.

Personal Finance's revenues, at 5,485 million euros, were down by 5.4%[1] compared to 2019 due in particular to lower loan production in 2020.

Operating expenses, at 2,756 million euros, were down by 3.5%[2] compared to 2019 thanks to sustained cost-reduction efforts, which were amplified with the health crisis.

Gross operating income thus came to 2,729 million euros, down by 7.1% compared to 2019.

The cost of risk came to 1,997 million euros, or 212 basis points. It was up by 642 million euros compared to 2019, due in particular to the provisioning of performing loans (stages 1 and 2). The impact of the regulatory change for the definition of default[3] was taken into account as of the fourth quarter of 2020.

Personal Finance's pre-tax income thus came to 672 million euros, down by 58.1% compared to 2019, at historical scope and exchange rates and down by 53.3% at constant scope and exchange rates.

[1] -2.5% at constant scope and exchange rates
[2] -1.4% at constant scope and exchange rates
[3] Regulatory effective date: 01.01.21

In the fourth quarter 2020, Personal Finance's revenues, at 1,365 million euros, were down by 8.1% (-4.8% at constant scope and exchange rates) compared to the fourth quarter 2019, due in particular to the impact of the health crisis on loans production. Operating expenses, at 687 million euros, were down by 4.7% (-2.3% at constant scope and exchange rates) compared to the fourth quarter 2019, thanks to sustained cost-adaptation efforts amplified with the health crisis. Gross operating income thus came to 678 million euros, down by 11.3% (-7.2% at constant scope and exchange rates) compared to the fourth quarter 2019. The cost of risk came to 581 million euros, up by 211 million euros compared to the fourth quarter 2019, due in particular to the taking into account of the regulatory change impact in the new definition of default[1] as of the fourth quarter 2020. Personal Finance's pre-tax income thus came to 33 million euros, down by 91.2% (-78.3% at constant scope and exchange rates) compared to the fourth quarter 2019. This included the impact of a negative non-recurring item on other non-operating items in the fourth quarter of 2020.

Europe-Mediterranean

For the whole of 2020, Europe-Mediterranean achieved sustained business drive in a contrasted environment. Europe-Mediterranean's loans outstanding were up by 3.9%[2] compared to 2019, with a rebound in loan production late in the year from a low point in August to monthly levels higher than in 2019. Deposits were up by 10.9%[2] compared to 2019 and rose in all countries. Meanwhile, more than 90% of moratoria have now expired, and the back-to-payment level was satisfactory and as anticipated.

Europe-Mediterranean continues to promote the use of digital tools, with 3.7 million digital customers as of 31 December 2020 (+15% compared to 2019). As at the end of December 2020, more than 210 processes had been automated (an increase of 89% compared to 31 December 2019) and fully digital account opening is now available in Poland.

Europe-Mediterranean's revenues[3], at 2,362 million euros, were nonetheless down by 4.9%[2], as the impact of lower interest rates, in particular in Poland, and of fee caps enacted in several countries, was only partly offset by the general increase in volumes.

Operating expenses[3], at 1,711 million euros, were up by 1.4%[2] compared to 2019. Wage drift remained at a high level, particularly in Turkey. The implementation of cost synergies in Poland and the effects of cost-savings related to the health crisis contribute to mitigating cost increase.

Gross operating income[3] thus came to 651 million euros, down by 18.0%[2] compared to 2019.

The cost of risk[3] totalled 437 million euros, or 111 basis points, up moderately due in particular to the provisioning of performing loans (stages 1 and 2).

After allocating one-third of Turkish and Polish Private Banking's net income to the Wealth Management business, Europe-Mediterranean generated 392 million euros in pre-tax income, down by 39.3% at constant scope and exchange rates and 46.1% at historical scope and exchange rates, due to a very unfavourable foreign exchange effect (strong depreciation of the Turkish lira).

In the fourth quarter 2020, Europe-Mediterranean's revenues[3], at 527 million euros, were down by 12.3%[2] compared to the fourth quarter 2019. Higher volumes were more than offset by the impact of the low-interest-rate environments, in particular in Turkey and Poland and fee caps in several countries. Operating expenses[3], at 402 million euros, were almost stable (-0.1%[2]) compared to the

[1] Regulatory effective date: 01.01.21
[2] At constant scope and exchange rates
[3] Including 100% of Private Banking in Turkey and Poland

fourth quarter 2019, reflecting good cost control. The cost of risk[1] came to 95 million euros, down compared to the fourth quarter 2019 (113 million euros), with a lower cost of risk on non-performing loans (stage 3). It stood at 102 basis points of outstanding customer loans. After allocating one-third of Turkish and Polish Private Banking's net income to the Wealth Management business, Europe-Mediterranean generated 78 million euros in pre-tax income, down by 67.4% at constant scope and exchange rates and by 60.2% at historical scope and exchange rates, with a lower contribution from associates.

BancWest

For the whole of 2020, BancWest maintained a good business drive and continued to support the economy in the context of the health crisis. Loans outstanding rose by 1.0%[3] compared to 2019, with a very good level of production in individual loans (+4.3% compared to 2019) and active participation in the Paycheck Protection Program (PPP), the federal small business assistance program, with close to 18,000 loans granted for a total of close to 3 billion dollars as at 31 December 2020. Deposits were up by 16.8%[2] compared to 2019 and customer deposits[3] were up strongly (+18.8%). At 16.8 billion dollars as at 31 December 2020, private banking assets under management were up by 7.0%[2] compared to 31 December 2019, with a strong increase in responsible savings (assets under management doubling since 31 December 2019). The number of active digital clients increased by 7% compared to 31 December 2019 and cooperation with CIB continued with an acceleration of the number of joint operations (plus de 70 operations, +25% compared to 2019) and the launch of new common products and services.

Revenues[4], at 2,460 million euros, rose by 5.2%[2] compared to 2019, due to increased volumes and a positive non-recurring item in the second half of 2020, which was partly offset by the effect of the low-interest-rate environment and lower fees due to the health crisis.

Operating expenses[4] were up by 2.0%[2], at 1,723 million euros, as a result of business development. BancWest actively pursued cost savings and headcount reduction (-4.3% compared to 31 December 2019). The business thus generated a very positive jaws effect of 3.2 points at constant scope and exchange rates.

Gross operating income[4], at 737 million euros, thus rose by 13.5%[2] compared to 2019.

At 322 million euros, the cost of risk[4] rose strongly by 174 million euros in 2020 compared to 2019, due almost entirely to provisioning of performing loans (stages 1 and 2). It stood at 58 basis points of outstanding customer loans.

Thus, after allocating one-third of Private Banking's net income to the Wealth Management business in the United States, BancWest posted 392 million euros in pre-tax income, down by 19.0% at historical scope and exchange rates and by 16.5% at constant scope and exchange rates.

In the fourth quarter 2020, revenues[4], at 594 million euros, were up by 4.7%[2] compared to the fourth quarter 2019 due to the effects of increased volumes and enhanced margins, which were partially offset by the low interest rate environment and lower fee contributions. They included a positive non-recurring item. Operating expenses[4], at 423 million euros, rose by 4.3% at historical scope and exchange rates and by 12.3% at constant scope and exchange rates, inflated by the impact of non-recurring items. Gross operating income[4], at 171 million euros, was down by 10.2%[2] compared to the fourth quarter 2019. At 3 million euros, the cost of risk[4] was down strongly compared to the fourth quarter 2019 (84 million euros), due in particular to two specific files in the fourth quarter 2019. It stood at 2 basis points of outstanding customer loans. Thus, after allocating one-third of Private

[1] Including 100% of Private Banking in Turkey and Poland
[2] At constant scope and exchange rates
[3] Deposits excluding treasury activities
[4] Including 100% of Private Banking in the United States

Banking's net income to the Wealth Management in the United States, BancWest posted 162 million euros in pre-tax income, up 58.4%[1] compared to the fourth quarter 2019.

Insurance and Wealth and Asset Management

For the whole of 2020, Insurance and Wealth and Asset Management[2] achieved a positive business drive led by very good net asset inflows, in particular late in the year. Assets under management[3] came to 1,165 billion euros as at 31 December 2020. They were up by 3.8% compared to 31 December 2019 with a very good level of net asset inflows (+54.9 billion euros) and a favourable performance effect (+18.8 billion euros), thanks to the rebound in the financial markets, in particular in the fourth quarter 2020, but an unfavourable foreign exchange effect (-21.8 billion euros). The very good net asset inflows were driven in particular by Asset Management's very strong net asset inflows (40 billion euros) in money-market and medium- and long-term vehicles (in particular in diversified and thematic funds), Wealth Management's very good net asset inflows in Asia and Europe (in particular in Germany), and Insurance's good net asset inflows, in particular into unit-linked policies.

