BNP PARIBAS

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

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The universal registration document has been filed with the AMF as competent authority under Regulation (EU) 2017/1129 without prior approval pursuant to Article 9 of Regulation (EU) 2017/1129;

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1. Half year management report

1.1 Group presentation

BNP Paribas, Europe's leading provider of banking and financial services, has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.
It operates in 71 countries and has more than 201,000 employees, including more than 153,000 in Europe. BNP Paribas holds key positions in its two main businesses:

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

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

1.2 First half 2019 results

BUSINESS GROWTH AND RISE IN INCOME

The business of BNP Paribas was up this semester in a context where economic growth remained positive in Europe but slowed down, implying expectations of a continued low interest rate environment.

Revenues, at 22 368 million euros, were up by 1.7% compared to the first half 2018.

The revenues of the operating divisions were up by 3.5% with a slight decrease at Domestic Markets[1] (-0.3%) where the effect of the low interest rate environment was not fully offset by good business development, in particular in the specialised businesses, and good growth at International Financial Services (+6.3%) as well as at CIB (+3.8%). They were down in the Corporate Centre due to the deconsolidation of First Hawaiian Bank in 2018[2].

At 15,884 euros, the Group's operating expenses were up by 1.6% compared to the first half 2018 generating a positive jaws effect. They included the exceptional 542 million euro impact (486 million euros in the first half 2018) of the transformation costs (2020 plan), restructuring costs of acquisitions[3] and additional adaptation measures in BNL bc and Asset Management (departure plans).

The operating expenses of the operating divisions rose by 2.5% compared to the first half 2018: they were stable for Domestic Markets[1] with a decrease in the networks (-0.6%) and a rise in the specialised businesses related to business development, up by 5.3% for International Financial Services as a result of business growth and scope effects (+1.9% at constant scope and exchange rates), and up by 2.3% for CIB. They were down in the Corporate Centre due to the deconsolidation of First Hawaiian Bank in 2018[2].

The jaws effect was positive in the operating divisions thanks to the implementation, in line with the 2020 plan, of cost saving measures (368 million euros in savings generated this semester for a total of 1,523 million euros since the launch of the programme in early 2017).

The gross operating income of the Group thus totalled 6,484 million euros, up by 1.7%. It was up by 5.5% for the operating divisions.

The cost of risk, at 1,390 million euros, was up by 208 million euros compared to the first half 2018 due to the increase of outstanding loans and provision write-backs at CIB and Personal Finance during the same period last year. At 34 basis points of outstanding customer loans, it was at a low level reflecting in particular the good control of risk at loan origination, the low interest rate environment and the continued improvement in Italy.

The Group's operating income, at 5,094 million euros (5,194 million euros in the first half 2018), was down by 1.9%. It was up by 2.3% for the operating divisions.

Non-operating items totalled 966 million euros (515 million euros in the first half 2018). They reflected in particular the exceptional impact of the capital gain from the sale of 16.8% of SBI Life in India followed by the deconsolidation of the residual stake (+1,450 million euros) as well as goodwill impairments (-818 million euros). They included in the first half 2018 the +101 million euro impact of the capital gain from the sale of a building.

Pre-tax income came to 6,060 million euros (5,709 million euros in the first half 2018) and was thus up by 6.1%.

[1] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)
[2] Full consolidation of First Hawaiian Bank stopped as of 01.08.2018
[3] Restructuring costs related in particular to the integration of Raiffeisen Bank Polska and Opel Bank SA

The average corporate tax rate was 22.3%, due in particular to the low tax rate on the capital gain from the sale of SBI Life shares.

The Group's net income attributable to equity holders was thus 4,386 million euros, up by 10.8% compared to the first half 2018.

The annualised return on equity was thus 9.6%. The annualised return on tangible equity came to 11.0%.

As at 30 June 2019, the common equity Tier 1 ratio was 11.9%. The leverage ratio[1] came to 4.1%. The Group's immediately available liquidity reserve was 330 billion euros, equivalent to over one year of room to manoeuvre in terms of wholesale funding.

The net book value per share reached 75.7 euros (after the payment of the 3.02 euros 2018 dividend per share this semester), equivalent to a compound annual growth rate of 4.9% since 31 December 2008, illustrating the continuous value creation throughout the cycle.

The Group is actively implementing its 2020 plan while strengthening its internal control and compliance system. It is pursuing an ambitious policy of engagement in society with significant initiatives to promote ethical responsibility, social and environmental innovation and a low carbon economy.

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[1] Calculated according to the delegated act of the European Commission dated 10 October 2014

RETAIL BANKING & SERVICES

DOMESTIC MARKETS

Domestic Markets continued its good business drive. Outstanding loans rose by 4.1% compared to the first half 2018 with good growth in loans both in the domestic networks and in the specialised businesses (Arval, Leasing Solutions). Deposits rose by 6.3% compared to the first half 2018, up in all countries. Private Banking recorded a good level of net asset inflows (+2.7 billion euros).

The quality of Domestic Markets' digital offering was recognised as the division ranked as the top network bank in France in terms of its digital offering in the 2019 D-Rating[1] ranking, progressing strongly at Hello bank! and Nickel. The operating division is accelerating mobile usages of individual customers with over 4 million active mobile users in the networks. It is developing real-time transactions with the launch of instant payment in France, Belgium and Italy and enhanced the digital offering for corporate customers with new features in all the networks. It continues adapting its offerings to new banking uses with the success of *LyfPay*, a universal mobile payment solution, which has already recorded over 2 million downloads in France. For its part, Nickel reported 368,000 accounts opened since 30 June 2018, now exceeding 1.3 million accounts opened.

Domestic Markets is streamlining and optimising the local commercial networks in order to enhance customer service and reduce costs (333 branches closed since 2016 in France, Belgium and Italy). It also continued to transform its operating model by streamlining and digitalising end-to-end its main customer journeys and automating its processes.

Revenues[2], at 7,886 million euros, were down by 0.3% compared to the first half 2018 due to the effect of the low interest rate environment, partly offset by increased business and good growth of the specialised businesses.

Operating expenses[2] (5,500 million euros) were stable compared to the first half 2018 with a decrease in the networks (-0.6%[3]) but growth in the specialised businesses (where the jaws effect was however positive in all the businesses) as a result of business development.

Gross operating income[2], at 2,386 million euros, was thus down by 0.9% compared to the same semester last year.

The cost of risk was low but was up by 47 million euros compared to a very low base in the first half 2018. It continued its decrease at BNL bc.

Thus, after allocating one-third of Domestic Markets Private Banking's net income to the Wealth Management business (International Financial Services division), the division reported 1,729 million euros in pre-tax income[4], down compared to the first half 2018 (-3.4%).

French Retail Banking (FRB)

FRB continued its good business drive in the context of economic growth in France. Outstanding loans rose by 4.8% compared to the first half 2018 with growth in particular in loans to corporate clients. Deposits were up by 9.1%, driven by strong growth in current accounts. Private Banking reported good net asset inflows (1.5 billion euros).

The business successfully continued to develop its digital offering for corporate customers with 45% of the onboarding of new customers now completed through the dedicated *Welcome* app[5]. The new property and casualty offering launched in May 2018 as part of the partnership between BNP Paribas

[1] Rating agency specialized in analyzing digital performance
[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 +30 million euros compared to 1 million euros in the first half 2018
[5] Eligible scope: SMEs and large corporates based in France

Cardif and Matmut (Cardif IARD) recorded good growth with already 172,000 contracts sold as at 30 June 2019.

Revenues[1] totalled 3,191 million euros, up by 0.2% compared to the first half 2018. Net interest income[1] was up by 2.1% as a result of higher volumes. Fees[1] were down by 2.2% due in particular to the decrease in charges on fragile customers.

At 2,287 million euros, operating expenses[1] were down by 0.2% compared to the first half 2018, thanks to the transformation plan, generating a positive jaws effect of 0.4 pt.

Gross operating income[1] thus came to 904 million euros, up by 1.1% compared to the same half last year.

At 16 basis points of outstanding customer loans, the cost of risk[1] was still at a low level. It came to 155 million euros this semester, up by 42 million euros compared to the first half 2018 when it was particularly low.

Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 678 million euros in pre-tax income[2], down by 3.5% compared to first half 2018.

BNL banca commerciale (BNL bc)

BNL bc's business activity was up in a lacklustre economic environment. Outstanding loans were up by 1.4% excluding the impact of the securitisations of non-performing loans[3] and the business continued to grow its market share regularly in the corporate client segment: +0.8 points in 3 years to 5.9%[4]. Deposits grew by 1.6% compared to the first half 2018 with in particular an increase in current accounts of individual customers. Off balance sheet savings were up by 3.1% compared to 30 June 2018 with a sharp rise in life insurance outstandings (+8.0%) but a decrease in mutual fund outstandings (-3.3%).

BNL bc also continued to develop new client journeys and digital transformation with the success of the new *MyBiz* app, providing SMEs with mobile access to a large range of standard banking services (already 8,500 active clients as at 30 June 2019).

To better adapt its costs to the lacklustre context and to the impact of low interest rates, it is launching an early departure plan leveraging on the new Quota 100 law facilitating early retirement, which will thereby increase the net expected reduction in the headcount to about 1,500 full-time equivalents by 2021.

Revenues[5] were down by 3,6% compared to the first half 2018, at 1,360 million euros. Net interest income[5] was down by 4,1% due to the persistently low interest rate environment and the positioning on clients with a better risk profile and fees[5] were down by 2,9%.

Operating expenses[5], at 903 million euros, were down by 1.7% thanks to the transformation plan.

Gross operating income[5] thus totalled 456 million euros, down by 7.2% compared to the same semester last year.

At 272 million euros, the cost of risk[5] continued its downward trend (-25 million euros compared to the first half 2018). It came to 70 basis points of outstanding customer loans.

[1] Including 100% of Private Banking in France (excluding PEL/CEL effects)
[2] Excluding PEL/CEL effects of +30 million euros compared to 1 million euros in the first half 2018
[3] -0.4%, including the impact of securitisations of non-performing loans
[4] Source: Italian Banking Association
[5] Including 100% of Private Banking in Italy

Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc reported 163 million euros in pre-tax income (171 million euros in the first half 2018).

Belgian Retail Banking

BRB reported sustained business activity. Loans were up by 4.4% compared to the first half 2018 with good growth in corporate loans and an increase in mortgage loans. Deposits rose by 4.7% with growth in current and savings accounts, in particular in the individual customer segment. Private Banking reported good net asset inflows (1.1 billion euros).

The business successfully continued its digital development and customer experience improvement. The *Easy Banking Business* app for corporate customers reported a sharp rise in direct digital sales (instant and short-term loans, bank guarantees) which already account for 44% of total sales as at 30 June 2019.

BRB's revenues[1] were down by 3.1% compared to the first half 2018, at 1,793 million euros. Net interest income[1] was down by 3.6% due to the impact of the low interest rate environment partly offset by increased volumes and fees[1] were down by 1.9%.

Operating expenses[1], at 1,379 million euros, were down by 0.6% compared to the first half 2018. Excluding the impact of Ifric 21[2], they were down by 1.7% thanks to the transformation plan. Since 30 June 2018, the business closed 65 branches and reduced its headcount by 752 full-time equivalents. It expects to close a further 229 branches by 2021.

Gross operating income[1], at 414 million euros, was thus down by 10.8% compared to the same half last year (-5.2% excluding the impact of Ifric 21).

The cost of risk[1] totalled 31 million euros, up by 27 million euros compared to the first half 2018 when provisions were offset by write-backs. At 6 basis points of outstanding customer loans, it remained very low.

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 346 million euros in pre-tax income, down by 18.4% compared to the first half 2018 (-9.7% excluding the impact of Ifric 21).

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

Domestic Markets' specialised businesses continued their strong growth: the fleet financed by Arval grew by 8.8%[3] and the financing outstandings of Leasing Solutions were up by 7.2%[4] compared to the first half 2018; Personal Investors reported increased assets under management (+4.0% compared to 30 June 2018) and Nickel continued its very strong growth with 368,000 acounts opened since 30 June 2018. Nickel continued to grow its distribution network, now ranking third in France for the number of points of sale (5,400 *buralistes* as at 30 June 2019, +61% compared to 30 June 2018, with a target of 10,000 in 2020).

The outstanding loans of Luxembourg Retail Banking (LRB) rose by 7.9% compared to the first half 2018, with good growth in mortgage and corporate loans. Deposits were up by 12.8% with a significant rise in sight deposits in particular in the corporate client segment.

[1] Including 100% of Private Banking in Belgium
[2] Taxes and contributions fully booked this semester in accordance with Ifric 21: 296 million euros, up by 10 million euros compared to the first half 2018
[3] Including 100% of Private Banking in Luxembourg
[4] At constant scope and exchange rates

The digital development continued with the rollout by Arval of new self-care features to facilitate daily usage for fleet managers (managing reports) and users (reporting accidents).

The revenues[1] of the five businesses, which totalled 1,542 million euros, were up on the whole by 5.7% compared to the first half 2018 due to good business growth.

Operating expenses[1] rose by 3.3% compared to the first half 2018, to 930 million euros, as a result of business development, generating a positive jaws effect of 2.4 points.

The cost of risk[1] was up by 3 million euros compared to the first half 2018, at 63 million euros.

Thus, the pre-tax income of these five businesses, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was up sharply and totalled 542 million euros (+10.3% compared to the first half 2018), reflecting the good business drive.

[1] Including 100% of Private Banking in Luxembourg

INTERNATIONAL FINANCIAL SERVICES

International Financial Services continued its growth and reported a sustained business activity: outstanding loans were up by 8.9% compared to the first half 2018 (+6.0% at constant scope and exchange rates) and the operating division reported net asset inflows of 7.3 billion euros with strong asset inflows in all the businesses. The assets under management of the savings and insurance businesses totalled 1,089 billion euros (+2.7% compared to 30 June 2018).

The operating division actively implemented digital transformation and new technologies across all its businesses. It made electronic signature widely available with for example over 53% of e-signature at Personal Finance. In Insurance, life insurance contracts distributed by the network of independent wealth management advisors and brokers in France are signed electronically. The operating division is developing new self-care features to provide easier access to mobile services and more than 49 million self-care transactions were performed by Personal Finance clients i.e. more than 79% of total. The operating division is also developing new technologies and artificial intelligence with more than 268 robots already operational (automation of controls, reportings and data processing).

At 8,544 million euros, revenues were up by 6.3% (+4.4% at constant scope and exchange rates) compared to the first half 2018 in connection with good business development.

Operating expenses, which totalled 5,247 million euros, were up by 5.3% (+1.9% at constant scope and exchange rates), as a result of the development of the businesses, generating a positive jaws effect.

Gross operating income thus came to 3,297 million euros, up by 8.0% compared to the first half 2018 (+8.9% at constant scope and exchange rates).

The cost of risk, at 819 million euros, was up by 139 million compared to a low level in the first half 2018 which had recorded provision write-backs.

International Financial Services' pre-tax income thus totalled 2,720 million euros, up by 1.6% compared to the first half 2018. It was up by +5.9% at constant scope and exchange rates, reflecting the operating division's good drive.

Personal Finance

Personal Finance continued its growth: outstanding loans were up by +11.3% driven by well oriented demand and effects of new partnerships. The business started the commercial agreement with Carrefour in Italy and successfully launched its new partnership with Opel in Poland. It also continued to expand its digital footprint and new technologies with 149 robots already operational (vs. 75 robots in first half 2018) and a target of 200 robots by the end of 2019.

The revenues of Personal Finance were up by 4.8% compared to the first half 2018, at 2,866 million euros, in connection with the rise in volumes and the positioning on products with a better risk profile.

Operating expenses were up by 5.4% compared to the first half 2018, at 1,472 million euros, as a result of business development and the gradual effect of transformation measures.

Gross operating income thus came to 1,394 million euros, up by 4.2% compared to the first half 2018.

The cost of risk totalled 619 million euros, up by 77 million euros compared to a particularly low level in the first half 2018 which recorded provision write-backs. At 134 basis points of outstanding customer loans, it was still at a low level.

Personal Finance's pre-tax income thus came to 794 million euros, down by 3.4% compared to the first half 2018.

Europe-Mediterranean

Europe-Mediterranean delivered a good overall performance. Outstanding loans rose by 2.1%[1] compared to the first half 2018, in particular in Poland and Morocco. Deposits grew by 2.9%[1], up in in particular in Turkey and Morocco. The business continued its digital development: mobile banking app *Gomobile* in Poland is a success with 255,000 users, or a 89% increase since 30 June 2018. The business is also continuing the automation of tasks with 54 robots already operational in various regions, having the capacity to handle over 90 different processes.

The merger of Raiffeisen Bank Polska[2] and BGZ BNP Paribas is well underway. The new combined entity becomes BNP Paribas Bank Polska and the business now operates in Poland under the BNP Paribas brand. Cost synergies are actively implemented with the closure of 135 branches since the beginning of the year.

At 1,340 million euros, Europe-Mediterranean's revenues[3] were up by 7.9%[1] compared to the first half 2018 due to higher volumes and margins as well as a good level of fees. They were up in all the regions.

Operating expenses[3], at 900 million euros, were down by 0.7%[1] compared to the same semester last year, reflecting the implementation of cost synergies in Poland and the effect of transformation measures in all regions. They generated a large positive jaws effect.

The cost of risk[3] was up by 39 million euros[1] compared to a low level in the first half 2018 with an increase in Turkey. At 86 basis points of outstanding customer loans, it was at a moderate level.

After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean thus generated 382 million euros in pre-tax income, up sharply by 34.1% at constant scope and exchange rates but down by 1.9% at historical scope and exchange rates given the strong depreciation of the Turkish lira in the first half 2018.

BancWest

BancWest maintained its business drive but operated in a gradually less favourable interest rate environment. Loans were up by 0.8%[1] compared to the first half 2018, with a moderate growth in loans to individual and corporate customers. Deposits were up by +1.9%[1] with a significant increase in customer deposits (+3.7%)[4]. Private Banking's assets under management (14.9 billion U.S. dollars as at 30 June 2019) were up by 11.0%[1] compared to 30 June 2018.

BancWest continued its digital transformation with close to 30,000 accounts opened online this semester (+60% compared to the same semester last year) and 39 robots deployed automating 130 processes.

Revenues[5], at 1,162 million euros, were down by 2.3%[1] compared to the first half 2018 with a decrease in the net interest margin partially offset by an increase in fees.

At 873 million euros, operating expenses[5] were down by 0.5%[1] compared to the first half 2018 thanks to the transformation plan (headcount reduction and transfer of support functions to a lower cost area).

Gross operating income[5], at 289 million euros, was thus down by 7.6%[1] compared to the first half 2018.

[1] At constant scope and exchange rates
[2] Acquisition on 31 October 2018 of the core banking activities of Raiffeisen Bank Polska (excluding the foreign currency retail mortgage loan portfolio and a limited amount of other assets)
[3] Including 100% of Private Banking in Turkey
[4] Deposits excluding treasury activities
[5] Including 100% of Private Banking in the United States

The cost of risk[1] (21 million euros) rose by 9 million euros compared to the first half 2018. At 8 basis points of outstanding customer loans, it was still at a low level.

Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest posted 254 million euros in pre-tax income, down by 11.0% at constant scope and exchange rates compared to the first half 2018 but by only 3.9% at historical scope and exchange rates due to the positive foreign exchange effect.

Insurance and Wealth and Asset Management

The Insurance and Wealth and Asset Management's businesses continued their growth. Assets under management[2] reached 1,089 billion euros as at 30 June 2019. They were up by 5.9% compared to 31 December 2018 due in particular to: a very positive performance effect (+53.7 billion euros) on the back of the rebound of financial markets, net asset inflows of +10.3 billion euros (in particular good net asset inflows at Wealth Management in Asia, France and Belgium; positive net asset inflows at Asset Management; good asset inflows in Insurance in particular in unit-linked policies); a favourable +1.8 billion euro foreign exchange effect and a -3.6 billion euro scope effect related to the deconsolidation of SBI Life.

As at 30 June 2019, assets under management[2] broke down as follows: Asset Management (427 billion euros), Wealth Management (380 billion euros), Insurance (252 billion euros) and Real Estate Services (29 billion euros).

Insurance continued the good development of its business with in particular this semester a long-term partnership signed with Scotiabank to distribute insurance products to its 9 million clients in four Latin American countries. The business continued the implementation of digital transformation and new technologies with the digitalisation in Taiwan of the application process for insurance policies and the launch in Italy of distribution on Hello bank! of insurance products for multimedia devices and identity theft protection. It committed to energy transition with a target of 3.5 billion euros in green investments by the end of 2020.

Revenues of Insurance, at 1,653 million euros, were up by 18.3% compared to the first half 2018 due to the positive impact of the sharp rebound in the financial markets since 31.12.18 on the revaluation of part of assets booked at market value as well as the good level of business. Operating expenses, at 750 million euros, rose by 5.6% as a result of business development, generating a largely positive jaws effect. After taking into account a decrease in income from associated companies, which was at a high level in the first half 2018, pre-tax income was thus up by 21.1% compared to the first half 2018, at 980 million euros.

In Wealth and Asset Management, the global expertise of Wealth Management was recognised as it was named *Best Private Bank in the World* by Global Finance magazine. For its part, the Asset Management business continued its evolution. The migration of all portfolios to the new Aladdin platform was successfully completed with 50 apps to be decommissioned by early 2020 and the business amplifies its adaptation with the launch of a plan to streamline the product offering, the regional organisation and structures. The Real Estate Services business reported good business activity with a base effect however unfavourable compared to the first half 2018 which had recorded a particularly high level of business in property development and advisory businesses.

Wealth and Asset Management's revenues (1,561 million euros) were down by 4.2% compared to the first half 2018 due to an unfavourable base effect at Real Estate Services which had recorded a particularly high level of business in the first half of last year and the impact still in the first quarter of the sharp fall in the markets in the fourth quarter 2018 (weak transaction activity in particular from Asset Management and Wealth Management clients). Operating expenses totalled 1,273 million euros and

[1] Including 100% of Private Banking in the United States
[2] Including distributed assets

rose by 1.6% compared to the first half 2018 (+1.2% excluding the impact of Ifric 21) due in particular to the development of Wealth Management in Germany. At 310 million euros, Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, was thus down by 21.1% compared to the first half 2018.

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CORPORATE AND INSTITUTIONAL BANKING (CIB)

CIB implemented the measures announced to accelerate its transformation with in particular the exit of Opera Trading Capital's proprietary business and commodity derivatives in the United States, the creation of Capital Markets, a joint platform of Corporate Banking and Global Markets for corporate financing as well as the implementation of new cost savings. It continued its selective growth on targeted clients with the announcement of a preliminary agreement[1] with Deutsche Bank to provide continuity of service to the fund manager clients of its brokerage and electronic execution, including the necessary technology and staff transfer.

The operating division's revenues, at 6,107 million euros, rose by 3.8% compared to the first half 2018 with growth in the three businesses[2].

At 2,932 million euros, Global Markets' revenues were down by 0.4% compared to the first half 2018 but up by 1.4% excluding the effect of the creation of the new Capital Markets platform[3]. The revenues of FICC[4], at 1,828 million euros, were up by 19.2% compared to the first half 2018 (+22.6% excluding the effect of the creation of the new Capital Markets platform[2]) with a good performance across all segments and in particular a rebound in forex. Equity and Prime Services' revenues, at 1,103 million euros, were down by 21.8% compared to a very high base in the same half last year with a pick-up of business that was only gradual at the beginning of the year after the fourth quarter 2018 which had recorded the impact of extreme market movements.

Securities Services revenues, at 1,112 million euros, were up by 6.0% compared to the first half 2018 due in particular to higher volumes, new mandates as well as the positive impact of a specific transaction. Assets under custody and administration were up sharply by 11.7% compared to 30 June 2018 due in particular to the successful migration of the $180bn in assets of Janus Henderson at the end of March.

Corporate Banking's revenues, at 2,063 million euros, were up by 9.1% compared to the first half 2018 (+6.3% excluding the effect of the creation of the new Capital Markets platform[3]) driven by good business development in Europe and continued growth of the transaction businesses (cash management, trade finance). Loans, at 144 billion euros, were up by 7.3%[5] compared to the first half 2018. The business maintained its strong positions in syndicated loans and High Yield issues[6] where it ranked number 1 in the EMEA region[7]. Deposits, at 138 billion euros, were up for their part by 9.7%[5] compared to the first half 2018. The business confirmed it successful digital development with over 10,900 corporate clients which use its Centric platform for a total of more than 17,000 connections per day.

At 4,459 million euros, CIB's operating expenses were up by 2.3% compared to the first half 2018 due to increased business and they recorded the effect of the transformation plan (120 million euros in savings this semester) with in particular the ramping up of shared platforms, the implementation of digitalised end-to-end processes and the automation of operations. The jaws effect was positive by 1.5 points.

[1] Subject to various conditions and regulatory approval
[2] Excluding the effect of the creation of Capital Markets
[3] Transfer of €53m in revenues from Global Markets FICC to Corporate Banking in 1H19
[4] Fixed Income, Currencies and Commodities
[5] Average outstandings at constant scope and exchange rates
[6] Source: Dealogic June 2019 (financings: bookrunner ranking by volume; high yield: ranking by revenues
[7] Europe, Middle East, Africa

The gross operating income of CIB was thus up by 8.0%, at 1,648 million euros.

CIB's cost of risk was low, at 56 million euros, but the first half 2018 had recorded a net write-back of 8 million euros. The cost of risk was 55 million euros at Corporate Banking (net write-back of 13 million euros in the first half 2018), 2 million euros at Global Markets (9 million euros in the first half 2018) and a net write-back of 1 million euros at Securities Services (net write-back of 4 million euros in the first half 2018).

CIB thus generated 1,572 million euros in pre-tax income, up by 1.1% compared to the first half 2018.

*

* *

CORPORATE CENTRE

Corporate Centre revenues totalled 90 million euros compared to 470 million euros in the first half 2018 which included the revenues from First Hawaiian Bank[1] (303 million euros).

Operating expenses totalled 837 million euros compared to 945 million euros in the first half 2018. They included the exceptional impact of 390 million euros in transformation costs (473 million euros in the first half 2018), 101 million euros in restructuring costs related to acquisitions[2] (13 million euros in the first half 2018) and 51 million euros in additional businesses' adaptation measures[3] (departure plans) (0 in the first half 2018). They included in the first half 2018 the operating expenses of First Hawaiian Bank[1] (162 million euros).

The cost of risk reflected a net write-back of 3 million euros (net provision of 37 million euros in the first half 2018 when it included a 13 million euro cost of risk in First Hawaiian Bank).

Non-operating items totalled 704 million euros (156 million euros in the first half 2018). They 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 5.2% stake (+1,450 million euros) as well as goodwill impairments (-818 million euros). They included in the first half 2018 a +101 million euro capital gain on the sale of a building.

The Corporate Centre's pre-tax income was thus 8 million euros compared to -315 million euros in the first half 2018.

*

* *

[1] Reminder: contribution of First Hawaiian Bank (FHB) to the income statement has been reallocated retroactively to the Corporate Centre as of 1st January 2018 (see new quarterly result series published on 29 March 2019).

[2] Restructuring costs related in particular to the integration of Raiffeisen Bank Polska and Opel Bank SA

[3] BNL bc and Asset Management

FINANCIAL STRUCTURE

The Group's balance sheet is very solid.

The impact of the first time application of the new IFRS 16 accounting standard ("Leasing") was taken into account as at 1st January 2019 and stood at -10 basis points on the common equity Tier 1 ratio which thus came to 11.7% pro forma as at 1st January 2019.

The common equity Tier 1 ratio came to 11.9% as at 30 June 2019, up by 20 bp compared to 1st January 2019, due primarily to:

- the net income for the semester excluding IFRIC 21 and exceptional non operating items, and after taking into account a 50% dividend pay-out ratio (+40 bp),
- the net impact of the capital gain from the sale of a 16.8% stake in SBI Life, the deconsolidation of the 5.2% residual stake in SBI life and goodwill impairments (+20 bp),
- the impact of taxes and contributions subject to IFRIC 21 after taking into account a 50% dividend pay-out ratio of 50% (-10 bp),
- the increase in risk-weighted assets excluding foreign exchange effect (-30 bp), securitisations scheduled for this semester having been mostly postponed to the coming quarters.

The other effects, including the foreign exchange effect, had overall a negligible impact on the ratio.

The leverage ratio[1] totalled 4.1% as at 30 June 2019.

The Group's liquid assets reserve immediately available totalled 330 billion euros, which is equivalent to more than one year of room to manoeuvre in terms of wholesale funding.

[1] Calculated according to the delegated act of the European Commission dated 10 October 2014

BNP PARIBAS
SECOND QUARTER 2019 RESULTS

31ST JULY 2019

BNP PARIBAS

La banque d'un monde qui change

Disclaimer

The figures included in this presentation are unaudited.

On 29 March 2019, BNP Paribas issued a restatement of its quarterly results for 2018 reflecting, in particular (i) the internal transfer in the 3rd quarter 2018 of Correspondent Banking activities within CIB from Corporate Banking business to Securities Services and (ii) the transfer, effective 1st October 2018, of First Hawaiian Bank (FHB) from the BancWest business to the Corporate Centre following the sale of 43.6% of FHB in 2018 (the remaining stake was sold on 25 January 2019). These changes do not affect Group results as a whole but only the analytical breakdown of IFS (BancWest), CIB (Corporate Banking, Securities Services), and Corporate Centre. The 2018 quarterly result series have been restated reflecting these effects as if they had occurred on 1st January 2018. This presentation is based on the restated 2018 quarterly series.

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

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

2Q19 Key Messages

Business growth in the three operating divisions	**Outstanding loans: +4.7% vs. 2Q18**
Revenue growth at IFS and CIB **Domestic Markets revenues virtually stable**	**Revenues of the operating divisions: +2.5% vs. 2Q18**
Decrease of costs in the retail networks and growth of the specialised businesses **Positive jaws effect in the operating divisions**	**Costs of the operating divisions: +1.8% vs. 2Q18**
Low cost of risk	**30 bp***
Increase in net Income	**Net Income Group share: €2,468m** **(+3.1% vs. 2Q18)**
Increase in the CET 1 ratio	**CET 1 ratio: 11.9%** **(+20 bp vs. 31.03.19)**

Business growth
CET 1 ratio at 11.9%

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

Group Results

Division Results

1H19 Detailed Results

Appendix

Main Exceptional Items - 2Q19

Exceptional items	2Q19	2Q18
Operating expenses		
Transformation costs – 2020 Plan (*Corporate Centre*)	-€222m	-€267m
Restructuring costs* (*Corporate Centre*)	-€63m	-€8m
Additional adaptation measures – departure plans** (*Corporate Centre*)	-€51m	
Total exceptional operating expenses	***-€336m***	***-€275m***
Other non operating items		
Capital gain on the sale of 2.5% of SBI Life and deconsolidation of the residual stake*** (*Corporate Centre*)	+€612m	
Partial impairment of BancWest's goodwill (*Corporate Centre*)	-€500m	
Total exceptional other non operating items	***+€112m***	
Total exceptional items (pre-tax)	**-€224m**	**-€275m**
Total exceptional items (after tax)******	**-€151m**	**-€191m**

** Restructuring costs related in particular to the integration of Raiffeisen Bank Polska and Opel Bank SA; ** BNL bc and Asset Management; *** 5.2% residual stake in SBI Life; **** Group share*

Consolidated Group - 2Q19

	2Q19	2Q18	2Q19 vs. 2Q18	2Q19 vs. 2Q18 *Operating divisions*
Revenues	**€11,224m**	**€11,206m**	**+0.2%**	**+2.5%**
Operating expenses	-€7,435m	-€7,368m	+0.9%	+1.8%
*Operating expenses excluding exceptional items**			*+0.1%*	
Gross operating income	**€3,789m**	**€3,838m**	**-1.3%**	**+3.9%**
Cost of risk	-€621m	-€567m	+9.5%	+14.3%
Operating income	**€3,168m**	**€3,271m**	**-3.1%**	**+2.2%**
Non operating items	€209m	€182m	n.s.	n.s.
Pre-tax income	**€3,377m**	**€3,453m**	**-2.2%**	**+1.8%**
Net income Group share	**€2,468m**	**€2,393m**	**+3.1%**	
Net income Group share excluding exceptional items*	**€2,619m**	**€2,584m**	**+1.3%**	

Growth of the operating divisions
Increase in net income

** See slide 5*

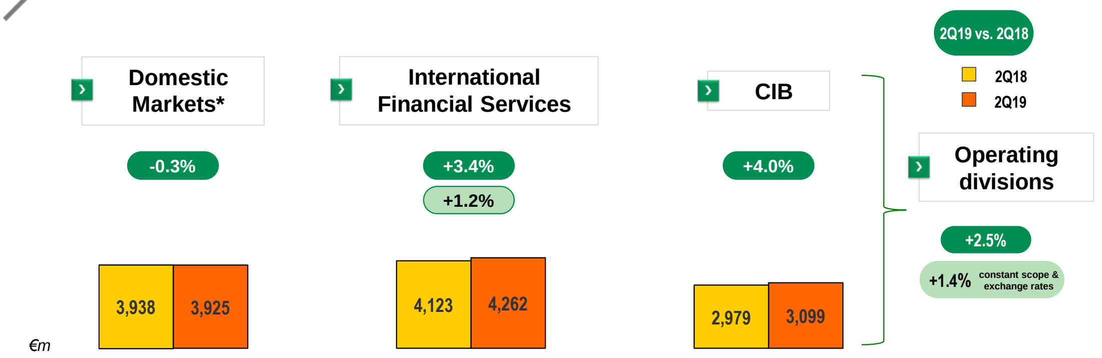
Consolidated Group - 1H19

	1H19	1H18	1H19 vs. 1H18	1H19 vs. 1H18 *Operating divisions*
Revenues	**€22,368m**	**€22,004m**	**+1.7%**	**+3.5%**
Operating expenses	-€15,884m	-€15,628m	+1.6%	+2.5%
*Operating expenses excluding exceptional items**			*+1.3%*	
Gross operating income	**€6,484m**	**€6,376m**	**+1.7%**	**+5.5%**
Cost of risk	-€1,390m	-€1,182m	+17.6%	+21.6%
Operating income	**€5,094m**	**€5,194m**	**-1.9%**	**+2.3%**
Non operating items	€966m	€515m	n.s.	n.s.
Pre-tax income	**€6,060m**	**€5,709m**	**+6.1%**	**+0.5%**
Net income Group share	**€4,386m**	**€3,960m**	**+10.8%**	
Net income Group share excluding exceptional items*	**€4,208m**	**€4,207m**	**+0.0%**	
Return on equity (ROE)**:	***9.6%***			
Return on tangible equity (ROTE)**:	***11.0%***			

Positive jaws effect and rise in income

* See slide 40; ** Calculated on the basis of half year income (contribution to the Single Resolution Fund and systemic taxes non annualised)

Revenues of the Operating Divisions - 2Q19

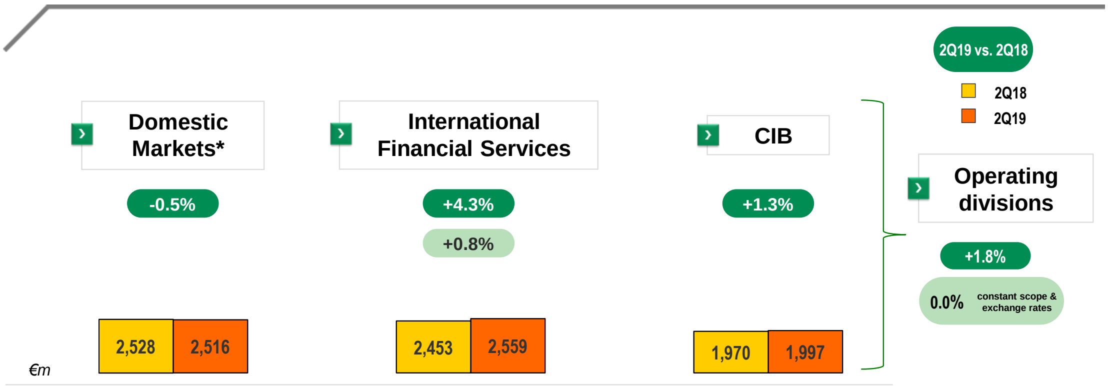


- Domestic Markets: decrease in revenues of the networks due to low interest rates but continued good growth in the specialised businesses
- IFS: continued growth of the business
- CIB: increase in revenues driven in particular by good growth in Corporate Banking

Growth in the revenues of the operating divisions

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

Operating Expenses of the Operating Divisions - 2Q19



- Domestic Markets: decrease in the operating expenses in the networks (-1.2%**) and increase in the specialised businesses as a result of the development of the activity (with a positive jaws effect)
- IFS: support of the increase in business (positive jaws effect at constant scope and exchange rates)
- CIB: increase on the back of the growth of the activity, continued active implementation of cost saving programmes (positive jaws effect)

Impact of the cost saving measures
Positive jaws effect

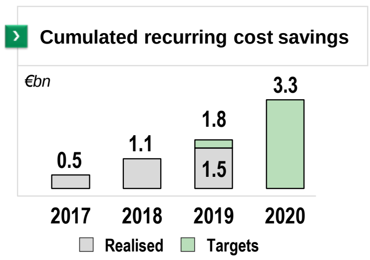
* Including 100% of Private Banking in France, Italy, Belgium and Luxembourg; ** FRB, BNL bc and BRB

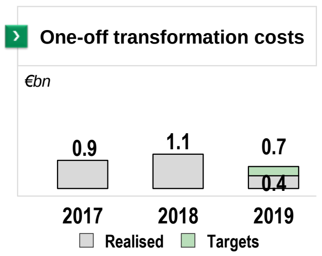
2020 Transformation Plan

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

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

- An ambitious programme of new customer experiences, digital transformation & savings
  - Build the bank of the future by accelerating the digital transformation
- Cost savings: €1.5bn since the launch of the project
  - Of which €199m booked in 2Q19
  - Breakdown of cost savings by operating division: 38% at CIB; 37% at Domestic Markets; 25% at IFS
  - Reminder: target of €1.8bn in savings this year
- Transformation costs: €222m in 2Q19*
  - €390m in 1H19
  - €0.7bn in transformation costs expected in 2019
  - Reminder: €2.7bn in transformation costs in the 2020 plan





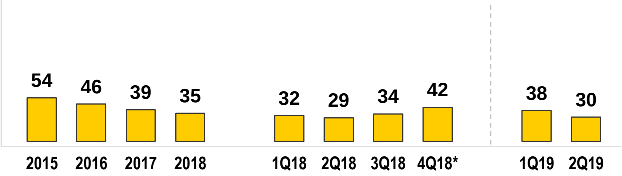
Implementation of the plan in line with the objectives

* Breakdown of the transformation costs of the businesses presented in the Corporate Centre: slide 74

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

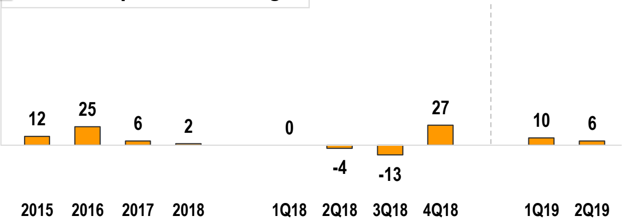
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