As at 31 December 2020, assets under management[3] broke down as follows: Asset Management (512 billion euros, including 29 billion euros from Real Estate Investment Management), Wealth Management (390 billion euros) and Insurance (264 billion euros).

Insurance showed good resilience and continued its business development. Savings rebounded late in the year, with more dynamic net asset inflows and an increase in the share of unit-linked policies, particularly in France. Protection performed well in France and Asia, and the creditor protection insurance business in France expanded further, thanks to the development of Cardif Libertés Emprunteur. In addition, the business continued to diversify by signing new partnerships (in particular with Brasilseg, a Brazilian leader in life insurance and bancassurance specialist).

Insurance's revenues, at 2,725 million euros, were down by 11.2% compared to 2019, due to the impact of the health crisis, and in particular the increase in claims[4] and the reduction in volumes, despite a good recovery in activity late in the year. Operating expenses, at 1,463 million euros, decreased by 2.5%, reflecting good cost containment. Pre-tax income was down by 19.5% compared to 2019, at 1,382 million euros. It reflected the impact on associates of the increase in claims.

In Wealth and Asset Management[2], Wealth Management achieved strong drive, with very good net asset inflows, particularly in the domestic markets and in Asia. Its global expertise was recognised by *Private Banker International* for the ninth consecutive year as the "Outstanding Global Private Bank - Europe". Activity in Asset Management continued to be very sustained, with total net asset inflows of about 40 billion euros and strong momentum in net inflows into thematic and SRI funds[5] (11 billion euros). The business continued to strengthen its strong leadership in SRI, particularly in France, with 11 new fund certifications and five renewals. Lastly, Real Estate Services completed fewer transactions in Advisory and suffered delays in works completion in Property Development due to public health measures.

Wealth and Asset Management[2] revenues (2,982 million euros) were down by 10.2% compared to 2019. The impact on net interest income of the low-interest-rate environment was partly offset by the increase in financial fees at Wealth Management; the mid-year fall in the markets drag down Asset Management fees despite strong asset inflows and the late year recovery in market prices. Real Estate Services revenues were strongly impacted by public health measures. Operating expenses came to 2,510 million euros. They were down by 6.4%, due to the sharp decrease in Real Estate Services costs, but also due to the transformation plan measures, particularly in Asset Management.

[1] At constant scope and exchange rates
[2] Asset Management, Wealth Management and Real Estate Services
[3] Including distributed assets
[4] Related in particular to claims in creditor protection partly offset by lower claims in property & casualty insurance
[5] Thematic and SRI funds: in certified medium- and long-term funds, particularly in socially responsible investment

Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in domestic markets in Turkey, Poland and the United States, thus came to 583 million euros, down 16.1% compared to 2019.

In the fourth quarter 2020, Insurance's revenues, at 622 million euros, were down by 4.9% compared to the fourth quarter 2019, despite the gradual reduction of the impact of the health crisis, in particular on the increase in claims. Operating expenses, at 385 million euros, were up by 1.2% as a result of business development. Pre-tax income was down by 16.7% compared to the fourth quarter 2019, at 253 million euros, reflecting the impact of claims on associates.

Wealth and Asset Management[1] revenues (826 million euros) were down by 13.6% compared to the fourth quarter 2019. Asset Management revenues were up. The impact of the low-interest rate environment at Wealth Management was only partially offset by the increase in financial fees. Real Estate Services revenues remained significantly impacted by the health crisis. Operating expenses came to 669 million euros. They were down by 11.9%, thanks to the effects of the transformation plan, in particular in Asset Management, and to a significant decrease in Real Estate Services costs. Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in domestic markets in Turkey, Poland and the United States, thus came to 233 million euros, up by +7.9% compared to the fourth quarter 2019, thanks to a non-recurring non-operating item.

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[1] Asset Management, Wealth Management and Real Estate Services

CORPORATE AND INSTITUTIONAL BANKING (CIB)

For the whole of 2020, CIB achieved excellent performances in the service of all its client segments.

Sales and marketing drive was strong in all its businesses. Financing was exceptional in syndicated loans early in the year, with momentum carrying over to bond and equity issuance beginning in the second quarter of 2020, thus accompanying the strengthening of corporates' balance sheets. Market activities experienced a very good level of activity, driven by client needs. After the extreme shocks of the first half of 2020[1], activity normalised in equity derivatives in the second half of 2020. Lastly, Securities Services achieved a good level of activity, with very sustained transactions volumes throughout the year.

This period of intense activity was an opportunity to strengthen client positions in all regions, and to affirm European leadership in EMEA[2]. The strengthened commercial set-ups and plans targeted by region and by country leveraged the Group's global footprint and the offering of other businesses. Cross-region deals developed in the Americas and the Asia-Pacific region.

The division's revenues, at 13,763 million euros, were up strongly (+13.9% compared to 2019). Revenues were up in all three businesses.

Corporate Banking revenues, at 4,727 million euros, rose by 9.6% compared to 2019. They rose in all regions and particularly in Europe. Cash management activities held up well, and trade finance recorded lower volumes due to the health crisis.

Corporate Banking ranked no.1 in syndicated credits in EMEA[3] and for European corporate bond issues[4]. It also ranked no.4 and the 1st European player in investment banking in the EMEA[5] region and no.1 in corporate banking, cash management and trade finance for large corporates in Europe[6], thanks to its constantly rising penetration of large corporates. Business growth was outstanding. Loans outstanding, at 161 billion euros[7], were up by 11.2%[8] compared to 2019 with a normalisation in the second half after a peak in the first half of the year. Deposits, at 178 billion euros, were up by 26.3%[8] compared to 2019. Volumes were up strongly (+69.9% compared to 2019) in ECM (Equity Capital Markets) activities, with the business achieving considerable market share gains in both volume and number of deals.

Global Markets revenues, at 6,819 million euros, were up sharply by 22.4% compared to 2019, driven by very sustained client activity. The year was marked by strong growth at FICC[9] in all businesses and regions to meet customer needs. Equity and Prime Services suffered from the impact of exceptional shocks in the first quarter of 2020 with a return to normal in the second half. VaR (1 day, 99%), which measures the level of market risks, came to 45 million euros on average. It decreased in the second half after its late-March peak but remained above its 2019 low point.

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[1] In particular in 1Q20, with the -€184m impact of restrictions by European authorities on the payment of 2019 dividends
[2] Source: Coalition Proprietary Analytics, ranking on the basis of revenues in the first nine months of 2020 - EMEA: Europe, Middle East and Africa.
[3] EMEA: Europe, Middle East and Africa
[4] Source: Dealogic as at 31 December 2020, bookrunner ranking in volume – Global Corporate Investment Grade Bonds, European Corporate Investment Grade Bonds, EMEA Loans and EMEA Equity Capital Markets; EMEA: Europe, Middle East and Africa
[5] Source: Dealogic as at 31 December 2020, rankings in terms of revenues
[6] Source: Greenwich Share Leaders 2020 European Large Corporates Trade Finance
[7] Average outstandings
[8] At constant scope and exchange rates
[9] Fixed Income, Currencies and Commodities

Global Markets activity was very sustained. On the primary market, the business achieved a good level of bond issuance in 2020 (+23% compared to 2019) and ranked no.1 for bonds in euros[1]. The business continued to implement the agreement with Deutsche Bank in line with the established schedule.

At 5,652 million euros, FICC[2] revenues achieved exceptional growth compared to 2019 (+58.6%).

Equity and Prime Services revenues, at 1,166 million euros, were down by 41.9% compared to 2019, due to the exceptional shocks of the first quarter of 2020.

Securities Services revenues, at 2,217 million euros, were up by 0.9% at historical scope and exchange rates and by 2.3% at constant scope and exchange rates compared to 2019, with the growth in transactions fees and a rebound in assets under custody. The business drive was well oriented, with the finalisation in the fourth quarter 2020 of the partnership signed in 2019 with Allfunds to create a world leader in fund distribution services, as well as the launch of new and very significant partnerships. Custodial services for the private capital sector grew fast with a position as no.1 in Luxembourg[3].

CIB's operating expenses, at 8,920 million euros, rose by 3.0% compared to 2019, due to the high level of activity, this increase being nonetheless contained by the continued effect of cost-saving measures. CIB thus generated a very positive jaws effect (12.5 points at constant scope and exchange rates).