Group



- Cost of risk: €621m
  - -€148m vs. 1Q19
  - +€54m vs. 2Q18
- Low cost of risk

CIB - Corporate Banking



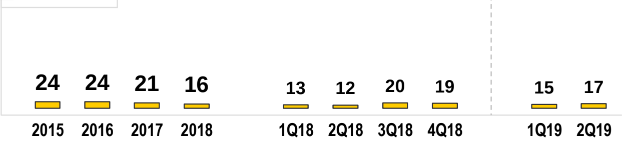
- Cost of risk: €21m
  - -€14m vs. 1Q19
  - +€33m vs. 2Q18
- Low cost of risk
- Reminder: provisions more than offset by write-backs in 2Q18

* Excluding booking of the stage 1 provisions on the portfolio of non-doubtful loans of Raiffeisen Bank Polska

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

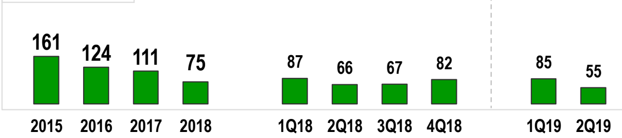
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

FRB



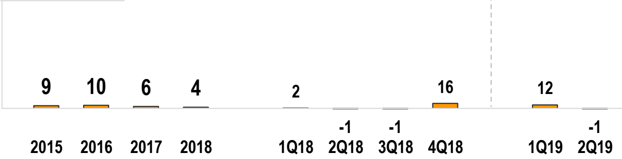
- Cost of risk: €83m
  - +€11m vs. 1Q19
  - +€29m vs. 2Q18
- Low cost of risk
- 2Q18 reminder: cost of risk at a particularly low level

BNL bc



- Cost of risk: €107m
  - -€58m vs. 1Q19
  - -€20m vs. 2Q18
- Continued decrease in the cost of risk

BRB

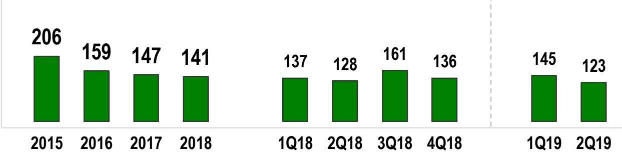


- Cost of risk: -€3m
  - -€37m vs. 1Q19
  - -€1m vs. 2Q18
- Provisions offset by write-backs this quarter

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

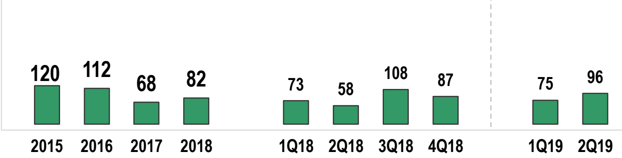
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

Personal Finance



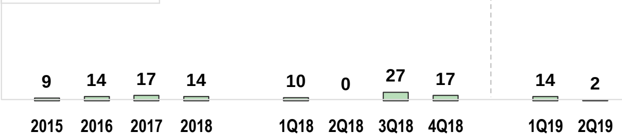
- Cost of risk: €289m
  - -€40m vs. 1Q19
  - +€24m vs. 2Q18
- Cost of risk at a low level this quarter due to non recurring provision write-backs

Europe-Mediterranean



- Cost of risk: €97m
  - +€21m vs. 1Q19
  - +€42m vs. 2Q18
- 2Q18 reminder: cost of risk at a particularly low level
- Increase in the cost of risk in Turkey

BancWest

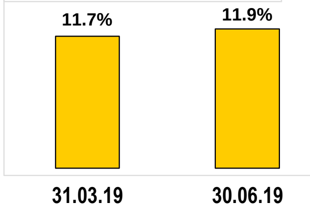


- Cost of risk: €2m
  - -€16m vs. 1Q19
  - +€2m vs. 2Q18
- Provisions offset by write-backs this quarter

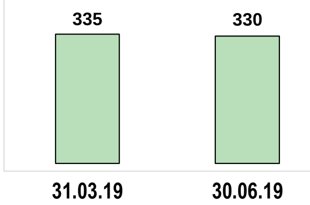
Financial Structure

- CET1 ratio: 11.9% as at 30.06.19 (+20 bp vs. 31.03.19)
  - 2Q19 results excluding exceptional non operating items, after taking into account a 50% dividend pay-out ratio (+20 bp)
  - Net impact of the capital gain from the sale of 2.5% of SBI Life and the deconsolidation of the residual stake in this subsidiary as well as of the partial impairment of BancWest's goodwill (+10 bp)
  - Increase in risk-weighted assets excluding foreign exchange effect (-10 bp)
  - Overall limited impact of other effects, including the foreign exchange effect, on the ratio
- Leverage ratio*: 4.1% as at 30.06.19
- Immediately available liquidity reserve: €330bn** (€335bn as at 31.03.19): room to manoeuvre > 1 year in terms of wholesale funding

CET1 ratio



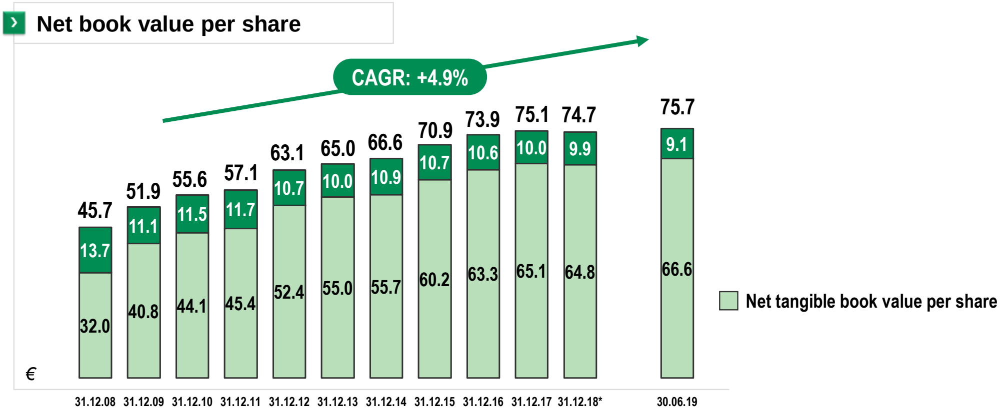
Liquidity reserve (€bn)**



Increase in the CET1 ratio to 11.9%

* Calculated according to the delegated act of the EC dated 10.10.2014 on total Tier 1 Capital;
** Liquid market assets or eligible to central banks (counterbalancing capacity) taking into account prudential standards, notably US standards, minus intra-day payment system needs

Net book value per share



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

* Reminder: equity impact of the first time application of IFRS 9 as at 01.01.18: -€2.5bn or €2.00 per share

An Ambitious Policy of Engagement in Society Concrete Impacts

A leader recognised for its CSR strategy

- **World's best bank for corporate responsibility 2019** thanks to its efforts to promote sustainable finance (Euromoney awards for excellence)

A CSR strategy rewarded for its concrete commitment in favour of:

Examples of achievements in 2Q19

energy transition

- **1st Climate Action bond in Europe** to finance energy transition of the Italian gas distributor Snam: €500m to invest in biomethane and energy efficiency
- **Joint lead arranger of the 1st loan facility compliant with the Green Loan Principles raised by a Chinese bank, ICBC**: $400m for the transition to a green economy and finance
- **1st Exchange Traded Fund (ETF) on the circular economy** launched by BNP Paribas AM

impactful entrepreneurship

- **Launch of Pact for Impact**, a global coalition for the development of the Social and Inclusive Economy, of which the bank is one of the main partners

society

- **Partnership with *L'Ascenseur***, a place dedicated to equal opportunity inaugurated in Paris: 20 associations supporting young people to promote better social inclusion
- **Access to student housing in France** fostered by a free bank surety
- **Signed a partnership with Handicap International**

Reinforced Internal Control System

- Ever more solid compliance and control procedures
  - An ethics alert mechanism updated to provide stronger whistleblower protection
  - Continued implementation of measures to strengthen the compliance and control systems in foreign exchange activities
  - Gradual convergence of tools to filter and control transactions to strengthen and optimise the financial security risk management
  - MiFID II: a reinforced set-up in the process of being finalised
  - Continued the missions of the General Inspection dedicated to ensuring Financial Security: entities whose USD flows are centralised at BNP Paribas New York are audited at least once every 18 months. The 3rd round of audits of these entities, which started in early 2018, will be completed in July. The next cycle will begin in September.
- Continued operational implementation of a stronger compliance culture
  - Compulsory annual e-learning programmes on financial security for employees (Sanctions & Embargos, Combating Money Laundering & Terrorism Financing) which now includes a module dedicated to combating corruption
  - Online training programme on professional Ethics made compulsory for all new employees
- Remediation plan agreed as part of the June 2014 comprehensive settlement with the U.S. authorities mostly completed

BNP PARIBAS The bank for a changing world

Second quarter 2019 results | 17

Group Results

Division Results

1H19 Detailed Results

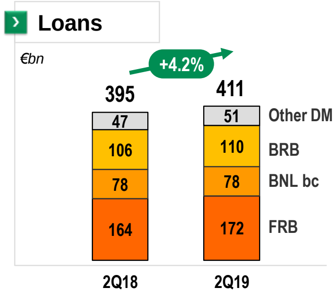
Appendix

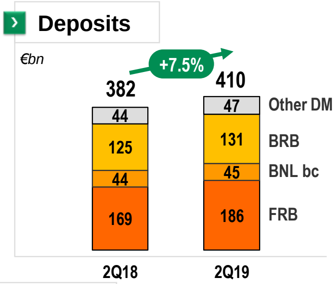
BNP PARIBAS The bank for a changing world

Second quarter 2019 results | 18

Domestic Markets - 2Q19

- Growth in business activity
  - Loans: +4.2% vs. 2Q18, good loan growth in the retail networks and in the specialised businesses (Arval, Leasing Solutions)
  - Good growth in corporate loans: +4.8% vs. 2Q18
  - Deposits: +7.5% vs. 2Q18, growth in all countries
  - Private banking: good level of net asset inflows (+€2.2bn in 2Q19)
- Good digital development
  - Acceleration of mobile usages of our customers: number of connections to apps > 76 million in 2Q19 (+28% vs. 2Q18)
- Revenues*: €3,925m; -0.3% vs. 2Q18
  - Impact of low interest rates partly offset by increased activity
  - Continued growth of the specialised businesses
- Operating expenses*: €2,516m; -0.5% vs. 2Q18
  - Significant decrease in the networks (-1.2%** vs. 2Q18)
  - Rise in the specialised businesses on the back of the activity growth
  - Positive jaws effect (0.2 pt)
- Pre-tax income***: €1,122m (-0.9% vs. 2Q18)





Continued good business drive
Cost reduction and positive jaws effect

* Including 100% of Private Banking, excluding PEL/CEL; ** FRB, BNL bc and BRB; *** Including 2/3 of Private Banking, excluding PEL/CEL

Domestic Markets - 2Q19
New Customer Experiences and Digital Transformation

Develop real-time transactions

- **Launch of instant payment in France, Belgium and Italy**
  - Sending and receiving secure instant money transfers in Europe
  - A common European platform for the Group

Accelerate mobile usages by individuals

- **Digital offering: sharp rise at FRB, Hello bank! & Nickel in the 2019 D-Rating ranking**
  - FRB number 1 banking network in France
- **Accelerated mobile usages: > 4 million users of apps** (+22% vs. 2Q18)

Support the digitalisation of corporate clientele

- **Enhanced digital portals for corporate customers**
  - Arval: online subscription for SMEs; Leasing Solutions: 80% of applications made via the portal approved in less than one minute
  - New website for holders of business credit cards in France, new self care features and 100% paperless statements

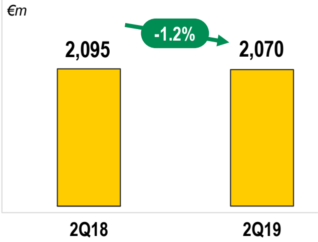
Continue adapting our offerings to new banking uses

- **LyfPay: most downloaded application in France in the mobile payment category***
  - Already > 2 million downloads of the app (of which 150,000 in June 2019)
  - LyfPay services enhanced with the acquisition of Neos (solution that scans purchases directly without having to go to a cashier) and launch of a money pot service free of charge
- **Rapid growth of Nickel**
  - > 1.3 million accounts opened (+368,000 vs. 30 June 2018)
  - 3rd largest retail distribution network in France with 5,400 points of sale (*buralistes*): +61% vs. 30 June 2018

* June 2019

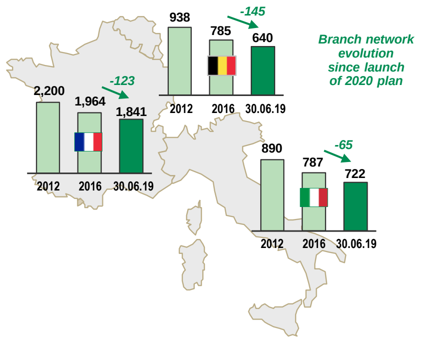
Domestic Markets - 2Q19
Costs' Reduction in the Retail Networks

Retail networks' operating costs*



- **Actively deploying digital transformation and new operational models**
  - Further cost reduction planned in the networks driven by the ongoing implementation of the 2020 plan

- **Continuing branch network optimisation**
  - 333 branches closed since 31.12.2016



- **Simplification and adaptation of the branch network management**
  - Implemented in the 3 networks

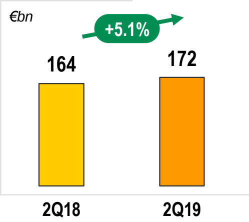
Ongoing cost reduction in the networks
Digital transformation & branch network optimisation

* FRB, BNL bc and BRB, including 100% of Private Banking

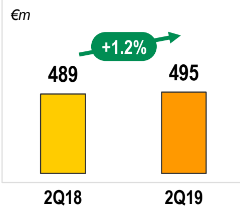
Domestic Markets
French Retail Banking - 2Q19

- Good business drive in the context of economic growth
  - Loans: +5.1% vs. 2Q18, good growth; rise in particular in loans to corporates
  - Deposits: +10.6% vs. 2Q18, growth in current accounts
  - Private banking: very good net asset inflows (€1bn)
- Expansion of the digital offering for corporates
  - Welcome: 45% of onboardings* achieved via *Welcome*, an app for onboarding corporate customers
- Good growth of Cardif IARD** property & casualty insurance offering
  - 172,000 contracts sold since the launch in May 2018
- Revenues***: +0.2% vs. 2Q18
  - Net interest income: +1.5%, related in particular to the rise in volumes
  - Fees: -1.4%, decrease in particular in fees on fragile customers
- Operating expenses***: -0.2% vs. 2Q18
  - Impact of transformation plan measures (optimisation of the network and streamlining of the management set-up)
  - Positive jaws effect (+0.4 point)
- Pre-tax income****: €374m (-5.7% vs. 2Q18)
  - 2Q18 reminder: cost of risk at a particularly low level

Loans



Gross operating income***

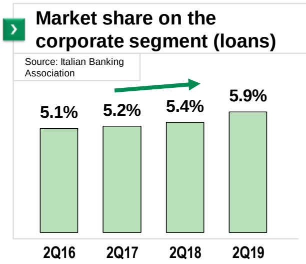


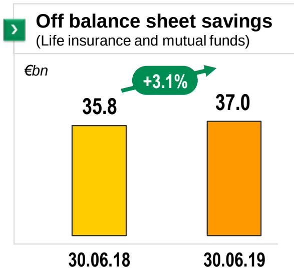
Continued good business drive
Positive jaws effect

* Eligible scope: SMEs and large corporates based in France; ** BNP Paribas Cardif and Matmut partnership; *** Including 100% of Private Banking excluding PEL/CEL effects; **** Including 2/3 of Private Banking in France excluding PEL/CEL effects

Domestic Markets
BNL banca commerciale - 2Q19

- Increased business activity in a lacklustre context
  - Loans: -0.9% vs. 2Q18, +1.0% excluding the impact of the securitisations of non-performing loans*, market share gains in the corporate segment
  - Deposits: +2.9% vs. 2Q18, rise in individual current accounts
  - Off balance sheet savings (+3.1% vs. 30.06.18): sharp rise in life insurance (+8.0%), decrease in mutual fund outstandings (-3.3%)
  - Digital: success of the new *MyBiz* app providing SMEs with mobile access to a whole range of standard banking services (already 8,500 active clients as at 30.06.19)
- Amplification of the transformation of the business
  - Early departure plan leveraging on the new *Quota 100* law facilitating early retirement, leading to an overall FTE** reduction of 1,500 by 2021
- Revenues***: -1.9% vs. 2Q18
  - Net interest income: -4.3% vs. 2Q18, impact of the low interest rate environment and the positioning on clients with a better risk profile
  - Fees: +1.9% vs. 2Q18, rise in banking and financial fees
- Operating expenses***: -1.2% vs. 2Q18
  - Effect of transformation plan measures
- Pre-tax income****: €133m (+10.9% vs. 2Q18)
  - Decrease in the cost of risk





Cost adaptation in a lacklustre context
Continued decrease in the cost of risk

* Securitisation of non-perfoming loan portfolios for €1.0bn in 2Q19 and €1.0bn in 4Q18; ** Full-Time Equivalents; *** Including 100% of Italian Private Banking; **** Including 2/3 of Italian Private Banking

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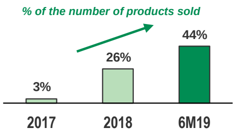
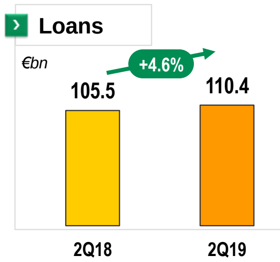
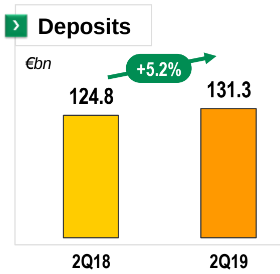
Domestic Markets
Belgian Retail Banking - 2Q19

- Sustained business activity
  - Loans: +4.6% vs. 2Q18, good growth in loans to corporate customers, increase in mortgage loans
  - Deposits: +5.2% vs. 2Q18, growth in current accounts and savings accounts, in particular of individual customers
  - Private banking: very good net asset inflows (€1.1bn)
- Good digital development & customer experience improvement
  - *Easy Banking Business:* sharp rise in direct digital sales to corporate customers (instant and short-term loans, bank guarantees) (44% of the total as at 30 June 2019)



- Revenues*: -4.3% vs. 2Q18
  - Net interest income: -6.6% vs. 2Q18, impact of the low interest rate environment
  - Fees: +2.7% vs. 2Q18, growth in particular in banking fees
- Operating expenses*: -3.1% vs. 2Q18
  - Significant effect of transformation plan measures
  - -65 branches vs. 30.06.18 (-9%); -752 FTE** vs. 30.06.18
- Pre-tax income***: €325m (-5.8% vs. 2Q18)





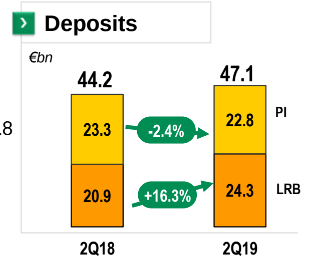
Good business drive
Strong cost reduction in a low rate context

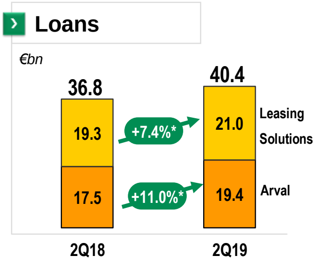
* Including 100% of Belgian Private Banking; ** Full-Time Equivalents; *** Including 2/3 of Belgian Private Banking

BNP PARIBAS The bank for a changing world — Second quarter 2019 results | 24

Domestic Markets
Other Activities - 2Q19

- Good overall drive of the specialised businesses
  - Arval: +8.9% growth of the financed fleet vs. 2Q18*
  - Leasing Solutions: rise in outstandings of +7.4% vs. 2Q18*
  - Personal Investors (PI): rise in assets under management of +4.0% vs. 30.06.18
  - NICKEL Nickel: 91,000 accounts opened in 2Q19 (+8% vs. 2Q18)
- Luxembourg Retail Banking (LRB)
  - Growth in mortgage and corporate loans, good deposit inflows
- Continued digital transformation and new customer journeys
  - Arval: new self care features to facilitate daily management for fleet managers (reportings) and users (reporting accidents)
- Revenues**: +4.9% vs. 2Q18
  - Good business growth in all businesses
- Operating expenses**: +3.1% vs. 2Q18
  - As a result of business development
  - Positive jaws effect (+1.8 pts)
- Pre-tax income***: €289m (+7.1% vs. 2Q18)



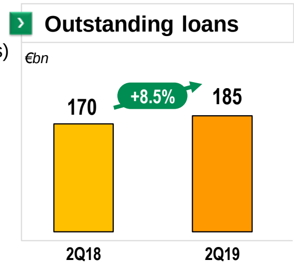


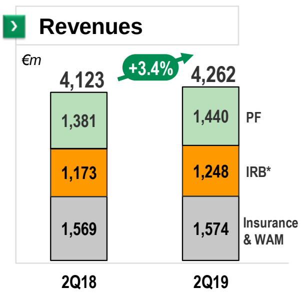
Good business drive
Positive jaws effect and rise in income

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

International Financial Services - 2Q19

- Sustained business activity
  - Outstanding loans: +8.5% vs. 2Q18 (+5.6% at constant scope and exchange rates)
  - Net asset inflows: +€7.3bn, strong asset inflows in all the businesses; assets under management: +2.7% vs. 30.06.18
  - Digital: active implementation of digital transformation and new technologies in all retail banking networks and specialised businesses
- Revenues: €4,262m; +3.4% vs. 2Q18
  - +1.2% at constant scope and exchange rates
  - Good growth of revenues in Personal Finance, Insurance and international retail banking; decrease in Real Estate Services vs. high base in 2Q18
- Operating expenses: €2,559m; +4.3% vs. 2Q18
  - +0.8% at constant scope and exchange rates: positive jaws effect
  - Good cost containment in all the businesses
- Gross operating income: €1,703m; +1.9% vs. 2Q18
  - +1.9% at constant scope and exchange rates
- Pre-tax income: €1,442m (-1.1% vs. 2Q18)
  - +0.2% at constant scope and exchange rates





Good business growth

* Including 2/3 of Private Banking in Turkey and in the United States

International Financial Services - 2Q19
New Customer Experiences and Digital Transformation

Optimise client experience

- Extensive roll-out of **e-signature**
  - Personal Finance: **> 53% of contracts** signed electronically**,** > 27 million monthly electronic account statements (>80% of statements)
  - BNP Paribas Cardif: e-signature on life insurance contracts distributed by the network of independent wealth management advisors & brokers in France
  - International retail banking: roll-out of electronic signature in various areas (overdraft authorisations, loans, insurance, payment, etc.)
- **Development** of new **self care** features to provide easier access to mobile services
  - Personal Finance: **> 49 millions self care transactions** done by clients (>79% of total)
  - BNP Paribas Bank Polska: expanded the service offering accessible via the mobile banking app *Gomobile*

New technologies and innovative business models

- **Development of robotics and artificial intelligence**
  - **268 robots** (controls, reporting, data processing) and **22 chatbots** already operational
  - **16 uses** of artificial intelligence already deployed, **> 40 projects** in development (e.g. production of 90 comments about funds each month at BNP Paribas Asset Management)
  - **BNP Paribas Cardif:** already 9 models developed (monitoring risks, forecasting claims, etc.) on the Domino global data science platform launched in 1Q19 to industrialise collaborative development, production and re-use of algorithms

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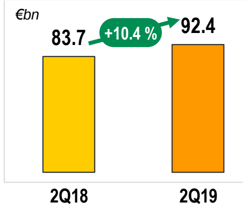
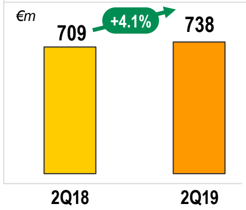
International Financial Services
Personal Finance - 2Q19

- Continued good sales and marketing drive
  - Loan outstandings: +10.4%, demand well oriented and effects of new partnerships
  - Start-up of the commercial agreement with Carrefour in Italy
  - Auto loans: launch of the new partnership with Opel in Poland and renewal of the commercial agreement with Volvo in Italy
- Good digital development
  - 149 robots operational (+24% vs. end March 2019; target of 200 robots by end 2019)
- Revenues: +4.3% vs. 2Q18
  - In connection with the rise in volumes and the positioning on products with a better risk profile
  - Good revenue growth in particular in Italy, Spain and Germany
- Operating expenses: +4.5% vs. 2Q18
  - Cost income ratio: 48.7%
  - Confirmation of the objective of a positive jaws effect this year (gradual effect of the transformation plan measures)
- Pre-tax income: €454m (+0.9% vs. 2Q18)

Consolidated outstandings



Gross operating income



Continued good business drive

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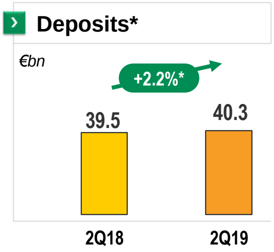
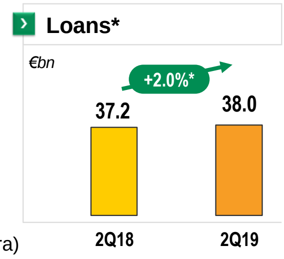
International Financial Services Europe-Mediterranean - 2Q19

- Business activity
  - Loans: +2.0%* vs. 2Q18, growth in particular in Poland and Morocco
  - Deposits: +2.2%* vs. 2Q18, rise in particular in Turkey and Morocco
  - Good digital development: success in Poland of the mobile banking app *Gomobile* (255,000 users, +89% vs. 30.06.18)
  - Automation of tasks: already 54 robots operational in various regions (+17 vs. 31.03.19, capacity to handle over 90 processes)
- Revenues**: +3.8%* vs. 2Q18
  - Up in all regions
  - Effect of increased volumes and margins, good level of fees
- Operating expenses**: -1.5%* vs. 2Q18
  - Ongoing delivery of cost synergies in Poland following the integration of Raiffeisen Bank Polska (closure of 135 branches in 1H19) and effect of transformation measures in all regions
  - Largely positive jaws effect
- Pre-tax income***: €197m (+9.3%* vs. 2Q18)
  - -1.1% at historical scope and exchange rates (strong depreciation of the Turkish lira)



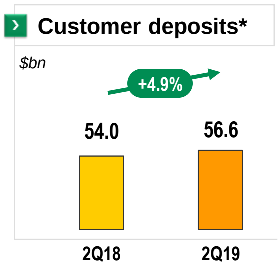


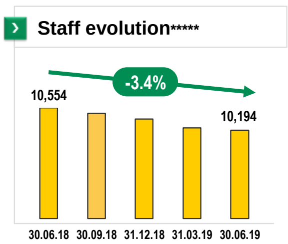
Good overall performance
Largely positive jaws effect

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

International Financial Services BancWest - 2Q19

- Business drive
  - Loans: +1.1%* vs. 2Q18, moderate growth in individual and corporate loans
  - Deposits: +3.9%* vs. 2Q18, good increase in customer deposits** (+4.9%)
  - Private Banking: $14.9bn of assets under management as at 30.06.19 (+11.0%* vs. 30.06.18)
- Good digital development and client experience improvement
  - Automation of processes: already 39 robots deployed, automating 130 processes
  - > 14,500 new accounts opened online in 2Q19 (+59% vs. 2Q18)
- Revenues***: -2.9%* vs. 2Q18
  - Decrease in net interest margin this quarter partially offset by increased fees
- Operating expenses***: +0.2%* vs. 2Q18
  - Good cost control
  - Continued headcount reduction and effect of the transfer of support functions in a less costly area (Arizona)
- Pre-tax income****: €153m (-11.3%* vs. 2Q18)
  - -5.5% at historical scope and exchange rates (positive foreign exchange effect)





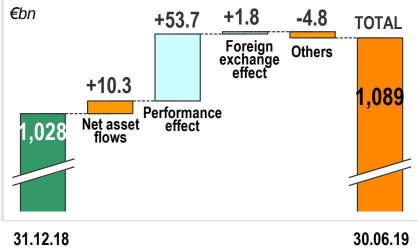
Continued business drive
Cost control in a less favourable rate environnement

* At constant scope and exchange rates (USD vs. EUR average rates: +6.1% vs. 30.06.18; figures at historical scope and exchange rates in the appendix);
** Deposits excluding treasury activities; *** Including 100% of Private Banking in the United States; **** Including 2/3 of Private Banking in the United States; ***** Including external assistants

International Financial Services
Insurance & WAM - Asset Flows and AuM - 1H19

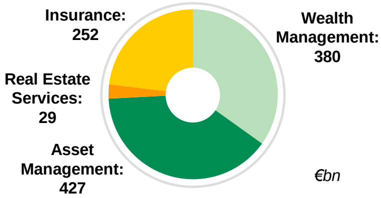
- Assets under management*: €1,089bn as at 30.06.19
  - +5.9% vs. 31.12.18 (+2.7% vs. 30.06.18)
  - Good level of net asset inflows: +€10.3bn
  - Largely positive performance effect (+€53.7bn) on the back of the rebound of financial markets
  - Slightly favourable foreign exchange effect (+€1.8bn)
  - Others: deconsolidation of SBI Life as at 30.06.19 (-€3.6bn)

Evolution of assets under management*



- Net asset inflows: +€10.3bn in 1H19
  - Wealth Management: good net asset inflows in particular in Asia, France and Belgium
  - Asset Management: positive net asset inflows
  - Insurance: good asset inflows, in particular in unit-linked policies, good growth in Asia

Assets under management* as at 30.06.19



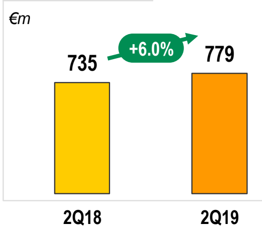
Significant rise in assets under management
Good level of net asset inflows

* Including distributed assets

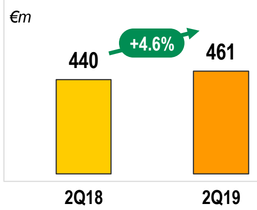
International Financial Services
Insurance - 2Q19

- Continued business development
  - Scotiabank: Long-term partnership signed with Scotiabank to distribute insurance products to its 9 million clients in 4 Latin American countries
  - Good growth in Protection Insurance in France
- Implementation of the digital transformation and new technologies
  - Italy: launch on Hello bank! of distribution of insurance products for multimedia devices and identity theft protection
  - Taiwan: digitalisation of the application process generating a significant decrease in the onboarding time
- Revenues: €779m; +6.0% vs. 2Q18
  - Good international business growth
  - Effect of the positive trend in the financial markets
- Operating expenses: €360m; +5.2% vs. 2Q18
  - As a result of business development
- Pre-tax income: €461m; +4.6% vs. 2Q18

Revenues



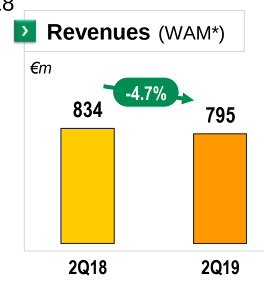
Pre-tax income



Good business development
Rise in income

International Financial Services
Wealth and Asset Management* - 2Q19

- Wealth Management: a recognised global player
  - *Best Private Bank in the World* (Global Finance 2019)
  - Expertise rewarded in Asia: *Innovative Client Solution and Customer Facing Digital Capabilities* (WealthBriefing Asia 2019)
- Asset Management: continued business adaptation
  - Successful roll-out of the Aladdin IT outsourcing solution: migration of all portfolios to the platform completed, decommissioning of 50 apps by early 2020
  - Amplification of the adaptation with the launch of a plan to streamline the product offering, the regional organisation and entities
- Real Estate Services: good level of activity but unfavourable base effect vs. 2Q18
  - 2Q18 reminder: particularly high level in property development and advisory business
- Revenues: €795m; -4.7% vs. 2Q18
  - Slight overall increase at Wealth Management and Asset Management but high base in Real Estate Services in 2Q18
- Operating expenses: €632m; -1.2% vs. 2Q18
  - Effect of transformation plan measures, in particular in Asset Management
- Pre-tax income: €177m; -13.8% vs. 2Q18

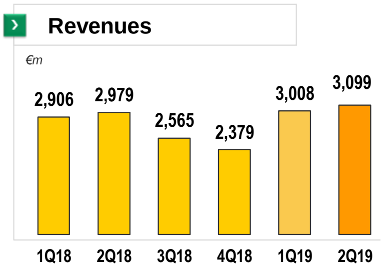


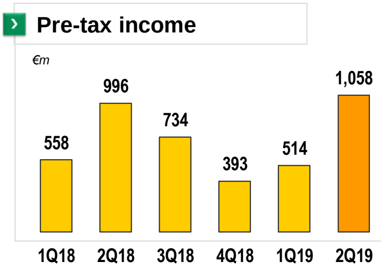
Slight overall increase at Wealth Management and Asset Management but unfavourable base in Real Estate Services

* Asset Management, Wealth Management, Real Estate Services

Corporate and Institutional Banking - 2Q19
Summary

- Implementing the acceleration of transformation
  - Continued streamlining certain activities (e.g. agreement on outsourcing equity research to MorningStar in Asia)
  - Intensification of industrialisation (€55m cost savings in 2Q19)
  - Selective growth on targeted clients (e.g.: preliminary agreement with Deutsche Bank for prime brokerage and electronic execution)
- Revenues: €3,099m (+4.0% vs. 2Q18)
  - Global Markets (-1.2%*): good performance in a lacklustre context this quarter
  - Corporate Banking (+7.3%*): good development of the business
  - Securities Services (+12.0%): strong growth this quarter
- Operating expenses: €1,997m (+1.3% vs. 2Q18)
  - Positive jaws effect (+2.7 pts)
  - Effect of transformation plan measures and implementation of digital transformation (automation, end-to-end processes)
- Pre-tax income: €1,058m (+6.2% vs. 2Q18)





Revenue growth and positive jaws effect

* Excluding the effect of the creation of Capital Markets (transfer of €22m in revenues from Global Markets FICC to Corporate Banking in 2Q19)

Corporate and Institutional Banking - 2Q19
Global Markets - Business Activity and Revenues

- Preliminary agreement with Deutsche Bank*
  - Provide service continuity to asset manager clients of Deutsche Bank prime brokerage and electronic execution
  - Transfer of necessary technology and staffing
- Business held up well
  - Strengthened client positions in a lacklustre market
  - #1 for all bonds in euros and #8 for all International bonds**
  - Exane-BNP Paribas: confirmation of #1 positions in Europe in equity brokerage and research
- Revenues: €1,409m (-2.7% vs. 2Q18)
  - -1.2% excluding the effect of the creation of the Capital Markets platform with Corporate Banking***
  - FICC: +11.7%****, good growth of forex, credit and primary issues, more challenging context in rates, in particular in Europe
  - Equity & Prime Services: -14.3% vs. high base in 2Q18, lesser volumes at Prime Services, but good level of client activity in equity derivatives

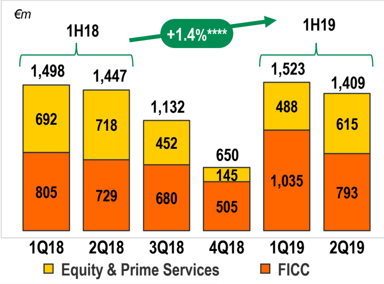
Global Capital Awards for:
- *Corporate Bonds*
- *Corporate Bonds House in Euros*
- *Sales & Trading for Corporate Bonds*
- *Financial Institutions Bonds*
- *FIG House in Euro*

EXANE BNP PARIBAS

EXTEL 2019 WINNERS

Best Developed Europe Broker
N°1 Equity Sector Research
N°1 Corporate Access
N°1 Pan-European Equity Sales

Global Markets revenues



Good performance in a lacklustre context

** Subject to various conditions and regulatory approval; ** Source: Dealogic June 2019, ranking by volume; *** Transfer of €22m in revenues from Global Markets FICC to Corporate Banking in 2Q19 (€31m in 1Q19); **** Excluding the effect of Capital Markets*

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Corporate and Institutional Banking - 2Q19
Corporate Banking - Business Activity and Revenues

- Strengthening of client positions
  - Good business drive: rise in loans (€147bn, +8.1%* vs. 2Q18) and deposits (€139bn, +11.8%* vs. 2Q18)
  - N°1 for syndicated loans and High Yield issues in the EMEA region**
  - *Western Europe's Best Bank for Financing and for Transaction Services* (Euromoney)
  - Recognised global expertise in aircraft finance (Euromoney's Air Finance) and export credit (Trade Finance Awards)
- Good development of digital
  - 10,900 business clients amounting to over 100,000 users and >17,000 connections daily for the Centric platform at end of June 2019
- Revenues: €1,094m (+9.4% vs. 2Q18)
  - +7.3% excluding the effect of the creation of the Capital Markets platform with Global Markets***
  - Very good business development in Europe with the closing of significant deals; good level of deals under way
  - Continued growth of the transaction businesses (cash management and trade finance)

EUROMONEY AWARDS FOR EXCELLENCE 2019

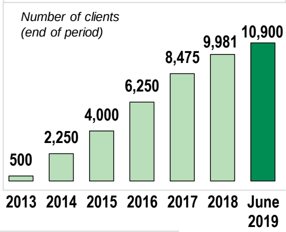
Western Europe's Best Bank for Financing

Western Europe's Best Bank for Transaction Services

Trade Finance Awards — *Best Export Finance Bank*

AIRFINANCE JOURNAL AWARDS2018 — *Aviation Finance House of the Year*

Centric



Good business and revenue growth

** Average outstandings at constant scope and exchange rates; **Source: Dealogic June 2019 (financings: bookrunner ranking by volume; high yield: ranking by revenues); *** €22m of revenues transferred from Global Markets FICC to Corporate Banking in 2Q19*

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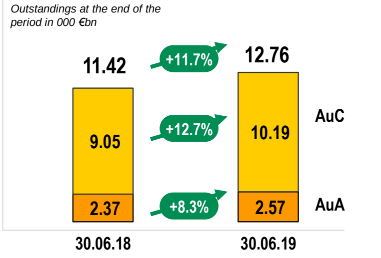
Corporate and Institutional Banking - 2Q19
Securities Services - Business Activity and Revenues

- New digital initiatives and continued development
  - Launch of the marketing of FFYN, a new digital platform co-designed with institutional clients
  - Digital: >70 robots rolled-out to industrialise operations and launch of the NOA chatbot on the *Planetshares* portal dedicated to employee shareholding plans
  - Best custodian for Stock Connect programmes with the Chinese market (*The Asset*)*
  - Best cross border custodian in Asia (*Asian Investor***)
- Good business sustained by asset growth
  - Sharp rise in assets under custody and under administration (+11.7% vs. 30.06.2018) with in particular the integration of the assets of Janus Henderson since the end of March 2019
  - Decrease in the number of transactions (-5.4% vs. 2Q18) this quarter
- Revenues: €596m (+12.0% vs. 2Q18)
  - As a result of business development and the positive impact of a specific transaction this quarter

FFYN

Platform providing asset managers and distributors with access and exchange of information about mutual funds using cloud and artificial intelligence technologies

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



Good business and revenue growth

* The Asset, Triple A (Asset Asian Awards) 2019; ** Asian Investor, Asset Management Awards 2019