CIB's gross operating income was thus up sharply by 41.7% to 4,843 million euros.

Corporate Banking's cost of risk came to 1,308 million euros, up by 1,085 million euros compared to 2019, due to the provisioning of performing loans (stages 1 and 2), as well as specific files (stage 3).

CIB thus generated 3,454 million euros in pre-tax income in 2020, up by 7.7% compared to 2019.

<u>In the fourth quarter 2020</u>, the division's revenues, at 3,315 million euros, rose by 6.9% compared to the fourth quarter 2019 with growth in Global Markets (+11.8%) and Corporate Banking (+5.9%) but a slight decrease in Securities Services (-2.8%[4]). The division maintained a very good business drive, particularly late in the year, thus continuing to support clients in addressing their changing needs.

Corporate Banking revenues, at 1,281 million euros, were up by 5.9% compared to the fourth quarter 2019, with strong growth in all regions, particularly in EMEA[5], due to continued strengthening of franchises and good business drive, particularly late in the year. Global Markets revenues, at 1,498 million euros, were up by 11.8% compared to the fourth quarter 2019. FICC[2] revenues, at 1,002 million euros (+22.1%), were up strongly in all businesses driven by client volumes and market share gains. Equity and Prime Services revenues were down at 497 million euros (-4.5% compared to the fourth quarter 2019). Securities Services revenues, at 536 million euros, were down by 2.8% at historical scope and exchange rates and up by 1.8% at constant scope and exchange rates compared to the fourth quarter, in connection with sustained transaction volumes and the market rebound's effect on assets, especially in the Americas and Asia-Pacific regions.

[1] Source: Dealogic as at 31 December 2020; bookrunner ranking in volume
[2] Fixed Income, Currencies and Commodities
[3] Source: Monterey Insight Survey
[4] +1.8% at constant scope and exchange rates
[5] EMEA: Europe, Middle East and Afrique

At 2,190 million euros, CIB's operating expenses were down by 1.8% compared to the fourth quarter 2019, due to the effect of the increase in business, but were contained by cost-saving measures. The jaws effect was very positive (8.7 points).

CIB's gross operating income was thus up by 29.1%, at 1,125 million euros.

CIB's cost of risk came to 432 million euros (80 million euros in fourth quarter 2019), the increase being due in particular to the provisioning of performing loans (stages 1 and 2) and two specific files.

CIB thus generated 710 million euros in pre-tax income, down by 11.4% compared to the fourth quarter 2019.

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CORPORATE CENTRE

For the whole of 2020, Corporate Centre revenues amounted to -358 million euros compared to 71 million euros in 2019, with a decrease in Principal Investments' valuations arising from the crisis, a -104 million euro accounting impact of a swap set up for the transfer of an activity, the impact of a negative non-recurring item in the third quarter 2020 and the -15 million euro revaluation of proprietary credit risk included in derivatives (DVA).

Corporate Centre operating expenses were down strongly at 890 million euros compared to 1,728 million euros in 2019. They included the exceptional impact of donations and staff safety measures related to the health crisis (132 million euros), restructuring costs[1] and adaptation costs[2] (211 million euros compared to 473 million euros in 2019) and IT reinforcement costs (178 million euros). In accordance with the plan, no transformation costs were recognised in 2020 (they came to 744 million euros in 2019).

The cost of risk was 72 million euros, compared to 58 million euros in 2019.

Other non-operating items came to +939 million euros in 2020 compared to +786 million euros in 2019. They included the exceptional impact of a +699 million euro capital gain on the sale of buildings, a +371 million euro capital gain related to the strategic agreement with Allfunds, and an impairment of an investment accounted for under equity method (-130 million euros). In 2019, they had included the exceptional impact of the capital gain realised from the sale of 16.8% of SBI Life in India, followed by the deconsolidation of the residual stake[3] (+1,450 million euros), the capital gain realised from the sale of a building for +101 million euros, and goodwill impairments (-818 million euros).

Corporate Centre pre-tax income thus came to -327 million euros, compared to -848 million euros in 2019.

In the fourth quarter 2020, Corporate Centre revenues amounted to -241 million euros, compared to -45 million euros in the fourth quarter 2019, with the accounting impact of a swap set up for the transfer of an activity (-104 million euros) and the revaluation of proprietary credit risk included in derivatives (DVA) (-39 million euros). Corporate Centre operating expenses amounted to 283 million euros in the fourth quarter 2020. They included the exceptional impact of donations and staff safety measures related to the health crisis (24 million euros), restructuring costs[4] and adaptation costs[2] (91 million euros compared to 244 million euros in the fourth quarter 2019) and IT reinforcement costs (59 million euros). In accordance with the plan, no transformation costs were recognised in 2020 (they came to 175 million euros in the fourth quarter of 2019).

The cost of risk came to 29 million euros, compared to 60 million euros in the fourth quarter 2019.

Other non-operating items totalled +421 million euros in the fourth quarter 2020 compared to +62 million euros in the fourth quarter 2019. They included a +193 million euro capital gain on the sale of buildings, a +371 million euro capital gain related to the strategic agreement with Allfunds, as well as an impairment of an investment accounted for under equity method (-130 million euros). Corporate Centre's pre-tax income thus came in at -129 million euros in the fourth quarter 2020, compared to -558 million euros in the fourth quarter 2019.

[1] Related in particular to the discontinuation or restructuring of certain businesses (amongst others at CIB)
[2] Related in particular to Wealth Management, BancWest and CIB
[3] 5.2% residual stake in SBI Life
[4] Restructuring costs incurred mainly from the acquisition of Raiffeisen Bank Polska and the discontinuation or restructuring of certain businesses (in particular BNP Paribas Suisse)

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FINANCIAL STRUCTURE

The Group has a very solid balance sheet.

The Common Equity Tier 1 ratio stood at 12.8%[1] as at 31 December 2020, up by 70 basis points compared to 31 December 2019, due to:

- the placing into reserves of 2020 net income after taking into account a 50% dividend pay-out ratio (+50 basis points),
- the organic increase of risk-weighted assets at constant exchange rates (-50 basis points),
- the impact of placing the 2019 dividend into reserves (+60 basis points)
- the impact of other effects (of which prudential treatment of software) (+10 basis points).

The CET1 ratio[1] is significantly higher than the European Central Bank's notified requests (9.22%[2] as at 31 December 2020) and above the 2020 plan objective (12.0%).

The leverage ratio[3] stood at 4.9% taking into account the temporary exemptions related to deposits with Eurosystem central banks (4.4% excluding this effect).

Immediately available liquidity reserves totalled 432 billion euros, equivalent to more than one year of room to manoeuvre in terms of wholesale funding.

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[1] CRD4; including IFRS 9 transitional provisions
[2] After taking into account the removals of "countercyclical capital buffers" and in accordance with Article 104a of CRD5; excluding P2G
[3] Calculated in accordance with Regulation (EU) No. 2020/873, Article 500b

2021 TRENDS

After 2020, a year marked by the health crisis, a gradual rebound in economic activity is expected from the second half of 2021 onwards. According to forecasts of the International Monetary Fund, growth should be positive in all regions, on the back of developments on the health front. The low-interest-rate environment persists in particular in Europe and will continue to impact heavily interest income at retail banks.

Subject to uncertainties surrounding this economic scenario, the Group anticipates to show growth in 2021 in the following manner:

Business drive amidst a recovery in economic activity

Business drive is supported by the Group's diversification and positioning in the most resilient sectors and client segments. The strengthening in franchises and market share gains, and the intensification of cooperation between businesses, as well as the key contribution from the Group's digital and industrial transformation are likely to reinforce business momentum.

The Group's revenues are therefore likely to trend upward as economic activity returns to normal with improvements in public health conditions and subject to differences in momentum from one business line, region and sector to another.

Domestic Markets should consolidate its strong positions amidst an economic recovery by expanding loan volumes and accelerating the transformation of deposits into financial savings. The businesses will intensify cooperation with the Group, in order to amplify commercial momentum and support the development of revenues, by leveraging in particular leadership in corporate, private banking and specialised business client segments. In particular, Arval will accelerate its drive with the 2025 objective of becoming the leader in sustainable mobility, financing 2 million vehicles, and generating 1 billion euros in pre-tax net income. In addition, Domestic Markets will continue the digitalisation of its platform and offerings, as well as the industrialisation of its processes and journeys for enhanced customer experiences and operating efficiency. The network banks will thus continue to adapt their cost structures and branch set-ups to go with changes in customer behaviours.

Domestic Markets is expected to benefit from the rebound in flow businesses and specialised subsidiaries compared to 2020 levels, as well as increased momentum in specialised businesses. However, the persistent impact of the low-interest-rate environment should partly offset this momentum.

International Financial Services should benefit fully from the rebound in economic activity compared to 2020 levels, leveraging strong positions, developing targeted and innovative partnerships, as well as the successful transformation. The cooperation with Group entities will be intensified to further accelerate growth in the network banks and Wealth Management, as well as Asset Management and Insurance through the amplification of initiatives to transform customer deposits into financial savings, the diversification into non-life products in Insurance, and the development of the institutional franchise of Asset Management. By leveraging leadership and developing new partnerships, Personal Finance should deliver increasing loan production levels compared to 2020, as health conditions improve over the course of the year. The business will continue its targeted development of external partnerships to strengthen its positions on the main European markets. Lastly, International Financial Services will be able to rely on simplified, transformed and scalable platforms, journeys, as well as product and service offerings for supporting growth in its businesses amidst the recovery.

Revenues in the international retail networks are expected to grow. International Financial Services should also benefit over the course of the year from the recovery in activities that were impacted by public health measures and from the acceleration of the transformation of deposits into financial savings.

CIB's long-term, client-focused strategy is expected to see continued success in 2021 affirming its leadership in Europe while consolidating its market share gains. The division should expand development momentum, ramping up initiatives that are already under way. Geographical development will be amplified by the reinforcement of plans launched for example, in Germany, the United Kingdom, the Netherlands, and the Nordic countries, and broadening those plans further into Spain, Switzerland and, in tandem with BNL, Italy. CIB will also continue to expand its footprint in the Americas and Asia-Pacific while expanding its flow business and cross-border deals. The business will continue to develop electronic platforms and initiatives targeting players wishing to optimise their set-ups. Lastly, CIB will accelerate the development of its Equity businesses with the roll-out of a broader prime services offering and the strengthening of cooperation with Exane BNP Paribas.

CIB should benefit from the strengthening of franchises and market share gains in continuity with the strong business momentum seen throughout all phases of the crisis. It is also likely to benefit from the basis effect due to market shocks in the first half of 2020 that strongly impacted Equity & Prime Services revenues. On the contrary, FICC is unlikely to experience the same magnitude of revenues that it generated in 2020 on the back of exceptionally intense client activity.

Proven effectiveness of the digital and industrial transformation with the business recovery

The Group demonstrated in 2020 the effectiveness of its digital and industrial transformation.

The contribution of the transformation and the acceleration in the use of digital tools generated by the effects of the health crisis will further sustain the cost adjustments while providing support for activities development amidst a recovery from 2020 levels.

Hence, while supporting the business recovery, the Group's operating expenses are expected to be stable (excluding the effect of change in scope and taxes subject to IFRIC 21).

Cost of risk

At 66 basis points of customer loans outstanding, the cost of risk strongly increased in 2020 compared to 2019. The cost of risk on non-performing loans (stage 3) stood at 50 basis points in 2020, compared to 40 basis points in 2019. The cost of risk on performing loans (stages 1 and 2) stood at 16 basis points in 2020, compared to a non-material write-back in 2019. BNP Paribas thus recorded, in 2020, provisioning of performing loans for more than 1.4 billion euros in anticipation of the effects, to come, of the health crisis.

After peaking in 2020, a first stage in cost of risk normalisation is expected in 2021.

Indeed, government compensating measures (particularly in France), some extended into 2021, as well as stimulus plans should continue to cushion the shock stemming from the public health measures and to support the economic and social fabric. Moreover economic activity should gradually return to normal with the easing of health restrictions and the development of vaccination plans.

Therefore, the cost of risk in 2021 should decrease compared to 2020 and come in at a level close to the cycle average.

Shareholder return and capital management policy

In accordance with the Group's distribution policy, the pay-out ratio objective is 50% of 2021 net income.

Moreover as the Group's CET1 ratio at the end of 2020 was significantly higher than the ECB's notified requests and above the Group's 2020 objective (12.0%), the Group's distribution policy will be reviewed in the new 2025 strategic plan.

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CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	4Q20	4Q19	4Q20 / 4Q19	3Q20	4Q20 / 3Q20	2020	2019	2020 / 2019
Group								
Revenues	**10,827**	**11,333**	**-4.5%**	**10,885**	**-0.5%**	**44,275**	**44,597**	**-0.7%**
Operating Expenses and Dep.	-7,562	-8,032	-5.9%	-7,137	+6.0%	-30,194	-31,337	-3.6%
Gross Operating Income	**3,265**	**3,301**	**-1.1%**	**3,748**	**-12.9%**	**14,081**	**13,260**	**+6.2%**
Cost of Risk	-1,599	-966	+65.5%	-1,245	+28.4%	-5,717	-3,203	+78.5%
Operating Income	**1,666**	**2,335**	**-28.6%**	**2,503**	**-33.4%**	**8,364**	**10,057**	**-16.8%**
Share of Earnings of Equity-Method Entities	68	129	-47.3%	130	-47.7%	423	586	-27.8%
Other Non Operating Items	496	65	n.s.	38	n.s.	1,035	751	+37.8%
Non Operating Items	**564**	**194**	**n.s.**	**168**	**n.s.**	**1,458**	**1,337**	**+9.0%**
Pre-Tax Income	**2,230**	**2,529**	**-11.8%**	**2,671**	**-16.5%**	**9,822**	**11,394**	**-13.8%**
Corporate Income Tax	-558	-582	-4.1%	-692	-19.4%	-2,407	-2,811	-14.4%
Net Income Attributable to Minority Interests	-80	-98	-18.4%	-85	-5.9%	-348	-410	-15.1%
Net Income Attributable to Equity Holders	**1,592**	**1,849**	**-13.9%**	**1,894**	**-15.9%**	**7,067**	**8,173**	**-13.5%**
Cost/income	**69.8%**	**70.9%**	**-1.1 pt**	**65.6%**	**+4.2 pt**	**68.2%**	**70.3%**	**-2.1 pt**

BNP Paribas' financial disclosures for the fourth quarter 2020 and for the year 2020 are contained in this press release and in the presentation attached herewith.
All legally required disclosures, including the Universal 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.

4Q020 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Corporate Centre	Group
Revenues		**3,838**	**3,915**	**3,315**	**11,068**	**-241**	**10,827**
	%Change4Q19	-1.3%	-10.8%	+6.9%	-2.7%	n.s.	-4.5%
	%Change3Q20	+2.8%	-0.7%	-1.7%	+0.2%	+46.1%	-0.5%
Operating Expenses and Dep.		-2,534	-2,555	-2,190	-7,279	-283	-7,562
	%Change4Q19	-1.0%	-5.9%	-1.8%	-3.0%	-46.5%	-5.9%
	%Change3Q20	+2.5%	+7.3%	+3.5%	+4.4%	+71.4%	+6.0%
Gross Operating Income		**1,304**	**1,360**	**1,125**	**3,789**	**-524**	**3,265**
	%Change4Q19	-1.8%	-18.8%	+29.1%	-2.2%	-8.7%	-1.1%
	%Change3Q20	+3.3%	-12.9%	-10.4%	-7.1%	+58.7%	-12.9%
Cost of Risk		-459	-678	-432	-1,570	-29	-1,599
	%Change4Q19	+82.4%	+18.1%	n.s.	+73.3%	-51.1%	+65.5%
	%Change3Q20	+32.6%	+14.6%	+39.5%	+25.8%	n.s.	+28.4%
Operating Income		**845**	**682**	**692**	**2,219**	**-554**	**1,666**
	%Change4Q19	-21.5%	-38.1%	-12.5%	-25.3%	-12.7%	-28.6%
	%Change3Q20	-7.8%	-29.6%	-26.8%	-21.6%	+69.2%	-33.4%
Share of Earnings of Equity-Method Entities		1	56	8	64	4	68
Other Non Operating Items		44	22	9	75	421	496
Pre-Tax Income		**890**	**759**	**710**	**2,359**	**-129**	**2,230**
	%Change4Q19	-18.0%	-36.8%	-11.4%	-23.6%	-76.8%	-11.8%
	%Change3Q20	-3.7%	-28.8%	-25.7%	-19.9%	-53.1%	-16.5%