Conclusion

Success of the new digital customer experiences

Business growth in the 3 operating divisions

1st half 2019:
Rise in income and positive jaws effect
ROTE: 11.0%

Increase in the CET1 ratio to 11.9%

Group Results

Division Results

1H19 Detailed Results

Appendix

Main Exceptional Items - 1H19

Exceptional items	1H19	1H18
Operating expenses		
Transformation costs – 2020 Plan *(Corporate Centre)*	-€390m	-€473m
Restructuring costs* *(Corporate Centre)*	-€101m	-€13m
Additional adaptation measures – departure plans** *(Corporate Centre)*	-€51m	
Total exceptional operating expenses	***-€542m***	***-€486m***
Other non operating items		
Goodwill impairments *(Corporate Centre)*	-€818m	
Capital gain on the sale of 16.8% of SBI Life and deconsolidation of the residual stake*** *(Corporate Centre)*	+€1,450m	
Capital gain on the sale of a building *(Corporate Centre)*		+€101m
Total exceptional other non operating items	***+€632m***	***+€101m***
Total exceptional items (pre-tax)	**+€90m**	**-€385m**
Total exceptional items (after tax)*****	**+€178m**	**-€247m**

* Restructuring costs related in particular to the integration of Raiffeisen Bank Polska and Opel Bank SA; ** BNL bc and Asset Management; *** 5.2% residual stake in SBI Life; **** Group share

Group BNP Paribas - 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19 / 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**11,224**	**11,206**	**+0.2%**	**11,144**	**+0.7%**	**22,368**	**22,004**	**+1.7%**
Operating Expenses and Dep.	-7,435	-7,368	+0.9%	-8,449	-12.0%	-15,884	-15,628	+1.6%
Gross Operating Income	**3,789**	**3,838**	**-1.3%**	**2,695**	**+40.6%**	**6,484**	**6,376**	**+1.7%**
Cost of Risk	-621	-567	+9.5%	-769	-19.2%	-1,390	-1,182	+17.6%
Operating Income	**3,168**	**3,271**	**-3.1%**	**1,926**	**+64.5%**	**5,094**	**5,194**	**-1.9%**
Share of Earnings of Equity-Method Entities	180	132	+36.4%	134	+34.3%	314	294	+6.8%
Other Non Operating Items	29	50	-42.0%	623	-95.3%	652	221	n.s.
Non Operating Items	**209**	**182**	**+14.8%**	**757**	**-72.4%**	**966**	**515**	**+87.6%**
Pre-Tax Income	**3,377**	**3,453**	**-2.2%**	**2,683**	**+25.9%**	**6,060**	**5,709**	**+6.1%**
Corporate Income Tax	-795	-918	-13.4%	-667	+19.2%	-1,462	-1,476	-0.9%
Net Income Attributable to Minority Interests	-114	-142	-19.7%	-98	+16.3%	-212	-273	-22.3%
Net Income Attributable to Equity Holders	**2,468**	**2,393**	**+3.1%**	**1,918**	**+28.7%**	**4,386**	**3,960**	**+10.8%**
Cost/income	**66.2%**	**65.8%**	**+0.4 pt**	**75.8%**	**-9.6 pt**	**71.0%**	**71.0%**	**+0.0 pt**

- Positive jaws effect in the 1st half
- Corporate income tax: average tax rate of 22.3% in 1H19 (positive effect of the lower tax rate on the capital gain from the sale of 16.8% of SBI Life)
- Operating divisions:

(1H19/1H18)	At historical scope & exchange rates	At constant scope & exchange rates
Revenues	**+3.5%**	**+2.5%**
Operating expenses	+2.5%	+0.7%
Gross operating income	**+5.5%**	**+6.4%**
Cost of risk	+21.6%	+20.7%
Operating income	**+2.3%**	**+3.5%**
Pre-tax income	**+0.5%**	**+3.0%**

Retail Banking and Services - 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**8,045**	**7,915**	**+1.6%**	**8,096**	**-0.6%**	**16,141**	**15,647**	**+3.2%**
Operating Expenses and Dep.	-5,002	-4,907	+1.9%	-5,586	-10.4%	-10,588	-10,323	+2.6%
Gross Operating Income	**3,042**	**3,008**	**+1.1%**	**2,510**	**+21.2%**	**5,553**	**5,323**	**+4.3%**
Cost of Risk	-604	-526	+14.7%	-733	-17.7%	-1,337	-1,153	+15.9%
Operating Income	**2,439**	**2,482**	**-1.7%**	**1,777**	**+37.2%**	**4,216**	**4,170**	**+1.1%**
Share of Earnings of Equity-Method Entities	151	107	+41.7%	108	+40.3%	259	238	+8.6%
Other Non Operating Items	-27	0	n.s.	1	n.s.	-25	60	n.s.
Pre-Tax Income	**2,563**	**2,589**	**-1.0%**	**1,886**	**+35.9%**	**4,450**	**4,468**	**-0.4%**
Cost/Income	62.2%	62.0%	+0.2 pt	69.0%	-6.8 pt	65.6%	66.0%	-0.4 pt
Allocated Equity (€bn)						54.6	52.0	+5.0%

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

Domestic Markets - 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**3,925**	**3,938**	**-0.3%**	**3,961**	**-0.9%**	**7,886**	**7,907**	**-0.3%**
Operating Expenses and Dep.	-2,516	-2,528	-0.5%	-2,983	-15.7%	-5,500	-5,499	+0.0%
Gross Operating Income	**1,408**	**1,411**	**-0.2%**	**978**	**+44.0%**	**2,386**	**2,408**	**-0.9%**
Cost of Risk	-214	-204	+4.8%	-307	-30.4%	-521	-474	+9.9%
Operating Income	**1,194**	**1,206**	**-1.0%**	**671**	**+78.1%**	**1,865**	**1,934**	**-3.6%**
Share of Earnings of Equity-Method Entities	2	-3	n.s.	-6	n.s.	-4	-8	-53.8%
Other Non Operating Items	-6	1	n.s.	1	n.s.	-5	2	n.s.
Pre-Tax Income	**1,190**	**1,205**	**-1.3%**	**666**	**+78.7%**	**1,856**	**1,928**	**-3.7%**
Résultat attribuable à Gestion Institutionnelle et Privée	-68	-73	-6.6%	-58	+17.3%	-127	-138	-8.3%
Pre-Tax Income of Domestic Markets	**1,122**	**1,132**	**-0.9%**	**608**	**+84.6%**	**1,729**	**1,790**	**-3.4%**
Cost/Income	64.1%	64.2%	-0.1 pt	75.3%	-11.2 pt	69.7%	69.5%	+0.2 pt
Allocated Equity (€bn)						25.7	24.7	+4.0%

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

- Revenues: -0.3% vs. 1H18
  - Impact of low interest rates partly offset by increased activity, decrease in financial fees at the beginning of the year due to the unfavourable market environment
  - Continued growth of the specialised businesses
- Operating expenses: stable vs. 1H18
  - Decrease in the networks (-0.6%* on average)
  - Rise in the specialised businesses related to the development of the activity with a positive jaws effect in all businesses (Arval, Personal Investors, Leasing Solutions, Nickel)
- Pre-tax income: -3.4% vs. 1H18

* FRB, BNL bc and BRB

Domestic Markets
French Retail Banking - 1H19 (excluding PEL/CEL effects)

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**1,596**	**1,593**	**+0.2%**	**1,595**	**+0.1%**	**3,191**	**3,186**	**+0.2%**
Incl. Net Interest Income	*889*	*875*	*+1.5%*	*912*	*-2.6%*	*1,801*	*1,765*	*+2.1%*
Incl. Commissions	*708*	*718*	*-1.4%*	*682*	*+3.7%*	*1,390*	*1,422*	*-2.2%*
Operating Expenses and Dep.	-1,102	-1,104	-0.2%	-1,186	-7.1%	-2,287	-2,293	-0.2%
Gross Operating Income	**495**	**489**	**+1.2%**	**409**	**+20.9%**	**904**	**894**	**+1.1%**
Cost of Risk	-83	-54	+54.1%	-72	+15.0%	-155	-113	+37.1%
Operating Income	**412**	**435**	**-5.3%**	**337**	**+22.1%**	**749**	**781**	**-4.1%**
Non Operating Items	0	1	-99.2%	1	-98.9%	1	1	+19.9%
Pre-Tax Income	**412**	**436**	**-5.6%**	**338**	**+21.8%**	**750**	**781**	**-4.0%**
Income Attributable to Wealth and Asset Management	-37	-39	-4.6%	-34	+9.2%	-71	-78	-9.0%
Pre-Tax Income	**374**	**397**	**-5.7%**	**304**	**+23.2%**	**678**	**703**	**-3.5%**
Cost/Income	69.0%	69.3%	-0.3 pt	74.3%	-5.3 pt	71.7%	72.0%	-0.3 pt
Allocated Equity (€bn)						9.9	9.3	+6.7%

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

- Revenues: +0.2% vs. 1H18
  - Net interest income: +2.1% vs. 1H18, related in particular to the rise in volumes
  - Fees: -2.2% vs. 1H18, decrease in particular in fees on fragile customers
- Operating expenses: -0.2% vs. 1H18
  - Effect of transformation plan measures (optimisation of the network and streamlining of the management set-up)
  - Positive jaws effect (+0.4 point)

* PEL/CEL effect: +€30m in 1H19 (+€1m in 1H18) and +€28m in 2Q19 (€0m in 2Q18)

Domestic Markets
French Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 2Q19	%Var/2Q18	%Var/1Q19	Outstandings 1H19	%Var/1H18
LOANS	172.1	+5.1%	+1.4%	170.9	+4.8%
Individual Customers	94.1	+4.2%	+1.4%	93.5	+3.9%
Incl. Mortgages	83.2	+4.6%	+1.3%	82.7	+4.3%
Incl. Consumer Lending	10.9	+1.4%	+1.6%	10.8	+1.2%
Corporates	78.0	+6.1%	+1.5%	77.4	+5.9%
DEPOSITS AND SAVINGS	186.4	+10.6%	+5.4%	181.6	+9.1%
Current Accounts	116.8	+13.6%	+6.6%	113.2	+12.1%
Savings Accounts	61.8	+3.3%	+2.1%	61.2	+3.0%
Market Rate Deposits	7.8	+31.7%	+15.8%	7.3	+19.4%

€bn	30.06.19	%Var/ 30.06.18	%Var/ 31.03.19
OFF BALANCE SHEET SAVINGS			
Life Insurance	93.0	+2.8%	+1.2%
Mutual Funds	32.1	-18.7%	-13.2%

- Loans: +5.1% vs. 2Q18, rise in loans to individual and corporate customers in a context of economic growth
- Deposits: +10.6% vs. 2Q18, strong growth in current accounts
- Off balance sheet savings: growth in life insurance outstandings; decrease in mutual fund outstandings vs. 30.06.18 due to the drop in the markets

Domestic Markets
BNL banca commerciale - 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**684**	**698**	**-1.9%**	**675**	**+1.3%**	**1,360**	**1,411**	**-3.6%**
Operating Expenses and Dep.	-433	-438	-1.2%	-470	-8.0%	-903	-918	-1.7%
Gross Operating Income	**251**	**259**	**-3.1%**	**205**	**+22.6%**	**456**	**492**	**-7.2%**
Cost of Risk	-107	-127	-15.9%	-165	-35.0%	-272	-297	-8.3%
Operating Income	**144**	**132**	**+9.4%**	**40**	**n.s.**	**184**	**195**	**-5.6%**
Non Operating Items	0	-1	n.s.	0	n.s.	0	-1	-82.2%
Pre-Tax Income	**144**	**130**	**+10.7%**	**40**	**n.s.**	**184**	**194**	**-5.1%**
Income Attributable to Wealth and Asset Management	-11	-10	+7.6%	-10	+12.5%	-21	-22	-6.0%
Pre-Tax Income of BNL bc	**133**	**120**	**+10.9%**	**30**	**n.s.**	**163**	**171**	**-4.9%**
Cost/Income	63.3%	62.8%	+0.5 pt	69.6%	-6.3 pt	66.4%	65.1%	+1.3 pt
Allocated Equity (€bn)						5.3	5.5	-3.3%

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

- Revenues: -3.6% vs. 1H18
  - Net interest income: -4.1% vs. 1H18, impact of the low interest rate environment and the positioning on clients with a better risk profile
  - Fees: -2.9% vs. 1H18
- Operating expenses: -1.7% vs. 1H18
  - Effect of transformation plan measures
- Cost of risk: -8.3% vs. 1H18
  - Continued decrease in the cost of risk
- Pre-tax income: €163m (-4.9% vs. 1H18)

Domestic Markets
BNL banca commerciale - Volumes

Average outstandings (€bn)	Outstandings 2Q19	%Var/2Q18	%Var/1Q19	Outstandings 1H19	%Var/1H18
LOANS	77.7	-0.9%	-0.6%	77.9	-0.4%
Individual Customers	39.4	-2.1%	-0.9%	39.6	-1.5%
Incl. Mortgages	24.7	-0.9%	-0.4%	24.8	-0.6%
Incl. Consumer Lending	4.5	+4.3%	+1.6%	4.5	+4.4%
Corporates	38.3	+0.4%	-0.1%	38.3	+0.7%
DEPOSITS AND SAVINGS	45.2	+2.9%	+3.5%	44.5	+1.6%
Individual Deposits	30.4	+5.0%	+1.9%	30.1	+4.8%
Incl. Current Accounts	30.2	+5.1%	+1.9%	29.9	+5.0%
Corporate Deposits	14.8	-1.0%	+6.9%	14.3	-4.7%

€bn	30.06.19	%Var/ 30.06.18	%Var/ 31.03.19
OFF BALANCE SHEET SAVINGS			
Life Insurance	22.0	+8.0%	+1.3%
Mutual Funds	15.0	-3.3%	-1.7%

- Loans: -0.9% vs. 2Q18
  - +1.0% excluding the impact of the securitisations of non-performing loans*
  - Rise in corporate loans but slowdown on the individual customer segment
- Deposits: +2.9% vs. 2Q18
  - Rise in current accounts of individual customers but slight decrease in the corporate deposits which are more costly
- Off balance sheet savings vs. 31.03.18: sharp rise in life insurance outstandings; decrease of mutual funds but rebound vs. 31.12.18 on the back of markets recovery

** Securitisation of non-perfoming loan portfolios for €1.0bn of in 2Q19 (pro rata temporis impact) and €1.0bn in 4Q18*

Domestic Markets
Belgian Retail Banking - 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**878**	**917**	**-4.3%**	**915**	**-4.1%**	**1,793**	**1,851**	**-3.1%**
Operating Expenses and Dep.	-535	-552	-3.1%	-844	-36.6%	-1,379	-1,388	-0.6%
Gross Operating Income	**342**	**365**	**-6.1%**	**71**	**n.s.**	**414**	**463**	**-10.8%**
Cost of Risk	3	2	+57.2%	-34	n.s.	-31	-4	n.s.
Operating Income	**345**	**367**	**-5.8%**	**37**	**n.s.**	**383**	**460**	**-16.7%**
Non Operating Items	-1	1	n.s.	-2	-59.4%	-3	0	n.s.
Pre-Tax Income	**344**	**368**	**-6.4%**	**35**	**n.s.**	**379**	**460**	**-17.4%**
Income Attributable to Wealth and Asset Management	-19	-23	-15.7%	-14	+39.6%	-33	-36	-6.5%
Pre-Tax Income of BDDB	**325**	**345**	**-5.8%**	**21**	**n.s.**	**346**	**424**	**-18.4%**
Cost/Income	61.0%	60.2%	+0.8 pt	92.2%	-31.2 pt	76.9%	75.0%	+1.9 pt
Allocated Equity (€bn)						5.9	5.6	+4.6%

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

- Revenues: -3.1% vs. 1H18
  - Net interest income: -3.6% vs. 1H18, impact of the low interest rate environment
  - Fees: -1.9% vs. 1H18
- Operating expenses: -0.6% vs. 1H18
  - -1.7% excluding the impact of IFRIC 21*
  - Effect of transformation plan measures
- Pre-tax income: -18.4% vs. 1H18
  - -9.7% excluding the impact of IFRIC 21*
  - Cost of risk still very low but unfavourable base effect vs. 1H18 when provisions were offset by write-backs

** Booking in 1Q19 of banking contributions and taxes for the whole of 2019*

Domestic Markets
Belgian Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 2Q19	%Var/2Q18	%Var/1Q19	Outstandings 1H19	%Var/1H18
LOANS	110.4	+4.6%	+1.7%	109.5	+4.4%
Individual Customers	70.0	+3.6%	+1.3%	69.5	+3.2%
Incl. Mortgages	50.7	+3.9%	+0.8%	50.5	+3.7%
Incl. Consumer Lending	0.4	+8.9%	n.s.	0.2	+12.2%
Incl. Small Businesses	18.9	+2.8%	+1.2%	18.8	+1.8%
Corporates and Local Governments	40.4	+6.3%	+2.4%	39.9	+6.7%
DEPOSITS AND SAVINGS	131.3	+5.2%	+3.2%	129.3	+4.7%
Current Accounts	55.0	+6.5%	+5.8%	53.5	+5.5%
Savings Accounts	73.5	+4.4%	+1.5%	72.9	+4.3%
Term Deposits	2.8	+1.9%	-0.1%	2.8	+0.4%

€bn	30.06.19	%Var/ 30.06.18	%Var/ 31.03.19
OFF BALANCE SHEET SAVINGS			
Life Insurance	24.4	+0.5%	+0.3%
Mutual Funds	31.0	-3.7%	+0.0%

- Loans: +4.6% vs. 2Q18
  - Individuals: increase in particular in mortgage loans
  - Corporates: significant rise in corporate loans
- Deposits: +5.2% vs. 2Q18
  - Growth in current accounts and savings accounts of individuals
- Off balance sheet savings:
  - Decrease in mutual fund outstandings vs. 30.06.18 (but 5.4% rebound vs. 31.12.18 on the back of the recovery of the markets)
  - Increase of life insurance outstandings

Domestic Markets: Other Activities - 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**767**	**731**	**+4.9%**	**776**	**-1.2%**	**1,542**	**1,459**	**+5.7%**
Operating Expenses and Dep.	-447	-433	+3.1%	-483	-7.6%	-930	-900	+3.3%
Gross Operating Income	**320**	**298**	**+7.4%**	**292**	**+9.4%**	**612**	**559**	**+9.5%**
Cost of Risk	-27	-25	+8.8%	-37	-26.3%	-63	-60	+5.0%
Operating Income	**293**	**273**	**+7.3%**	**256**	**+14.5%**	**549**	**499**	**+10.1%**
Share of Earnings of Equity-Method Entities	-4	-3	+31.8%	-3	+30.8%	-6	-5	+26.9%
Other Non Operating Items	0	0	-13.5%	0	n.s.	0	0	n.s.
Pre-Tax Income	**290**	**271**	**+7.0%**	**253**	**+14.3%**	**543**	**493**	**+10.1%**
Income Attributable to Wealth and Asset Management	-1	-1	-21.8%	0	+45.0%	-1	-2	-36.2%
Pre-Tax Income of others DM	**289**	**270**	**+7.1%**	**253**	**+14.3%**	**542**	**491**	**+10.3%**
Cost/Income	58.3%	59.3%	-1.0 pt	62.3%	-4.0 pt	60.3%	61.7%	-1.4 pt
Allocated Equity (€bn)						4.6	4.3	+6.6%

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

- Revenues: +5.7% vs. 1H18
  - Good development of the businesses
- Operating expenses: +3.3% vs. 1H18
  - As a result of business development
  - Positive jaws effect (+2.4 pts)
- Pre-tax income: +10.3% vs. 1H18

Domestic Markets
BDEL - Personal Investors

Luxembourg Retail Banking (LRB)

Average outstandings (€bn)	2Q19	%Var/2Q18	%Var/1Q19	1H19	%Var/1H18
LOANS	10.4	+7.3%	+0.8%	10.3	+7.9%
Individual Customers	7.2	+6.6%	+1.8%	7.2	+6.8%
Corporates and Local Governments	3.1	+8.9%	-1.6%	3.2	+10.5%
DEPOSITS AND SAVINGS	24.3	+16.3%	+10.4%	23.1	+12.8%
Current Accounts	12.9	+25.6%	+13.3%	12.2	+21.2%
Savings Accounts	9.6	+3.4%	+2.2%	9.5	+2.7%
Term Deposits	1.8	+31.5%	+43.5%	1.5	+17.9%

€bn	30.06.19	%Var/ 30.06.18	%Var/ 31.03.19
OFF BALANCE SHEET SAVINGS			
Life Insurance	1.0	+4.7%	+3.0%
Mutual Funds	1.6	-5.3%	-0.7%

- Loans vs. 2Q18: good growth in mortgage and corporate loans
- Deposits vs. 2Q18: significant rise in sight deposits particularly in the corporate client segment

Personal Investors

Average outstandings (€bn)	2Q19	%Var/2Q18	%Var/1Q19	1H19	%Var/1H18
LOANS	0.5	-3.1%	+1.7%	0.5	-6.2%
DEPOSITS	22.8	-2.4%	+1.3%	22.6	-1.8%

€bn	30.06.19	%Var/ 30.06.18	%Var/ 31.03.19
ASSETS UNDER MANAGEMENT	101.1	+4.0%	+3.7%
European Customer Orders (millions)	4.6	+5.0%	-2.0%

- Deposits vs. 2Q18: slight decrease in deposits
- Assets under management vs. 30.06.18: good growth as a result of good asset inflows and a positive performance effect

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Domestic Markets
Arval - Leasing Solutions - Nickel

Arval

Average outstandings (€bn)	2Q19	%Var*/2Q18	%Var*/1Q19	1H19	%Var*/1H18
Consolidated Outstandings	19.4	+11.0%	+3.0%	19.1	+10.8%
Financed vehicles ('000 of vehicles)	1,241	+8.9%	+2.1%	1,229	+8.8%

- Consolidated outstandings: +11.0%* vs. 2Q18, good growth in all regions
- Financed fleet: +8.9%* vs. 2Q18, very good sales and marketing drive

Leasing Solutions

Average outstandings (€bn)	2Q19	%Var*/2Q18	%Var*/1Q19	1H19	%Var*/1H18
Consolidated Outstandings	21.0	+7.4%	+2.0%	20.8	+7.2%

- Consolidated outstandings: +7.4%* vs. 2Q18, good business and marketing drive

Nickel

- 1,320,000 accounts opened as at 30 June 2019 (+39% vs. 30 June 2018; +16% vs. 31 December 2018)

* At constant scope and exchange rates

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International Financial Services - 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**4,262**	**4,123**	**+3.4%**	**4,282**	**-0.5%**	**8,544**	**8,036**	**+6.3%**
Operating Expenses and Dep.	-2,559	-2,453	+4.3%	-2,688	-4.8%	-5,247	-4,982	+5.3%
Gross Operating Income	**1,703**	**1,671**	**+1.9%**	**1,594**	**+6.9%**	**3,297**	**3,054**	**+8.0%**
Cost of Risk	-390	-322	+21.3%	-428	-8.9%	-819	-679	+20.5%
Operating Income	**1,313**	**1,349**	**-2.7%**	**1,165**	**+12.7%**	**2,478**	**2,375**	**+4.4%**
Share of Earnings of Equity-Method Entities	149	109	+36.8%	113	+31.8%	262	246	+6.6%
Other Non Operating Items	-21	-1	n.s.	0	n.s.	-20	58	n.s.
Pre-Tax Income	**1,442**	**1,457**	**-1.1%**	**1,279**	**+12.7%**	**2,720**	**2,678**	**+1.6%**
Cost/Income	60.0%	59.5%	+0.5 pt	62.8%	-2.8 pt	61.4%	62.0%	-0.6 pt
Allocated Equity (€bn)						28.9	27.3	+5.9%

- Foreign exchange effects due in particular to the depreciation of the Turkish lira partially offset by the appreciation of the dollar
  - TRY vs. EUR*: -21.1% vs. 2Q18, -7.5% vs. 1Q19, -22.1% vs. 1H18
  - USD vs. EUR*: +6.1% vs. 2Q18, +1.1% vs. 1Q19, +7.1% vs. 1H18
- Scope effect related to the integration of Raiffeisen Bank Polska**
- At constant scope and exchange rates vs. 1H18
  - Revenues: +4.4%
  - Operating expenses: +1.9%, largely positive jaws effect
  - Operating income: +5.8%
  - Pre-tax income: +5.9%

** Average rates; ** Reminder: closing of the transaction on 31.10.18*

International Financial Services Personal Finance – 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**1,440**	**1,381**	**+4.3%**	**1,427**	**+0.9%**	**2,866**	**2,735**	**+4.8%**
Operating Expenses and Dep.	-702	-672	+4.5%	-770	-8.9%	-1,472	-1,397	+5.4%
Gross Operating Income	**738**	**709**	**+4.1%**	**656**	**+12.4%**	**1,394**	**1,338**	**+4.2%**
Cost of Risk	-289	-265	+8.9%	-329	-12.2%	-619	-541	+14.3%
Operating Income	**449**	**443**	**+1.2%**	**327**	**+37.3%**	**776**	**797**	**-2.6%**
Share of Earnings of Equity-Method Entities	17	8	n.s.	13	+30.5%	31	23	+33.6%
Other Non Operating Items	-13	-2	n.s.	0	n.s.	-13	3	n.s.
Pre-Tax Income	**454**	**450**	**+0.9%**	**340**	**+33.3%**	**794**	**822**	**-3.4%**
Cost/Income	48.7%	48.6%	+0.1 pt	54.0%	-5.3 pt	51.4%	51.1%	+0.3 pt
Allocated Equity (€bn)						7.9	7.1	+10.8%

- At constant scope and exchange rates vs. 1H18
  - Revenues: +4.9%, in connection with the rise in volumes and the positioning on products with a better risk profile
  - Operating expenses: +5.2%, as a result of good business development; confirmation of the objective of a positive jaws effect this year (gradual effect of the transformation measures)
  - Gross operating income: +4.6%
  - Pre-tax income: -3.3% (unfavourable base effect on the cost of risk vs. 1H18 which recorded a high level of provision write-backs)

International Financial Services
Personal Finance - Volumes and Risks

Average outstandings (€bn)	Outstandings 2Q19	%Var/2Q18 historical	%Var/2Q18 at constant scope and exchange rates	%Var/1Q19 historical	%Var/1Q19 at constant scope and exchange rates	Outstandings 1H19	%Var/1H18 historical	%Var/1H18 at constant scope and exchange rates
TOTAL CONSOLIDATED OUTSTANDINGS	92.4	+10.4%	+10.2%	+1.5%	+1.6%	91.7	+11.3%	+11.2%
TOTAL OUTSTANDINGS UNDER MANAGEMENT (1)	107.1	+11.8%	+11.3%	+1.6%	+1.6%	106.2	+12.8%	+12.4%

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

Cost of risk / outstandings

Annualised cost of risk/outstandings as at beginning of period	2Q18	3Q18	4Q18	1Q19	2Q19
France	0.81%	1.10%	0.84%	0.92%	0.52%
Italy	1.62%	1.76%	1.67%	1.73%	1.48%
Spain	1.31%	2.15%	1.19%	1.81%	2.09%
Other Western Europe	0.82%	1.23%	1.27%	1.13%	1.03%
Eastern Europe	0.57%	2.06%	1.96%	1.52%	1.50%
Brazil	6.21%	6.34%	2.53%	5.18%	3.44%
Others	2.69%	2.18%	2.33%	2.14%	1.94%
Personal Finance	**1.28%**	**1.61%**	**1.36%**	**1.45%**	**1.23%**

International Financial Services
Europe-Mediterranean – 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**674**	**614**	**+9.8%**	**665**	**+1.3%**	**1,340**	**1,196**	**+12.0%**
Operating Expenses and Dep.	-445	-402	+10.5%	-456	-2.4%	-900	-818	+10.0%
Gross Operating Income	**230**	**212**	**+8.4%**	**210**	**+9.5%**	**439**	**377**	**+16.5%**
Cost of Risk	-97	-55	+76.8%	-77	+27.1%	-174	-125	+39.3%
Operating Income	**132**	**157**	**-15.7%**	**133**	**-0.7%**	**265**	**252**	**+5.1%**
Non Operating Items	65	43	+53.4%	53	+23.5%	118	139	-14.5%
Pre-Tax Income	**198**	**199**	**-0.9%**	**186**	**+6.2%**	**384**	**391**	**-1.8%**
Income Attributable to Wealth and Asset Management	-1	-1	+60.3%	-1	+38.0%	-2	-2	+19.3%
Pre-Tax Income	**197**	**199**	**-1.1%**	**185**	**+6.1%**	**382**	**389**	**-1.9%**
Cost/Income	66.0%	65.5%	+0.5 pt	68.5%	-2.5 pt	67.2%	68.4%	-1.2 pt
Allocated Equity (€bn)						5.3	4.8	+10.2%

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

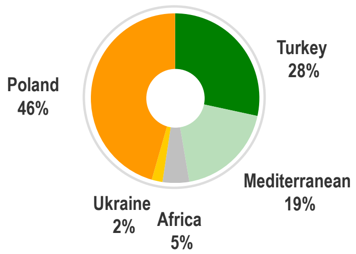
- Foreign exchange effect due to the depreciation of the Turkish lira in particular
  - TRY vs. EUR*: -21.1% vs. 2Q18, -7.5% vs. 1Q19, -22.1% vs. 1H18
- Scope effect related to the integration of Raiffeisen Bank Polska**
- At constant scope and exchange rates vs. 1H18
  - Revenues***: +7.9%, up in all regions
  - Operating expenses***: -0.7%, ongoing delivery of cost synergies in Poland following the integration of Raiffeisen Bank Polska and effect of transformation measures in all countries; largely positive jaws effect
  - Cost of risk***: +29.3%, increase in the cost of risk in Turkey
  - Pre-tax income****: +34.1%

** Average rates; ** Reminder: closing of the transaction on 31.10.18; *** Including 100% of Turkish Private Banking; **** Including 2/3 of Turkish Private Banking*

International Financial Services Europe-Mediterranean - Volumes and Risks

Average outstandings (€bn)	Outstandings	%Var/2Q18		%Var/1Q19		Outstandings	%Var/1H18	
	2Q19	historical	at constant scope and exchange rates	historical	at constant scope and exchange rates	1H19	historical	at constant scope and exchange rates
LOANS	38.0	+5.8%	+2.0%	+0.5%	+2.3%	37.9	+4.9%	+2.1%
DEPOSITS	40.3	+18.2%	+2.2%	-0.3%	+1.2%	40.4	+18.1%	+2.9%

Geographic distribution of 2Q19 outstanding loans



Cost of risk / outstandings

Annualised cost of risk / outstandings as at beginning of period	2Q18	3Q18	4Q18	1Q19	2Q19
Turkey	1.00%	1.91%	1.52%	1.78%	2.04%
Ukraine	-0.24%	0.57%	-1.76%	-0.40%	-0.36%
Poland	0.23%	0.57%	0.70%	0.12%	0.47%
Others	0.44%	0.54%	0.58%	0.65%	0.50%
Europe Mediterranean	**0.58%**	**1.08%**	**0.87%**	**0.75%**	**0.96%**

TEB: a solid and well capitalised bank

- 16.6% solvency ratio* as at 30.06.19
- Largely self financed
- Very limited exposure to Turkish government bonds
- 1.4% of the Group's outstanding loans as at 30.06.19

** Capital Adequacy Ratio (CAR)*

International Financial Services BancWest - 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**593**	**576**	**+3.0%**	**569**	**+4.1%**	**1,162**	**1,111**	**+4.6%**
Operating Expenses and Dep.	-431	-406	+6.0%	-442	-2.6%	-873	-821	+6.3%
Gross Operating Income	**162**	**170**	**-4.3%**	**127**	**+27.7%**	**289**	**290**	**-0.2%**
Cost of Risk	-2	0	n.s.	-18	-87.2%	-21	-12	+66.8%
Operating Income	**160**	**169**	**-5.5%**	**109**	**+47.2%**	**269**	**277**	**-3.2%**
Non Operating Items	1	0	n.s.	0	n.s.	1	0	n.s.
Pre-Tax Income	**161**	**169**	**-4.9%**	**109**	**+48.1%**	**270**	**277**	**-2.8%**
Income Attributable to Wealth and Asset Management	-7	-7	+7.1%	-8	-3.2%	-15	-13	+19.3%
Pre-Tax Income	**153**	**162**	**-5.5%**	**101**	**+52.0%**	**254**	**265**	**-3.9%**
Cost/Income	72.6%	70.5%	+2.1 pt	77.7%	-5.1 pt	75.1%	73.9%	+1.2 pt
Allocated Equity (€bn)						5.3	5.0	+6.5%

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

- Foreign exchange effect USD / EUR*: +6.1% vs. 2Q18, +1.1% vs. 1Q19, +7.1% vs. 1H18
- At constant scope and exchange rates vs. 1H18
  - Revenues**: -2.3%, decrease in net interest margin partially offset by increased fees
  - Operating expenses**: -0.5%, effect of transformation plan measures
  - Pre-tax income***: -11.0%

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

International Financial Services
BancWest - Volumes

Average outstandings (€bn)	Outstandings 2Q19	%Var/2Q18 historical	%Var/2Q18 at constant scope and exchange rates	%Var/1Q19 historical	%Var/1Q19 at constant scope and exchange rates	Outstandings 1H19	%Var/1H18 historical	%Var/1H18 at constant scope and exchange rates
LOANS	54.3	+7.3%	+1.1%	+1.8%	+0.7%	53.9	+8.0%	+0.8%
Individual Customers	23.4	+8.5%	+2.3%	+2.2%	+1.1%	23.2	+8.6%	+1.4%
Incl. Mortgages	10.2	+16.6%	+10.0%	+3.8%	+2.6%	10.0	+16.8%	+9.1%
Incl. Consumer Lending	13.2	+3.0%	-2.9%	+1.1%	+0.0%	13.2	+3.0%	-3.8%
Commercial Real Estate	14.8	+1.5%	-4.3%	+0.1%	-1.0%	14.8	+3.2%	-3.7%
Corporate Loans	16.1	+11.2%	+4.9%	+2.6%	+1.5%	15.8	+12.0%	+4.6%
DEPOSITS AND SAVINGS	55.8	+10.2%	+3.9%	+3.9%	+2.8%	54.7	+9.2%	+1.9%
Customer Deposits*	50.4	+7.8%	+4.9%	+3.2%	+2.1%	49.6	+7.3%	+3.7%

- At constant scope and exchange rates vs. 2Q18
  - Loans: +1.1%; increase in mortgages and corporate loans; +1.2% increase in consumer loans excluding the effect of the partnership with Personal Finance on new production*
  - Deposits: +3.9%; +4.9% increase in deposits excluding treasury activities

* 50% sharing of new production with Personal Finance from 2Q18

International Financial Services
Insurance and WAM* - Business

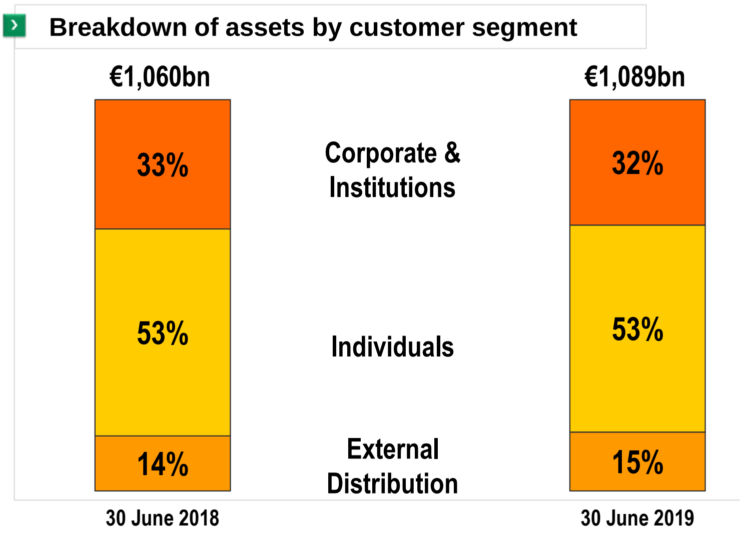
	30.06.19	30.06.18	%Var/ 30.06.18	31.03.19	%Var/ 31.03.19
Assets under management (€bn)	1,089	1,060	+2.7%	1,075	+1.2%
Asset Management	427	419	+1.9%	421	+1.5%
Wealth Management	380	372	+2.0%	377	+0.8%
Real Estate Services	29	29	+1.9%	29	+0.4%
Insurance	252	240	+5.2%	248	+1.5%

	2Q19	2Q18	%Var/ 2Q18	1Q19	%Var/ 1Q19
Net asset flows (€bn)	7.3	0.5	n.s.	3.0	n.s.
Asset Management	1.1	-7.9	n.s.	-0.5	n.s.
Wealth Management	4.4	5.0	-13.0%	1.1	n.s.
Real Estate Services	0.4	0.4	-1.4%	0.3	+27.8%
Insurance	1.3	2.8	-53.5%	2.1	-35.9%

- Assets under management: +€13.4bn vs. 31.03.19, including in particular
  - Net asset flows: +€7.3bn, good asset inflows in all the businesses
  - Performance effect: +€11.2bn, as a result of the favourable evolution of financial markets
  - Foreign exchange effect: -€4.0bn, in particular due to the depreciation of the dollar vs. 1Q19

* Wealth and Asset Management

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



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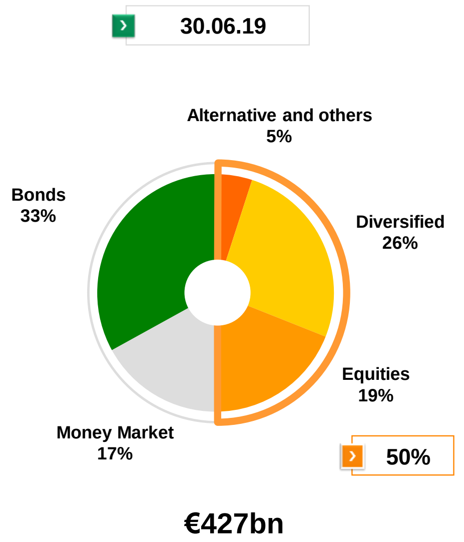
International Financial Services - Asset Management
Breakdown of Managed Assets



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International Financial Services
Insurance - 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**779**	**735**	**+6.0%**	**874**	**-10.8%**	**1,653**	**1,397**	**+18.3%**
Operating Expenses and Dep.	-360	-342	+5.2%	-389	-7.5%	-750	-710	+5.6%
Gross Operating Income	**419**	**393**	**+6.6%**	**484**	**-13.5%**	**903**	**687**	**+31.5%**
Cost of Risk	1	1	-32.1%	-2	n.s.	-1	1	n.s.
Operating Income	**420**	**394**	**+6.5%**	**482**	**-13.0%**	**902**	**688**	**+31.1%**
Share of Earnings of Equity-Method Entities	57	46	+22.5%	37	+52.0%	94	121	-22.8%
Other Non Operating Items	-16	0	n.s.	0	n.s.	-16	0	n.s.
Pre-Tax Income	**461**	**440**	**+4.6%**	**520**	**-11.4%**	**980**	**810**	**+21.1%**
Cost/Income	46.2%	46.6%	-0.4 pt	44.6%	+1.6 pt	45.4%	50.8%	-5.4 pt
Allocated Equity (€bn)						8.3	8.5	-1.7%

- Technical reserves: +4.0% vs. 1H18
- Revenues: +18.3% vs. 1H18
  - Positive impact of the sharp rebound in the financial markets vs. 31.12.18 (reminder: booking of part of the assets at market value)
  - Good level of business
- Operating expenses: +5.6% vs. 1H18
  - As a result of business development
- Pre-tax income: +21.1% vs. 1H18

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International Financial Services
Wealth and Asset Management - 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**795**	**834**	**-4.7%**	**766**	**+3.8%**	**1,561**	**1,630**	**-4.2%**
Operating Expenses and Dep.	-632	-639	-1.2%	-641	-1.4%	-1,273	-1,253	+1.6%
Gross Operating Income	**163**	**195**	**-16.5%**	**125**	**+30.6%**	**288**	**376**	**-23.5%**
Cost of Risk	-2	-2	-1.4%	-2	+10.2%	-4	-2	n.s.
Operating Income	**161**	**193**	**-16.7%**	**123**	**+30.9%**	**283**	**374**	**-24.3%**
Share of Earnings of Equity-Method Entities	10	12	-17.2%	10	+0.5%	19	17	+13.4%
Other Non Operating Items	7	1	n.s.	0	n.s.	7	1	n.s.
Pre-Tax Income	**177**	**206**	**-13.8%**	**132**	**+33.9%**	**310**	**392**	**-21.1%**
Cost/Income	79.5%	76.6%	+2.9 pt	83.7%	-4.2 pt	81.6%	76.9%	+4.7 pt
Allocated Equity (€bn)						2.1	1.9	+9.0%

- Revenues: -4.2% vs. 1H18
  - High base of Real Estate Services in 1H18 (high level of property development and advisory businesses)
  - Impact in the 1st quarter this year of the sharp fall in the financial markets in 4Q18 with less transaction activity from Asset Management and Wealth Management clients
- Operating expenses: +1.6% vs. 1H18
  - Related in particular to the development of Wealth Management in Germany and decreased costs at Asset Management; gradual effect of transformation plan measures
- Pre-tax income: -21.1% vs. 1H18

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Corporate and Institutional Banking - 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**3,099**	**2,979**	**+4.0%**	**3,008**	**+3.0%**	**6,107**	**5,885**	**+3.8%**
Operating Expenses and Dep.	-1,997	-1,970	+1.3%	-2,463	-18.9%	-4,459	-4,360	+2.3%
Gross Operating Income	**1,102**	**1,009**	**+9.3%**	**545**	**n.s.**	**1,648**	**1,526**	**+8.0%**
Cost of Risk	-24	-23	+6.4%	-32	-24.4%	-56	8	n.s.
Operating Income	**1,078**	**986**	**+9.3%**	**513**	**n.s.**	**1,591**	**1,534**	**+3.8%**
Share of Earnings of Equity-Method Entities	5	7	-26.4%	2	n.s.	7	15	-53.6%
Other Non Operating Items	-25	3	n.s.	-2	n.s.	-26	5	n.s.
Pre-Tax Income	**1,058**	**996**	**+6.2%**	**514**	**n.s.**	**1,572**	**1,554**	**+1.1%**
Cost/Income	64.4%	66.1%	-1.7 pt	81.9%	-17.5 pt	73.0%	74.1%	-1.1 pt
Allocated Equity (€bn)						21.3	20.3	+4.6%

- Revenues: +3.8% vs. 1H18
  - Growth in the three businesses*
- Operating expenses: +2.3% vs. 1H18
  - In relation with the development of the business
  - Positive jaws effect (+1.5 pt) thanks to the transformation plan (€120m in 1H19)
- Cost of risk:
  - Reminder: provisions more than offset by write-backs in 1H18

** Excluding the effect of the creation of Capital Markets (transfer of €53m in revenues from Global Markets FICC to Corporate Banking in 1H19)*

Corporate and Institutional Banking Global Markets - 1H19

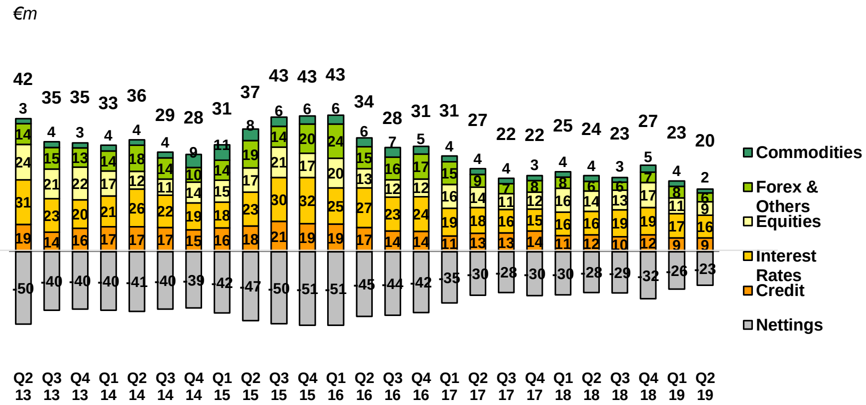
€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**1,409**	**1,447**	**-2.7%**	**1,523**	**-7.5%**	**2,932**	**2,945**	**-0.4%**
incl. FICC	*793*	*729*	+8.8%	*1,035*	-23.3%	*1,828*	*1,535*	+19.1%
incl. Equity & Prime Services	*615*	*718*	-14.3%	*488*	+26.1%	*1,103*	*1,410*	-21.8%
Operating Expenses and Dep.	-913	-955	-4.5%	-1,276	-28.5%	-2,188	-2,230	-1.9%
Gross Operating Income	**496**	**492**	**+0.8%**	**248**	**n.s.**	**744**	**715**	**+4.1%**
Cost of Risk	-6	-37	-84.8%	3	n.s.	-2	-9	-74.4%
Operating Income	**491**	**455**	**+7.9%**	**251**	**+95.4%**	**742**	**706**	**+5.1%**
Share of Earnings of Equity-Method Entities	1	1	+10.5%	0	n.s.	1	2	-46.6%
Other Non Operating Items	-25	1	n.s.	1	n.s.	-24	1	n.s.
Pre-Tax Income	**467**	**457**	**+2.2%**	**252**	**+85.5%**	**719**	**709**	**+1.3%**
Cost/Income	64.8%	66.0%	-1.2 pt	83.7%	-18.9 pt	74.6%	75.7%	-1.1 pt
Allocated Equity (€bn)						8.0	7.4	+7.1%

- Revenues: +1.4% vs. 1H18 excluding the effect of the creation of the Capital Markets platform*
  - FICC (+22.6%**/ 1H18): good performance in all segments with in particular a rebound in forex
  - Equity & Prime Services (-21.8% vs. 1H18): very high base in 1H18 and gradual pick-up of business at the beginning of the year after a 4Q18 impacted by a very unfavourable market context
- Operating expenses: stable vs. 1H18**
  - Positive jaws effect (+1.3 pt**)
  - Good containment due to transformation measures and the exit of Opera Trading Capital's proprietary business as well as of the commodity derivatives business in the United States

** Transfer of €53m in revenues from Global Markets FICC to Corporate Banking in 1H19; ** Excluding the effect of Capital Markets*

Corporate and Institutional Banking
Market Risks - 1H19

Average 99% 1-day interval Var



- VaR down and still at a very low level*
  - Decrease in particular in commodities, forex and equities
  - No backtesting excess reported this quarter**
  - Only 21 backtesting excesses over VaR since 01.01.2007, or less than 2 per year over a long period including the crisis, confirming the soundness of the internal VaR calculation model (1 day, 99%)

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

Corporate and Institutional Banking
Corporate Banking - 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**1,094**	**999**	**+9.4%**	**969**	**+12.9%**	**2,063**	**1,891**	**+9.1%**
Operating Expenses and Dep.	-607	-591	+2.7%	-724	-16.2%	-1,331	-1,274	+4.5%
Gross Operating Income	**487**	**409**	**+19.1%**	**245**	**+99.0%**	**732**	**618**	**+18.5%**
Cost of Risk	-21	12	n.s.	-35	-40.7%	-55	13	n.s.
Operating Income	**467**	**421**	**+10.8%**	**210**	**n.s.**	**677**	**631**	**+7.2%**
Non Operating Items	3	7	-50.6%	3	+28.4%	6	16	-63.1%
Pre-Tax Income	**470**	**428**	**+9.8%**	**213**	**n.s.**	**683**	**647**	**+5.5%**
Cost/Income	55.5%	59.1%	-3.6 pt	74.7%	-19.2 pt	64.5%	67.3%	-2.8 pt
Allocated Equity (€bn)						12.4	12.0	+3.0%

- Revenues: +6.3% vs. 1H18 excluding the effect of the creation of the Capital Markets platform*
  - Good business development in Europe with the finalisation of significant transactions and a good start of the Capital Markets platform
  - Good growth of the transaction businesses (cash management and trade finance) in all regions
- Operating expenses: +1.0%** vs. 1H18
  - Largely positive jaws effect (+5.3 pts**) due to transformation measures
- Cost of risk:
  - 1H18 reminder: provisions more than offset by write-backs

* Transfer of €53m in revenues from Global Markets FICC to Corporate Banking in 1H19; ** Excluding the effect of Capital Markets

Corporate and Institutional Banking Securities Services - 1H19

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19/ 1Q19	1H19	1H18	1H19 / 1H18
Revenues	**596**	**532**	**+12.0%**	**516**	**+15.5%**	**1,112**	**1,049**	**+6.0%**
Operating Expenses and Dep.	-477	-424	+12.4%	-463	+3.0%	-941	-856	+9.9%
Gross Operating Income	**119**	**108**	**+10.3%**	**53**	**n.s.**	**172**	**194**	**-11.2%**
Cost of Risk	2	3	-20.3%	-1	n.s.	1	4	-62.9%
Operating Income	**121**	**110**	**+9.6%**	**52**	**n.s.**	**173**	**197**	**-12.1%**
Non Operating Items	0	1	-62.6%	-3	n.s.	-2	0	n.s.
Pre-Tax Income	**121**	**111**	**+9.2%**	**50**	**n.s.**	**171**	**197**	**-13.5%**
Cost/Income	80.1%	79.7%	+0.4 pt	89.7%	-9.6 pt	84.5%	81.6%	+2.9 pt
Allocated Equity (€bn)						0.9	0.9	+5.6%

Securities Services	30.06.19	30.06.18	%Var/ 30.06.18	31.03.19	%Var/ 31.03.19
Assets under custody (€bn)	10,190	9,046	+12.7%	9,997	+1.9%
Assets under administration (€bn)	2,567	2,372	+8.3%	2,501	+2.7%
	2Q19	**2Q18**	**2Q19/2Q18**	**1Q19**	**2Q19/1Q19**
Number of transactions (in million)	22.9	24.2	-5.4%	23.7	-3.1%

- Revenues: +6.0% vs. 1H18
  - Effect of the increase in volumes and new mandates, positive impact of a specific transaction
- Operating expenses: +9.9% vs. 1H18
  - +6.6% vs. 1H18 excluding scope effects (Banco BPM, Janus Henderson, etc.) and a non-recurring item*

** Discontinuation of a specific project in 1Q19 (€8m)*

Corporate and Institutional Banking Transactions – 2Q19

China – Country Garden Holdings
USD 1.5bn Dual-Tranche Notes, the 5th USD bond that BNP Paribas has executed for Country Garden
Joint Global Coordinator
April 2019

Italy – Arca Fondi SGR
EUR 32bn – Appointed to clear all Arca's derivatives transactions relating to Italian-domiciled funds and Luxembourg SICAV as well as transactions from their pension fund and asset management mandates - *July 2019*

France – Publicis
Joint M&A advisor for the USD 4.4bn acquisition of the US based company Epsilon - *April 2019*
EUR 2.25bn Triple-Tranche bonds
Global Coordinator and Joint Bookrunner - *June 2019*

United States – Ultimate Software
USD 2.6bn Senior Credit Facilities (new Revolving Credit Facility and First Lien Term Loan)
Joint Lead Arranger and Joint Bookrunner
April 2019

Spain – Masmovil
EUR 1.7bn – o/w EUR 1.45bn TLB and EUR 280m Sustainable Capex and RCF lines
Joint Global Coordinator and Sustainable Coordinator
May 2019

Brazil – ENGIE & CDPQ
USD 6.0bn Project Financing: Acquisition of Transportadora de Gas S.A ("TAG") - USD 8.6bn.
Joint Lead Arranger & Joint Bookrunner, as well as Hedge Coordinators and Provider of bid bonds - *June 2019*

Czech Republic – EP Global Commerce
Equity deal value: EUR 5.8bn – Lead Financial & M&A advisory roles to EP Global Commerce for the voluntary takeover offer for Metro AG (Germany)
June 2019

Hong Kong – Wheelock & Company Limited
HKD 2bn 5-yr Sustainability-Linked Loan
Sole Sustainability Coordinator, Sole Facility Agent and Joint Mandated Lead Arranger Bookrunner
March 2019

Spain – Cellnex
EUR 1.2bn Rights Issue and EUR 850m Convertible Bond
Joint Global Coordinator for both deals
April vs. June 2019

Korea – LG Chem Ltd
USD 1bn & EUR 500m Dual-currency Senior Unsecured Green Bond Offering
Joint Bookrunner
April 2019

Americas – Republic of Chile
3.5% USD 1.4bn Notes due 2050. First Sovereign Green Bond out of Latin America.
Joint Active Bookrunner and Green Coordinator
June 2019

China – China National Chemical Corporation
USD 2.3bn Multi-Tranche Senior Unsecured Note Issuance
Joint Global Coordinator and Joint Bookrunner
June 2019

Corporate and Institutional Banking Ranking and Awards - 1H19

- **Global Markets and Corporate Banking:**
  - Exane BNP Paribas: Best Developed Europe Broker, N°1 Equity Sector Research, N°1 Corporate Access and N°1 Pan-European Equity Sales *(Extel Survey – June 2019*)
- **Global Markets:**
  - N°1 All bonds in Euros and N°8 All International bonds *(Dealogic – June 2019*)
  - 5 Awards including Most Impressive Bank for Corporate Bonds and for Financial Institutions (*Global Capital Bond Awards – May 2019*)
  - Derivatives House of the Year and Base metals House of the Year (*EnergyRisk – May 2019)*
- **Securities Services:**
  - Best Bank for Cross Border Custody (*Asian Investor's Asset Management Awards 2019 – April 2019*)
  - 5 Awards including Best Custodian for Stock Connect (*The Asset Triple A Awards 2019 – June 2019*)
- **Corporate Banking:**
  - N°1 EMEA Syndicated Loans Bookrunner by volume and number of deals (*Dealogic – June 2019*)
  - Western Europe's Best Bank for Financing and Western Europe's Best Bank for Transaction Services (*Euromoney Awards for Excellence – July 2019*)
  - Aviation Finance House of the Year *(Air Finance Journal – May 2019*)
  - Best Export Finance Bank (*Trade Finance Awards - June 2019)*

Corporate Centre - 2Q19

€m	2Q19	2Q18	1Q19	1H19	1H18
Revenues	**53**	**311**	**37**	**90**	**470**
Operating Expenses and Dep.	*-436*	*-491*	*-400*	*-837*	*-945*
Incl. Restructuring and Transformation Costs	*-335*	*-275*	*-206*	*-542*	*-486*
Gross Operating Income	**-383**	**-179**	**-363**	**-747**	**-475**
Cost of Risk	7	-18	-4	3	-37
Operating Income	**-377**	**-197**	**-367**	**-744**	**-512**
Share of Earnings of Equity-Method Entities	24	19	24	48	41
Other Non Operating Items	81	46	623	704	156
Pre-Tax Income	**-272**	**-132**	**280**	**8**	**-315**

- Reminder: contribution of First Hawaiian Bank (FHB) to the income statement reallocated retroactively to the Corporate Centre effective from 1st January 2018*
  - 2Q18 reminder: revenues (€155m), operating expenses (€82m) and cost of risk (€5m)
- Revenues
  - Decrease in particular of the Debit Valuation Adjustment (DVA)**: -€8m (+€29m in 2Q18)
- Operating expenses
  - Transformation costs – 2020 plan: -€222m (-€267m in 2Q18)
  - Restructuring costs***: -€63m (-€8m in 2Q18)
  - Additional adaptation costs – departure plans****: -€51m (€0m in 2Q18)
- Other non operating items
  - Capital gain on the sale of 2.5% de SBI Life and deconsolidation of the residual stake*****: +€612m
  - Partial impairment of BancWest's goodwill: -€500m

** See new quarterly series published on 29 March 2019; ** Own credit risk included in derivatives; *** Restructuring costs related in particular to the integration of Raiffeisen Bank Polska and Opel Bank SA; **** BNL bc and Asset Management; ***** 5.2% residual stake in SBI Life*

Corporate Centre - 1H19

- Reminder: contribution of First Hawaiian Bank (FHB) to the income statement reallocated retroactively to the Corporate Centre effective from 1st January 2018*
  - 1H18 reminder: revenues (€303m), operating expenses (€162m) and cost of risk (€13m)
- Operating expenses
  - Transformation costs of the businesses – 2020 plan: -€390m (-€473m in 1H18)
  - Restructuring costs**: -€101m (-€13m in 1H18)
  - Additional adaptation costs – departure plans***: -€51m (€0m in 1H18)
- Other non operating items
  - Capital gain on the sale of 16.8% of SBI Life and deconsolidation of the residual stake****: +€1,450m
  - Goodwill impairments: -€818m
  - 1H18 reminder: capital gain on the sale of a building: +€101m

** See new quarterly series published on 29 March 2019;*
*** Restructuring costs related in particular to the integration of Raiffeisen Bank Polska and Opel Bank SA; *** BNL bc and Asset Management ; *** 5.2% residual stake in SBI Life*

Breakdown of the Transformation Costs of the Businesses Presented in the Corporate Centre - 2Q19

€m	2Q19	1Q19	2018	4Q18	3Q18	2Q18	1Q18
Retail Banking & Services	**-141**	**-88**	**-639**	**-209**	**-145**	**-161**	**-124**
Domestic Markets	**-93**	**-41**	**-332**	**-117**	**-79**	**-76**	**-60**
French Retail Banking	-32	-26	-194	-69	-48	-45	-33
BNL bc	-7	-2	-25	-12	-5	-4	-3
Belgian Retail Banking	-50	-10	-84	-26	-21	-20	-18
Other Activities	-4	-4	-29	-10	-6	-7	-7
International Financial Services	**-49**	**-47**	**-307**	**-92**	**-66**	**-85**	**-64**
Personal Finance	-14	-14	-80	-21	-15	-23	-22
International Retail Banking	-16	-9	-97	-27	-22	-30	-19
Insurance	-6	-4	-54	-18	-11	-14	-9
Wealth and Asset Management	-13	-20	-76	-25	-18	-19	-14
Corporate & Institutional Banking	**-72**	**-75**	**-449**	**-161**	**-101**	**-106**	**-81**
Corporate Banking	-18	-21	-122	-58	-7	-41	-15
Global Markets	-42	-45	-261	-89	-75	-47	-50
Securities Services	-12	-9	-66	-14	-19	-17	-16
Corporate Centre	**-8**	**-5**	**-18**	**-15**	**-1**	**-1**	**-0**
TOTAL	**-222**	**-168**	**-1,106**	**-385**	**-248**	**-267**	**-206**

Group Results

Division Results

1H19 Detailed Results

Appendix

Number of Shares and Earnings per Share

Number of Shares

in millions	30-Jun-19	31-Dec-18
Number of Shares (end of period)	1,250	1,250
Number of Shares excluding Treasury Shares (end of period)	1,248	1,248
Average number of Shares outstanding excluding Treasury Shares	1,248	1,248

Earnings per Share

in millions	30-Jun-19	30-Jun-18
Average number of Shares outstanding excluding Treasury Shares	**1,248**	**1,248**
Net income attributable to equity holders	4,386	3,960
Remuneration net of tax of Undated Super Subordinated Notes	-210	-189
Exchange rate effect on reimbursed Undated Super Subordinated Notes	0	0
Net income attributable to equity holders, after remuneration and exchange rate effect on Undated Super Subordinated Notes	**4,176**	**3,771**
Net Earnings per Share (EPS) in euros	**3.35**	**3.02**

Capital Ratios and Book Value Per Share

Capital Ratios

	30-Jun-19	1-Jan-19	31-Dec-18
Total Capital Ratio (a)	15.2%	14.9%	15.0%
Tier 1 Ratio (a)	13.3%	13.0%	13.1%
Common equity Tier 1 ratio (a)	11.9%	11.7%	11.8%

(a) CRD4, on risk-weighted assets of €669 bn as at 30.06.19 and €647 bn as at 31.12.18

Book value per Share

in millions of euros	30-Jun-19	31-Dec-18	
Shareholders' Equity Group share	**104,135**	**101,467**	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	1,517	510	
of which Undated Super Subordinated Notes	9,538	8,230	(2)
of which remuneration net of tax payable to holders of Undated Super Subordinated Notes	124	77	(3)
Net Book Value (a)	**94,473**	**93,160**	(1)-(2)-(3)
Goodwill and intangibles	11,382	12,270	
Tangible Net Book Value (a)	**83,091**	**80,890**	
Number of Shares excluding Treasury Shares (end of period) in millions	**1,248**	**1,248**	
Book Value per Share (euros)	**75.7**	**74.7**	
of which book value per share excluding valuation reserve (euros)	***74.5***	***74.3***	
Net Tangible Book Value per Share (euros)	**66.6**	**64.8**	

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

Return on Equity and Permanent Shareholders' Equity

Calcul de la rentabilité des fonds propres

in millions of euros	1H19	1H18	
Net income Group share	**4,386**	**3,960**	(1)
Exceptional items (after tax) (a)	178	-247	(2)
Contribution to the Single Resolution Fund (SRF) and levies after tax	-945	-954	(3)
Annualised net income Group share (exceptional items, contribution to SRF and taxes not annualised) (b)	**9,539**	**9,121**	(4)
Remuneration net of tax of Undated Super Subordinated Notes and exchange effect	-428	-367	
Impact of annualised transformation and restructuring costs	-391	-331	
Net income Group share restated used for the calculation of ROE/ROTE	**8,720**	**8,423**	
Average permanent shareholders' equity, not revaluated (c)	**91,136**	**87,712**	
Return on Equity (ROE)	**9.6%**	**9.6%**	
Average tangible permanent shareholders' equity, not revaluated (d)	**79,310**	**75,235**	
Return on Tangible Equity (ROTE)	**11.0%**	**11.2%**	

(a) See slide 40; (b) As at 30.06.19 and 30.06.18, (4) = 2*[(1) - (2) -(3)] +(2) +(3)
(c) Average Permanent shareholders' equity: average of beginning of the year and end of the period, including notably annualised net income with exceptional items, contribution to SRF and taxes not annualised (Permanent Shareholders' equity = Shareholders' equity attributable to shareholders - changes in assets and liabilities recognised directly in equity - Undated Super Subordinated Notes - remuneration net of tax payable to holders of Undated Super Subordinated Notes - dividend distribution assumption);
(d) Average Tangible permanent shareholders' equity: average of beginning of the year and end of the period, including notably annualised net income with exceptional items, contribution to SRF and taxes not annualised (Tangible permanent shareholders' equity = permanent shareholders' equity - intangible assets - goodwill)

Permanent Shareholders' Equity Group share, not revaluated

in millions of euros	30-Jun-19	31-Dec-18	
Net Book Value	**94,473**	**93,160**	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	1,517	510	(2)
of which 2018 dividend		3,768	(3)
of which 2019 dividend distribution assumption	4,356		(4)
Annualisation of restated result (a)	4,762		(5)
Restatement of remuneration of Undated Super Subordinated Notes for the annualised calculation	28		(6)
Permanent shareholders' equity, not revaluated (b)	**93,390**	**88,882**	(1)-(2)-(3)-(4)+(5)+(6)
Goodwill and intangibles	11,382	12,270	
Tangible permanent shareholders' equity, not revaluated (b)	**82,008**	**76,612**	

(a)1H19 Net Income Group Share excluding exceptional items but including restructuring and transformation costs, and excluding contribution to the SRF and levies after tax; (b) Excluding Undated Super Subordinated Notes, remuneration net of tax payable to holders of Undated Super Subordinated Notes and after dividend distribution assumption

A Solid Financial Structure

Doubtful loans/gross outstandings

	30-Jun-19	31-Dec-18
Doubtful loans (a) / Loans (b)	2.5%	2.6%

(a) Impaired loans (stage 3) to customers and credit institutions, not netted of guarantees, including on-balance sheet and off-blance sheet and debt securities measured at amortized costs or at fair value through shareholders' equity
(b) Gross outstanding loans to customers and credit institutions, on-balance sheet and off-blance sheet and including debt securities measured at amortized costs or at fair value through shareholders' equity (excluding insurance)

Coverage ratio

€bn	30-Jun-19	31-Dec-18
Allowance for loan losses (a)	19.2	19.9
Doubtful loans (b)	25.7	26.2
Stage 3 coverage ratio	74.6%	76.2%

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

Immediately available liquidity reserve and Liquidity Coverage Ratio

€bn	30-Jun-19	31-Dec-18
Liquidity Coverage Ratio	120%	132%
Immediately available liquidity reserve (a)	330	308

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

Common equity Tier 1 Ratio

Common equity Tier 1 ratio*
(Accounting capital to prudential capital reconciliation)

€bn	30-Jun-19	31-Mar-19
Consolidated Equity	**108.5**	**109.7**
Undated super subordinated notes	-9.5	-9.6
2018 dividend		-3.8
2019 project of dividend distribution	-2.1	-0.9
Regulatory adjustments on equity**	-1.7	-1.4
Regulatory adjustments on minority interests	-2.5	-2.5
Goodwill and intangible assets	-11.2	-11.9
Deferred tax assets related to tax loss carry forwards	-0.5	-0.6
Other regulatory adjustments	-0.7	-0.5
Deduction of Irrevocable payments commitments***	-0.6	-0.6
Common Equity Tier One capital	**79.7**	**77.9**
Risk-weighted assets	**669**	**667**
Common Equity Tier 1 Ratio	**11.9%**	**11.7%**

** CRD4; ** Including Prudent Valuation Adjustment; *** New SSM general requirement*

Medium/Long Term Wholesale Funding 2019 Programme

2019 MLT funding plan*: €36bn

- Of which capital instruments: €3bn
  - Target of 3% of RWA
  - Additional Tier 1: 1.4% and Tier 2: 1.9% as at 30.06.19
  - AT1: $1.5bn issued on 18.03.19, Perp Non Call 5, 6.625% coupon, equiv. mid-swap€ + 360bp
  - AT1: AUD 300m (€187m equiv.) issued on 03.07.19 Perp Non Call 5.5, 4.5% coupon, equiv. mid-swap€ + 264bp
  - Tier 2**: ~€1,6bn equiv., issued under various formats, average maturity of 11 years, mid-swap€ + 149bp
    - €1bn, 12Y Tier 2 issued on 25.06.19, mid-swap +130bp
- Of which senior debt: €33bn
  - Of which Non Preferred Senior (NPS) debt: €14bn
- Non Preferred Senior (NPS) debt already issued**: €11.6bn average maturity of 6.8Y, mid-swap + 160bp
  - €750m, 5.5Y Green NPS Bond issued on 21.02.19, mid-swap +100bp
  - €1.35bn, 10Y NPS issued on 21.05.19, mid-swap +105bp
  - €1bn, 6Y Non Call 5 NPS issued on 10.07.19, mid-swap +75bp

Evolution of existing Tier 1 and Tier 2 debt as at 1.07.2019 (eligible or admitted to grandfathering)***

€bn	01.07.2019	01.01.2020	01.01.2021
AT1	10	9	8
T2	16	17	16

Over 80% of Non Preferred Senior debt programme already completed

* Subject to market conditions, indicative amounts at this stage; ** As at 18.07.19; *** Maturity schedule taking into account prudential amortisation of existing instruments as at 01.07.19, excluding future issuances, assuming callable institutional instruments are called at the first call date, and taking into account the grandfathering phasing out

Cost of Risk on Outstandings (1/2)

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

	2016	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19
Domestic Markets*									
Loan outstandings as of the beg. of the quarter (€bn)	344.4	362.3	397.2	398.4	404.1	405.7	401.3	411.0	412.6
Cost of risk (€m)	1,515	1,356	270	204	251	322	1,046	307	214
Cost of risk (in annualised bp)	44	37	27	20	25	32	26	30	21
FRB*									
Loan outstandings as of the beg. of the quarter (€bn)	144.3	155.9	187.5	185.4	184.2	183.9	185.2	189.2	189.8
Cost of risk (€m)	342	331	59	54	90	85	288	72	83
Cost of risk (in annualised bp)	24	21	13	12	20	19	16	15	17
BNL bc*									
Loan outstandings as of the beg. of the quarter (€bn)	77.4	78.3	78.1	77.6	78.8	79.7	78.6	78.0	77.6
Cost of risk (€m)	959	871	169	127	131	164	592	165	107
Cost of risk (in annualised bp)	124	111	87	66	67	82	75	85	55
BRB*									
Loan outstandings as of the beg. of the quarter (€bn)	96.4	100.4	102.0	104.3	109.4	109.9	106.4	111.0	111.9
Cost of risk (€m)	98	65	6	-2	-4	43	43	34	-3
Cost of risk (in annualised bp)	10	6	2	-1	-1	16	4	12	-1

*With Private Banking at 100%

Cost of Risk on Outstandings (2/2)

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

	2016	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19
BancWest*									
Loan outstandings as of the beg. of the quarter (€bn)	60.3	64.9	51.1	49.4	52.1	52.8	51.3	53.7	54.5
Cost of risk (€m)	85	111	12	0	35	22	70	18	2
Cost of risk (in annualised bp)	14	17	10	0	27	17	14	14	2
Europe-Mediterranean*									
Loan outstandings as of the beg. of the quarter (€bn)	39.1	38.2	38.2	38.2	39.0	35.7	37.7	40.6	40.7
Cost of risk (€m)	437	259	70	55	105	78	308	77	97
Cost of risk (in annualised bp)	112	68	73	58	108	87	82	75	96
Personal Finance									
Loan outstandings as of the beg. of the quarter (€bn)	61.4	68.7	80.6	82.9	85.9	87.8	84.3	90.9	93.7
Cost of risk (€m)	979	1,009	276	265	345	299	1,186	329	289
Cost of risk (in annualised bp)	159	147	137	128	161	136	141	145	123
CIB - Corporate Banking									
Loan outstandings as of the beg. of the quarter (€bn)	118.7	123.5	131.1	127.0	139.3	135.5	132.6	138.0	146.0
Cost of risk (€m)	292	70	-1	-13	-46	91	31	35	21
Cost of risk (in annualised bp)	25	6	0	-4	-13	27	2	10	6
Group**									
Loan outstandings as of the beg. of the quarter (€bn)	709.8	738.6	776.9	780.8	804.2	791.7	788.4	807.9	826.3
Cost of risk (€m)	3,262	2,907	615	567	686	896	2,764	769	621
Cost of risk (in annualised bp)	46	39	32	29	34	45	35	38	30

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

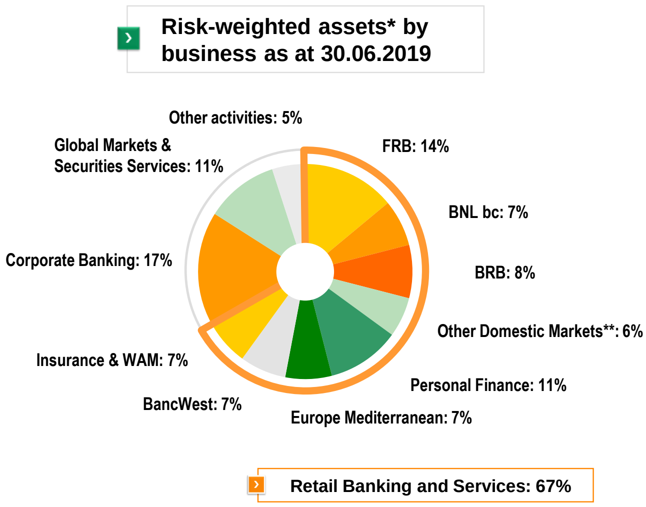
Risk-Weighted Assets

- Risk-Weighted Assets*: €669bn as at 30.06.19 (€667bn as at 30.03.19)
  - Increase in risk-weighted assets related to credit and counterparty risks

€bn	30.06.19	31.03.19
Credit Risk	521	520
Operational Risk	73	73
Counterparty Risk	33	30
Market / Foreign exchange Risk	20	20
Securitisation positions in the banking book	8	8
Others**	15	15
Total RWA*	**669**	**667**

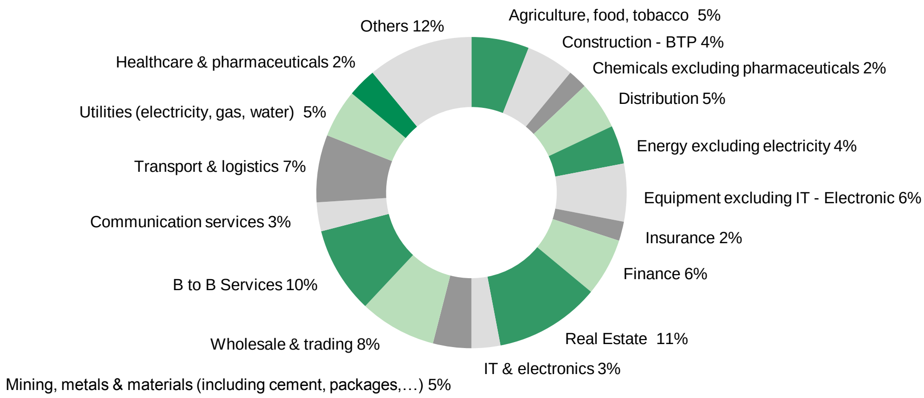
** CRD4; ** Including the DTAs and significant investments in entities in the financial sector subject to 250% weighting*

Risk-Weighted Assets by Business*



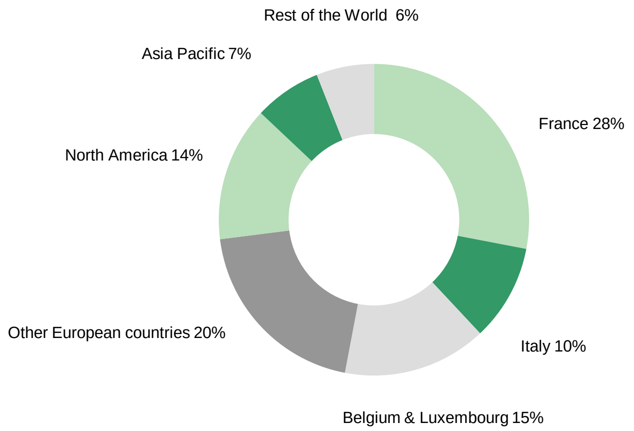
*CRD4; ** Including Luxembourg

Breakdown of Commitments by Industry (Corporate Asset Class)



Total gross commitments on and off-balance sheet, unweighted (corporate asset class) = €677bn as at 30.06.2019

Breakdown of Commitments by Region



Total gross commitments on and off balance sheet, unweighted = €1,575bn as at 30.06.2019

CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	2Q19	2Q18	2Q19 / 2Q18	1Q19	2Q19 / 1Q19	1H19	1H18	1H19 / 1H18
Group								
Revenues	**11,224**	**11,206**	**+0.2%**	**11,144**	**+0.7%**	**22,368**	**22,004**	**+1.7%**
Operating Expenses and Dep.	-7,435	-7,368	+0.9%	-8,449	-12.0%	-15,884	-15,628	+1.6%
Gross Operating Income	**3,789**	**3,838**	**-1.3%**	**2,695**	**+40.6%**	**6,484**	**6,376**	**+1.7%**
Cost of Risk	-621	-567	+9.5%	-769	-19.2%	-1,390	-1,182	+17.6%
Operating Income	**3,168**	**3,271**	**-3.1%**	**1,926**	**+64.5%**	**5,094**	**5,194**	**-1.9%**
Share of Earnings of Equity-Method Entities	180	132	+36.4%	134	+34.3%	314	294	+6.8%
Other Non Operating Items	29	50	-42.0%	623	-95.3%	652	221	n.s.
Non Operating Items	**209**	**182**	**+14.8%**	**757**	**-72.4%**	**966**	**515**	**+87.6%**
Pre-Tax Income	**3,377**	**3,453**	**-2.2%**	**2,683**	**+25.9%**	**6,060**	**5,709**	**+6.1%**
Corporate Income Tax	-795	-918	-13.4%	-667	+19.2%	-1,462	-1,476	-0.9%
Net Income Attributable to Minority Interests	-114	-142	-19.7%	-98	+16.3%	-212	-273	-22.3%
Net Income Attributable to Equity Holders	**2,468**	**2,393**	**+3.1%**	**1,918**	**+28.7%**	**4,386**	**3,960**	**+10.8%**
Cost/income	**66.2%**	**65.8%**	**+0.4 pt**	**75.8%**	**-9.6 pt**	**71.0%**	**71.0%**	**+0.0 pt**

BNP Paribas' financial disclosures for the second quarter 2019 are contained in this press release and in the presentation attached herewith.
All legally required disclosures, including the Registration document, are available online at http://invest.bnpparibas.com in the "Results" section and are made public by BNP Paribas pursuant to the requirements under Article L.451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the Autorité des Marchés Financiers' general rules.