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Corporate Centre	Group
Revenues		**3,838**	**3,915**	**3,315**	**11,068**	**-241**	**10,827**
	4Q19	3,887	4,391	3,101	11,378	-45	11,333
	3Q20	3,735	3,943	3,372	11,050	-165	10,885
Operating Expenses and Dep.		-2,534	-2,555	-2,190	-7,279	-283	-7,562
	4Q19	-2,559	-2,715	-2,229	-7,503	-529	-8,032
	3Q20	-2,473	-2,382	-2,117	-6,972	-165	-7,137
Gross Operating Income		**1,304**	**1,360**	**1,125**	**3,789**	**-524**	**3,265**
	4Q19	1,328	1,675	871	3,875	**-574**	3,301
	3Q20	1,262	1,561	1,255	4,078	**-330**	3,748
Cost of Risk		-459	-678	-432	-1,570	-29	-1,599
	4Q19	-252	-574	-80	-906	-60	-966
	3Q20	-346	-592	-310	-1,248	3	-1,245
Operating Income		**845**	**682**	**692**	**2,219**	**-554**	**1,666**
	4Q19	1,077	1,101	791	2,969	**-634**	2,335
	3Q20	916	969	945	2,830	**-327**	2,503
Share of Earnings of Equity-Method Entities		1	56	8	64	4	68
	4Q19	4	107	4	115	14	129
	3Q20	4	107	3	114	16	130
Other Non Operating Items		44	22	9	75	421	496
	4Q19	4	-8	6	3	62	65
	3Q20	4	-9	7	2	36	38
Pre-Tax Income		**890**	**759**	**710**	**2,359**	**-129**	**2,230**
	4Q19	1,085	1,201	801	3,087	**-558**	2,529
	3Q20	924	1,067	955	2,947	**-276**	2,671
Corporate Income Tax							-558
Net Income Attributable to Minority Interests							-80
Net Income Attributable to Equity Holders							**1,592**

2020 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Corporate Centre	Group
Revenues		**14,932**	**15,938**	**13,763**	**44,633**	**-358**	**44,275**
	%Change2019	-2.2%	-7.2%	+13.9%	+0.2%	n.s.	-0.7%
Operating Expenses and Dep.		-10,267	-10,117	-8,920	-29,304	-890	-30,194
	%Change2019	-1.6%	-3.7%	+3.0%	-1.0%	-48.5%	-3.6%
Gross Operating Income		**4,665**	**5,821**	**4,843**	**15,329**	**-1,249**	**14,081**
	%Change2019	-3.3%	-12.8%	+41.7%	+2.8%	-24.6%	+6.2%
Cost of Risk		-1,446	-2,775	-1,424	-5,645	-72	-5,717
	%Change2019	+42.3%	+45.2%	n.s.	+79.5%	+23.0%	+78.5%
Operating Income		**3,219**	**3,046**	**3,419**	**9,684**	**-1,321**	**8,364**
	%Change2019	-15.4%	-36.1%	+6.9%	-17.7%	-23.0%	-16.8%
Share of Earnings of Equity-Method Entities		5	353	11	369	54	423
Other Non Operating Items		50	22	24	96	939	1,035
Pre-Tax Income		**3,274**	**3,421**	**3,454**	**10,149**	**-327**	**9,822**
	%Change2019	-14.1%	-34.5%	+7.7%	-17.1%	-61.5%	-13.8%
Corporate Income Tax							-2,407
Net Income Attributable to Minority Interests							-348
Net Income Attributable to Equity Holders							7,067

QUARTERLY SERIES

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
GROUP								
Revenues	**10,827**	**10,885**	**11,675**	**10,888**	**11,333**	**10,896**	**11,224**	**11,144**
Operating Expenses and Dep.	-7,562	-7,137	-7,338	-8,157	-8,032	-7,421	-7,435	-8,449
Gross Operating Income	**3,265**	**3,748**	**4,337**	**2,731**	**3,301**	**3,475**	**3,789**	**2,695**
Cost of Risk	-1,599	-1,245	-1,447	-1,426	-966	-847	-621	-769
Operating Income	**1,666**	**2,503**	**2,890**	**1,305**	**2,335**	**2,628**	**3,168**	**1,926**
Share of Earnings of Equity-Method Entities	68	130	130	95	129	143	180	134
Other Non Operating Items	496	38	106	395	65	34	29	623
Pre-Tax Income	**2,230**	**2,671**	**3,126**	**1,795**	**2,529**	**2,805**	**3,377**	**2,683**
Corporate Income Tax	-558	-692	-746	-411	-582	-767	-795	-667
Net Income Attributable to Minority Interests	-80	-85	-81	-102	-98	-100	-114	-98
Net Income Attributable to Equity Holders	**1,592**	**1,894**	**2,299**	**1,282**	**1,849**	**1,938**	**2,468**	**1,918**
Cost/Income	**69.8%**	**65.6%**	**62.9%**	**74.9%**	**70.9%**	**68.1%**	**66.2%**	**75.8%**

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
RETAIL BANKING & SERVICES Excl. PEL/CEL								
Revenues	**7,753**	**7,677**	**7,615**	**7,823**	**8,286**	**8,006**	**8,045**	**8,096**
Operating Expenses and Dep.	-5,089	-4,855	-4,790	-5,650	-5,274	-5,084	-5,002	-5,586
Gross Operating Income	**2,664**	**2,822**	**2,825**	**2,172**	**3,012**	**2,922**	**3,042**	**2,510**
Cost of Risk	-1,137	-938	-1,095	-1,050	-826	-765	-604	-733
Operating Income	**1,527**	**1,883**	**1,730**	**1,122**	**2,187**	**2,158**	**2,439**	**1,777**
Share of Earnings of Equity-Method Entities	56	111	116	74	111	119	151	108
Other Non Operating Items	66	-5	-2	12	-4	3	-27	1
Pre-Tax Income	**1,649**	**1,990**	**1,845**	**1,208**	**2,294**	**2,280**	**2,563**	**1,886**
Allocated Equity (€bn, year to date)	55.3	55.6	55.8	55.8	54.9	54.7	54.6	54.3

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
RETAIL BANKING & SERVICES								
Revenues	**7,753**	**7,678**	**7,630**	**7,810**	**8,278**	**7,997**	**8,072**	**8,099**
Operating Expenses and Dep.	-5,089	-4,855	-4,790	-5,650	-5,274	-5,084	-5,002	-5,586
Gross Operating Income	**2,664**	**2,823**	**2,840**	**2,159**	**3,004**	**2,913**	**3,070**	**2,513**
Cost of Risk	-1,137	-938	-1,095	-1,050	-826	-765	-604	-733
Operating Income	**1,527**	**1,885**	**1,745**	**1,109**	**2,178**	**2,148**	**2,467**	**1,780**
Share of Earnings of Equity-Method Entities	56	111	116	74	111	119	151	108
Other Non Operating Items	66	-5	-2	12	-4	3	-27	1
Pre-Tax Income	**1,649**	**1,991**	**1,859**	**1,195**	**2,286**	**2,270**	**2,591**	**1,889**
Allocated Equity (€bn, year to date)	55.3	55.6	55.8	55.8	54.9	54.7	54.6	54.3

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
DOMESTIC MARKETS (including 100% of PB in France, Italy, Belgium and Luxembourg)[1] Excluding PEL/CEL Effects								
Revenues	**3,976**	**3,867**	**3,721**	**3,913**	**4,036**	**3,892**	**3,925**	**3,961**
Operating Expenses and Dep.	-2,610	-2,543	-2,446	-2,970	-2,635	-2,607	-2,516	-2,983
Gross Operating Income	**1,366**	**1,324**	**1,276**	**943**	**1,402**	**1,285**	**1,408**	**978**
Cost of Risk	-458	-353	-331	-313	-254	-245	-214	-307
Operating Income	**908**	**971**	**944**	**630**	**1,147**	**1,040**	**1,194**	**671**
Share of Earnings of Equity-Method Entities	1	4	1	0	4	1	2	-6
Other Non Operating Items	45	4	1	1	4	2	-6	1
Pre-Tax Income	**953**	**978**	**946**	**630**	**1,156**	**1,043**	**1,190**	**666**
Income Attributable to Wealth and Asset Management	-64	-56	-62	-56	-62	-67	-68	-58
Pre-Tax Income of Domestic Markets	**890**	**922**	**884**	**574**	**1,093**	**975**	**1,122**	**608**
Allocated Equity (€bn, year to date)	26.2	26.3	26.1	26.0	25.7	25.7	25.7	25.5