2Q19 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group
Revenues		**3,810**	**4,262**	**3,099**	**11,171**	**53**	**11,224**
	%Change2Q18	+0.5%	+3.4%	+4.0%	+2.5%	-83.0%	+0.2%
	%Change1Q19	-0.2%	-0.5%	+3.0%	+0.6%	+42.5%	+0.7%
Operating Expenses and Dep.		-2,443	-2,559	-1,997	-6,999	-436	-7,435
	%Change2Q18	-0.4%	+4.3%	+1.3%	+1.8%	-11.1%	+0.9%
	%Change2Q19	-15.7%	-4.8%	-18.9%	-13.0%	+9.0%	-12.0%
Gross Operating Income		**1,367**	**1,703**	**1,102**	**4,172**	**-383**	**3,789**
	%Change2Q18	+2.2%	+1.9%	+9.3%	+3.9%	n.s.	-1.3%
	%Change2Q19	+48.7%	+6.9%	n.s.	+36.4%	+5.5%	+40.6%
Cost of Risk		-213	-390	-24	-628	7	-621
	%Change2Q18	+4.3%	+21.3%	+6.4%	+14.3%	n.s.	+9.5%
	%Change2Q19	-30.0%	-8.9%	-24.4%	-17.9%	n.s.	-19.2%
Operating Income		**1,154**	**1,313**	**1,078**	**3,545**	**-377**	**3,168**
	%Change2Q18	+1.8%	-2.7%	+9.3%	+2.2%	+90.9%	-3.1%
	%Change2Q19	+87.7%	+12.7%	n.s.	+54.6%	+2.5%	+64.5%
Share of Earnings of Equity-Method Entities		2	149	5	156	24	180
Other Non Operating Items		-6	-21	-25	-52	81	29
Pre-Tax Income		**1,149**	**1,442**	**1,058**	**3,649**	**-272**	**3,377**
	%Change2Q18	+1.5%	-1.1%	+6.2%	+1.8%	n.s.	-2.2%
	%Change2Q19	+88.4%	+12.7%	n.s.	+51.9%	n.s.	+25.9%

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group
Revenues		**3,810**	**4,262**	**3,099**	**11,171**	**53**	**11,224**
	2Q18	3,792	4,123	2,979	10,895	311	11,206
	1Q19	3,816	4,282	3,008	11,107	37	11,144
Operating Expenses and Dep.		-2,443	-2,559	-1,997	-6,999	-436	-7,435
	2Q18	-2,454	-2,453	-1,970	-6,877	-491	-7,368
	1Q19	-2,897	-2,688	-2,463	-8,049	-400	-8,449
Gross Operating Income		**1,367**	**1,703**	**1,102**	**4,172**	**-383**	**3,789**
	2Q18	1,338	1,671	1,009	4,017	**-179**	3,838
	1Q19	919	1,594	545	3,058	**-363**	2,695
Cost of Risk		-213	-390	-24	-628	7	-621
	2Q18	-205	-322	-23	-549	-18	-567
	1Q19	-305	-428	-32	-765	-4	-769
Operating Income		**1,154**	**1,313**	**1,078**	**3,545**	**-377**	**3,168**
	2Q18	1,133	1,349	986	3,468	**-197**	3,271
	1Q19	615	1,165	513	2,293	**-367**	1,926
Share of Earnings of Equity-Method Entities		2	149	5	156	24	180
	2Q18	-3	109	7	113	19	132
	1Q19	-6	113	2	110	24	134
Other Non Operating Items		-6	-21	-25	-52	81	29
	2Q18	1	-1	3	4	46	50
	1Q19	1	0	-2	0	623	623
Pre-Tax Income		**1,149**	**1,442**	**1,058**	**3,649**	**-272**	**3,377**
	2Q18	1,132	1,457	996	3,585	**-132**	3,453
	1Q19	610	1,279	514	2,403	**280**	2,683
Corporate Income Tax							-795
Net Income Attributable to Minority Interests							-114
Net Income Attributable to Equity Holders							**2,468**

1H19 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group
Revenues		**7,627**	**8,544**	**6,107**	**22,278**	**90**	**22,368**
	%Change1H18	+0.2%	+6.3%	+3.8%	+3.5%	-80.9%	+17%
Operating Expenses and Dep.		-5,341	-5,247	-4,459	-15,047	-837	-15,884
	%Change1H18	-0.0%	+5.3%	+2.3%	+2.5%	-115%	+16%
Gross Operating Income		**2,286**	**3,297**	**1,648**	**7,231**	**-747**	**6,484**
	%Change1H18	+0.7%	+8.0%	+8.0%	+5.5%	+57.3%	+17%
Cost of Risk		-518	-819	-56	-1,393	3	-1,390
	%Change1H18	+9.3%	+20.5%	n.s.	+216%	n.s.	+17.6%
Operating Income		**1,768**	**2,478**	**1,591**	**5,838**	**-744**	**5,094**
	%Change1H18	-16%	+4.4%	+3.8%	+2.3%	+45.4%	-19%
Share of Earnings of Equity-Method Entities		-4	262	7	266	48	314
Other Non Operating Items		-5	-20	-26	-52	704	652
Pre-Tax Income		**1,759**	**2,720**	**1,572**	**6,052**	**8**	**6,060**
	%Change1H18	-18%	+16%	+11%	+0.5%	n.s.	+6.1%
Corporate Income Tax							-1,462
Net Income Attributable to Minority Interests							-212
Net Income Attributable to Equity Holders							4,386

QUARTERLY SERIES

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
Group						
Revenues	**11,224**	**11,144**	**10,160**	**10,352**	**11,206**	**10,798**
Operating Expenses and Dep.	-7,435	-8,449	-7,678	-7,277	-7,368	-8,260
Gross Operating Income	**3,789**	**2,695**	**2,482**	**3,075**	**3,838**	**2,538**
Cost of Risk	-621	-769	-896	-686	-567	-615
Operating Income	**3,168**	**1,926**	**1,586**	**2,389**	**3,271**	**1,923**
Share of Earnings of Equity-Method Entities	180	134	195	139	132	162
Other Non Operating Items	29	623	-98	288	50	171
Pre-Tax Income	**3,377**	**2,683**	**1,683**	**2,816**	**3,453**	**2,256**
Corporate Income Tax	-795	-667	-144	-583	-918	-558
Net Income Attributable to Minority Interests	-114	-98	-97	-109	-142	-131
Net Income Attributable to Equity Holder	**2,468**	**1,918**	**1,442**	**2,124**	**2,393**	**1,567**
Cost/Income	**66.2%**	**75.8%**	**75.6%**	**70.3%**	**65.8%**	**76.5%**

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
RETAIL BANKING & SERVICES Excl. PEL/CEL						
Revenues	**8,045**	**8,096**	**7,767**	**7,774**	**7,915**	**7,731**
Operating Expenses and Dep.	-5,002	-5,586	-5,154	-4,978	-4,907	-5,416
Gross Operating Income	**3,042**	**2,510**	**2,613**	**2,796**	**3,008**	**2,315**
Cost of Risk	-604	-733	-722	-736	-526	-627
Operating Income	**2,439**	**1,777**	**1,891**	**2,060**	**2,482**	**1,688**
Share of Earnings of Equity-Method Entities	151	108	131	117	107	132
Other Non Operating Items	-27	1	-4	3	0	59
Pre-Tax Income	**2,563**	**1,886**	**2,018**	**2,179**	**2,589**	**1,879**
Allocated Equity (€bn, year to date)	54.6	54.3	52.5	52.1	52.0	51.8

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
RETAIL BANKING & SERVICES						
Revenues	**8,072**	**8,099**	**7,782**	**7,778**	**7,916**	**7,733**
Operating Expenses and Dep.	-5,002	-5,586	-5,154	-4,978	-4,907	-5,416
Gross Operating Income	**3,070**	**2,513**	**2,628**	**2,800**	**3,009**	**2,316**
Cost of Risk	-604	-733	-722	-736	-526	-627
Operating Income	**2,467**	**1,780**	**1,907**	**2,064**	**2,482**	**1,689**
Share of Earnings of Equity-Method Entities	151	108	131	117	107	132
Other Non Operating Items	-27	1	-4	3	0	59
Pre-Tax Income	**2,591**	**1,889**	**2,033**	**2,183**	**2,589**	**1,880**
Allocated Equity (€bn, year to date)	54.6	54.3	52.5	52.1	52.0	51.8

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
DOMESTIC MARKETS (including 100% of PB in France, Italy, Belgium and Luxembourg)* Excluding PEL/CEL Effects						
Revenues	**3,925**	**3,961**	**3,903**	**3,874**	**3,938**	**3,969**
Operating Expenses and Dep.	-2,516	-2,983	-2,603	-2,605	-2,528	-2,971
Gross Operating Income	**1,408**	**978**	**1,300**	**1,269**	**1,411**	**998**
Cost of Risk	-214	-307	-322	-251	-204	-270
Operating Income	**1,194**	**671**	**978**	**1,018**	**1,206**	**727**
Share of Earnings of Equity-Method Entities	2	-6	0	5	-3	-6
Other Non Operating Items	-6	1	-2	0	1	1
Pre-Tax Income	**1,190**	**666**	**975**	**1,024**	**1,205**	**723**
Income Attributable to Wealth and Asset Management	-68	-58	-59	-67	-73	-65
Pre-Tax Income of Domestic Markets	**1,122**	**608**	**917**	**956**	**1,132**	**658**
Allocated Equity (€bn, year to date)	25.7	25.5	25.2	25.0	24.7	24.4

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
DOMESTIC MARKETS (including 2/3 of PB in France, Italy, Belgium and Luxembourg)						
Revenues	**3,810**	**3,816**	**3,783**	**3,737**	**3,792**	**3,820**
Operating Expenses and Dep.	-2,443	-2,897	-2,528	-2,531	-2,454	-2,888
Gross Operating Income	**1,367**	**919**	**1,255**	**1,205**	**1,338**	**933**
Cost of Risk	-213	-305	-320	-251	-205	-269
Operating Income	**1,154**	**615**	**935**	**955**	**1,133**	**664**
Share of Earnings of Equity-Method Entities	2	-6	0	5	-3	-6
Other Non Operating Items	-6	1	-2	0	1	1
Pre-Tax Income	**1,149**	**610**	**932**	**960**	**1,132**	**659**
Allocated Equity (€bn, year to date)	25.7	25.5	25.2	25.0	24.7	24.4

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

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
FRENCH RETAIL BANKING (including 100% of Private Banking in France)*						
Revenues	**1,624**	**1,597**	**1,568**	**1,575**	**1,593**	**1,595**
Incl. Net Interest Income	*916*	*915*	*902*	*900*	*875*	*891*
Incl. Commissions	*708*	*682*	*666*	*676*	*718*	*704*
Operating Expenses and Dep.	-1,102	-1,186	-1,149	-1,168	-1,104	-1,189
Gross Operating Income	**522**	**412**	**419**	**407**	**489**	**406**
Cost of Risk	-83	-72	-85	-90	-54	-59
Operating Income	**440**	**340**	**334**	**317**	**435**	**347**
Non Operating Items	0	1	-3	0	1	0
Pre-Tax Income	**440**	**340**	**332**	**318**	**437**	**346**
Income Attributable to Wealth and Asset Management	-37	-34	-32	-38	-39	-39
Pre-Tax Income of BDDF	**402**	**306**	**299**	**280**	**397**	**307**
Allocated Equity (€bn, year to date)	9.9	9.8	9.6	9.5	9.3	9.2

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
FRENCH RETAIL BANKING (including 100% of Private Banking in France)* Excluding PEL/CEL Effects						
Revenues	**1,596**	**1,595**	**1,553**	**1,571**	**1,593**	**1,594**
Incl. Net Interest Income	*889*	*912*	*887*	*896*	*875*	*890*
Incl. Commissions	*708*	*682*	*666*	*676*	*718*	*704*
Operating Expenses and Dep.	-1,102	-1,186	-1,149	-1,168	-1,104	-1,189
Gross Operating Income	**495**	**409**	**404**	**403**	**489**	**405**
Cost of Risk	-83	-72	-85	-90	-54	-59
Operating Income	**412**	**337**	**319**	**313**	**435**	**346**
Non Operating Items	0	1	-3	0	1	0
Pre-Tax Income	**412**	**338**	**317**	**314**	**436**	**345**
Income Attributable to Wealth and Asset Management	-37	-34	-32	-38	-39	-39
Pre-Tax Income of BDDF	**374**	**304**	**284**	**276**	**397**	**306**
Allocated Equity (€bn, year to date)	9.9	9.8	9.6	9.5	9.3	9.2

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)						
Revenues	**1,549**	**1,522**	**1,498**	**1,502**	**1,517**	**1,517**
Operating Expenses and Dep.	-1,065	-1,147	-1,112	-1,133	-1,068	-1,151
Gross Operating Income	**484**	**376**	**386**	**369**	**449**	**367**
Cost of Risk	-81	-70	-84	-90	-53	-59
Operating Income	**402**	**305**	**302**	**280**	**396**	**307**
Non Operating Items	0	1	-3	0	1	0
Pre-Tax Income	**402**	**306**	**299**	**280**	**397**	**307**
Allocated Equity (€bn, year to date)	9.9	9.8	9.6	9.5	9.3	9.2

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

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

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
PEL-CEL Effects	28	2	15	4	0	1

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
BNL banca commerciale (Including 100% of Private Banking in Italy)*						
Revenues	**684**	**675**	**722**	**660**	**698**	**713**
Operating Expenses and Dep.	-433	-470	-440	-439	-438	-480
Gross Operating Income	**251**	**205**	**282**	**221**	**259**	**233**
Cost of Risk	-107	-165	-164	-131	-127	-169
Operating Income	**144**	**40**	**117**	**90**	**132**	**63**
Non Operating Items	0	0	-2	0	-1	0
Pre-Tax Income	**144**	**40**	**116**	**89**	**130**	**63**
Income Attributable to Wealth and Asset Management	-11	-10	-11	-10	-10	-12
Pre-Tax Income of BNL bc	**133**	**30**	**105**	**80**	**120**	**51**
Allocated Equity (€bn, year to date)	5.3	5.3	5.5	5.5	5.5	5.4

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
BNL banca commerciale (Including 2/3 of Private Banking in Italy)						
Revenues	**663**	**654**	**700**	**638**	**675**	**691**
Operating Expenses and Dep.	-422	-460	-429	-427	-427	-470
Gross Operating Income	**241**	**195**	**272**	**211**	**248**	**221**
Cost of Risk	-108	-164	-165	-131	-127	-170
Operating Income	**133**	**30**	**107**	**80**	**122**	**51**
Non Operating Items	0	0	-2	0	-1	0
Pre-Tax Income	**133**	**30**	**105**	**80**	**120**	**51**
Allocated Equity (€bn, year to date)	5.3	5.3	5.5	5.5	5.5	5.4

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium)*						
Revenues	**878**	**915**	**857**	**887**	**917**	**934**
Operating Expenses and Dep.	-535	-844	-571	-563	-552	-835
Gross Operating Income	**342**	**71**	**286**	**324**	**365**	**99**
Cost of Risk	3	-34	-43	4	2	-6
Operating Income	**345**	**37**	**243**	**328**	**367**	**93**
Share of Earnings of Equity-Method Entities	5	-3	4	8	1	-3
Other Non Operating Items	-6	0	7	0	0	1
Pre-Tax Income	**344**	**35**	**253**	**336**	**368**	**92**
Income Attributable to Wealth and Asset Management	-19	-14	-15	-19	-23	-13
Pre-Tax Income of Belgian Retail Banking	**325**	**21**	**238**	**317**	**345**	**79**
Allocated Equity (€bn, year to date)	5.9	5.8	5.7	5.7	5.6	5.6

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)						
Revenues	**836**	**868**	**817**	**845**	**872**	**887**
Operating Expenses and Dep.	-512	-811	-547	-539	-529	-803
Gross Operating Income	**323**	**57**	**270**	**305**	**344**	**85**
Cost of Risk	3	-33	-42	4	0	-4
Operating Income	**326**	**24**	**228**	**309**	**344**	**80**
Share of Earnings of Equity-Method Entities	5	-3	4	8	1	-3
Other Non Operating Items	-6	0	7	0	0	1
Pre-Tax Income	**325**	**21**	**238**	**317**	**345**	**79**
Allocated Equity (€bn, year to date)	5.9	5.8	5.7	5.7	5.6	5.6

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

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)*						
Revenues	**767**	**776**	**771**	**755**	**731**	**728**
Operating Expenses and Dep.	-447	-483	-443	-435	-433	-467
Gross Operating Income	**320**	**292**	**328**	**320**	**298**	**261**
Cost of Risk	-27	-37	-29	-33	-25	-36
Operating Income	**293**	**256**	**299**	**287**	**273**	**225**
Share of Earnings of Equity-Method Entities	-4	-3	-4	-3	-3	-2
Other Non Operating Items	0	0	-5	0	0	-1
Pre-Tax Income	**290**	**253**	**290**	**284**	**271**	**223**
Income Attributable to Wealth and Asset Management	-1	0	-1	-1	-1	-1
Pre-Tax Income of Other Domestic Markets	**289**	**253**	**289**	**283**	**270**	**222**
Allocated Equity (€bn, year to date)	4.6	4.5	4.4	4.3	4.3	4.2

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)						
Revenues	**763**	**772**	**767**	**752**	**728**	**725**
Operating Expenses and Dep.	-444	-480	-440	-433	-431	-464
Gross Operating Income	**319**	**292**	**327**	**319**	**297**	**260**
Cost of Risk	-27	-37	-29	-33	-25	-36
Operating Income	**292**	**255**	**298**	**286**	**272**	**225**
Share of Earnings of Equity-Method Entities	-4	-3	-4	-3	-3	-2
Other Non Operating Items	0	0	-5	0	0	-1
Pre-Tax Income	**289**	**253**	**289**	**283**	**270**	**222**
Allocated Equity (€bn, year to date)	4.6	4.5	4.4	4.3	4.3	4.2

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

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
INTERNATIONAL FINANCIAL SERVICES						
Revenues	**4,262**	**4,282**	**3,999**	**4,041**	**4,123**	**3,912**
Operating Expenses and Dep.	-2,559	-2,688	-2,626	-2,446	-2,453	-2,529
Gross Operating Income	**1,703**	**1,594**	**1,373**	**1,595**	**1,671**	**1,383**
Cost of Risk	-390	-428	-401	-486	-322	-358
Operating Income	**1,313**	**1,165**	**972**	**1,109**	**1,349**	**1,026**
Share of Earnings of Equity-Method Entities	149	113	131	111	109	137
Other Non Operating Items	-21	0	-2	3	-1	58
Pre-Tax Income	**1,442**	**1,279**	**1,101**	**1,223**	**1,457**	**1,221**
Allocated Equity (€bn, year to date)	28.9	28.8	27.3	27.1	27.3	27.3

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
Personal Finance						
Revenues	**1,440**	**1,427**	**1,411**	**1,387**	**1,381**	**1,354**
Operating Expenses and Dep.	-702	-770	-728	-639	-672	-725
Gross Operating Income	**738**	**656**	**682**	**748**	**709**	**629**
Cost of Risk	-289	-329	-299	-345	-265	-276
Operating Income	**449**	**327**	**383**	**403**	**443**	**353**
Share of Earnings of Equity-Method Entities	17	13	17	21	8	15
Other Non Operating Items	-13	0	-1	0	-2	4
Pre-Tax Income	**454**	**340**	**400**	**424**	**450**	**373**
Allocated Equity (€bn, year to date)	7.9	7.8	7.3	7.2	7.1	7.0

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey)*						
Revenues	**674**	**665**	**600**	**562**	**614**	**581**
Operating Expenses and Dep.	-445	-456	-405	-381	-402	-416
Gross Operating Income	**230**	**210**	**195**	**181**	**212**	**165**
Cost of Risk	-97	-77	-78	-105	-55	-70
Operating Income	**132**	**133**	**117**	**76**	**157**	**96**
Share of Earnings of Equity-Method Entities	66	53	60	43	43	41
Other Non Operating Items	0	0	-1	0	-1	54
Pre-Tax Income	**198**	**186**	**176**	**119**	**199**	**191**
Income Attributable to Wealth and Asset Management	-1	-1	0	-1	-1	-1
Pre-Tax Income of EM	**197**	**185**	**176**	**118**	**199**	**191**
Allocated Equity (€bn, year to date)	5.3	5.3	4.8	4.8	4.8	4.8

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey)						
Revenues	**672**	**663**	**599**	**561**	**612**	**579**
Operating Expenses and Dep.	-444	-455	-404	-380	-401	-415
Gross Operating Income	**228**	**209**	**195**	**180**	**211**	**164**
Cost of Risk	-97	-77	-78	-105	-55	-70
Operating Income	**131**	**132**	**117**	**75**	**156**	**95**
Share of Earnings of Equity-Method Entities	66	53	60	43	43	41
Other Non Operating Items	0	0	-1	0	-1	54
Pre-Tax Income	**197**	**185**	**176**	**118**	**199**	**191**
Allocated Equity (€bn, year to date)	5.3	5.3	4.8	4.8	4.8	4.8

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

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
BANCWEST (Including 100% of Private Banking in United States)*						
Revenues	**593**	**569**	**599**	**578**	**576**	**535**
Operating Expenses and Dep.	-431	-442	-431	-430	-406	-415
Gross Operating Income	**162**	**127**	**169**	**148**	**170**	**120**
Cost of Risk	-2	-18	-22	-35	0	-12
Operating Income	**160**	**109**	**146**	**113**	**169**	**108**
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0
Other Non Operating Items	1	0	0	2	0	0
Pre-Tax Income	**161**	**109**	**146**	**116**	**169**	**108**
Income Attributable to Wealth and Asset Management	-7	-8	-7	-8	-7	-6
Pre-Tax Income of BANCWEST	**153**	**101**	**139**	**108**	**162**	**102**
Allocated Equity (€bn, year to date)	5.3	5.3	4.9	4.8	5.0	4.9

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
BANCWEST (Including 2/3 of Private Banking in United States)						
Revenues	**576**	**553**	**581**	**562**	**561**	**522**
Operating Expenses and Dep.	-421	-433	-420	-422	-398	-407
Gross Operating Income	**155**	**119**	**162**	**140**	**163**	**115**
Cost of Risk	-2	-18	-22	-35	0	-12
Operating Income	**152**	**101**	**139**	**106**	**162**	**102**
Non Operating Items	1	0	0	2	0	0
Pre-Tax Income	**153**	**101**	**139**	**108**	**162**	**102**
Allocated Equity (€bn, year to date)	5.3	5.3	4.9	4.8	5.0	4.9

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
INSURANCE						
Revenues	**779**	**874**	**542**	**741**	**735**	**661**
Operating Expenses and Dep.	-360	-389	-346	-351	-342	-367
Gross Operating Income	**419**	**484**	**196**	**390**	**393**	**294**
Cost of Risk	1	-2	2	0	1	0
Operating Income	**420**	**482**	**198**	**390**	**394**	**294**
Share of Earnings of Equity-Method Entities	57	37	43	38	46	75
Other Non Operating Items	-16	0	0	1	0	0
Pre-Tax Income	**461**	**520**	**241**	**429**	**440**	**369**
Allocated Equity (€bn, year to date)	8.3	8.4	8.4	8.4	8.5	8.7

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
WEALTH AND ASSET MANAGEMENT						
Revenues	**795**	**766**	**866**	**791**	**834**	**795**
Operating Expenses and Dep.	-632	-641	-728	-654	-639	-614
Gross Operating Income	**163**	**125**	**138**	**137**	**195**	**181**
Cost of Risk	-2	-2	-3	-1	-2	0
Operating Income	**161**	**123**	**134**	**136**	**193**	**181**
Share of Earnings of Equity-Method Entities	10	10	11	8	12	5
Other Non Operating Items	7	0	0	-1	1	0
Pre-Tax Income	**177**	**132**	**146**	**143**	**206**	**187**
Allocated Equity (€bn, year to date)	2.1	2.0	1.9	1.9	1.9	1.9

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

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
CORPORATE AND INSTITUTIONAL BANKING						
Revenues	**3,099**	**3,008**	**2,379**	**2,565**	**2,979**	**2,906**
Operating Expenses and Dep.	-1,997	-2,463	-1,919	-1,884	-1,970	-2,389
Gross Operating Income	**1,102**	**545**	**460**	**680**	**1,009**	**517**
Cost of Risk	-24	-32	-100	49	-23	31
Operating Income	**1,078**	**513**	**359**	**730**	**986**	**548**
Share of Earnings of Equity-Method Entities	5	2	39	4	7	9
Other Non Operating Items	-25	-2	-6	0	3	2
Pre-Tax Income	**1,058**	**514**	**393**	**734**	**996**	**558**
Allocated Equity (€bn, year to date)	21.3	20.7	20.8	20.7	20.3	19.9

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
CORPORATE BANKING						
Revenues	**1,094**	**969**	**1,102**	**930**	**999**	**892**
Operating Expenses and Dep.	-607	-724	-622	-597	-591	-683
Gross Operating Income	**487**	**245**	**480**	**333**	**409**	**209**
Cost of Risk	-21	-35	-91	46	12	1
Operating Income	**467**	**210**	**389**	**379**	**421**	**210**
Non Operating Items	3	3	36	5	7	9
Pre-Tax Income	**470**	**213**	**424**	**384**	**428**	**219**
Allocated Equity (€bn, year to date)	12.4	12.2	12.2	12.1	12.0	11.9

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
GLOBAL MARKETS						
Revenues	**1,409**	**1,523**	**650**	**1,132**	**1,447**	**1,498**
incl. FICC	*793*	*1,035*	*505*	*680*	*729*	*805*
incl. Equity & Prime Services	*615*	*488*	*145*	*452*	*718*	*692*
Operating Expenses and Dep.	-913	-1,276	-859	-848	-955	-1,275
Gross Operating Income	**496**	**248**	**-209**	**284**	**492**	**223**
Cost of Risk	-6	3	-13	3	-37	28
Operating Income	**491**	**251**	**-222**	**287**	**455**	**251**
Share of Earnings of Equity-Method Entities	1	0	1	0	1	1
Other Non Operating Items	-25	1	-3	0	1	0
Pre-Tax Income	**467**	**252**	**-225**	**287**	**457**	**252**
Allocated Equity (€bn, year to date)	8.0	7.7	7.8	7.7	7.4	7.1

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
SECURITIES SERVICES						
Revenues	**596**	**516**	**627**	**503**	**532**	**517**
Operating Expenses and Dep.	-477	-463	-438	-439	-424	-431
Gross Operating Income	**119**	**53**	**189**	**63**	**108**	**86**
Cost of Risk	2	-1	4	0	3	1
Operating Income	**121**	**52**	**193**	**63**	**110**	**87**
Non Operating Items	0	-3	0	0	1	0
Pre-Tax Income	**121**	**50**	**193**	**63**	**111**	**86**
Allocated Equity (€bn, year to date)	0.9	0.8	0.9	0.9	0.9	0.8

€m	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
CORPORATE CENTRE						
Revenues	**53**	**37**	**-1**	**9**	**311**	**159**
Operating Expenses and Dep.	*-436*	*-400*	*-605*	*-415*	*-491*	*-454*
'Incl. Restructuring and Transformation Costs	*-335*	*-206*	*-481*	*-267*	*-275*	*-211*
Gross Operating Income	**-383**	**-363**	**-606**	**-405**	**-179**	**-295**
Cost of Risk	7	-4	-74	1	-18	-19
Operating Income	**-377**	**-367**	**-680**	**-404**	**-197**	**-314**
Share of Earnings of Equity-Method Entities	24	24	25	18	19	22
Other Non Operating Items	81	623	-88	285	46	110
Pre-Tax Income	**-272**	**280**	**-743**	**-101**	**-132**	**-183**

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 aggregate, 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	Evolution of operating expenses excluding taxes and contributions subject to IFRIC 21. Details of the impact of IFRIC 21 is provided in the slide "Breakdown of taxes and contributions subject to IFRIC 21" of the results' presentation	Representative measure of the operating expenses' evolution in the 1st semester 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 transformation and restructuring 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.

1.3 Long term credit ratings

Long Term/Short Term Rating	**S&P**	**Fitch**	**Moody's**	**DBRS**
As at 2 May 2019	A+/A-1 (stable outlook)	A+/F1 (stable outlook)	Aa3/Prime-1 (stable outlook)	AA (low)/R-1 (middle) (stable outlook)
As at 31st July 2019	A+/A-1 (stable outlook)	AA-/F1+ (stable outlook)	Aa3/Prime-1 (stable outlook)	AA (low)/R-1 (middle) (stable outlook)
Date of last review	5 April 2019	6 June 2019	27 September 2017	12 July 2019

1.4 Risk factors

Save as disclosed in this document, there has been no significant change in BNP Paribas' risk factors relative to those described in pages 287 to 295 of the 2018 Registration document and annual financial report.

1.5 Recent events

Save as disclosed in this document, no significant event that may appear in this section has occurred since the first update to the 2018 Registration document and annual financial report was issued on 2 May 2019.

2. Financial information as at 30 June 2019

2.1 Consolidated financial statements as at 30 June 2019

CONSOLIDATED FINANCIAL STATEMENTS

Prepared in accordance with IFRS as adopted by the European Union

The consolidated financial statements of the BNP Paribas Group are presented for the first halves of 2019 and 2018. In accordance with Article 20.1 of Annex I of European Commission Regulation (EC) 809/2004, the consolidated financial statements for the first half of 2017 are provided in the registration document filed with the Autorité des marchés financiers on 6 March 2018 under number D.18-0104.

PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2019

In millions of euros	Notes	First half 2019	First half 2018
Interest income	3.a	19,167	17,948
Interest expense	3.a	(8,669)	(7,495)
Commission income	3.b	6,334	6,502
Commission expense	3.b	(1,865)	(1,842)
Net gain on financial instruments at fair value through profit or loss	3.c	3,690	3,545
Net gain on financial instruments at fair value through equity	3.d	218	170
Net gain on derecognised financial assets at amortised cost		2	14
Net income from insurance activities	3.e	2,318	2,133
Income from other activities	3.f	6,675	6,612
Expense on other activities	3.f	(5,502)	(5,583)
REVENUES		**22,368**	**22,004**
Salary and employee benefit expense		(8,667)	(8,385)
Other operating expenses	3.g	(5,973)	(6,434)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		(1,244)	(809)
GROSS OPERATING INCOME		**6,484**	**6,376**
Cost of risk	3.h	(1,390)	(1,182)
OPERATING INCOME		**5,094**	**5,194**
Share of earnings of equity-method entities		314	294
Net gain on non-current assets		1,471	206
Goodwill	5.l	(819)	15
PRE-TAX INCOME		**6,060**	**5,709**
Corporate income tax	3.i	(1,462)	(1,476)
NET INCOME		**4,598**	**4,233**
Net income attributable to minority interests		212	273
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		**4,386**	**3,960**
Basic earnings per share	7.a	3.35	3.02
Diluted earnings per share	7.a	3.35	3.02

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

In millions of euros	First half 2019	First half 2018
Net income for the period	**4,598**	**4,233**
Changes in assets and liabilities recognised directly in equity	**1,003**	**(753)**
Items that are or may be reclassified to profit or loss	**1,110**	**(959)**
- Changes in exchange differences	142	(156)
- Changes in fair value of financial assets at fair value through equity		
Changes in fair value recognised in equity	*231*	*(315)*
Changes in fair value reported in net income	*(132)*	*(99)*
- Changes in fair value of investments of insurance activities		
Changes in fair value recognised in equity	*753*	*(253)*
Changes in fair value reported in net income	*(50)*	*(60)*
- Changes in fair value of hedging instruments		
Changes in fair value recognised in equity	*492*	*(413)*
Changes in fair value reported in net income	*(125)*	*(1)*
- Income tax	(359)	296
- Changes in equity-method investments	158	42
Items that will not be reclassified to profit or loss	**(107)**	**206**
- Changes in fair value of equity instruments designated as at fair value through equity	146	(16)
- Debt remeasurement effect arising from BNP Paribas Group issuer risk	28	141
- Remeasurement gains (losses) related to post-employment benefit plans	(303)	177
- Income tax	43	(97)
- Changes in equity-method investments	(21)	1
Total	**5,601**	**3,480**
- Attributable to equity shareholders	5,386	3,192
- Attributable to minority interests	215	288

BALANCE SHEET AT 30 JUNE 2019

In millions of euros	Notes	30 June 2019	31 December 2018
ASSETS			
Cash and balances at central banks		178,729	185,119
Financial instruments at fair value through profit or loss			
Securities	5.a	197,965	121,954
Loans and repurchase agreements	5.a	316,675	183,716
Derivative financial instruments	5.a	256,250	232,895
Derivatives used for hedging purposes		15,037	9,810
Financial assets at fair value through equity			
Debt securities	5.b	53,202	53,838
Equity securities	5.b	2,303	2,151
Financial assets at amortised cost			
Loans and advances to credit institutions	5.d	40,015	19,556
Loans and advances to customers	5.d	793,960	765,871
Debt securities	5.d	90,264	75,073
Remeasurement adjustment on interest-rate risk hedged portfolios		4,919	2,787
Financial investments of insurance activities	5.g	250,595	232,308
Current and deferred tax assets	5.i	6,853	7,220
Accrued income and other assets	5.j	117,876	103,346
Equity-method investments		5,784	5,772
Property, plant and equipment and investment property		30,811	26,652
Intangible assets		3,688	3,783
Goodwill	5.l	7,694	8,487
Non-current assets held for sale			498
TOTAL ASSETS		**2,372,620**	**2,040,836**
LIABILITIES			
Deposits from central banks		9,090	1,354
Financial instruments at fair value through profit or loss			
Securities	5.a	100,405	75,189
Deposits and repurchase agreements	5.a	348,039	204,039
Issued debt securities	5.a	61,783	54,908
Derivative financial instruments	5.a	250,477	225,804
Derivatives used for hedging purposes		16,120	11,677
Financial liabilities at amortised cost			
Deposits from credit institutions	5.e	108,274	78,915
Deposits from customers	5.e	833,265	796,548
Debt securities	5.f	168,303	151,451
Subordinated debt	5.f	18,718	17,627
Remeasurement adjustment on interest-rate risk hedged portfolios		5,190	2,470
Current and deferred tax liabilities	5.i	2,430	2,255
Accrued expenses and other liabilities	5.j	102,210	89,562
Technical reserves and other insurance liabilities	5.h	229,800	213,691
Provisions for contingencies and charges	5.m	10,034	9,620
TOTAL LIABILITIES		**2,264,138**	**1,935,110**
EQUITY			
Share capital, additional paid-in capital and retained earnings		*98,232*	*93,431*
Net income for the period attributable to shareholders		*4,386*	*7,526*
Total capital, retained earnings and net income for the period attributable to shareholders		**102,618**	**100,957**
Changes in assets and liabilities recognised directly in equity		*1,517*	*510*
Shareholders' equity		**104,135**	**101,467**
Minority interests	7.d	**4,347**	**4,259**
TOTAL EQUITY		**108,482**	**105,726**
TOTAL LIABILITIES AND EQUITY		**2,372,620**	**2,040,836**

CASH FLOW STATEMENT FOR THE FIRST HALF OF 2019

In millions of euros	Notes	First half 2019	First half 2018
Pre-tax income		**6,060**	**5,709**
Non-monetary items included in pre-tax net income and other adjustments		**5,895**	**7,303**
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		3,021	2,554
Impairment of goodwill and other non-current assets		794	(25)
Net addition to provisions		6,015	6,369
Share of earnings of equity-method entities		(314)	(294)
Net (income) from investing activities		(1,487)	(475)
Net expense (income) from financing activities		(915)	64
Other movements		(1,219)	(890)
Net increase (decrease) in cash related to assets and liabilities generated by operating activities		**(36,793)**	**11,775**
Net increase in cash related to transactions with customers and credit institutions		24,052	39,095
Net decrease in cash related to transactions involving other financial assets and liabilities		(56,383)	(24,164)
Net decrease in cash related to transactions involving non-financial assets and liabilities		(3,776)	(2,435)
Taxes paid		(686)	(721)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		**(24,838)**	**24,787**
Net increase in cash related to acquisitions and disposals of consolidated entities		1,574	607
Net decrease related to property, plant and equipment and intangible assets		(708)	(541)
NET INCREASE IN CASH AND EQUIVALENTS RELATED TO INVESTING ACTIVITIES		**866**	**66**
Decrease in cash and equivalents related to transactions with shareholders		(2,853)	(4,044)
Increase in cash and equivalents generated by other financing activities		12,784	7,553
NET INCREASE IN CASH AND EQUIVALENTS RELATED TO FINANCING ACTIVITIES		**9,931**	**3,509**
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS		**601**	**1,395**
NON-MONETARY IMPACTS FROM NON-CURRENT ASSETS HELD FOR SALE		**-**	**(724)**
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS		**(13,440)**	**29,033**
Balance of cash and equivalent accounts at the start of the period		**182,523**	**175,061**
Cash and amounts due from central banks		185,134	178,446
Due to central banks		(1,354)	(1,471)
On demand deposits with credit institutions		8,813	8,063
On demand loans from credit institutions	5.e	(10,571)	(9,906)
Deduction of receivables and accrued interest on cash and equivalents		501	(71)
Balance of cash and equivalent accounts at the end of the period		**169,083**	**204,094**
Cash and amounts due from central banks		178,747	211,455
Due to central banks		(9,090)	(5,948)
On demand deposits with credit institutions		9,131	9,451
On demand loans from credit institutions	5.e	(9,908)	(10,828)
Deduction of receivables and accrued interest on cash and equivalents		203	(36)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS		**(13,440)**	**29,033**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital and retained earnings				Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss			
In millions of euros	Share capital and additional paid-in-capital	Undated Super Subordinated Notes	Non-distributed reserves	Total	Financial assets designated as at fair value through equity	Own-credit valuation adjustment of debt securities designated as at fair value through profit or loss	Remeasurement gains (losses) related to post-employment benefits plans	Total
Capital and retained earnings at 1 January 2018	**27,051**	**8,172**	**62,416**	**97,639**	**561**	**(323)**	**68**	**306**
Appropriation of net income for 2017			**(3,772)**	**(3,772)**				**-**
Increases in capital and issues	49			49				-
Movements in own equity instruments	(36)	(5)	(126)	(167)				-
Share-based payment plans			2	2				-
Remuneration on preferred shares and undated super subordinated notes			(134)	(134)				-
Impact of internal transactions on minority shareholders (note 7.d)			6	6				-
Movements in consolidation scope impacting minority shareholders (note 7.d)				-				-
Acquisitions of additional interests or partial sales of interests (note 7.d)			127	127			9	9
Change in commitments to repurchase minority shareholders' interests			(7)	(7)				-
Other movements			(1)	(1)				-
Changes in assets and liabilities recognised directly in equity				-	(33)	90	129	186
Net income for first half of 2018			**3,960**	**3,960**				**-**
Interim dividend payments				-				-
Capital and retained earnings at 30 June 2018	**27,064**	**8,167**	**62,471**	**97,702**	**528**	**(233)**	**206**	**501**
Appropriation of net income for 2017				**-**				**-**
Increases in capital and issues		660	(2)	658				-
Reduction or redemption of capital		(600)		(600)				-
Movements in own equity instruments	(28)	3	(16)	(41)				-
Share-based payment plans				-				-
Remuneration on preferred shares and undated super subordinated notes			(222)	(222)				-
Movements in consolidation scope impacting minority shareholders (note 7.d)			(37)	(37)			37	37
Acquisitions of additional interests or partial sales of interests (note 7.d)			(56)	(56)				-
Change in commitments to repurchase minority shareholders interests			1	1				-
Other movements			(7)	(7)				-
Changes in assets and liabilities recognised directly in equity				-	(125)	44	(33)	(114)
Realised gains or losses reclassified to retained earnings			(7)	(7)		7		7
Net income for second half of 2018			**3,566**	**3,566**				**-**
Interim dividend payments				-				-
Capital and retained earnings at 31 December 2018	**27,036**	**8,230**	**65,691**	**100,957**	**403**	**(182)**	**210**	**431**
Effect of IFRS 16 first time adoption (note 2.)			(141)	(141)				-
Capital and retained earnings at 1 January 2019	**27,036**	**8,230**	**65,550**	**100,816**	**403**	**(182)**	**210**	**431**
Appropriation of net income for 2018			**(3,772)**	**(3,772)**				**-**
Increases in capital and issues		1,326	(1)	1,325				-
Reduction or redemption of capital				-				-
Movements in own equity instruments	19	(18)	51	52				-
Share-based payment plans				-				-
Remuneration on preferred shares and undated super subordinated notes			(163)	(163)				-
Impact of internal transactions on minority shareholders (note 7.d)			(1)	(1)				-
Acquisitions of additional interests or partial sales of interests (note 7.d)			2	2				-
Change in commitments to repurchase minority shareholders' interests			(10)	(10)				-
Other movements			(10)	(10)				-
Changes in assets and liabilities recognised directly in equity				-	140	20	(263)	(103)
Realised gains or losses reclassified to retained earnings			(7)	(7)		7		7
Net income for first half of 2019			**4,386**	**4,386**				**-**
Capital and retained earnings at 30 June 2019	**27,055**	**9,538**	**66,025**	**102,618**	**543**	**(155)**	**(53)**	**335**

BETWEEN 1st JANUARY 2018 AND 30 JUNE 2019

Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss					Total shareholders' equity	Minority interests *(note 7.d)*	Total equity
Exchange differences	Financial assets at fair value through equity	Financial investments of insurance activities	Derivatives used for hedging purposes	Total			
(2,192)	589	1,947	1,137	1,481	99,426	5,126	104,552
				-	**(3,772)**	**(151)**	**(3,923)**
				-	49	4	53
				-	(167)		(167)
				-	2	2	4
				-	(134)	(1)	(135)
				-	6	(6)	-
				-	-	19	19
(29)	10			(19)	117	304	421
				-	(7)	(27)	(34)
				-	(1)	1	-
(209)	(273)	(163)	(309)	(954)	(768)	15	(753)
				-	**3,960**	**273**	**4,233**
				-	-	(25)	(25)
(2,430)	326	1,784	828	508	98,711	5,534	104,245
				-	**-**	**(9)**	**(9)**
				-	658		658
				-	(600)		(600)
				-	(41)		(41)
				-	-	(2)	(2)
				-	(222)	(1)	(223)
				-	-	(1,318)	(1,318)
				-	(56)	3	(53)
				-	1	(138)	(137)
				-	(7)	10	3
(43)	(125)	(255)	(6)	(429)	(543)	(19)	(562)
				-	-		-
				-	**3,566**	**206**	**3,772**
				-	-	(7)	(7)
(2,473)	201	1,529	822	79	101,467	4,259	105,726
				-	(141)	(5)	(146)
(2,473)	201	1,529	822	79	101,326	4,254	105,580
				-	**(3,772)**	**(216)**	**(3,988)**
				-	1,325		1,325
				-	-		-
				-	52		52
				-	-		-
				-	(163)	(1)	(164)
				-	(1)	1	-
				-	2	(3)	(1)
				-	(10)	96	86
				-	(10)	1	(9)
191	47	652	213	1,103	1,000	3	1,003
				-	-		-
				-	**4,386**	**212**	**4,598**
(2,282)	248	2,181	1,035	1,182	104,135	4,347	108,482

NOTES TO THE FINANCIAL STATEMENTS

Prepared in accordance with IFRS as adopted by the European Union

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE GROUP

1.a ACCOUNTING STANDARDS

1.a.1 APPLICABLE ACCOUNTING STANDARDS

The consolidated financial statements of the BNP Paribas Group have been prepared in accordance with international accounting standards (International Financial Reporting Standards – IFRS), as adopted for use in the European Union[1]. Accordingly, certain provisions of IAS 39 on hedge accounting have been excluded, and certain recent texts have not yet undergone the approval process.