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
DOMESTIC MARKETS (including 2/3 of PB in France, Italy, Belgium and Luxembourg)								
Revenues	**3,838**	**3,735**	**3,602**	**3,757**	**3,887**	**3,748**	**3,810**	**3,816**
Operating Expenses and Dep.	-2,534	-2,473	-2,376	-2,885	-2,559	-2,539	-2,443	-2,897
Gross Operating Income	**1,304**	**1,262**	**1,226**	**872**	**1,328**	**1,209**	**1,367**	**919**
Cost of Risk	-459	-346	-329	-311	-252	-246	-213	-305
Operating Income	**845**	**916**	**897**	**561**	**1,077**	**963**	**1,154**	**615**
Share of Earnings of Equity-Method Entities	1	4	1	0	4	1	2	-6
Other Non Operating Items	44	4	1	0	4	2	-6	1
Pre-Tax Income	**890**	**924**	**899**	**561**	**1,085**	**966**	**1,149**	**610**
Allocated Equity (€bn, year to date)	26.2	26.3	26.1	26.0	25.7	25.7	25.7	25.5

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

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
FRENCH RETAIL BANKING (including 100% of Private Banking in France)[1]								
Revenues	**1,516**	**1,498**	**1,423**	**1,511**	**1,560**	**1,558**	**1,624**	**1,597**
Incl. Net Interest Income	*855*	*853*	*788*	*810*	*881*	*891*	*916*	*915*
Incl. Commissions	*661*	*645*	*634*	*702*	*679*	*667*	*708*	*682*
Operating Expenses and Dep.	-1,126	-1,125	-1,074	-1,166	-1,152	-1,163	-1,102	-1,186
Gross Operating Income	**390**	**373**	**349**	**345**	**408**	**396**	**522**	**412**
Cost of Risk	-169	-137	-90	-101	-98	-75	-83	-72
Operating Income	**221**	**236**	**259**	**244**	**310**	**320**	**440**	**340**
Non Operating Items	40	-2	0	-1	6	0	0	1
Pre-Tax Income	**261**	**235**	**259**	**244**	**316**	**320**	**440**	**340**
Income Attributable to Wealth and Asset Management	-36	-30	-33	-35	-32	-40	-37	-34
Pre-Tax Income of BDDF	**225**	**205**	**226**	**209**	**283**	**281**	**402**	**306**
Allocated Equity (€bn, year to date)	11.0	11.0	10.8	10.6	10.1	10.0	9.9	9.8

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
FRENCH RETAIL BANKING (including 100% of Private Banking in France)[1] Excluding PEL/CEL Effects								
Revenues	**1,516**	**1,496**	**1,408**	**1,524**	**1,569**	**1,568**	**1,596**	**1,595**
Incl. Net Interest Income	*855*	*852*	*774*	*823*	*889*	*901*	*889*	*912*
Incl. Commissions	*661*	*645*	*634*	*702*	*679*	*667*	*708*	*682*
Operating Expenses and Dep.	-1,126	-1,125	-1,074	-1,166	-1,152	-1,163	-1,102	-1,186
Gross Operating Income	**390**	**371**	**334**	**358**	**417**	**405**	**495**	**409**
Cost of Risk	-169	-137	-90	-101	-98	-75	-83	-72
Operating Income	**221**	**235**	**244**	**257**	**318**	**330**	**412**	**337**
Non Operating Items	40	-2	0	-1	6	0	0	1
Pre-Tax Income	**261**	**233**	**245**	**257**	**324**	**330**	**412**	**338**
Income Attributable to Wealth and Asset Management	-36	-30	-33	-35	-32	-40	-37	-34
Pre-Tax Income of BDDF	**225**	**203**	**212**	**222**	**292**	**290**	**374**	**304**
Allocated Equity (€bn, year to date)	11.0	11.0	10.8	10.6	10.1	10.0	9.9	9.8

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)								
Revenues	**1,446**	**1,430**	**1,354**	**1,437**	**1,489**	**1,490**	**1,549**	**1,522**
Operating Expenses and Dep.	-1,091	-1,093	-1,040	-1,129	-1,116	-1,133	-1,065	-1,147
Gross Operating Income	**355**	**337**	**314**	**308**	**373**	**357**	**484**	**376**
Cost of Risk	-170	-130	-88	-99	-96	-77	-81	-70
Operating Income	**185**	**207**	**226**	**209**	**277**	**281**	**402**	**305**
Non Operating Items	40	-2	0	-1	6	0	0	1
Pre-Tax Income	**225**	**205**	**226**	**209**	**283**	**281**	**402**	**306**
Allocated Equity (€bn, year to date)	11.0	11.0	10.8	10.6	10.1	10.0	9.9	9.8

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

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

En millions d'euros	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
PEL-CEL Effects	0	1	15	-13	-9	-10	28	2

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BNL banca commerciale (Including 100% of Private Banking in Italy)[1]								
Revenues	**694**	**669**	**649**	**659**	**755**	**663**	**684**	**675**
Operating Expenses and Dep.	-434	-426	-422	-465	-450	-446	-433	-470
Gross Operating Income	**260**	**244**	**227**	**194**	**305**	**217**	**251**	**205**
Cost of Risk	-161	-122	-122	-120	-109	-109	-107	-165
Operating Income	**99**	**122**	**105**	**74**	**196**	**108**	**144**	**40**
Non Operating Items	0	0	-2	0	-4	0	0	0
Pre-Tax Income	**99**	**122**	**104**	**73**	**191**	**108**	**144**	**40**
Income Attributable to Wealth and Asset Management	-9	-7	-9	-10	-10	-10	-11	-10
Pre-Tax Income of BNL bc	**90**	**115**	**95**	**64**	**181**	**98**	**133**	**30**
Allocated Equity (€bn, year to date)	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BNL banca commerciale (Including 2/3 of Private Banking in Italy)								
Revenues	**672**	**649**	**629**	**637**	**732**	**641**	**663**	**654**
Operating Expenses and Dep.	-421	-413	-410	-453	-438	-434	-422	-460
Gross Operating Income	**251**	**236**	**218**	**184**	**295**	**207**	**241**	**195**
Cost of Risk	-161	-121	-122	-120	-109	-109	-108	-164
Operating Income	**90**	**115**	**96**	**64**	**186**	**98**	**133**	**30**
Non Operating Items	0	0	-2	0	-4	0	0	0
Pre-Tax Income	**90**	**115**	**95**	**64**	**181**	**98**	**133**	**30**
Allocated Equity (€bn, year to date)	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium)[1]								
Revenues	**861**	**851**	**835**	**885**	**878**	**853**	**878**	**915**
Operating Expenses and Dep.	-556	-523	-499	-830	-560	-541	-535	-844
Gross Operating Income	**305**	**329**	**336**	**55**	**318**	**312**	**342**	**71**
Cost of Risk	-67	-29	-80	-54	-5	-20	3	-34
Operating Income	**238**	**300**	**256**	**0**	**313**	**292**	**345**	**37**
Share of Earnings of Equity-Method Entities	4	7	4	4	6	5	5	-3
Other Non Operating Items	6	4	2	1	2	1	-6	0
Pre-Tax Income	**247**	**311**	**262**	**5**	**321**	**298**	**344**	**35**
Income Attributable to Wealth and Asset Management	-17	-18	-19	-10	-19	-17	-19	-14
Pre-Tax Income of Belgian Retail Banking	**230**	**293**	**243**	**-4**	**302**	**281**	**325**	**21**
Allocated Equity (€bn, year to date)	5.4	5.5	5.6	5.7	5.8	5.8	5.9	5.8

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)								
Revenues	**820**	**811**	**794**	**842**	**836**	**813**	**836**	**868**
Operating Expenses and Dep.	-532	-501	-477	-797	-536	-519	-512	-811
Gross Operating Income	**288**	**310**	**317**	**45**	**300**	**295**	**323**	**57**
Cost of Risk	-68	-28	-79	-54	-5	-20	3	-33
Operating Income	**221**	**282**	**237**	**-9**	**294**	**275**	**326**	**24**
Share of Earnings of Equity-Method Entities	4	7	4	4	6	5	5	-3
Other Non Operating Items	6	4	2	1	2	1	-6	0
Pre-Tax Income	**230**	**293**	**243**	**-4**	**302**	**281**	**325**	**21**
Allocated Equity (€bn, year to date)	5.4	5.5	5.6	5.7	5.8	5.8	5.9	5.8