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

Since 1 January 2019, the Group applies IFRS 16 « Leases », adopted by the European Union on 31 October 2017.

IFRS 16 supersedes IAS 17 « Leases » and the interpretations relating to the accounting of such contracts. It defines new accounting principles applicable to lease contracts for the lessee, that rely on both the identification of an asset and the control of the right to use the identified asset by the lessee.

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

The main impact in the profit and loss account is the replacement of rental expenses previously accounted for on a linear basis in operating expenses by additional interest expenses in Net Banking Income in relation with lease liabilities, and the recognition of additional amortizing expenses in relation with rights-of-use.

Detailed accounting principles applicable by the Group as lessee are presented in note 1.h.2. The detail of the impacts of the first application of the standard is presented in note 2.

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

Since 1st January 2018, the Group has anticipated the application of amendments to IFRS 9: “Prepayment Features with Negative Compensation.”

The introduction of other standards, amendments and interpretations which are mandatory as of 1 January 2019 did not have an effect on the half-year condensed financial statements as at 30 June 2019.

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

The Group did not anticipate the application of the new standards, amendments, and interpretations adopted by the European Union, when the application in 2019 was optional.

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

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

The analysis of the standard and the identification of its effects are going on.

1.b CONSOLIDATION

1.b.1 SCOPE OF CONSOLIDATION

The consolidated financial statements of BNP Paribas include entities that are controlled by the Group, jointly controlled, and under significant influence, with the exception of those entities whose consolidation is regarded as immaterial to the Group. Companies that hold shares in consolidated companies are also consolidated.

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

1.b.2 CONSOLIDATION METHODS

Exclusive control

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

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

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

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

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

[1] On 26 June 2019, the IASB published an exposure draft "Amendments to IFRS 17" including in particular the deferral of the mandatory initial application of IFRS 17 to 1 January 2022.

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

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

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

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

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

Joint control

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

Significant influence

Companies over which the Group exercises significant influence or associates are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of a company without exercising control. Significant influence is presumed to exist when the Group holds, directly or indirectly, 20% or more of the voting rights of a company. Interests of less than 20% can be included in the consolidation scope if the Group effectively exercises significant influence. This is the case for example for entities developed in partnership with other associates, where the BNP Paribas Group participates in strategic decisions of the enterprise through representation on the Board of Directors or equivalent governing body, or exercises influence over the enterprise's operational management by supplying management systems or senior managers, or provides technical assistance to support the enterprise's development.

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

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

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

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

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

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

1.b.3 CONSOLIDATION RULES

- **Elimination of intragroup balances and transactions**

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

- **Translation of accounts expressed in foreign currencies**

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

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

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

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

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

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

1.b.4 BUSINESS COMBINATION AND MEASUREMENT OF GOODWILL

- **Business combinations**

Business combinations are accounted for using the purchase method.

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

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

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

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

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

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

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

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

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

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

- **Measurement of goodwill**

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

- Cash-generating units

The BNP Paribas Group has split all its activities into cash-generating units[1] representing major business lines. This split is consistent with the Group's organisational structure and management methods, and reflects the independence of each unit in terms of results and management approach. It is reviewed on a regular basis in order to take account of events likely to affect the composition of cash-generating units, such as acquisitions, disposals and major reorganisations.

- Testing cash-generating units for impairment

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

- Recoverable amount of a cash-generating unit

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

[1] As defined by IAS 36.

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

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

1.c TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

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

- **Monetary assets and liabilities[1] expressed in foreign currencies**

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

- **Non-monetary assets and liabilities expressed in foreign currencies**

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

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

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

1.d.1 NET INTEREST INCOME

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

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

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

1.d.2 COMMISSIONS AND INCOME FROM OTHER ACTIVITIES

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

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

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

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

Commission

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

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

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

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

Income from other activities

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

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

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

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

1.e FINANCIAL ASSETS AND LIABILITIES

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

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

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

1.e.1 FINANCIAL ASSETS AT AMORTISED COST

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

Business model criterion

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

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

Cash flow criterion

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

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

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

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

Thus, when the variable interest rate of the financial asset is periodically reset on a frequency that does not match the duration for which the interest rate is established, the time value of money may be considered as modified and, depending on the significance of that modification, the cash flow criterion may not be met. Some financial assets held by the Group present a mismatch between the interest rate reset frequency and the maturity of the index, or interest rates indexed on an average of benchmark rate. The Group has developed a consistent methodology for analysing this alteration of the time value of money.

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

Some contractual clauses may change the timing or the amount of cash flows. Early redemption options do not call into question the cash flow criterion if the prepayment amount substantially represents the principal amount outstanding and the interest thereon, which may include a reasonable compensation for the early termination of the contract. For example, as regards loans to retail customers, the compensation limited to 6 months of interest or 3% of the capital outstanding is considered as reasonable. Actuarial penalties, corresponding to the discount value of the difference between the residual contractual cash-flows of the loan, and their reinvestment in a loan to a similar counterparty or in the interbank market for a similar residual maturity are also considered as reasonable, even when the compensation can be positive or negative (i.e. so called “symmetric” compensations). An option that permits the issuer or the holder of a financial instrument to change the interest rate from floating to fixed rate does not breach the cash flow criterion if the fixed rate is determined at origination, or if it represents the time value of money for the residual maturity of the instrument at the date of exercise of the option.

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

Certain loans may be “non-recourse”, either contractually, or in substance when they are granted to a special purpose entity. That is in particular the case of numerous project financing or asset financing loans. The cash-flow criterion is met as long as these loans do not represent a direct exposure on the assets acting as collateral. In practice, the sole fact that the financial asset explicitly gives rise to cash-flows that are consistent with payments of principal and interest is not sufficient to conclude that the instrument meets the cash-flows criterion. In that case, the particular underlying assets to which there is limited recourse shall be analysed using the “look-through” approach. If those assets do not themselves meet the cash-flows criterion, an assessment of the existing credit enhancement has to be performed. The following aspects are considered: structuring and sizing of the transaction, own funds level of the structure, expected source of repayment, volatility of the underlying assets. This analysis is applied to “non-recourse” loans granted by the Group.

The “financial assets at amortised cost” category includes, in particular, loans granted by the Group, as well as, reverse repurchase agreements and securities held by the Group ALM Treasury in order to collect contractual flows and meeting the cash-flows criterion.

Recognition

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

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

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

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

Debt instruments

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

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

The securities held by the Group ALM Treasury in order to collect contractual flows or to be sold and meeting the cash flow criterion are in particular classified in this category.

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

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

Equity instruments

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

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

1.e.3 FINANCING AND GUARANTEE COMMITMENTS

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

1.e.4 REGULATED SAVINGS AND LOAN CONTRACTS

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

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

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

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

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

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

The reinvestment rate for savings and the refinancing rate for loans are derived from the swap yield curve and from the spreads expected on financial instruments of similar type and maturity. Spreads are determined on the basis of actual spreads on fixed rate home loans in the case of the loan phase and products offered to individual clients in the case of the savings phase. In order to reflect the uncertainty of future interest rate trends, and the impact of such trends on customer behaviour models and on at-risk outstandings, the obligations are estimated using the Monte-Carlo method.

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

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

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

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

General model

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

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

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

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

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

Definition of default

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

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

Credit-impaired or doubtful financial assets

Definition

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

At an individual level, objective evidence that a financial asset is credit-impaired includes observable data regarding the following events: the existence of accounts that are more than 90 days past due; knowledge or indications that the borrower meets significant financial difficulties, such that a risk can be considered to have arisen regardless of whether the borrower has missed any payments; concessions with respect to the credit terms granted to the borrower that the lender would not have considered had the borrower not been meeting financial difficulty (see section "Restructuring of financial assets for financial difficulties").

Specific cases of purchased or originated credit-impaired assets

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

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

Simplified model

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

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

Significant increase in credit risk

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

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

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

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

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

Measurement of expected credit losses

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

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

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

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

Maturity

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

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

Probabilities of Default (PD)

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

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

1-year PDs are derived from long term average regulatory "through the cycle" PDs to reflect the current situation ("point in time" or "PIT").

Lifetime PDs are determined from the rating migration matrices reflecting the expected rating evolution of the exposure until maturity, and the associated probabilities of default.

Loss Given Default (LGD)

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

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

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

Exposure At Default (EAD)

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

Forward looking

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

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

Write-offs

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

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

Recoveries through the repossession of the collateral

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

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

Restructuring of financial assets for financial difficulties

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

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

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

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

Modifications of financial assets that are not due to the borrower’s financial difficulties (i.e. commercial renegotiations) are generally analysed as the early prepayment of the former financial asset, which is then derecognised, followed by the set-up of a new financial asset at market conditions.

1.e.6 COST OF RISK

Cost of risk includes the following items of income:

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

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

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

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

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

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

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

Financial liabilities designated as at fair value through profit or loss

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

- for hybrid financial instruments containing one or more embedded derivatives which otherwise would have been separated and accounted for separately. An embedded derivative is such that its economic characteristics and risks are not closely related to those of the host contract;
- when using the option enables the entity to eliminate or significantly reduce a mismatch in the measurement and accounting treatment of assets and liabilities that would otherwise arise if they were to be classified in separate categories.

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

1.e.8 FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

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

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

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

Debt securities and subordinated debt

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

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

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

Equity instruments

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

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

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

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

Distributions from a financial instrument classified as an equity instrument are recognised directly as a deduction from equity. Similarly, the transaction costs of an instrument classified as equity are recognised as a deduction from shareholders' equity.

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

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

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

1.e.9 HEDGE ACCOUNTING

The Group retained the option provided by the standard to maintain the hedge accounting requirements of IAS 39 until the future standard on macro-hedging is entered into force. Furthermore, IFRS 9 does not explicitly address the fair value hedge of the interest rate risk on a portfolio of financial assets or liabilities. The provisions in IAS 39 for these portfolio hedges, as adopted by the European Union, continue to apply.

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

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

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

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

On inception and at least quarterly, the Group assesses, in consistency with the original documentation, the actual (retrospective) and expected (prospective) effectiveness of the hedging relationship. Retrospective effectiveness tests are designed to assess whether the ratio of actual changes in the fair value or cash flows of the hedging instrument to those in the hedged item is within a range of 80% to 125%. Prospective effectiveness tests are designed to ensure that expected changes in the fair value or cash flows of the derivative over the residual life of the hedge adequately offset those of the hedged item. For highly probable forecast transactions, effectiveness is assessed largely on the basis of historical data for similar transactions.

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

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

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

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

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

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

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

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

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

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

1.e.10 DETERMINATION OF FAIR VALUE

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

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

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

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

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

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

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

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

Derecognition of financial assets

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

Derecognition of financial liabilities

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

Repurchase agreements and securities lending/borrowing

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

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

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

1.e.12 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

1.f ACCOUNTING STANDARDS SPECIFIC TO INSURANCE ACTIVITIES

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

The amendment to IFRS 4 "Insurance Contracts": "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" adopted by the European Union on 3 November 2017 provides the option for entities that predominantly undertake insurance activities to defer the effective date of IFRS 9[1] until 1 January 2021 . The effect of such a deferral is that those entities may continue to report their financial statements under the existing standard IAS 39.

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

BNP Paribas Group applies this amendment to all its insurance entities, including funds related to this activity, which will apply IAS 39 "Financial instruments: Recognition and Measurement" until 31 December 2020.

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

1.f.1 PROFIT AND LOSS ACCOUNT

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

This heading in the income statement includes premiums earned, net gain in investment contracts with no discretionary participation feature and other services, net investment income (including income on investment property and impairment on shares and other equity instruments), technical charges related to contracts; (including policyholders surplus reserve), net charges from ceded reinsurance and external charges related to contracts (including commissions).

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

1.f.2 FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES

Investments of insurance activities mainly include:

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

Investments in financial instruments

[1] On 26 June 2019, the IASB published an exposure draft "Amendments to IFRS 17" including in particular the deferral of the mandatory initial application of IFRS 17 as well as the deferral of the expiry date for the temporary exemption from IFRS 9 to 1 January 2022.

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

- Financial assets at fair value through profit or loss

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

Financial assets may be designated at fair value through profit or loss in the following cases (in accordance with IAS 39):

- hybrid financial instruments containing one or more embedded derivatives which otherwise would have been separated and accounted for separately. An embedded derivative is such that its economic characteristics and risks are not closely related to those of the host contract;
- where using the option enables the entity to eliminate or significantly reduce a mismatch in the measurement and accounting treatment of assets and liabilities that would arise if they were to be classified in separate accounting categories;
- when the group of financial assets and/or financial liabilities is managed and measured on the basis of fair value, in accordance with a documented risk management and investment strategy.

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

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

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

- Loans and advances

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

Loans and receivables are initially recognised at their fair value or equivalent, which generally corresponds to the net amount originally paid.
Loans and receivables are subsequently measured at amortised cost using the effective interest method and net of repayments of principal and interest.
Interest is calculated using the effective interest method, which includes interest, transaction costs and commissions included in their initial value and is presented under "Net income from insurance activities" and under sub-heading "Net gain on financial instruments at amortised cost".

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

- Held-to-maturity financial assets

“Held-to-maturity financial assets” include debt securities, with fixed maturity, that the Group has the intention and ability to hold until maturity.

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

Income received on these securities is presented under “Net income from insurance activities” and under sub-heading “Net gain on financial instruments at amortised cost”. Impairment losses recognised when there is objective evidence of impairment related to an event subsequent to the acquisition of the asset are presented under “Cost of risk”.

- Available-for-sale financial assets

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

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

Income recognised using the effective interest method on debt securities, dividends received and impairment (in the event of a significant or lasting decline in the value of the securities) of equity securities are presented under “Net income from insurance activities” and under section “Net gain on available-for-sale financial assets”. Impairment losses on debt securities are presented under “Cost of risk”.

Investment property

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

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

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

Equity method investments

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

1.f.3 TECHNICAL RESERVES AND OTHER INSURANCE LIABILITIES

The item “Technical reserves and other insurance liabilities” includes:

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

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

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

Insurance and reinsurance contracts and investment contracts with discretionary participating features

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

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

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

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

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

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

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

Investment contracts with no discretionary participating features

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

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

1.g PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets shown in the consolidated balance sheet are composed of assets used in operations and investment property. Rights-of-use related to leased assets (cf. note 1.h.2) are presented by the lessee within fixed assets in the same category as similar assets held.

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

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

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

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

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

Subsequent to initial recognition, property, plant and equipment and intangible assets are measured at cost less accumulated depreciation or amortisation and any impairment losses.

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

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

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

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

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

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

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

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

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

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

1.h LEASES

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

1.h.1 GROUP COMPANY AS LESSOR

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

- **Finance leases**

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

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

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

- **Operating leases**

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

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

1.h.2 GROUP COMPANY AS LESSEE

Lease contracts concluded by the Group, with the exception of contracts whose term is shorter than or equal to 12 months and low-value contracts, are recognized in the balance-sheet in the form of a right-of-use on the leased asset presented under fixed assets, along with the recognition of a financial liability for the rent and other payments to be made over the leasing period. The right of use assets are amortised on a straight-line basis and the financial liabilities are amortised on an actuarial basis over the lease period. Dismantling costs corresponding to specific and significant fittings and fixtures are included in the initial right-of-use estimation, in counterparty of a provision liability.

The key hypothesis used by the Group for the measurement of rights of use and lease liabilities are the following:

- The lease term corresponds to the non-cancellable period of the contract, together with periods covered by an extension option if the Group is reasonably certain to exercise this option. In France, the standard commercial lease contract is the so-called “three, six, nine” contract for which the maximum period of use is nine years, with a first non-cancellable period of three years followed by two optional extension periods of three years each; hence, depending on the assessment, the lease term can be of three, six or nine years. For contracts with no enforceable period and which are renewable tacitly, related right of use and lease liabilities are recognised based on the termination period if this period is more than twelve months. For contracts with an initial enforceable period of at least one year, which are renewable tacitly for this enforceable period or another enforceable period as long as the notice of termination has not been given, related right of use and lease liabilities are recognised at each date of renewal of an enforceable period.

- The discount rate used to measure the right of use and the lease liability is assessed for each contract as the interest rate implicit in the lease, if that rate can be readily determined, or more generally based on the incremental borrowing rate of the lessee at the date of signature. The incremental borrowing rate is determined considering the average term (duration) of the contract.

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

Where the Group decides to sell non-current assets or a group of assets and liabilities and it is highly probable that the sale will occur within 12 months, these assets are shown separately in the balance sheet, on the line “Non-current assets held for sale”. Any liabilities associated with these assets are also shown separately in the balance sheet, on the line “Liabilities associated with non-current assets held for sale”. When the Group is committed to a sale plan involving loss of control of a subsidiary and the sale is highly probable within 12 months, all the assets and liabilities of that subsidiary are classified as held for sale.

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

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

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

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

1.j EMPLOYEE BENEFITS

Employee benefits are classified in one of four categories:

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

3. termination benefits;
4. post-employment benefits, including top-up banking industry pensions and retirement bonuses in France and pension plans in other countries, some of which are operated through pension funds.

- **Short-term benefits**

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

- **Long-term benefits**

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

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

- **Termination benefits**

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

- **Post-employment benefits**

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

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

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

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

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

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

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

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

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

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

1.k SHARE-BASED PAYMENTS

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

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

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

- **Stock option and share award plans**

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

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

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

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

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

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

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

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

1.l PROVISIONS RECORDED UNDER LIABILITIES

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

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

As regards the assessment of uncertainty over income tax treatments, the Group adopts the following approach:

- The Group assesses whether it is probable that a taxation authority will accept an uncertain tax treatment;
- Any uncertainty shall be reflected when determining the taxable profit (loss) by considering either the most likely amount (having the higher probability of occurrence), or the expected value (sum of the probability-weighted amounts).

1.m CURRENT AND DEFERRED TAX

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

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

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

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

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

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

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

Current and deferred taxes are recognised as tax income or expenses in the profit and loss account, except for those relating to a transaction or an event directly recognised in shareholders' equity, which are also recognised in shareholders' equity. This concerns in particular the tax effect of coupons paid on financial instruments issued by the Group and qualified as equity instruments, such as Undated Super Subordinated Notes.

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

1.n CASH FLOW STATEMENT

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

Changes in cash and cash equivalents related to operating activities reflect cash flows generated by the Group’s operations, including those relating to financial investments of insurance activities and negotiable certificates of deposit.

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

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

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

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

This applies in particular to:

- the analysis of the cash flow criterion for specific financial assets;
- the measurement of expected credit losses. This applies in particular to the assessment of significant increase in credit risk, the models and assumptions used to measure expected credit losses, the determination of the different economic scenarios and their weighting;
- the analysis of renegotiated loans, in order to assess whether they should be maintained on the balance-sheet or derecognised;
- the assessment of an active market, and the use of internally developed models for the measurement of the fair value of financial instruments not quoted in an active market classified in “Financial assets at fair value through equity”, or in “Financial instruments at fair value through profit or loss”, whether as assets or liabilities, and more generally calculations of the fair value of financial instruments subject to a fair value disclosure requirement;
- the assumptions applied to assess the sensitivity to each type of market risk of the market value of financial instruments and the sensitivity of these valuations to the main unobservable inputs as disclosed in the notes to the financial statements;
- the appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness;
- impairment tests performed on intangible assets;
- the deferred tax assets;
- the estimation of insurance technical reserves and policyholders surplus reserves;
- the measurement of uncertainty over income tax treatments and other provisions for contingencies and charges. In particular, while investigations and litigations are ongoing, it is difficult to foresee

their outcome and potential impact. Provision estimation is established by taking into account all available information at the date of the preparation of the financial statements, in particular the nature of the dispute, the underlying facts, the ongoing legal proceedings and court decisions, including those related to similar cases. The Group may also use the opinion of experts and independent legal advisers to exercise its judgement.

2. EFFECT OF IFRS 16 FIRST TIME ADOPTION

As of 1 January 2019, BNP Paribas Group has applied the new accounting standard IFRS 16 « Leases ». The Group decided to apply the simplified retrospective transition requirement, with the cumulative effect in equity. This impact in equity results from the difference between:

- A right of use and its amortisation as if the standard had been applied since the origination of the contract, discounted at the standard first application date ;
- A lease liability discounted at the standard first application date.

The discount rate applied for the measurement of both the right of use and the lease liability is the incremental borrowing rate at the date of the initial application of the norm, based on the residual maturity of the contract at that date.

The Group has applied the main simplification measures offered by the standard when applying the simplified retrospective transition method, in particular the absence of accounting for a right-of-use for contracts whose residual maturity is lower than twelve months at transition date.

The lease contracts identified are essentially property leases, and to a lesser extent computer and banking equipment leases and vehicles leases. Property leases encompass either commercial agencies for retail banking, or operating offices (office buildings, head offices…) in France or abroad.

The Group made the choice not to apply the exemption to the accounting of initial deferred tax assets (DTA) and deferred tax liabilities (DTL) permitted by paragraphs 15 and 24 of IAS 12 "Income Taxes". Consequently, distinct deferred tax assets and deferred tax liabilities will be accounted for with regards to the balance-sheet amounts of rights of use and lease liabilities of the lessee.

The main impacts on the balance-sheet are a negative effect of EUR 146 million (net of tax) in equity, an increase of the fixed assets by EUR 3,357 million and the recognition of a lease liability of EUR 3,568 million and an increase of deferred tax assets by EUR 45 million (after compensation of DTA and DTL in accordance with the principles detailed in section 1.m Current and deferred tax).

The following table presents the balance-sheet accounts impacted by the first application of IFRS 16.

In millions of euros	31 December 2018	Effect of the IFRS 16 adoption	1st January 2019
ASSETS			
Current and deferred tax assets	7,220	45	7,265
Accrued income and other assets	103,346	7	103,353
Property, plant and equipment and investment property	26,652	3,357	30,009
Of which gross value	*42,006*	*6,639*	*48,645*
Of which accumulated depreciation, amortisation and impairment	*(15,354)*	*(3,282)*	*(18,636)*
TOTAL EFFECT ON ASSETS		**3,409**	
LIABILITIES			
Deposits from credit institutions	78,915	(11)	78,904
Current and deferred tax liabilities	2,255	(2)	2,253
Accrued expenses and other liabilities	89,562	3,568	93,130
Total effect on liabilities		**3,555**	
EQUITY			
Shareholders' equity	101,467	(141)	101,326
Minority interests	4,259	(5)	4,254
Total effect on equity		**(146)**	
TOTAL EFFECT ON LIABILITIES		**3,409**	

3. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2019

3.a NET INTEREST INCOME

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

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

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

In millions of euros	First half 2019			First half 2018		
	Income	Expense	Net	Income	Expense	Net
Financial instruments at amortised cost	**15,378**	**(6,349)**	**9,029**	**14,216**	**(4,919)**	**9,297**
Deposits, loans and borrowings	14,071	(4,711)	9,360	13,170	(3,838)	9,332
Repurchase agreements	90	(48)	42	82	(29)	53
Finance leases	672	(35)	637	635	(37)	598
Debt securities	545		545	329		329
Issued debt securities and subordinated debt		(1,555)	(1,555)		(1,015)	(1,015)
Financial instruments at fair value through equity	**667**	**-**	**667**	**474**	**-**	**474**
Debt securities	667		667	474		474
						-
Financial instruments at fair value through profit or loss (Trading securities excluded)	**30**	**(140)**	**(110)**	**20**	**(249)**	**(229)**
Cash flow hedge instruments	**1,830**	**(1,019)**	**811**	**1,795**	**(1,043)**	**752**
Interest rate portfolio hedge instruments	**1,262**	**(1,126)**	**136**	**1,443**	**(1,284)**	**159**
Lease Liabilities	**-**	**(35)**	**(35)**			
Total interest income/(expense)	**19,167**	**(8,669)**	**10,498**	**17,948**	**(7,495)**	**10,453**

Interest income on individually impaired loans amounted to EUR 235 million for the first half of 2019, compared to EUR 225 million for the first half of 2018.

3.b COMMISSION INCOME AND EXPENSE

In millions of euros	First half 2019			First half 2018		
	Income	Expense	Net	Income	Expense	Net
Customer transactions	2,126	(593)	1,533	2,100	(514)	1,586
Securities and derivatives transactions	883	(625)	258	924	(538)	386
Financing and guarantee commitments	586	(38)	548	560	(21)	539
Asset management and other services	2,228	(106)	2,122	2,361	(137)	2,224
Others	511	(503)	8	557	(632)	(75)
Commission income/expense	**6,334**	**(1,865)**	**4,469**	**6,502**	**(1,842)**	**4,660**
- of which net commission income related to trust and similar activities through which the Group holds or invests assets on behalf of clients, trusts, pension and personal risk funds or other institutions	*1,346*	*(106)*	*1,240*	*1,461*	*(140)*	*1,321*
- of which commission income and expense on financial instruments not measured at fair value through profit or loss	*1,461*	*(254)*	*1,207*	*1,492*	*(183)*	*1,309*

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

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

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

In millions of euros	First half 2019	First half 2018
Trading book	**7,284**	**3,363**
Interest rate and credit instruments	4,237	2,731
Equity financial instruments	3,206	183
Foreign exchange financial instruments	397	208
Loans and repurchase agreements	(813)	(309)
Other financial instruments	257	550
Financial instruments designated as at fair value through profit or loss	**(3,852)**	**(18)**
Other financial instruments at fair value through profit or loss	**301**	**238**
Debt instruments	(5)	(25)
Equity instruments	306	263
Impact of hedge accounting	**(43)**	**(38)**
Fair value hedging derivatives	639	(21)
Hedged items in fair value hedge	(682)	(17)
Net gain on financial instruments at fair value through profit or loss	**3,690**	**3,545**

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

Net gains on the trading book in first half of 2019 and 2018 include a non-material amount related to the ineffective portion of cash flow hedges.

Potential sources of ineffectiveness can be the differences between hedging instruments and hedged items, notably generated by mismatches in the terms of hedged and hedging instruments, such as the frequency and timing of interest rates resetting, the frequency of payment and the discounting factors, or when hedging derivatives have a non-zero fair value at inception date of the hedging relationship. Credit valuation adjustments applied to hedging derivatives are also sources of ineffectiveness.

Cumulated changes in fair value related to discontinued cash flow hedge relationships, previously recognised in equity and included in the first half of 2019 profit and loss account were not material, whether the hedged item ceased to exist or not.

3.d NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH EQUITY

In millions of euros	First half 2019	First half 2018
Net gain on debt instruments at fair value through equity	**134**	**111**
Debt securities [1]	134	111
Net gain on equity instruments at fair value through equity	**84**	**59**
Dividend income	84	59
Net gain on financial instruments at fair value through equity	**218**	**170**

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

Unrealised gains and losses on debt securities previously recorded under “Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss” and included in the pre-tax income, amount to a gain of EUR 134 million for the first half of 2019, compared with EUR 98 million for the first half of 2018.

3.e NET INCOME FROM INSURANCE ACTIVITIES

In millions of euros	First half 2019	First half 2018
Premiums earned	12,615	14,203
Net gain from investment contracts with discretionary participation feature and other services	14	23
Net income from financial investments	9,411	1,725
Technical charges related to contracts	(18,583)	(12,678)
Net charges from ceded reinsurance	(61)	(99)
Policy benefit expenses	(1,078)	(1,041)
Net income from insurance activities	**2,318**	**2,133**

In millions of euros	First half 2019	First half 2018
Net gain on available-for-sale financial assets	1,716	1,997
Interest income and dividends	*1,593*	*1,649*
Additions to impairment provisions	*(145)*	*(7)*
Net disposal gains	*268*	*355*
Net gain on financial instruments at fair value through profit or loss	7,523	(461)
Net gain on financial instruments at amortised cost	61	138
Investment property income/expense	109	58
Share of earnings of equity-method investments	6	(1)
Other income/expense	(4)	(6)
Net income from financial investments	**9,411**	**1,725**

3.f NET INCOME FROM OTHER ACTIVITIES

In millions of euros	First half 2019			First half 2018		
	Income	Expense	Net	Income	Expense	Net
Net income from investment property	56	(17)	39	47	(18)	29
Net income from assets held under operating leases	5,142	(4,388)	754	4,925	(4,233)	692
Net income from property development activities	602	(519)	83	436	(309)	127
Other net income	875	(578)	297	1,204	(1,023)	181
Total net income from other activities	**6,675**	**(5,502)**	**1,173**	**6,612**	**(5,583)**	**1,029**

3.g OTHER OPERATING EXPENSES

In millions of euros	First half 2019	First half 2018
External services and other operating expenses	(4,504)	(4,957)
Taxes and contributions [1]	(1,469)	(1,477)
Total other operating expenses	**(5,973)**	**(6,434)**

[1] Contributions to European resolution funds, including exceptional contributions, amount to EUR 645 million for the first half of 2019 compared with EUR 608 million for the first half of 2018.

3.h COST OF RISK

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

- assessing whether there has been a significant increase in credit risk since initial recognition, and
- measuring impairment allowance as either 12-month expected credit losses or lifetime expected credit loss. (i.e. loss expected at maturity)

Both steps shall rely on forward looking information.

Significant increase in credit risk

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

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

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

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

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

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

- *SME Corporates facilities and Retail*

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

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

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

Furthermore, for all portfolios (except consumer credit specialised business):

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

- when the rating is worse than or equal to 9+ (or the 1 year PD is above 10%) at reporting date considering the Group's practice in terms of credit origination, it is considered as significantly deteriorated and therefore placed into stage 2 (as long as the facility is not credit-impaired).

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

Forward Looking Information

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

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

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

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

The link between the macro-economic scenarios and the ECL measurement is mainly achieved through a modelling of internal rating (or risk parameter) migration matrices. The probabilities of default determined according to these scenarios are used to measure expected credit losses in each of these situations.

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

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

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

Macro-economic scenarios:

The three macroeconomic scenarios correspond to:

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

- a favourable scenario which reflects the impact of the materialisation of some of the upside risks for the economy, resulting in a much more favourable economic path. To achieve an unbiased estimation of provisions, the favourable scenario is designed in such a way that the probability of the shock on GDP growth (on average over the cycle) is equal to the probability of the corresponding shock in the adverse scenario. The magnitude of favourable GDP shocks generally corresponds to 80%-95% of the magnitude of adverse GDP shocks. Other variables (unemployment, inflation, interest rate) are deducted in the same way as in the adverse scenario.

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

In millions of euros	First half 2019	First half 2018
Net allowances to impairment	(1,202)	(1,122)
Recoveries on loans and receivables previously written off	215	254
Losses on irrecoverable loans	(403)	(314)
Total cost of risk for the period	**(1,390)**	**(1,182)**

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

In millions of euros	First half 2019	First half 2018
Cash and balances at central banks	(4)	3
Financial instruments at fair value through profit or loss	(3)	(10)
Financial assets at fair value through equity	(1)	(7)
Financial assets at amortised cost	(1,280)	(1,190)
Loans and receivables	*(1,283)*	*(1,165)*
Debt securities	*3*	*(25)*
Other assets	(11)	4
Financing and guarantee commitments and other items	(91)	18
Total cost of risk for the period	**(1,390)**	**(1,182)**
Cost of risk on unimpaired assets and commitments	*51*	*169*
of which stage 1	*(82)*	*(51)*
of which stage 2	*133*	*220*
Cost of risk on impaired assets and commitments - stage 3	*(1,441)*	*(1,351)*

- **Credit risk impairment**

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

In millions of euros	31 December 2018	Net allowance to impairment	Impairment provisions used	Effect of exchange rate movements and other	30 June 2019
Assets impairment					
Amounts due from central banks	15	4		(1)	18
Financial instruments at fair value through profit or loss	191	(1)		(12)	178
Impairment of assets at fair value through equity	140	1			141
Financial assets at amortised cost	24,362	1,112	(1,912)	(124)	23,438
Loans and receivables	*24,232*	*1,114*	*(1,912)*	*(122)*	*23,312*
Debt securities	*130*	*(2)*		*(2)*	*126*
Other assets	80	10		(1)	89
Total impairment of financial assets	**24,788**	**1,126**	**(1,912)**	**(138)**	**23,864**
of which stage 1	*1,581*	*60*		*(44)*	*1,597*
of which stage 2	*3,325*	*(150)*	*(7)*	*19*	*3,187*
of which stage 3	*19,882*	*1,216*	*(1,905)*	*(113)*	*19,080*
Provisions recognised as liabilities					
Provisions for commitments	775	66		(3)	838
Other provisions	417	10	(19)	(9)	399
Total provisions recognised for credit commitments	**1,192**	**76**	**(19)**	**(12)**	**1,237**
of which stage 1	*237*	*13*		*(7)*	*243*
of which stage 2	*220*	*19*			*239*
of which stage 3	*735*	*44*	*(19)*	*(5)*	*755*
Total impairment and provisions	**25,980**	**1,202**	**(1,931)**	**(150)**	**25,101**

Change in impairment of amortised cost financial assets during the period

In millions of euros	Impairment on assets subject to 12-month Expected Credit Losses (Stage 1)	Impairment on assets subject to lifetime Expected Credit Losses (Stage 2)	Impairment on doubtful assets (Stage 3)	Total
At 31 December 2018	**1,549**	**3,302**	**19,511**	**24,362**
Net allowance to impairment	**49**	**(149)**	**1,212**	**1,112**
Financial assets purchased or originated during the period	292	187	3	482
Financial assets derecognised during the period (1)	(140)	(245)	(379)	(764)
Transfer to stage 2	(75)	1,088	(241)	772
Transfer to stage 3	(11)	(495)	1,247	741
Transfer to stage 1	52	(450)	(56)	(454)
Other allowances / reversals without stage transfer (2)	(69)	(234)	638	335
Impairment provisions used	**(1)**	**(7)**	**(1,904)**	**(1,912)**
Effect of exchange rate movements and other items	**(41)**	**17**	**(100)**	**(124)**
At 30 June 2019	**1,556**	**3,163**	**18,719**	**23,438**

(1) including disposals

(2) including amortisation

3.i CORPORATE INCOME TAX

In millions of euros	First half 2019	First half 2018
Net current tax expense	(1,162)	(996)
Net deferred tax expense	(300)	(480)
Corporate income tax expense	**(1,462)**	**(1,476)**

4. SEGMENT INFORMATION

The Group is composed of two operating divisions:

Retail Banking and Services, which covers Domestic Markets and International Financial Services. Domestic Markets include retail banking networks in France (FRB), Italy (BNL banca commerciale), Belgium (BRB), and Luxembourg (LRB), as well as certain specialised retail banking divisions (Personal Investors, Leasing Solutions, Arval and New Digital Businesses). International Financial Services is composed of all BNP Paribas Group retail banking businesses out of the Eurozone, split between Europe Mediterranean and BancWest in the United States, as well as Personal Finance and the Insurance and Wealth and Asset Management activities (Wealth Management, Asset Management and Real Estate);

Corporate and Institutional Banking (CIB), which includes Corporate Banking (Europe, Middle East, Africa, Asia, Americas, and Corporate Finance activities), Global Markets (Fixed Income, Currency and Commodities, as well as Equity and Prime Services), and Securities Services to management companies, financial institutions and other corporations.

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

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

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

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

In order to be comparable with 2019, the segment information for 2018 has been restated of the following main effects as if these had occurred on 1st January 2018.

1. Following the sale in 2018 of 43.6% of First Hawaiian Bank (FHB), the entity was no longer fully consolidated as from 1st August 2018 and was accounted according to the IFRS 5 standard as assets held for sale. It had been booked under the Corporate Centre from 1st October 2018. As a reminder, the remaining stake has been entirely sold on 25th January 2019.

FHB's contribution to Group results has been retroactively reallocated to the Corporate Centre from 1st January 2018, including the capital gain from the sale of FHB shares which was initially allocated to BancWest.

2. The internal transfer of Correspondent Banking activities has been made within CIB from Corporate Banking to Securities Services to reflect the organisational change.

These changes do not affect Group results as a whole but only the analytical breakdown of IFS (BancWest), CIB (Corporate Banking, Securities Services), and Corporate Centre.

- **Income by business segment**

In millions of euros	First half 2019						First half 2018					
	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income
Retail Banking & Services												
Domestic Markets												
French Retail Banking (1)	**3,071**	(2,212)	(152)	**708**	1	**709**	**3,034**	(2,218)	(112)	**704**	1	**704**
BNL banca commerciale (1)	**1,317**	(881)	(272)	**163**		**163**	**1,366**	(897)	(296)	**173**	(1)	**171**
Belgian Retail Banking (1)	**1,703**	(1,323)	(31)	**350**	(3)	**346**	**1,760**	(1,331)	(4)	**424**		**424**
Other Domestic Markets activities (1)	**1,535**	(924)	(63)	**548**	(6)	**542**	**1,452**	(895)	(61)	**497**	(5)	**491**
International Financial Services												
Personal Finance	**2,866**	(1,472)	(619)	**776**	18	**794**	**2,735**	(1,397)	(541)	**797**	26	**822**
International Retail Banking												
Europe-Mediterranean (1)	**1,335**	(898)	(174)	**264**	118	**382**	**1,192**	(816)	(125)	**251**	139	**389**
BancWest (1)	**1,129**	(855)	(21)	**253**	1	**254**	**1,386**	(967)	(25)	**394**		**394**
Insurance	**1,653**	(750)	(1)	**902**	78	**980**	**1,397**	(710)	1	**688**	121	**810**
Wealth and Asset Management	**1,561**	(1,273)	(4)	**283**	26	**310**	**1,630**	(1,253)	(2)	**374**	18	**392**
Corporate & Institutional Banking												
Corporate Banking	**2,063**	(1,331)	(55)	**677**	6	**683**	**1,919**	(1,288)	14	**645**	16	**661**
Global Markets	**2,932**	(2,188)	(2)	**742**	(23)	**719**	**2,945**	(2,230)	(9)	**706**	4	**709**
Securities Services	**1,112**	(941)	1	**173**	(2)	**171**	**1,022**	(842)	3	**183**		**183**
Other Activities	**90**	(837)	3	**(744)**	752	**8**	**167**	(784)	(25)	**(641)**	197	**(444)**
Total Group	**22,368**	**(15,884)**	**(1,390)**	**5,094**	**966**	**6,060**	**22,004**	**(15,628)**	**(1,182)**	**5,194**	**515**	**5,709**

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

- **Net commission income by business segment, including fees accounted for under « Net income from insurance activities »**

In millions of euros	First half 2019	First half 2018
Retail Banking & Services		
Domestic Markets		
French Retail Banking [1]	1,295	1,321
BNL banca commerciale [1]	507	522
Belgian Retail Banking [1]	404	408
Other Domestic Markets activities [1]	179	193
International Financial Services		
Personal Finance	375	373
International Retail Banking	460	424
Europe Mediterranean [1]	*284*	*256*
BancWest [1]	*176*	*168*
Insurance	(1,721)	(1,690)
Wealth and Asset Management	1,006	1,077
Corporate & Institutional Banking		
Corporate Banking	671	698
Global Markets	(397)	(363)
Securities Services	651	615
Other activities	(10)	114
Total Group	**3,421**	**3,693**

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

5. NOTES TO THE BALANCE SHEET AT 30 JUNE 2019

5.a FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and financial liabilities at fair value through profit or loss consist of held-for-trading transactions - including derivatives -, of certain liabilities designated by the Group as at fair value through profit or loss at the time of issuance and of non-trading instruments whose characteristics prevent their accounting at amortised cost or at fair value through equity.