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

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)[1]								
Revenues	**905**	**850**	**829**	**845**	**834**	**807**	**767**	**776**
Operating Expenses and Dep.	-494	-469	-451	-508	-473	-457	-447	-483
Gross Operating Income	**411**	**380**	**378**	**337**	**362**	**351**	**320**	**292**
Cost of Risk	-61	-66	-40	-38	-42	-41	-27	-37
Operating Income	**350**	**314**	**339**	**299**	**320**	**310**	**293**	**256**
Share of Earnings of Equity-Method Entities	-3	-2	-3	-4	-2	-4	-4	-3
Other Non Operating Items	-1	0	0	0	0	1	0	0
Pre-Tax Income	**346**	**312**	**336**	**295**	**318**	**307**	**290**	**253**
Income Attributable to Wealth and Asset Management	-1	-1	-1	-2	-1	-1	-1	0
Pre-Tax Income of Other Domestic Markets	**345**	**311**	**335**	**293**	**318**	**306**	**289**	**253**
Allocated Equity (€bn, year to date)	4.5	4.4	4.4	4.4	4.5	4.6	4.6	4.5

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)								
Revenues	**900**	**846**	**825**	**841**	**830**	**804**	**763**	**772**
Operating Expenses and Dep.	-491	-466	-448	-505	-469	-454	-444	-480
Gross Operating Income	**409**	**379**	**377**	**335**	**361**	**350**	**319**	**292**
Cost of Risk	-60	-66	-40	-38	-42	-41	-27	-37
Operating Income	**349**	**313**	**337**	**297**	**319**	**309**	**292**	**255**
Share of Earnings of Equity-Method Entities	-3	-2	-3	-4	-2	-4	-4	-3
Other Non Operating Items	-1	0	0	0	0	1	0	0
Pre-Tax Income	**345**	**311**	**335**	**293**	**318**	**306**	**289**	**253**
Allocated Equity (€bn, year to date)	4.5	4.4	4.4	4.4	4.5	4.6	4.6	4.5

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

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
INTERNATIONAL FINANCIAL SERVICES								
Revenues	**3,915**	**3,943**	**4,027**	**4,053**	**4,391**	**4,248**	**4,262**	**4,282**
Operating Expenses and Dep.	-2,555	-2,382	-2,414	-2,766	-2,715	-2,545	-2,559	-2,688
Gross Operating Income	**1,360**	**1,561**	**1,613**	**1,287**	**1,675**	**1,704**	**1,703**	**1,594**
Cost of Risk	-678	-592	-765	-739	-574	-518	-390	-428
Operating Income	**682**	**969**	**848**	**548**	**1,101**	**1,186**	**1,313**	**1,165**
Share of Earnings of Equity-Method Entities	56	107	116	75	107	118	149	113
Other Non Operating Items	22	-9	-3	12	-8	1	-21	0
Pre-Tax Income	**759**	**1,067**	**960**	**634**	**1,201**	**1,305**	**1,442**	**1,279**
Allocated Equity (€bn, year to date)	29.2	29.3	29.8	29.8	29.2	29.1	28.9	28.8

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
Personal Finance								
Revenues	**1,365**	**1,343**	**1,302**	**1,475**	**1,485**	**1,444**	**1,440**	**1,427**
Operating Expenses and Dep.	-687	-641	-641	-787	-721	-664	-702	-770
Gross Operating Income	**678**	**703**	**661**	**688**	**764**	**781**	**738**	**656**
Cost of Risk	-581	-383	-450	-582	-370	-366	-289	-329
Operating Income	**97**	**320**	**211**	**105**	**394**	**415**	**449**	**327**
Share of Earnings of Equity-Method Entities	-4	7	-5	8	-9	19	17	13
Other Non Operating Items	-60	-11	4	0	-11	0	-13	0
Pre-Tax Income	**33**	**315**	**210**	**113**	**374**	**434**	**454**	**340**
Allocated Equity (€bn, year to date)	7.9	8.0	8.1	8.1	7.9	8.0	7.9	7.8

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey and in Poland)[1]								
Revenues	**527**	**561**	**609**	**665**	**702**	**657**	**674**	**665**
Operating Expenses and Dep.	-402	-405	-414	-490	-459	-439	-445	-456
Gross Operating Income	**125**	**156**	**196**	**175**	**243**	**218**	**230**	**210**
Cost of Risk	-95	-113	-143	-86	-113	-112	-97	-77
Operating Income	**30**	**43**	**53**	**89**	**129**	**107**	**132**	**133**
Share of Earnings of Equity-Method Entities	33	52	53	55	61	44	66	53
Other Non Operating Items	18	-1	-25	3	8	-1	0	0
Pre-Tax Income	**80**	**93**	**80**	**147**	**198**	**150**	**198**	**186**
Income Attributable to Wealth and Asset Management	-2	-2	-1	-3	-1	-1	-1	-1
Pre-Tax Income of EM	**78**	**91**	**79**	**144**	**197**	**150**	**197**	**185**
Allocated Equity (€bn, year to date)	5.1	5.2	5.3	5.3	5.3	5.3	5.3	5.3

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey and in Poland)								
Revenues	**523**	**557**	**606**	**660**	**699**	**655**	**672**	**663**
Operating Expenses and Dep.	-401	-403	-411	-488	-458	-438	-444	-455
Gross Operating Income	**122**	**154**	**194**	**172**	**241**	**217**	**228**	**209**
Cost of Risk	-95	-113	-143	-86	-113	-111	-97	-77
Operating Income	**28**	**41**	**51**	**86**	**128**	**106**	**131**	**132**
Share of Earnings of Equity-Method Entities	33	52	53	55	61	44	66	53
Other Non Operating Items	18	-1	-25	3	8	-1	0	0
Pre-Tax Income	**78**	**91**	**79**	**144**	**197**	**150**	**197**	**185**
Allocated Equity (€bn, year to date)	5.1	5.2	5.3	5.3	5.3	5.3	5.3	5.3

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

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BANCWEST (Including 100% of Private Banking in United States)[1]								
Revenues	**594**	**627**	**629**	**611**	**611**	**601**	**593**	**569**
Operating Expenses and Dep.	-423	-403	-432	-465	-406	-433	-431	-442
Gross Operating Income	**171**	**224**	**197**	**146**	**205**	**168**	**162**	**127**
Cost of Risk	-3	-90	-167	-62	-84	-43	-2	-18
Operating Income	**168**	**134**	**30**	**83**	**121**	**125**	**160**	**109**
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0	0	0
Other Non Operating Items	0	2	-3	0	-5	1	1	0
Pre-Tax Income	**168**	**136**	**27**	**83**	**116**	**126**	**161**	**109**
Income Attributable to Wealth and Asset Management	-6	-6	-5	-5	-6	-7	-7	-8
NRBI	**162**	**130**	**22**	**78**	**110**	**119**	**153**	**101**
Allocated Equity (€bn, year to date)	5.5	5.6	5.7	5.7	5.4	5.4	5.3	5.3

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BANCWEST (Including 2/3 of Private Banking in United States)								
Revenues	**578**	**612**	**614**	**596**	**595**	**585**	**576**	**553**
Operating Expenses and Dep.	-413	-394	-422	-455	-396	-423	-421	-433
Gross Operating Income	**165**	**218**	**192**	**141**	**199**	**161**	**155**	**119**
Cost of Risk	-3	-90	-167	-62	-84	-43	-2	-18
Operating Income	**162**	**128**	**25**	**78**	**115**	**118**	**152**	**101**
Non Operating Items	0	2	-3	0	-5	1	1	0
Pre-Tax Income	**162**	**130**	**22**	**78**	**110**	**119**	**153**	**101**
Allocated Equity (€bn, year to date)	5.5	5.6	5.7	5.7	5.4	5.4	5.3	5.3

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
Insurance								
Revenues	**622**	**697**	**828**	**579**	**654**	**761**	**779**	**874**
Operating Expenses and Dep.	-385	-347	-339	-393	-380	-370	-360	-389
Gross Operating Income	**237**	**350**	**489**	**186**	**274**	**390**	**419**	**484**
Cost of Risk	0	0	-2	1	-1	-2	1	-2
Operating Income	**237**	**350**	**487**	**187**	**273**	**389**	**420**	**482**
Share of Earnings of Equity-Method Entities	16	35	39	1	30	43	57	37
Other Non Operating Items	0	0	21	9	0	0	-16	0
Pre-Tax Income	**253**	**384**	**548**	**197**	**304**	**432**	**461**	**520**
Allocated Equity (€bn, year to date)	8.6	8.6	8.5	8.6	8.4	8.4	8.3	8.4