	30 June 2019				31 December 2018			
In millions of euros	Trading book	Financial instruments designated as at fair value through profit or loss	Other financial assets at fair value through profit or loss	Total	Trading book	Financial instruments designated as at fair value through profit or loss	Other financial assets at fair value through profit or loss	Total
Securities	190,407		7,558	197,965	114,615		7,339	121,954
Loans and repurchase agreements	315,632		1,043	316,675	182,463		1,253	183,716
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**506,039**	**-**	**8,601**	**514,640**	**297,078**	**-**	**8,592**	**305,670**
Securities	100,405			100,405	75,189			75,189
Deposits and repurchase agreements	345,592	2,447		348,039	201,705	2,334		204,039
Issued debt securities (note 5.f)		61,783		61,783		54,908		54,908
of which subordinated debt		*789*		*789*		*787*		*787*
of which non subordinated debt		*55,103*		*55,103*		*48,964*		*48,964*
of which debt representative of shares of consolidated funds held by third parties		*5,891*		*5,891*		*5,157*		*5,157*
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**445,997**	**64,230**		**510,227**	**276,894**	**57,242**		**334,136**

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

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

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

The redemption value of debt issued and designated as at fair value through profit or loss at 30 June 2019 was EUR 56,343 million (EUR 56,435 million at 31 December 2018).

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

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

- Debt instruments that do not meet the criteria defined by IFRS 9 to be classified as financial instruments at "fair value through equity" or at "amortised cost":
  - Their business model is not to "collect contractual cash flows" nor "collect contractual cash flows and sell the instruments"; and/or
  - Their cash flows are not solely repayments of principal and interest on the principal amount outstanding.
- Equity instruments that the Group did not choose to classify as at "fair value through equity".

DERIVATIVE FINANCIAL INSTRUMENTS

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

Some derivative instruments are also contracted to hedge financial assets or financial liabilities for which the Group has not documented a hedging relationship, or which do not qualify for hedge accounting under IFRS.

	30 June 2019		31 December 2018	
In millions of euros	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	154,411	142,695	116,438	103,452
Foreign exchange derivatives	63,306	62,068	69,514	68,761
Credit derivatives	8,655	9,157	6,873	7,071
Equity derivatives	25,180	32,174	33,424	39,419
Other derivatives	4,698	4,383	6,646	7,101
Derivative financial instruments	**256,250**	**250,477**	**232,895**	**225,804**

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

	30 June 2019				31 December 2018			
In millions of euros	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total
Interest rate derivatives	1,684,602	12,653,031	5,512,437	19,850,070	1,553,933	9,189,930	5,193,522	15,937,385
Foreign exchange derivatives	20,320	70,662	5,370,366	5,461,348	15,547	52,329	4,782,027	4,849,903
Credit derivatives		309,853	599,928	909,781		311,726	561,534	873,260
Equity derivatives	913,272	1,828	568,622	1,483,722	1,132,800	1,789	577,816	1,712,405
Other derivatives	208,441		88,510	296,951	99,510	58,004	94,202	251,716
Derivative financial instruments	**2,826,635**	**13,035,374**	**12,139,863**	**28,001,872**	**2,801,790**	**9,613,778**	**11,209,101**	**23,624,669**

5.b FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

In millions of euros	30 June 2019		31 December 2018	
	Fair value	of which changes in value taken directly to equity	Fair value	of which changes in value taken directly to equity
Debt securities	**53,202**	**169**	**53,838**	**77**
Governments	31,575	160	32,818	243
Other public administrations	14,101	77	14,340	(74)
Credit institutions	4,603	(68)	4,149	(83)
Others	2,923		2,531	(9)
Equity securities	**2,303**	**595**	**2,151**	**451**
Total financial assets at fair value through equity	**55,505**	**764**	**55,989**	**528**

Debt securities at fair value through equity include EUR 114 million classified as stage 3 at 30 June 2019 (unchanged compared to 31 December 2018). For these securities, the credit impairment recognised in the profit and loss account has been charged to the negative changes in value recognized in equity for EUR 113 million at 30 June 2019 (EUR 112 million at 31 December 2018).

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

During the first half of 2019, the Group did not sell any of these investments and no unrealised gains or losses were transferred to “retained earnings”.

5.c MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

VALUATION PROCESS

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

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

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

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

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

The main valuation adjustments are presented in the section below.

VALUATION ADJUSTMENTS

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

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

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

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

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

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

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

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

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

Thus, the carrying value of debt securities designated as at fair value though profit or loss is increased by EUR 207 million as at 30 June 2019, compared with an increase in value of EUR 244 million as at 31 December 2018, i.e. a EUR -37 million variation recognised directly in equity that will not be reclassified to profit or loss.

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

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

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

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

In millions of euros	30 June 2019											
	Trading book				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through equity			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	**160,301**	**29,775**	**331**	**190,407**	**636**	**1,806**	**5,116**	**7,558**	**39,595**	**14,679**	**1,231**	**55,505**
Governments	86,159	7,670		93,829		244		244	28,806	3,084		31,890
Asset Backed Securities	3,058	6,365	7	9,430		312		312		955		955
CDOs / CLOs [1]		*475*		*475*				-				-
Other Asset Backed Securities	*3,058*	*5,890*	*7*	*8,955*		*312*		*312*		*955*		*955*
Other debt securities	9,536	15,491	147	25,174		780	824	1,604	9,601	10,427	328	20,356
Equities and other equity securities	61,548	249	177	61,974	636	470	4,292	5,398	1,188	213	903	2,304
Loans and repurchase agreements	**-**	**314,647**	**985**	**315,632**	**-**	**294**	**749**	**1,043**	**-**	**-**	**-**	**-**
Loans		3,086	8	3,094		294	749	1,043				
Repurchase agreements		311,561	977	312,538				-				
FINANCIAL ASSETS AT FAIR VALUE	**160,301**	**344,422**	**1,316**	**506,039**	**636**	**2,100**	**5,865**	**8,601**	**39,595**	**14,679**	**1,231**	**55,505**
Securities	**95,357**	**5,032**	**16**	**100,405**	**-**	**-**	**-**	**-**				
Governments	71,255	293		71,548				-				
Other debt securities	6,263	4,700	14	10,977				-				
Equities and other equity securities	17,839	39	2	17,880				-				
Borrowings and repurchase agreements	**-**	**344,192**	**1,400**	**345,592**	**-**	**2,238**	**209**	**2,447**				
Borrowings		5,043		5,043		2,238	209	2,447				
Repurchase agreements		339,149	1,400	340,549				-				
Issued debt securities *(note 5.f)*	**-**	**-**	**-**	**-**	**4,607**	**40,395**	**16,781**	**61,783**				
Subordinated debt *(note 5.f)*				-		789		789				
Non subordinated debt (note 5.f)				-		38,322	16,781	55,103				
Debt representative of shares of consolidated funds held by third parties				-	4,607	1,284		5,891				
FINANCIAL LIABILITIES AT FAIR VALUE	**95,357**	**349,224**	**1,416**	**445,997**	**4,607**	**42,633**	**16,990**	**64,230**				

In millions of euros	31 December 2018											
	Trading book				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through equity			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	**89,253**	**25,121**	**241**	**114,615**	**625**	**1,969**	**4,745**	**7,339**	**43,105**	**11,927**	**957**	**55,989**
Governments	41,404	7,733		49,137	3	246		249	29,905	2,913		32,818
Asset Backed Securities	1,584	7,639	6	9,229		389		389		1,104		1,104
CDOs / CLOs [1]		*92*	*5*	*97*				-				-
Other Asset Backed Securities	*1,584*	*7,547*	*1*	*9,132*		*389*		*389*		*1,104*		*1,104*
Other debt securities	10,696	8,312	142	19,150		796	825	1,621	12,083	7,678	155	19,916
Equities and other equity securities	35,569	1,437	93	37,099	622	538	3,920	5,080	1,117	232	802	2,151
Loans and repurchase agreements	**-**	**182,196**	**267**	**182,463**	**-**	**346**	**907**	**1,253**	**-**	**-**	**-**	**-**
Loans		2,861		2,861		145	907	1,052				
Repurchase agreements		179,335	267	179,602		201		201				
FINANCIAL ASSETS AT FAIR VALUE	**89,253**	**207,317**	**508**	**297,078**	**625**	**2,315**	**5,652**	**8,592**	**43,105**	**11,927**	**957**	**55,989**
Securities	**71,828**	**3,346**	**15**	**75,189**	**-**	**-**	**-**	**-**				
Governments	48,779	631		49,410				-				
Other debt securities	8,394	2,655	11	11,060				-				
Equities and other equity securities	14,655	60	4	14,719				-				
Borrowings and repurchase agreements	**-**	**199,861**	**1,844**	**201,705**	**-**	**1,940**	**394**	**2,334**				
Borrowings		5,408		5,408		1,940	394	2,334				
Repurchase agreements		194,453	1,844	196,297				-				
Issued debt securities *(note 5.f)*	**-**	**-**	**-**	**-**	**4,049**	**36,323**	**14,536**	**54,908**				
Subordinated debt *(note 5.f)*				-		787		787				
Non subordinated debt *(note 5.f)*				-		34,428	14,536	48,964				
Debt representative of shares of consolidated funds held by third parties				-	4,049	1,108		5,157				
FINANCIAL LIABILITIES AT FAIR VALUE	**71,828**	**203,207**	**1,859**	**276,894**	**4,049**	**38,263**	**14,930**	**57,242**				

[1] Collateralised Debt Obligations / Collateralised Loan Obligations

In millions of euros	30 June 2019							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	201	152,966	1,244	154,411	155	140,937	1,603	142,695
Foreign exchange derivatives	1	63,046	259	63,306		61,793	275	62,068
Credit derivatives		7,846	809	8,655		8,387	770	9,157
Equity derivatives	7,081	16,807	1,292	25,180	5,944	19,922	6,308	32,174
Other derivatives	562	3,915	221	4,698	547	3,678	158	4,383
Derivative financial instruments not used for hedging purposes	**7,845**	**244,580**	**3,825**	**256,250**	**6,646**	**234,717**	**9,114**	**250,477**
Derivative financial instruments used for hedging purposes	**-**	**15,037**	**-**	**15,037**	**-**	**16,120**	**-**	**16,120**

In millions of euros	31 December 2018							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	158	115,046	1,234	116,438	118	101,967	1,367	103,452
Foreign exchange derivatives	1	69,182	331	69,514	1	68,520	240	68,761
Credit derivatives		6,527	346	6,873		6,616	455	7,071
Equity derivatives	11,724	19,057	2,643	33,424	11,092	22,633	5,694	39,419
Other derivatives	990	5,468	188	6,646	1,133	5,628	340	7,101
Derivative financial instruments not used for hedging purposes	**12,873**	**215,280**	**4,742**	**232,895**	**12,344**	**205,364**	**8,096**	**225,804**
Derivative financial instruments used for hedging purposes	**-**	**9,810**	**-**	**9,810**	**-**	**11,677**	**-**	**11,677**

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

During the first half of 2019, transfers between Level 1 and Level 2 were not significant.

DESCRIPTION OF MAIN INSTRUMENTS IN EACH LEVEL

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

Level 1

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

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

Level 2

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

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

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

Derivatives classified in Level 2 comprise mainly the following instruments:

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

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

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

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

Level 3

Level 3 securities of the trading book mainly comprise units of funds and unlisted equity shares measured at fair value through profit or loss or through equity.

Unlisted private equities are systematically classified as Level 3, with the exception of UCITS with a daily net asset value which are classified in the Level 1 of the fair value hierarchy.

Shares and other unlisted variable income securities in level 3 are valued using one of the following methods: a share of revalued net book value, multiples of comparable companies, future cash flows method, multi-criteria approach.

Repurchase agreements: mainly long-term or structured repurchase agreements on corporate bonds and ABSs: The valuation of these transactions requires proprietary methodologies given the bespoke nature of the transactions and the lack of activity and price discovery in the long-term repo market. The curves used in the valuation are corroborated using available data such as the implied basis of the relevant benchmark bond pool, recent long-term repo trade data and price enquiry data. Valuation adjustments applicable to these exposures are commensurate with the degree of uncertainty inherent in the modelling choices and amount of data available.

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

Derivatives

Vanilla derivatives are classified in Level 3 when the exposure is beyond the observation zone for rate curves or volatility surfaces, or relates to less liquid markets such as tranches on old credit index series or emerging markets interest rates markets. The main instruments are:

- ***Interest rate derivatives***: exposures mainly comprise swap products in less liquid currencies. Classification is driven by the lower liquidity of some maturities, while observation capabilities through consensus may be available. The valuation technique is standard, and uses external market information and extrapolation techniques.
- ***Credit derivatives (CDS)***: exposures mainly comprise CDSs beyond the maximum observable maturity and, to a much lesser extent, CDSs on illiquid or distressed names and CDSs on loan indices. Classification is driven by the lack of liquidity while observation capabilities may be available notably through consensus. Level 3 exposures also comprise CDS and Total Return Swaps (TRS) positions on securitised assets. These are priced along the same modelling techniques as the underlying bonds, taking into consideration the funding basis and specific risk premium.
- ***Equity derivatives***: exposures essentially comprise long dated forward or volatility products or exposures where there is a limited market for optional products. The marking of the forward curves and volatility surfaces beyond the maximum observable maturity relies on extrapolation techniques. However, when there is no market for model input, volatility or forward is generally determined on the basis of proxy or historical analysis.

  Similarly, long-term transactions on equity baskets are also classified in Level 3, based on the absence of equity correlation observability on long maturities.

These vanilla derivatives are subject to valuation adjustments linked to uncertainty on liquidity, specialised by nature of underlying and liquidity bands.

Structured derivatives classified in Level 3 predominantly comprise structured derivatives of which hybrid products (FX/Interest Rates hybrids, Equity hybrids), credit correlation products, prepayment-sensitive products, some stock basket optional products and some interest rate optional instruments.

The main exposures are described below, with insight into the related valuation techniques and on the source of uncertainty:

- ***Structured interest rate options*** are classified in Level 3 when they involve currencies where there is not sufficient observation or when they include a quanto feature where the pay-off is measured with a forex forward fixed rate (except for the main currencies). Long term structured derivatives are also classified in Level 3.

- ***Hybrid FX/Interest rate products*** essentially comprise a specific product family known as Power Reverse Dual Currency (PRDC). The valuation of PRDCs requires sophisticated modelling of joint behaviour of FX and interest rate, and is notably sensitive to the unobservable FX/ interest rate correlations. PRDCs valuations are corroborated with recent trade data and consensus data.

- ***Securitisation swaps*** mainly comprise fixed rate swaps, cross currency or basis swaps whose notional is indexed to the prepayment behaviour of some underlying portfolio. The estimation of the maturity profile of securitisation swaps is corroborated by statistical estimates using external historical data.

- ***Forward volatility options*** are generally products whose pay-off is indexed to the future variability of a rate index such as volatility swaps. These products involve material model risk as it is difficult to infer forward volatility information from the market-traded instruments. The valuation adjustment framework is calibrated to the uncertainty inherent in the product, and to the range of uncertainty from the existing external consensus data.

- ***Inflation derivatives*** classified in Level 3 mainly comprise swap products on inflation indices that are not associated with a liquid indexed bond market, optional products on inflation indices (such as caps and floors) and other forms of inflation indices involving optionality on the inflation indices or on the inflation annual rate. Valuation techniques used for inflation derivatives are predominantly standard market models. Proxy techniques are used for a few limited exposures. Although the valuations are corroborated through monthly consensus data, these products are classified as Level 3 due to their lack of liquidity and some uncertainties inherent in the calibration.

- The valuation of ***bespoke CDOs*** requires correlation of default events. This information is inferred from the active index tranche market through a proprietary projection technique and involves proprietary extrapolation and interpolation techniques. Multi-geography CDOs further require an additional correlation assumption. Finally, the bespoke CDO model also involves proprietary assumptions and parameters related to the dynamic of the recovery factor. CDO modelling, is calibrated on the observable index tranche markets, and is regularly back-tested against consensus data on standardised pools. The uncertainty arises from the model risk associated with the projection and geography mixing technique, and the uncertainty of associated parameters, together with the recovery modelling.

- ***N to Default baskets*** are other forms of credit correlation products, modelled through standard copula techniques. The main inputs required are the pair-wise correlations between the basket components which can be observed in the consensus and the transactions. Linear baskets are considered observable.

- ***Equity and equity-hybrid correlation products*** are instruments whose pay-off is dependent on the joint behaviour of a basket of equities/indices leading to a sensitivity of the fair value measurement to the correlation amongst the basket components. Hybrid versions of these instruments involve baskets that mix equity and non-equity underlyings such as commodity indices. Only a subset of the Equity/index correlation matrix is regularly observable and traded, while most cross-asset correlations are not active. Therefore, classification in Level 3 depends on the composition of the basket, the maturity, and the hybrid nature of the product. The correlation input is derived from a proprietary model combining historical estimators, and other adjustment factors, that are corroborated by reference to recent trades or external data. The correlation matrix is essentially available from consensus services, and when a correlation between two underlying instruments is not available, it might be obtained from extrapolation or proxy techniques.

These structured derivatives are subject to specific valuation adjustments to cover uncertainties linked to liquidity, parameters and model risk.

Valuation adjustments (CVA, DVA and FVA)

The valuation adjustment for counterparty credit risk (CVA), own-credit risk for derivatives (DVA) and the explicit funding valuation adjustment (FVA) are deemed to be unobservable components of the valuation framework and therefore classified in Level 3. This does not impact, in general cases, the classification of individual transactions into the fair value hierarchy. However, a specific process allows to identify individual deals for which the marginal contribution of these adjustments and related uncertainty is significant. Are particularly concerned some insufficiently collateralized vanilla interest rate instruments with very long residual maturity.

The table below provides the range of values of main unobservable inputs for the valuation of level 3 financial instruments. The ranges displayed correspond to a variety of different underlying instruments and are meaningful only in the context of the valuation technique implemented by BNP Paribas. The weighted averages, where relevant and available, are based on fair values, nominal amounts or sensitivities.

The main unobservable parameters used for the valuation of debt issued in level 3 are equivalent to these of their economic hedge derivative. Information on those derivatives, displayed in the following table, is also applicable to these debts.

Risk classes	Balance Sheet valuation *(in millions of euros)* Asset	Balance Sheet valuation *(in millions of euros)* Liability	Main product types composing the Level 3 stock within the risk class	Valuation technique used for the product types considered	Main unobservable inputs for the product types considered	Range of unobservable input across Level 3 population considered	Weighted average
Repurchase agreements	977	1,400	Long-term repo and reverse-repo agreements	Proxy techniques, based amongst other on the funding basis of a benchmark bond pool, that is actively traded and representative of the repo underlying	Long-term repo spread on private bonds (High Yield, High Grade) and on ABSs	0 bp to 95 bp	67 bp (a)
Interest rate derivatives	1,244	1,603	Hybrid Forex / Interest rates derivatives	Hybrid Forex interest rate option pricing model	Correlation between FX rate and interest rates. Main currency pairs are EUR/JPY, USD/JPY, AUD/JPY	8% to 54%	38 % (a)
			Hybrid inflation rates / Interest rates derivatives	Hybrid inflation interest rate option pricing model	Correlation between interest rates and inflation rates mainly in Europe.	2% to 37%	31%
			Floors and caps on inflation rate or on the cumulative inflation (such as redemption floors), predominantly on European and French inflation	Inflation pricing model	Volatility of cumulative inflation	0.7 % to 9.9 %	(b)
					Volatility of the year on year inflation rate	0.3 % to 2.0 %	
			Forward Volatility products such as volatility swaps, mainly in euro	Interest rates option pricing model	Forward volatility of interest rates	0.3 % to 0.6 %	(b)
			Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly on European collateral pools	Prepayment modelling Discounted cash flows	Constant prepayment rates	0.1 % to 18 %	9.4 % (a)
Credit Derivatives	809	770	Collateralised Debt Obligations and index tranches for inactive index series	Base correlation projection technique and recovery modelling	Base correlation curve for bespoke portfolios	20 % to 80 %	(b)
					Inter-regions default cross correlation	80% to 90 %	90% (c)
					Recovery rate variance for single name underlyings	0 to 25 %	(b)
			N-to-default baskets	Credit default model	Default correlation	50% to 85 %	60,8 % (a)
			Single name Credit Default Swaps (other than CDS on ABSs and loans indices)	Stripping, extrapolation and interpolation	Credit default spreads beyond observation limit (10 years)	148 bp to 186 bp (1)	171 bp (c)
					Illiquid credit default spread curves (across main tenors)	1 bp to 1,204 bp (2)	68 bp (c)
Equity Derivatives	1,292	6,308	Simple and complex derivatives on multi-underlying baskets on stocks	Various volatility option models	Unobservable equity volatility	0 % to 85 % (3)	24% (d)
					Unobservable equity correlation	13% to 97 %	73% (c)

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

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

(3) The upper part of the range relates to three equity instruments representing a non-material portion of the balance sheet on options with equity underlying instruments. Including these inputs, the upper bound of the range would be around 428 %.

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

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

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

(d) Simple averaging

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

For Level 3 financial instruments, the following movements occurred during the first half of 2019:

In millions of euros	Financial assets				Financial liabilities		
	Financial instruments at fair value through profit or loss held for trading	Financial instruments at fair value through profit or loss not held for trading	Financial assets at fair value through equity	TOTAL	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	TOTAL
At 31 December 2018	**5,250**	**5,652**	**957**	**11,859**	**(9,955)**	**(14,930)**	**(24,885)**
Purchases	451	440	203	**1,094**			**-**
Issues				**-**		(2,298)	**(2,298)**
Sales	(430)	(279)	(2)	**(711)**	32		**32**
Settlements [1]	(48)	(195)	(21)	**(264)**	(2,020)	552	**(1,468)**
Transfers to level 3	247	102	20	**369**	(176)	(564)	**(740)**
Transfers from level 3	(370)	(18)	(1)	**(389)**	833	646	**1,479**
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	1,177	160		**1,337**	(67)	129	**62**
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	(1,140)	2		**(1,138)**	856	(525)	**331**
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	4	1	1	**6**	(33)		**(33)**
- Changes in fair value of assets and liabilities recognised in equity			74	**74**			**-**
At 30 June 2019	**5,141**	**5,865**	**1,231**	**12,237**	**(10,530)**	**(16,990)**	**(27,520)**

[1] For the assets, includes redemptions of principal, interest payments as well as cash inflows and outflows relating to derivatives. For the liabilities, includes principal redemptions, interest payments as well as cash inflows and outflows relating to derivatives the fair value of which is negative.

Transfers out of Level 3 of derivatives at fair value include mainly the update of the observability tenor of certain yield curves, and of market parameters related to repurchase agreements and credit transactions but also the effect of derivatives becoming only or mainly sensitive to observable inputs due to the shortening of their lifetime.

Transfers into Level 3 of instruments at fair value reflect the effect of the regular update of the observability zones.
Transfers have been reflected as if they had taken place at the beginning of the reporting period.
The Level 3 financial instruments may be hedged by other Level 1 and Level 2 instruments, the gains and losses of which are not shown in this table. Consequently, the gains and losses shown in this table are not representative of the gains and losses arising from management of the net risk on all these instruments.

SENSITIVITY OF FAIR VALUE TO REASONABLY POSSIBLE CHANGES IN LEVEL 3 ASSUMPTIONS

The following table summarises those financial assets and financial liabilities classified as Level 3 for which alternative assumptions in one or more of the unobservable inputs would change fair value significantly.

The amounts disclosed are intended to illustrate the range of possible uncertainty inherent to the judgement applied when estimating Level 3 parameters, or when selecting valuation techniques. These amounts reflect valuation uncertainties that prevail at the measurement date, and even though such uncertainties predominantly derive from the portfolio sensitivities that prevailed at that measurement date, they are not predictive or indicative of future movements in fair value, nor do they represent the effect of market stress on the portfolio value.

In estimating sensitivities, BNP Paribas either remeasured the financial instruments using reasonably possible inputs, or applied assumptions based on the valuation adjustment policy.
For the sake of simplicity, the sensitivity on cash instruments that are not relating to securitised instruments was based on a uniform 1% shift in the price. More specific shifts were however calibrated for each class of the Level 3 securitised exposures, based on the possible ranges of the unobservable inputs.

For derivative exposures, the sensitivity measurement is based on the credit valuation adjustment (CVA), the explicit funding valuation adjustment (FVA) and the parameter and model uncertainty adjustments related to Level 3.
Regarding the credit valuation adjustment (CVA) and the explicit funding valuation adjustment (FVA), the uncertainty was calibrated based on prudent valuation adjustments described in the technical standard "Prudent Valuation" published by the European Banking Authority. For other valuation adjustments, two scenarios were considered: a favourable scenario where all or portion of the valuation adjustment is not considered by market participants, and an unfavourable scenario where market participants would require twice the amount of valuation adjustments considered by BNP Paribas for entering into a transaction.

In millions of euros	30 June 2019		31 December 2018	
	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Debt securities	+/-9	+/-3	+/-9	+/-2
Equities and other equity securities	+/-45	+/-9	+/-40	+/-8
Loans and repurchase agreements	+/-11		+/-25	
Derivative financial instruments	+/-704		+/-593	
Interest rate and foreign exchange derivatives	*+/-466*		*+/-365*	
Credit derivatives	*+/-54*		*+/-59*	
Equity derivatives	*+/-182*		*+/-167*	
Other derivatives	*+/-2*		*+/-2*	
Sensitivity of Level 3 financial instruments	**+/-769**	**+/-12**	**+/-667**	**+/-10**

DEFERRED MARGIN ON FINANCIAL INSTRUMENTS MEASURED USING TECHNIQUES DEVELOPED INTERNALLY AND BASED ON INPUTS PARTLY UNOBSERVABLE IN ACTIVE MARKETS

Deferred margin on financial instruments ("Day One Profit") only concerns the scope of market activities eligible for Level 3.

The day one profit is calculated after setting aside valuation adjustments for uncertainties as described previously and released to profit or loss over the expected period for which the inputs will be unobservable. The unamortised amount is included under "Financial instruments at fair value through profit or loss" as a reduction in the fair value of the relevant transactions.

In millions of euros	Deferred margin at 31 December 2018	Deferred margin on transactions during the year	Margin taken to the profit and loss account during the year	Deferred margin at 30 June 2019
Interest rate and foreign exchange derivatives	302	68	(72)	298
Credit derivatives	92	50	(34)	108
Equity derivatives	267	124	(96)	295
Other derivatives	13	4	(5)	12
Derivative financial instruments	**674**	**246**	**(207)**	**713**

5.d FINANCIAL ASSETS AT AMORTISED COST

- **Detail of loans and advances by nature**

In millions of euros	30 June 2019			31 December 2018		
	Gross value	Impairment (note 3.h)	Carrying amount	Gross value	Impairment (note 3.h)	Carrying amount
Loans and advances to credit institutions	**40,156**	**(141)**	**40,015**	**19,707**	**(151)**	**19,556**
On demand accounts	7,918	(15)	7,903	7,234	(17)	7,217
Loans[1]	15,238	(126)	15,112	11,628	(134)	11,494
Repurchase agreements	17,000		17,000	845		845

Loans and advances to customers	**817,131**	**(23,171)**	**793,960**	**789,952**	**(24,081)**	**765,871**
On demand accounts	43,257	(4,004)	39,253	41,482	(4,243)	37,239
Loans to customers	735,722	(18,035)	717,687	714,243	(18,681)	695,562
Finance leases	34,313	(1,132)	33,181	33,291	(1,157)	32,134
Repurchase agreements	3,839		3,839	936		936
Total loans and advances at amortised cost	**857,287**	**(23,312)**	**833,975**	**809,659**	**(24,232)**	**785,427**

(1) Loans and advances to credit institutions include term deposits made with central banks.

1. Detail of debt securities

	30 June 2019			31 December 2018		
In millions of euros	Gross value	Impairment (note 3.h)	Carrying amount	Gross value	Impairment (note 3.h)	Carrying amount
Governments	43,636	(22)	43,614	33,254	(16)	33,238
Other public administration	21,635	(3)	21,632	18,534	(3)	18,531
Credit institutions	5,147	(3)	5,144	5,082	(3)	5,079
Others	19,972	(98)	19,874	18,333	(108)	18,225
Total debt securities at amortised cost	**90,390**	**(126)**	**90,264**	**75,203**	**(130)**	**75,073**

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

In millions of euros	30 June 2019			31 December 2018		
	Gross Value	Impairment (note 3.h)	Carrying amount	Gross Value	Impairment (note 3.h)	Carrying amount
Loans and advances to credit institutions	**40,156**	**(141)**	**40,015**	**19,707**	**(151)**	**19,556**
Stage 1	39,668	(12)	39,656	19,128	(13)	19,115
Stage 2	365	(28)	337	419	(40)	379
Stage 3	123	(101)	22	160	(98)	62
Loans and advances to customers	**817,131**	**(23,171)**	**793,960**	**789,952**	**(24,081)**	**765,871**
Stage 1	699,941	(1,522)	698,419	668,667	(1,515)	667,152
Stage 2	84,328	(3,115)	81,213	87,328	(3,231)	84,097
Stage 3	32,862	(18,534)	14,328	33,957	(19,335)	14,622
Debt securities	**90,390**	**(126)**	**90,264**	**75,203**	**(130)**	**75,073**
Stage 1	89,363	(22)	89,341	74,240	(21)	74,219
Stage 2	810	(21)	789	769	(31)	738
Stage 3	217	(83)	134	194	(78)	116

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

In millions of euros	30 June 2019	31 December 2018
Deposits from credit institutions	**108,274**	**78,915**
On demand accounts	9,908	10,571
Interbank borrowings[1] [2]	77,623	61,859
Repurchase agreements	20,743	6,485
Deposits from customers	**833,265**	**796,548**
On demand deposits	508,800	473,968
Savings accounts	151,374	146,362
Term accounts and short-term notes	171,366	175,665
Repurchase agreements	1,725	553

[1] Changes over the period include the effect of IFRS 16 first time adoption (see note 2).

[2] Interbank borrowings from credit institutions include term borrowings from central banks.

5.f DEBT SECURITIES AND SUBORDINATED DEBT

This note covers all debt securities in issue and subordinated debt measured at amortised cost and designated as at fair value through profit or loss.

DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (note 5.a)

Issuer / Issue date In millions of euros	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment [(1)]	30 June 2019	31 December 2018
Debt securities							**55,103**	**48,964**
Subordinated debt							**789**	**787**
- Redeemable subordinated debt			[(2)]				**120**	**118**
- Perpetual subordinated debt							**669**	**669**
BNP Paribas Fortis Dec. 2007[(3)]	EUR	3,000	Dec.-14	3-month Euribor +200 bp		A	669	669

[(1)] Conditions precedent for coupon payment:
A Coupon payments are halted should the issuer have insufficient capital or the underwriters become insolvent or when the dividend declared for Ageas shares falls below a certain threshold.

[(2)] After agreement from the banking supervisory authority and at the issuer's initiative, redeemable subordinated debt issues may contain a call provision authorising the Group to redeem the securities prior to maturity by repurchasing them in the stock market, via public tender offers, or in the case of private placements over the counter. Debt issued by BNP Paribas SA or foreign subsidiaries of the Group via placements in the international markets may be subject to early redemption of the capital and early payment of interest due at maturity at the issuer's discretion on or after a date stipulated in the issue particulars (call option), or in the event that changes in the applicable tax rules oblige the BNP Paribas Group issuer to compensate debt-holders for the consequences of such changes. Redemption may be subject to a notice period of between 15 and 60 days, and is in all cases subject to approval by the banking supervisory authorities.

[(3)] Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) issued by BNP Paribas Fortis (previously Fortis Banque) in December 2007.
The CASHES are perpetual securities but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder's sole discretion at a price of EUR 239.40. However, as of 19 December 2014, the CASHES will be automatically exchanged into Ageas shares if their price is equal to or higher than EUR 359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.
Ageas and BNP Paribas Fortis have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on BNP Paribas Fortis of the relative difference between changes in the value of the CASHES and changes in the value of the Ageas shares.
As at 30 June 2019, the liability is eligible to prudential own funds for EUR 205 million.

DEBT SECURITIES MEASURED AT AMORTISED COST

Issuer / Issue date In millions of euros	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment [1]	30 June 2019	31 December 2018
Debt securities							168,303	151,451
- Debt securities in issue with an initial maturity of less than one year							**77,214**	**70,077**
Negotiable debt securities							77,214	70,077
- Debt securities in issue with an initial maturity of more than one year							**91,089**	**81,374**
Negotiable debt securities							48,368	50,809
Bonds							42,721	30,565
Subordinated debt							18,718	17,627
- Redeemable subordinated debt			[2]				**16,948**	**15,876**
- Undated subordinated notes							**1,518**	**1,515**
BNP Paribas SA Oct. 85	EUR	305	-	TMO - 0.25%	-	B	254	254
BNP Paribas SA Sept. 86	USD	500	-	6 month-Libor + 0.075%	-	C	241	239
BNP Paribas Cardif Nov. 14	EUR	1,000	Nov. - 25	4.032%	3-month Euribor + 393 bp	D	1,000	999
Others							23	23
- Participating notes							**222**	**222**
BNP Paribas SA July 84 [3]	EUR	337	-	[4]	-		215	215
Others							7	7
- Expenses and commission, related debt							**30**	**14**

[1] Conditions precedent for coupon payment

- B Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has officially noted that there is no income available for distribution, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume.
- C Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has validated the decision not to pay out a dividend, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume. The bank has the option of resuming payment of interest arrears, even where no dividend is paid out.
- D Payment of the interest is mandatory, except for cases of regulatory deficiency, in agreement with the regulator, or of suspension of payments. Interest payments are cumulative and are payable in full, once coupon payments resume, or, if these events occur before, when the issuance is redeemed or when the issuer is liquidated.

[2] See reference relating to "Debt securities at fair value through profit or loss".
[3] The participating notes issued by BNP Paribas SA may be repurchased as provided for in the law of 3 January 1983. The number of notes in the market is 1,434,092.
[4] Depending on net income subject to a minimum of 85% of the TMO rate and a maximum of 130% of the TMO rate.

5.g FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES

In millions of euros	30 June 2019			31 December 2018		
	Assets not representative of unit-linked insurance contracts	Assets representative of unit-linked insurance contracts *(financial risk supported by policyholders)*	Total	Assets not representative of unit-linked insurance contracts	Assets representative of unit-linked insurance contracts *(financial risk supported by policyholders)*	Total
Financial instruments designated as at fair value through profit or loss	44,276	67,590	111,866	41,154	61,793	102,947
Derivative financial instruments	974		974	907		907
Available-for-sale financial assets	122,864		122,864	112,041		112,041
Held-to-maturity financial assets	2,213		2,213	3,720		3,720
Loans and receivables	3,267		3,267	3,605		3,605
Equity-method investments	359		359	363		363
Investment property	3,047	3,131	6,178	2,982	2,872	5,854
Total	**177,000**	**70,721**	**247,721**	**164,772**	**64,665**	**229,437**
Reinsurers' share of technical reserves	2,874		2,874	2,871		2,871
Financial investments of insurance activities	**179,874**	**70,721**	**250,595**	**167,643**	**64,665**	**232,308**

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

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

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

In millions of euros	30 june 2019				31 December 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	**93,462**	**29,171**	**231**	**122,864**	**95,086**	**16,679**	**276**	**112,041**
Equity instruments	6,042	1,164	186	7,392	4,741	1,093	234	6,068
Debt securities	87,420	28,007	45	115,472	90,345	15,586	42	105,973
Financial instruments designated as at fair value through profit or loss	**87,849**	**17,135**	**6,882**	**111,866**	**80,097**	**16,315**	**6,535**	**102,947**
Equity instruments	85,815	11,429	6,814	104,058	77,989	11,131	6,458	95,578
Debt securities	2,034	5,706	68	7,808	2,108	5,184	77	7,369
Derivative financial instruments	**-**	**713**	**261**	**974**	**-**	**622**	**285**	**907**
Financial assets measured at fair value	**181,311**	**47,019**	**7,374**	**235,704**	**175,183**	**33,616**	**7,096**	**215,895**

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

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

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

- **Table of movements in Level 3 financial instruments**

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

In millions of euros	Financial assets		
	Available-for-sale financial instruments	Financial instruments as at fair value through profit or loss	Total
At 31 December 2018	**276**	**6,820**	**7,096**
Purchases	56	1,058	1,114
Sales	(218)	(698)	(916)
Settlements	(38)	(77)	(115)
Transfers to Level 3	111	51	162
Transfers from Level 3	(13)	(100)	(113)
Gains recognised in profit or loss	17	98	115
Items related to exchange rate movements		(11)	(11)
Changes in fair value of assets and liabilities recognised in equity	41		41
At 30 June 2019	**231**	**7,142**	**7,373**

During the first half of 2019, transfers between Level 1 and Level 2 were not significant.

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

In millions of euros	30 June 2019			31 December 2018		
	Balance sheet value	of which depreciation	of which changes in value recognised directly in equity	Balance sheet value	of which depreciation	of which changes in value recognised directly in equity
Debt securities	115,472		13,143	105,973		8,461
Equity instruments	7,392	(417)	1,391	6,068	(312)	668
Total available-for-sale financial assets	**122,864**	**(417)**	**14,534**	**112,041**	**(312)**	**9,129**

5.h TECHNICAL RESERVES AND OTHER INSURANCE LIABILITIES

In millions of euros	30 June 2019	31 December 2018
Technical reserves - Non-Life insurance contracts	**4,685**	**4,590**
Technical reserves - Life insurance contracts	**152,635**	**145,343**
- Insurance contracts	86,494	84,392
- Unit-linked contracts	66,141	60,951
Technical liabilities - investment contracts	**44,709**	**42,438**
- Investments contracts with discretionary participation feature	40,083	38,604
- Investment contracts without discretionary participation feature	4,626	3,834
Policyholders' surplus reserve - liability	**23,701**	**17,379**
Total technical reserves and liabilities related to insurance and investment contracts	**225,730**	**209,750**
Debts arising out of insurance and reinsurance operations	3,086	3,056
Derivative financial instruments	984	885
Total technical reserves and other insurance liabilities	**229,800**	**213,691**

The policyholders' surplus reserve arises from the application of shadow accounting. It represents the interest of policyholders within French and Italian life insurance subsidiaries in unrealised gains and losses and impairment losses on assets where the benefit paid under the policy is linked to the return on those assets. It is obtained from stochastic calculations modelling the unrealised gains and losses attributable to policyholders based on economic scenarios and assumptions as regards rates paid to customers and new business inflows. For France, this resulted in an interest of 90% in 2019, unchanged from 2018.