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
WEALTH AND ASSET MANAGEMENT								
Revenues	**826**	**734**	**678**	**743**	**957**	**803**	**795**	**766**
Operating Expenses and Dep.	-669	-598	-601	-642	-760	-649	-632	-641
Gross Operating Income	**157**	**136**	**77**	**101**	**197**	**154**	**163**	**125**
Cost of Risk	1	-6	-4	-9	-6	4	-2	-2
Operating Income	**159**	**130**	**74**	**92**	**191**	**157**	**161**	**123**
Share of Earnings of Equity-Method Entities	11	14	28	11	25	12	10	10
Other Non Operating Items	63	1	0	0	-1	0	7	0
Pre-Tax Income	**233**	**146**	**102**	**102**	**216**	**170**	**177**	**132**
Allocated Equity (€bn, year to date)	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.0

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

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
CORPORATE AND INSTITUTIONAL BANKING								
Revenues	**3,315**	**3,372**	**4,123**	**2,953**	**3,101**	**2,873**	**3,099**	**3,008**
Operating Expenses and Dep.	-2,190	-2,117	-2,220	-2,393	-2,229	-1,974	-1,997	-2,463
Gross Operating Income	**1,125**	**1,255**	**1,904**	**560**	**871**	**898**	**1,102**	**545**
Cost of Risk	-432	-310	-319	-363	-80	-81	-24	-32
Operating Income	**692**	**945**	**1,585**	**197**	**791**	**817**	**1,078**	**513**
Share of Earnings of Equity-Method Entities	8	3	-3	3	4	5	5	2
Other Non Operating Items	9	7	6	2	6	11	-25	-2
Pre-Tax Income	**710**	**955**	**1,587**	**202**	**801**	**834**	**1,058**	**514**
Allocated Equity (€bn, year to date)	24.5	24.7	24.3	22.3	21.7	21.6	21.3	20.7

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
CORPORATE BANKING								
Revenues	**1,281**	**1,118**	**1,258**	**1,070**	**1,210**	**1,039**	**1,094**	**969**
Operating Expenses and Dep.	-645	-598	-632	-748	-668	-600	-607	-724
Gross Operating Income	**636**	**520**	**627**	**321**	**541**	**440**	**487**	**245**
Cost of Risk	-430	-311	-366	-201	-80	-88	-21	-35
Operating Income	**206**	**209**	**261**	**121**	**461**	**352**	**467**	**210**
Non Operating Items	6	2	-2	3	3	4	3	3
Pre-Tax Income	**212**	**211**	**259**	**124**	**464**	**356**	**470**	**213**
Allocated Equity (€bn, year to date)	13.5	13.6	13.6	13.0	12.5	12.5	12.4	12.2

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
GLOBAL MARKETS								
Revenues	**1,498**	**1,711**	**2,304**	**1,306**	**1,340**	**1,299**	**1,409**	**1,523**
incl. FICC	*1,002*	*1,245*	*2,013*	*1,392*	*820*	*915*	*793*	*1,035*
incl. Equity & Prime Services	*497*	*466*	*290*	*-87*	*520*	*384*	*615*	*488*
Operating Expenses and Dep.	-1,089	-1,065	-1,137	-1,162	-1,117	-926	-913	-1,276
Gross Operating Income	**410**	**646**	**1,167**	**143**	**223**	**373**	**496**	**248**
Cost of Risk	-2	1	45	-161	0	4	-6	3
Operating Income	**407**	**647**	**1,212**	**-17**	**222**	**377**	**491**	**251**
Share of Earnings of Equity-Method Entities	2	0	-2	1	0	1	1	0
Other Non Operating Items	0	0	3	0	6	9	-25	1
Pre-Tax Income	**409**	**648**	**1,214**	**-17**	**229**	**387**	**467**	**252**
Allocated Equity (€bn, year to date)	10.0	10.1	9.8	8.4	8.3	8.1	8.0	7.7

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
SECURITIES SERVICES								
Revenues	**536**	**544**	**561**	**577**	**551**	**535**	**596**	**516**
Operating Expenses and Dep.	-457	-454	-451	-482	-444	-449	-477	-463
Gross Operating Income	**79**	**89**	**109**	**95**	**107**	**86**	**119**	**53**
Cost of Risk	1	0	2	-2	0	2	2	-1
Operating Income	**79**	**89**	**111**	**93**	**108**	**88**	**121**	**52**
Non Operating Items	9	7	3	2	0	2	0	-3
Pre-Tax Income	**89**	**96**	**114**	**95**	**108**	**91**	**121**	**50**
Allocated Equity (€bn, year to date)	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.8

€m	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
CORPORATE CENTRE								
Revenues	**-241**	**-165**	**-78**	**126**	**-45**	**27**	**53**	**37**
Operating Expenses and Dep.	*-283*	*-165*	*-329*	*-114*	*-529*	*-363*	*-436*	*-400*
Gross Operating Income	**-524**	**-330**	**-406**	**12**	**-574**	**-336**	**-383**	**-363**
Cost of Risk	-29	3	-33	-13	-60	-1	7	-4
Operating Income	**-554**	**-327**	**-439**	**-1**	**-634**	**-337**	**-377**	**-367**
Share of Earnings of Equity-Method Entities	4	16	17	18	14	19	24	24
Other Non Operating Items	421	36	102	381	62	20	81	623
Pre-Tax Income	**-129**	**-276**	**-320**	**398**	**-558**	**-299**	**-272**	**280**

ALTERNATIVE PERFORMANCE MEASURES (APM) ARTICLE 223-1 OF THE AMF'S GENERAL REGULATION

Alternative Performance Measures	Definition	Reason for use
Operating division profit and loss account aggregates (revenues, operating expenses, gross operating income, operating income, pre-tax income)	Sum of Domestic Markets' profit and loss account aggregates (with Domestic Markets' profit and loss account aggregates, including 2/3 of private banking in France, Italy, Belgium and Luxembourg), IFS and CIB BNP Paribas Group profit and loss account aggregates = Operating division profit and loss account aggregates + Corporate Centre profit and loss account aggregates Reconciliation with Group profit and loss account aggregates is provided in the tables "Results by Core businesses"	Representative measure of the BNP Paribas Group's operating performance
Profit and loss account aggregates, excluding PEL/CEL effect (revenues, gross operating income, operating income, pre-tax income)	Profit and loss account aggregates, excluding PEL/CEL effect Reconciliation with Group profit and loss account aggregates is provided in the tables "Quarterly series"	Representative measure of the aggregates of the period excluding changes in the provision that accounts for the risk generated by PEL and CEL accounts during their lifetime
Profit and loss account aggregates of Retail Banking activity with 100% of Private Banking	Profit and loss account aggregate of a Retail Banking activity including the whole profit and loss account of Private Banking Reconciliation with Group profit and loss account aggregates is provided in the tables "Quarterly series"	Representative measure of the performance of Retail Banking activity including the total performance of Private Banking (before sharing the profit & loss account with the Wealth Management business, Private Banking being under a joint responsibility of Retail Banking (2/3) and Wealth Management business (1/3)
Evolution of operating expenses excluding IFRIC 21	Change in operating expenses excluding taxes and contributions subject to IFRIC 21.	Representative measure of the change in operating expenses' evolution in the year excluding taxes and contributions subject to IFRIC 21 booked almost entirely for the whole year in the 1st semester
Cost/income ratio	Costs to income ratio	Measure of operational efficiency in the banking sector
Cost of risk/Customer loans at the beginning of the period (in basis points)	Cost of risk (in €m) divided by customer loans at the beginning of the period Details of the calculation are disclosed in the Appendix "Cost of risk on Outstandings" of the Results' presentation	Measure of the risk level by business in percentage of the volume of outstanding loans
Doubtful loans' coverage ratio	Relationship between stage 3 provisions and impaired outstandings (stage 3), balance sheet and off-balance sheet, netted for collateral received, for customers and credit institutions, including liabilities at amortised cost and debt securities at fair value through equity (excluding insurance business)	Measure of provisioning for doubtful loans
Net income Group share excluding exceptional items	Net income attributable to equity holders excluding exceptional items Details of exceptional items are disclosed in the slide "Main Exceptional Items" of the results' presentation	Measure of BNP Paribas Group's net income excluding non-recurring items of a significant amount or items that do not reflect the underlying operating performance, notably restructuring, adaptation, IT reinforcement and transformation costs.
Return on Equity (ROE)	Details of the ROE calculation are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation	Measure of the BNP Paribas Group's return on equity
Return on Tangible Equity (ROTE)	Details of the ROTE calculation are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation	Measure of the BNP Paribas Group's return on tangible equity

Methodology – Comparative analysis at constant scope and exchange rates

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

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

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

Reminder

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

Operating divisions: they consist of 3 divisions:

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

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