5.i CURRENT AND DEFERRED TAXES

In millions of euros	30 June 2019	31 December 2018
Current taxes	1,897	1,958
Deferred taxes [1]	4,956	5,262
Current and deferred tax assets	**6,853**	**7,220**
Current taxes	929	1,023
Deferred taxes [1]	1,501	1,232
Current and deferred tax liabilities	**2,430**	**2,255**

[1] Changes over the period include the effect of IFRS 16 first time adoption (see note 2).

5.j ACCRUED INCOME/EXPENSE AND OTHER ASSETS/LIABILITIES

In millions of euros	30 June 2019	31 December 2018
Guarantee deposits and bank guarantees paid	79,282	64,988
Collection accounts	410	369
Accrued income and prepaid expenses [1]	6,835	7,355
Other debtors and miscellaneous assets [1]	31,349	30,634
Total accrued income and other assets	**117,876**	**103,346**
Guarantee deposits received	57,083	48,308
Collection accounts	3,373	2,820
Accrued expense and deferred income [1]	8,918	10,122
Lease liabilities [1]	3,347	
Other creditors and miscellaneous liabilities [1]	29,489	28,312
Total accrued expense and other liabilities	**102,210**	**89,562**

[1] Changes over the period include the effect of IFRS 16 first time adoption (see note 2).

5.k PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS USED IN OPERATIONS, INVESTMENT PROPERTY

In millions of euros	30 June 2019			31 December 2018		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Investment property	**1,074**	**(305)**	**769**	**1,031**	**(316)**	**715**
Land and buildings[1]	13,630	(5,580)	8,050	7,084	(2,061)	5,023
Equipment, furniture and fixtures[1]	7,310	(5,346)	1,964	7,130	(5,083)	2,047
Plant and equipment leased as lessor under operating leases	26,184	(7,205)	18,979	24,675	(6,805)	17,870
Other property, plant and equipment[1]	2,214	(1,165)	1,049	2,086	(1,089)	997
Property, plant and equipment	**49,338**	**(19,296)**	**30,042**	**40,975**	**(15,038)**	**25,937**
Of which right of use	*6,646*	*(3,551)*	*3,095*			
Property, plant and equipment and investment property	**50,412**	**(19,601)**	**30,811**	**42,006**	**(15,354)**	**26,652**
Purchased software	3,904	(2,989)	915	3,703	(2,724)	979
Internally-developed software	4,399	(3,341)	1,058	4,250	(3,236)	1,014
Other intangible assets	2,192	(477)	1,715	2,334	(544)	1,790
Intangible assets	**10,495**	**(6,807)**	**3,688**	**10,287**	**(6,504)**	**3,783**

(1) Changes over the period include the effect of IFRS 16 first time adoption (see note 2).

- **Investment property**

Land and buildings leased by the Group as lessor under operating leases are recorded in "Investment property".

The estimated fair value of investment property accounted for at amortised cost at 30 June 2019 is EUR 856 million, compared with EUR 800 million at 31 December 2018.

- **Operating leases**

Operating leases and investment property transactions are in certain cases subject to agreements providing for the following minimum future payments:

In millions of euros	30 June 2019	31 December 2018
Future minimum lease payments receivable under non-cancellable leases	**6,626**	**6,483**
Payments receivable within 1 year	*2,827*	*2,603*
Payments receivable after 1 year but within 5 years	*3,773*	*3,852*
Payments receivable beyond 5 years	*26*	*28*

Future minimum lease payments receivable under non-cancellable leases are payments that the lessee is required to make during the lease term.

- **Intangible assets**

Other intangible assets include leasehold rights, goodwill and trademarks acquired by the Group.

- **Amortisation and provision**

Net depreciation and amortisation expense for the first half of 2019 was EUR 1,215 million, compared with EUR 812 million for the first half of 2018.

The net increase in impairment on property, plant, equipment and intangible assets taken to the profit and loss account for the first half of 2019 amounted to EUR 28 million, compared with a reversal for EUR 3 million for the first half of 2018.

5.l GOODWILL

In millions of euros	First half 2019
Carrying amount at start of period	**8,487**
Acquisitions	(2)
Divestments	-
Impairment recognised during the period	(820)
Exchange rate adjustments	29
Other movements	-
Carrying amount at end of period	**7,694**
Gross value	11,472
Accumulated impairment recognised at the end of period	(3,778)

Goodwill by cash-generating unit is as follows:

In millions of euros	Carrying amount		Impairment recognised during the first half 2019	Acquisitions during the first half 2019
	30 June 2019	31 December 2018		
Retail Banking & Services	**6,554**	**7,348**	**(818)**	**(2)**
Domestic Markets	**1,431**	**1,428**	**-**	**-**
Arval	*504*	*503*		-
Leasing Solutions	*151*	*151*		-
New Digital Businesses	*159*	*159*		-
Personal Investors	*611*	*609*		-
Others	*6*	*6*		-
International Financial Services	**5,123**	**5,920**	**(818)**	**(2)**
Asset Management	*186*	*185*		-
Insurance	*352*	*352*		-
BancWest	*2,535*	*3,008*	*(500)*	-
Personal Finance	*1,298*	*1,303*		-
Personal Finance - partnership tested individually		*318*	*(318)*	-
Real Estate	*404*	*404*		-
Wealth Management	*311*	*313*		(2)
Others	*37*	*37*		-
Corporate & Institutional Banking	**1,137**	**1,136**	**(2)**	**-**
Corporate Banking	*276*	*276*		-
Global Markets	*420*	*418*		-
Securities Services	*441*	*442*	*(2)*	-
Other Activities	**3**	**3**	**-**	**-**
Total goodwill	**7,694**	**8,487**	**(820)**	**(2)**
Negative goodwill			1	
Change in value of goodwill recognised in the profit and loss account			**(819)**	

5.m PROVISIONS FOR CONTINGENCIES AND CHARGES

In millions of euros	31 December 2018	Net additions to provisions	Provisions used	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	30 June 2019
Provisions for employee benefits	6,039	303	(443)	456	(43)	6,312
Provisions for home savings accounts and plans	136	(30)				106
Provisions for credit commitments *(note 3.h)*	1,192	76	(19)		(11)	1,238
Provisions for litigations	1,348	158	(28)		17	1,495
Other provisions for contingencies and charges	905	83	(105)			883
Total provisions for contingencies and charges	**9,620**	**590**	**(595)**	**456**	**(37)**	**10,034**

5.n OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The following tables present the amounts of financial assets and liabilities before and after offsetting. This information, required by IFRS 7, aims to enable the comparability with the accounting treatment applicable in accordance with generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IAS 32 as regards offsetting.

“Amounts set off on the balance sheet” have been determined according to IAS 32. Thus, a financial asset and a financial liability are offset and the net amount presented on the balance sheet when, and only when, the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Amounts set off derive mainly from repurchase agreements and derivative instruments traded with clearing houses.

The “impacts of master netting agreements and similar agreements” are relative to outstanding amounts of transactions within an enforceable agreement, which do not meet the offsetting criteria defined by IAS 32. This is the case of transactions for which offsetting can only be performed in case of default, insolvency or bankruptcy of one of the contracting parties.

“Financial instruments given or received as collateral” include guarantee deposits and securities collateral recognised at fair value. These guarantees can only be exercised in case of default, insolvency or bankruptcy of one of the contracting parties.

Regarding master netting agreements, the guarantee deposits received or given in compensation for the positive or negative fair values of financial instruments are recognised in the balance sheet in accrued income or expenses and other assets or liabilities.

In millions of euros, at 30 June 2019	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Securities	197,965		197,965			197,965
Loans and repurchase agreements	450,771	(134,096)	316,675	(56,963)	(248,506)	11,206
Derivative financial instruments (including derivatives used for hedging purposes)	526,547	(255,260)	271,287	(192,900)	(35,679)	42,708
Financial assets at amortised cost	925,199	(960)	924,239	(3,749)	(16,352)	904,138
of which repurchase agreements	*21,799*	*(960)*	*20,839*	*(3,749)*	*(16,352)*	*738*
Accrued income and other assets	117,876		117,876		(41,353)	76,523
of which guarantee deposits paid	*79,282*		*79,282*		*(41,353)*	*37,929*
Other assets not subject to offsetting	544,578		544,578			544,578
TOTAL ASSETS	**2,762,936**	**(390,316)**	**2,372,620**	**(253,612)**	**(341,890)**	**1,777,118**

In millions of euros, at 30 June 2019	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Securities	100,405		100,405			100,405
Deposits and repurchase agreements	482,135	(134,096)	348,039	(57,030)	(282,489)	8,520
Issued debt securities	61,783		61,783			61,783
Derivative financial instruments (including derivatives used for hedging purposes)	521,857	(255,260)	266,597	(192,900)	(41,630)	32,067
Financial liabilities at amortised cost	942,499	(960)	941,539	(3,682)	(18,236)	919,621
of which repurchase agreements	*23,428*	*(960)*	*22,468*	*(3,682)*	*(18,236)*	*550*
Accrued expense and other liabilities	102,210		102,210		(32,454)	69,756
of which guarantee deposits received	*57,083*		*57,083*		*(32,454)*	*24,629*
Other liabilities not subject to offsetting	443,565		443,565			443,565
TOTAL LIABILITIES	**2,654,454**	**(390,316)**	**2,264,138**	**(253,612)**	**(374,809)**	**1,635,717**

In millions of euros, at 31 December 2018	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Securities	121,954		121,954			121,954
Loans and repurchase agreements	283,879	(100,163)	183,716	(37,657)	(135,421)	10,638
Derivative financial instruments (including derivatives used for hedging purposes)	480,745	(238,040)	242,705	(177,352)	(28,676)	36,677
Financial assets at amortised cost	860,567	(67)	860,500	(365)	(1,312)	858,823
of which repurchase agreements	*1,781*		*1,781*	*(365)*	*(1,312)*	*104*
Accrued income and other assets	103,346		103,346		(30,813)	72,533
of which guarantee deposits paid	*64,988*		*64,988*		*(30,813)*	*34,175*
Other assets not subject to offsetting	528,615		528,615			528,615
TOTAL ASSETS	**2,379,106**	**(338,270)**	**2,040,836**	**(215,374)**	**(196,222)**	**1,629,240**

In millions of euros, at 31 December 2018	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Securities	75,189		75,189			75,189
Deposits and repurchase agreements	304,202	(100,163)	204,039	(36,754)	(153,961)	13,324
Issued debt securities	54,908		54,908			54,908
Derivative financial instruments (including derivatives used for hedging purposes)	475,521	(238,040)	237,481	(177,352)	(31,226)	28,903
Financial liabilities at amortised cost	875,530	(67)	875,463	(1,268)	(5,311)	868,884
of which repurchase agreements	*7,038*		*7,038*	*(1,268)*	*(5,311)*	*459*
Accrued expense and other liabilities	89,562		89,562		(24,764)	64,798
of which guarantee deposits received	*48,308*		*48,308*		*(24,764)*	*23,544*
Other liabilities not subject to offsetting	398,468		398,468			398,468
TOTAL LIABILITIES	**2,273,380**	**(338,270)**	**1,935,110**	**(215,374)**	**(215,262)**	**1,504,474**

6. FINANCING AND GUARANTEE COMMITMENTS

6.a FINANCING COMMITMENTS GIVEN OR RECEIVED

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

In millions of euros	30 June 2019	31 December 2018
Financing commitments given		
- to credit institutions	**3,250**	**3,201**
- to customers	**309,718**	**301,447**
Confirmed financing commitments	243,209	231,109
Other commitments given to customers	66,509	70,338
Total financing commitments given	**312,968**	**304,648**
of which stage 1	*301,003*	*292,425*
of which stage 2	*9,615*	*10,511*
of which stage 3	*1,177*	*644*
of which insurance activities	*1,173*	*1,068*
Financing commitments received		
- from credit institutions	**81,905**	**72,484**
- from customers	**4,344**	**11,244**
Total financing commitments received	**86,249**	**83,728**

6.b GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

In millions of euros	30 June 2019	31 December 2018
Guarantee commitments given		
- to credit institutions	**28,817**	**33,487**
- to customers	**114,603**	**113,129**
Property guarantees	2,083	1,968
Sureties provided to tax and other authorities, other sureties	58,224	54,019
Other guarantees	54,296	57,142
Total guarantee commitments given	**143,420**	**146,616**
of which stage 1	*134,784*	*138,615*
of which stage 2	*7,342*	*6,713*
of which stage 3	*1,286*	*1,285*
of which insurance activities	*8*	*3*

6.c SECURITIES COMMITMENTS

In connection with the settlement date accounting for securities, commitments representing securities to be delivered or securities to be received are the following:

In millions of euros	30 June 2019	31 December 2018
Securities to be delivered	22,579	14,134
Securities to be received	21,246	12,869

7. ADDITIONAL INFORMATION

7.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

At 30 June 2019, the share capital of BNP Paribas SA amounted to EUR 2,499,597,122, and was divided into 1,249,798,561 shares. The nominal value of each share is EUR 2, unchanged from 31 December 2018.

1. Ordinary shares issued by BNP Paribas and held by the Group

	Proprietary transactions		Trading transactions [1]		Total	
	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)
Shares held at 31 December 2017	**807,742**	**43**	**(158,177)**	**(10)**	**649,565**	**33**
Acquisitions	513,568	31			513,568	31
Disposals	(473,257)	(30)			(473,257)	(30)
Shares delivered to employees	(791)				(791)	
Other movements			621,446	34	621,446	34
Shares held at 30 June 2018	**847,262**	**44**	**463,269**	**24**	**1,310,531**	**68**
Acquisitions						
Disposals	(120,811)	(6)			(120,811)	(6)
Shares delivered to employees						
Other movements			1,028,066	35	1,028,066	35
Shares held at 31 December 2018	**726,451**	**38**	**1,491,335**	**59**	**2,217,786**	**97**
Net movements			(528,051)	(19)	(528,051)	(19)
Shares held at 30 June 2019	**726,451**	**38**	**963,284**	**40**	**1,689,735**	**78**

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

At 30 June 2019, the BNP Paribas Group was a holder of 1,689,735 BNP Paribas shares representing an amount of EUR 78 million, which was recognised as a decrease in equity.

From 31 December 2018 to 30 June 2019, no performance shares have been delivered.

- **Preferred shares and Undated Super Subordinated Notes eligible as Tier 1 regulatory capital**

Preferred shares issued by the Group's foreign subsidiaries

BNP Paribas Personal Finance made in 2004 two issues of undated non-voting preferred shares through a structured entity governed by UK law and which is exclusively controlled. Since the first call date, these preferred shares are redeemable at par at the issuer's discretion at each quarterly coupon date.

Issuer	Date of issue	Currency	Amount (in millions of euros)	Rate and term before 1st call date		Rate after 1st call date
Cofinoga Funding II LP	January and May 2004	EUR	80	TEC 10 [(1)] +1.35%	10 years	TEC 10 [(1)] + 1.35%
Total at 30 June 2019			**73[(2)]**			

(1) TEC 10 is the daily long-term government bond index, corresponding to the yield-to-maturity of a fictitious 10-year Treasury note.
(2) Value at the date of acquisition of control over the LaSer group.

These issues and the related dividends are recorded under "Minority interests" in the balance sheet.

- Undated Super Subordinated Notes issued by BNP Paribas SA

BNP Paribas has issued Undated Super Subordinated Notes which pay a fixed, fixed adjustable or floating rate coupon and are redeemable at the end of a fixed period and thereafter at each coupon date or every five years. If the notes are not redeemed at the end of this period, some of these issues will pay a coupon indexed to Euribor, Libor or a swap rate or a fixed-rate coupon.

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

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

On 2 July 2018, BNP Paribas SA redeemed the June 2008 issue for a total amount of EUR 500 million, at the first call date. These notes paid a 7.781% fixed-rate coupon.

On 16 August 2018, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 750 million which pay a 7% fixed-rate coupon. These notes could be redeemed at the end of a period of 10 years. If the notes are not redeemed in 2028, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 18 September 2018, BNP Paribas SA redeemed the September 2008 issue for an amount of EUR 100 million, at the first call date. These notes paid a 7.57% fixed-rate coupon.

On 25 March 2019, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 1,500 million which pay a 6.625% fixed-rate coupon. These notes could be redeemed at the end of a period of 5 years. If the notes are not redeemed in 2024, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

The following table summarises the characteristics of these various issues:

Date of issue	Currency	Amount (in millions of currency units)	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
October 2005	EUR	1,000	annual	4.875%	6 years	4.875%
October 2005	USD	400	annual	6.250%	6 years	6.250%
July 2006	EUR	150	annual	5.450%	20 years	3-month Euribor + 1.920%
June 2007	USD	600	quarterly	6.500%	5 years	6.500%
June 2007	USD	1,100	semi-annual	7.195%	30 years	USD 3-month Libor + 1.290%
December 2009	EUR	2	quarterly	3-month Euribor + 3.750%	10 years	3-month Euribor + 4.750%
December 2009	EUR	17	annual	7.028%	10 years	3-month Euribor + 4.750%
December 2009	USD	70	quarterly	USD 3-month Libor + 3.750%	10 years	USD 3-month Libor + 4.750%
December 2009	USD	0.5	annual	7.384%	10 years	USD 3-month Libor + 4.750%
June 2015	EUR	750	semi-annual	6.125%	7 years	EUR 5-year swap + 5.230%
August 2015	USD	1,500	semi-annual	7.375%	10 years	USD 5-year swap + 5.150%
March 2016	USD	1,500	semi-annual	7.625%	5 years	USD 5-year swap + 6.314%
December 2016	USD	750	semi-annual	6.750%	5.25 years	USD 5-year swap +4.916%
November 2017	USD	750	semi-annual	5.125%	5 years	USD 5-year swap +2.838%
August 2018	USD	750	semi-annual	7.000%	10 years	USD 5-year swap + 3.980%
March 2019	USD	1,500	semi-annual	6,625%	5 years	USD 5-year swap + 4.149%
Total euro-equivalent historical value at 30 June 2019		**9,538[(1)]**				

(1) Net of shares held in treasury by Group entities

BNP Paribas has the option of not paying interest due on these Undated Super Subordinated Notes. Unpaid interest is not carried forward.

For the notes issued before 2015, the absence of coupon payment is conditional on the absence of dividend payment on BNP Paribas SA ordinary shares or on Undated Super Subordinated Note equivalents during the previous year. Interest due is payable once dividend payment on BNP Paribas SA ordinary shares resumes.

The contracts relating to these Undated Super Subordinated Notes contain a loss absorption clause. Under the terms of this clause, in the event of insufficient regulatory capital, the nominal value of the notes may be reduced in order to serve as a new basis for the calculation of the related coupons until the capital deficiency is made up and the nominal value of the notes is increased to its original amount.

The proceeds from these issues are recorded in equity under “Capital and retained earnings”. In accordance with IAS 21, issues denominated in foreign currencies are recognised at their historical value based on their translation into euros at the issue date. Interest on the instruments is treated in the same way as dividends.

At 30 June 2019, the BNP Paribas Group held EUR 35 million of Undated Super Subordinated Notes which were deducted from shareholders’ equity.

- **Earnings per share**

Basic earnings per share are calculated by dividing the net income for the period attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period. The net income attributable to ordinary shareholders is determined by deducting the net income attributable to holders of preferred shares.

Diluted earnings per share correspond to the net income for the period attributable to holders of ordinary shares, divided by the weighted average number of shares outstanding as adjusted for the maximum effect of the conversion of dilutive equity instruments into ordinary shares. In-the-money stock subscription options are taken into account in the diluted earnings per share calculation, as are performance shares granted under the Global Share-based Incentive Plan. Conversion of these instruments would have no effect on the net income figure used in this calculation.

	First half 2019	First half 2018
Net profit used to calculate basic and diluted earnings per ordinary share *(in millions of euros)* (1)	**4,176**	**3,771**
Weighted average number of ordinary shares outstanding during the year	**1,247,626,894**	**1,248,246,055**
Effect of potentially dilutive ordinary shares	206	91,427
- Stock subscription option plan	-	91,116
- Performance share attribution plan	206	311
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,247,627,100**	**1,248,337,482**
Basic earnings per share (in euros)	**3.35**	**3.02**
Diluted earnings per share (in euros)	**3.35**	**3.02**

(1) The net profit used to calculate basic and diluted earnings per share is the net profit attributable to equity shareholders, adjusted for the remuneration on the Undated Super Subordinated Notes issued by BNP Paribas SA (treated as preferred share equivalents), which for accounting purposes is handled as dividends, as well as the related foreign exchange impact recognised directly in shareholders' equity in case of repurchase.

The dividend per share paid in 2019 out of the 2018 net income amounted to EUR 3.02, unchanged from the dividend paid in 2018 out of the 2017 net income.

7.b CONTINGENT LIABILITIES : LEGAL PROCEEDINGS AND ARBITRATION

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

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS"). These actions, known generally as "clawback claims", are similar to those brought by the BLMIS Trustee against numerous institutions, and seek recovery of amounts allegedly received by the BNP Paribas entities from BLMIS or indirectly through BLMIS-related "feeder funds" in which BNP Paribas entities held interests. The BLMIS Trustee claims in these actions that the amounts which BNP Paribas entities received are avoidable and recoverable under the U.S. Bankruptcy Code and New York state law. In the aggregate, the amount initially sought to be recovered in these actions approximated USD 1.3 billion. BNP Paribas has substantial and credible defenses to these actions and is defending against them vigorously.
In two decisions dated 22 November 2016 and 3 October 2018, the Bankruptcy Court rejected most of the claims brought by the BLMIS Trustee against BNP Paribas entities. On 25 February 2019 the United States Court of Appeals for the Second Circuit reversed the Bankruptcy Court's 22 November 2016 decision. On 8 April 2019, the defendants affected by the appeal, including the affected BNP Paribas entities, notified the Second Circuit of their intent to seek further review by the U.S. Supreme Court. The 3 October 2018 decision will be subject to appeal at the conclusion of that suit.

Various litigations and investigations are or were ongoing relating to the restructuring of the Fortis group, now Ageas, of which BNP Paribas Fortis is no longer part, and to events having occurred before BNP Paribas Fortis became part of the BNP Paribas Group. Among these are litigations brought by shareholders groups in The Netherlands and Belgium against Ageas and, among others, against BNP Paribas Fortis, in relation to its role as global coordinator of Fortis (now Ageas)'s capital increase in October 2007 to partly finance its acquisition of ABN Amro Bank N.V.. These shareholders groups mainly allege that there has been a breach in financial communication, regarding, inter alia, the disclosure on the exposure to subprime mortgages. On 13 July 2018, the Amsterdam Court of Appeal has declared binding a settlement between Ageas and representatives of certain shareholders groups who held shares between 28 February 2007 and 14 October 2008. The settlement has become final with the decision of Ageas on 20 December 2018 to waive its termination right.

BNP Paribas Fortis is one of the releasees under the Ageas Settlement. This means that each eligible shareholder who has not opted out prior to 31 December 2018 will be deemed to have fully released BNP Paribas Fortis from any claim regarding the events during this time. The number of "opt out" is limited.
Litigation was also brought in Belgium by minority shareholders of Fortis against the Société fédérale de Participations et d'Investissement, Ageas and BNP Paribas seeking (amongst other things) damages from BNP Paribas as restitution for part of the BNP Paribas Fortis shares that were contributed to BNP Paribas in 2009, on the ground that the transfer of these shares was null and void. On 29 April 2016 the Brussels Commercial court decided to stay the proceedings until the resolution of the pending Fortis criminal proceeding in Belgium. BNP Paribas does not have tangible elements to assess the duration of such suspension. The Public Prosecutor has stated on 20 December 2018 that he sees no reason to request the Council's chamber of the Court to order a referral.

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

Regulatory and law enforcement authorities in multiple jurisdictions are conducting investigations or making inquiries of a number of financial institutions regarding trading on the foreign exchange markets. The Bank has been cooperating with the investigations and inquiries and has responded to the information requests. On 25 January 2018, BNP Paribas USA Inc. accepted to plead guilty in front of the U.S. District Court for the Southern District of New York to a single violation of the Sherman

Antitrust Act. On 30 May 2018, the court imposed the sentence, as jointly recommended in the plea agreement between BNP Paribas USA Inc. and the Department of Justice ("DOJ"), consisting of (1) a fine of USD 90 million; (2) no probation, and (3) no order of restitution. In reaching the plea agreement with BNP Paribas USA Inc., the DOJ has noted the Bank's substantial efforts relating to compliance and remediation to address and prevent the re-occurrence through its compliance and remediation program of the issues arising from its FX trading business. On 29 August 2018, the U.S. Commodity Futures Trading Commission ("CFTC") announced the imposition of a civil penalty of USD 90 million on and paid by BNP Paribas Securities Corp. as part of a consent order following an investigation in connection with the USD ISDAFIX benchmark. The findings of the order were neither admitted nor denied by BNP Paribas Securities Corp. which, the CFTC noted in its order, had engaged in "significant remedial action […] independent of the Commission's investigation".

The U.S. regulatory and law enforcement authorities are currently investigating or requesting information in relation to certain activities as reported in the international financial press in relation to the U.S. treasuries market and U.S. Agency bonds. The Bank, which has received some requests for information, is cooperating with investigations and is responding to requests for information. The outcome and potential impact of these investigations or requests for information is difficult to predict before their close and the subsequent discussions with the U.S. authorities. It should be noted that it has been reported that a number of financial institutions are involved in these investigations or requests for information and that it is sometimes the case that reviews carried out in connection therewith may lead to settlements including in particular the payment of fines or significant penalties depending on the circumstances specific to each situation.

7.c Business combinations and loss of control or significant influence

- **State Bank of India Life Insurance Co Ltd**

During the first half of 2019, three consecutive disposal of 9.2% ; 5.1% and 2.5% of the capital of State Bank of India Life Insurance Co Ltd (SBI life) took place on the Indian Market.

On 30 June 2019, the Group ceased to exercise a significant influence on SBI Life.

The residual stake of 5.2% held by BNP Paribas Cardif Holding, is henceforth recorded in the available-for-sale financial assets.
These operations generated an overall gain of EUR 1,450 million before tax, recognised in "Net gain on non-current assets".

- **First Hawaiian Inc**

On 4 August 2016, BNP Paribas Group launched an initial public offering on its First Hawaiian Inc (FHI) subsidiary on the US market.

Subsequently, four partial sales were made.

Date	Transaction	Interest sold	Residual interest held	Control / Significant influence
4 August 2016	Initial offering	17.4%	82.6%	Control
6 February 2017	1st secondary offering	20.6%	62.0%	Control
8 May 2018	2nd secondary offering	13.2%	48.8%	Control
31 July 2018	3rd secondary offering	15.5%	33.3%	Significant influence
5 September 2018	4th secondary offering	14.9%	18.4%	Significant influence
31 December 2018		**81.6%**	**18.4%**	**Significant influence**

The first three operations resulted in an increase in the Group's retained earnings of EUR 422 million and in minority interests of EUR 1,363 million.

As at 30 June 2018, the Group considered the loss of control within one year to be highly probable and applied the provisions of IFRS 5 on groups of assets and liabilities held for sale.
The application of IFRS 5 had the effect of splitting the BancWest homogeneous group of businesses and, as a result, the related goodwill (i.e. EUR 4.3 billion) between Bank of the West (BoW) and FHI. This split was determined based on the recoverable amounts of the First Hawaiian Bank and BoW activities, and led to the allocation of a EUR 1.3 billion goodwill to FHI.
In addition, assets and liabilities have been reclassified respectively as non-current assets held for sale and liabilities related to non-current assets held for sale.

Following the sale realized on 31 July 2018, the Group ceased to exercise exclusive control over FHI but retained a significant influence. This loss of control resulted in a decrease of EUR 17.4 billion in the Group's balance sheet and a decrease in retained earnings attributable to minority shareholders of EUR -1,473 million.
This operation and the last partial sale generated an overall gain of EUR 286 million before tax, recognised in the profit and loss acount.

As at 31 December 2018, the Group continues to apply the provisions of IFRS 5.
The effect of IFRS 5 is to assess the equity-method value at the balance sheet date at the lowest value between the book value and the market value. At 31 December 2018, this method resulted in the recognition of a EUR -125 million impairment.

On 29 January 2019, the Group launched a secondary offering for 24.9 million ordinary shares of First Hawaiian Inc (FHI). As a result of this transaction, the BNP Paribas group has sold its entire 18.4% stake in FHI.
This operation generated an overall gain of EUR 82 million before tax, recognised in the profit and loss account.

7.d MINORITY INTERESTS

In millions of euros	Capital and retained earnings	Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	Minority interests
Capital and retained earnings at 1st january 2018	**5,315**	**(27)**	**(162)**	**5,126**
Appropriation of net income for 2017	**(151)**			**(151)**
Increases in capital and issues	4			4
Share-based payment plans	2			2
Remuneration on preferred shares	(1)			(1)
Impact of internal transactions on minority shareholders	(6)			(6)
Movements in consolidation scope impacting minority shareholders	19			19
Acquisitions of additional interests or partial sales of interests	323	(9)	(10)	304
Change in commitments to repurchase minority shareholders' interests	(27)			(27)
Other movements	1			1
Changes in assets and liabilities recognised directly in equity		20	(5)	15
Net income for first half 2018	**273**			**273**
Interim dividend payments	(25)			(25)
Capital and retained earnings at 30 June 2018	**5,727**	**(16)**	**(177)**	**5,534**
Appropriation of net income for 2017	**(9)**			**(9)**
Share-based payment plans	(2)			(2)
Remuneration on preferred shares	(1)			(1)
Movements in consolidation scope impacting minority shareholders	(1,473)	36	119	(1,318)
Acquisitions of additional interests or partial sales of interests	3			3
Change in commitments to repurchase minority shareholders' interests	(138)			(138)
Other movements	10			10
Changes in assets and liabilities recognised directly in equity		(3)	(16)	(19)
Net income for first half of 2018	**206**			**206**
Interim dividend payments	(7)			(7)
Capital and retained earnings at 31 December 2018	**4,316**	**17**	**(74)**	**4,259**
Effect of IFRS 16 first time adoption (note 2.)	(5)			(5)
Capital and retained earnings at 1st january 2019	**4,311**	**17**	**(74)**	**4,254**
Appropriation of net income for 2018	**(216)**			**(216)**
Remuneration on preferred shares	(1)			(1)
Impact of internal transactions on minority shareholders	1			1
Acquisitions of additional interests or partial sales of interests	(3)			(3)
Change in commitments to repurchase minority shareholders' interests	96			96
Other movements	1			1
Changes in assets and liabilities recognised directly in equity		(4)	7	3
Net income for first half 2019	**212**			**212**
Capital and retained earnings at 30 june 2019	**4,401**	**13**	**(67)**	**4,347**

- **Main minority interests**

The assessment of the material nature of minority interests is based on the contribution of the relevant subsidiaries to the Group balance sheet (before elimination of intra-group balances and transactions) and to the Group profit and loss account.

In millions of euros	30 June 2019	First half 2019						
	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
Contribution of the entities belonging to the BGL BNP Paribas group	89,299	848	283	353	34%	78	90	84
Other minority interests						134	125	133
TOTAL						212	215	217

In millions of euros	31 December 2018	First half 2018						
	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
Contribution of the entities belonging to the BGL BNP Paribas group	84,655	758	219	206	34%	66	71	76
Other minority interests						207	217	101
TOTAL						273	288	177

- **Internal restructuring that led to a change in minority shareholders' interest in the equity of subsidiaries**

No significant internal restructuring operation occurred during the first half of 2019, nor during the first half of 2018.

- **Acquisitions of additional interests and partial sales of interests leading to changes in minority interests in the equity of subsidiaries**

In millions of euros	First half 2019		First half 2018	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Cardif Life Insurance Japan Sale of 25% of the shares of Cardif Life Insurance Japan in the framework of entities restructuring in Japan	2	(2)	17	76
Austin Finance Accretive capital decrease, bringing the Group's share to 100%				(82)
First Hawaiian Inc (note 7.c) On 8 May 2018, third offer on First Hawaiian Inc. for 12.1% of its capital, at a 28.35-dollar price per share, and a capital decrease of 1.1%.			85	315
Cardif IARD Dilutive capital increase, which reduced the Group's interest to 66%			28	22
Other		(1)	(3)	(8)
Total	**2**	**(3)**	**127**	**323**

1. Commitments to repurchase minority shareholders' interests

In connection with the acquisition of certain entities, the Group granted minority shareholders put options on their holdings.
The total value of these commitments, which are recorded as a reduction in shareholders' equity, amounts to EUR 418 million at 30 June 2019, compared with EUR 540 million at 31 December 2018.

7.e FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

The information supplied in this note must be used and interpreted with the greatest caution for the following reasons:

These fair values are an estimate of the value of the relevant instruments as at 30 June 2019. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instrument to BNP Paribas as a going concern;

- Most of these fair values are not meaningful, and hence are not taken into account in the management of the commercial banking activities which use these instruments;

- Estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank. This means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful;

- The fair values shown below do not include the fair values of finance lease transactions, non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of the BNP Paribas Group.

In millions of euros, at 30 June 2019	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers[1]		104,853	710,249	815,102	800,794
Debt securities at amortised cost *(note 5.d)*	67,808	20,249	2,826	90,883	90,264
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers		942,817		942,817	941,539
Debt securities *(note 5.f)*	44,917	124,642		169,559	168,303
Subordinated debt *(note 5.f)*	8,931	10,266		19,197	18,718

[1] Finance leases excluded

In millions of euros, at 31 December 2018	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers[1]		82,358	681,583	763,941	753,293
Debt securities at amortised cost *(note 5.d)*	54,348	17,764	2,840	74,952	75,073
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers		876,320		876,320	875,463
Debt securities *(note 5.f)*	49,233	102,511		151,744	151,451
Subordinated debt *(note 5.f)*	10,883	6,494		17,377	17,627

[1] Finance leases excluded

The valuation techniques and assumptions used by BNP Paribas ensure that the fair value of financial assets and liabilities carried at amortised cost is measured on a consistent basis throughout the Group. Fair value is based on prices quoted in an active market when these are available. In other cases, fair value is determined using valuation techniques such as discounting of estimated future cash flows for loans, liabilities and debt securities at amortised cost, or specific valuation models for other financial instruments as described in note 1, “Summary of significant accounting policies applied by the BNP Paribas Group”. The description of the fair value hierarchy levels is also presented in the accounting principles (note 1.e.10). In the case of loans, liabilities and debt securities at amortised cost that have an initial maturity of less than one year (including demand deposits) or of most regulated savings products, fair value equates to carrying amount. These instruments have been classified in Level 2, except for loans to customers, which are classified in Level 3.

7.f Scope of consolidation

			30 June 2019				31 December 2018			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNP Paribas SA	France								
	BNPP SA (Argentina branch)	Argentina	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Australia branch)	Australia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Austria branch)	Austria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Bahrain branch)	Bahrain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Belgium branch)	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Bulgaria branch)	Bulgaria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Canada branch)	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Cayman Islands branch)	Cayman Islands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Czech Republic branch)	Czech Rep.	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Denmark branch)	Denmark	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Finland branch)	Finland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Germany branch)	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Hong Kong branch)	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Hungary branch)	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (India branch)	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Ireland branch)	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Italy branch)	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Japan branch)	Japan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Jersey branch)	Jersey	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Kuwait branch)	Kuwait	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Luxembourg branch)	Luxemburg	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Malaysia branch)	Malaysia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Monaco branch)	Monaco	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Netherlands branch)	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Norway branch)	Norway	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Panama branch)	Panama	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Philippines branch)	Philippines	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Poland branch)	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Portugal branch)	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Qatar branch)	Qatar	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Republic of Korea branch)	Rep. of Korea	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Romania branch)	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Saudi Arabia branch)	Saudi Arabia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Singapore branch)	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (South Africa branch)	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Spain branch)	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Sweden branch)	Sweden	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Taiwan branch)	Taiwan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Thailand branch)	Thailand	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (United Arab Emirates branch)	United Arab Emirates	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (United Kingdom branch)	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	

			30 June 2019				31 December 2018			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP SA (United States branch)	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Viet Nam branch)	Viet Nam	Full	100.0%	100.0%		Full	100.0%	100.0%	
RETAIL BANKING & SERVICES										
DOMESTIC MARKETS										
Retail Banking - France										
	B*Capital	France	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	Banque de Wallis et Futuna	France	Full[1]	51.0%	51.0%		Full[1]	51.0%	51.0%	
	BNPP Antilles Guyane	France	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Développement	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Développement Oblig	France	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
	BNPP Factor	France	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Factor (Spain branch)	Spain	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Factor Sociedade Financeira de Credito SA	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Nouvelle Calédonie	France	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Réunion	France	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	Compagnie pour le Financement des Loisirs	France	Equity	46.0%	46.0%		Equity	46.0%	46.0%	V4
	Copartis	France	Equity[3]	50.0%	50.0%		Equity[3]	50.0%	50.0%	
	Euro Securities Partners	France	Equity[3]	50.0%	50.0%		Equity[3]	50.0%	50.0%	E1
	Partecis	France	Equity[3]	50.0%	50.0%		Equity[3]	50.0%	50.0%	E1
	Portzamparc Société de Bourse	France	Full[1]	100.0%	99.9%	V1	Full[1]	94.9%	94.9%	V1
	Protection 24	France	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	Société Lairoise de Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
Retail Banking - Belgium										
	Bancontact Payconiq	Belgium	Equity	22.5%	22.5%		Equity	22.5%	22.5%	E1
	Banking Funding Company SA	Belgium	Equity	33.5%	33.5%		Equity	33.5%	33.5%	
	BASS Master Issuer NV[s]	Belgium	Full	-	-		Full	-	-	
	Belgian Mobile ID	Belgium	Equity	15.0%	15.0%		Equity	15.0%	15.0%	E3
	BNPP Commercial Finance Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Factor AB	Sweden	Full	100.0%	99.9%		Full	100.0%	99.9%	E1
	BNPP Factor AS	Denmark	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Factor Deutschland BV	Netherlands								S4
	BNPP Factor GmbH	Germany	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Factor NV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Factoring Support	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Fortis	Belgium	Full	99.9%	99.9%		Full	99.9%	99.9%	
	BNPP Fortis (Czech Republic branch)	Czech Rep.								S1
	BNPP Fortis (Denmark branch)	Denmark								S1
	BNPP Fortis (Romania branch)	Romania	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Fortis (Spain branch)	Spain	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Fortis (United States branch)	USA	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Fortis Factor NV	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Fortis Film Finance	Belgium	Full	99.0%	98.9%		Full	99.0%	98.9%	E1
	BNPP Fortis Funding SA	Luxemburg	Full	100.0%	99.9%		Full	100.0%	99.9%	

Business	Name	Country	30 June 2019 Method	30 June 2019 Voting (%)	30 June 2019 Interest (%)	30 June 2019 Ref.	31 December 2018 Method	31 December 2018 Voting (%)	31 December 2018 Interest (%)	31 December 2018 Ref.
	BNPP FPE Belgium	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP FPE Expansion	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP FPE Management	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Bpost Banque	Belgium	Equity(3)	50.0%	50.0%		Equity(3)	50.0%	50.0%	
	Credissimo	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Credissimo Hainaut SA	Belgium	Full	99.7%	99.7%		Full	99.7%	99.7%	
	Crédit pour Habitations Sociales	Belgium	Full	81.7%	81.6%		Full	81.7%	81.6%	
	Demetris NV	Belgium								S3
	Epimede(s)	Belgium	Equity	-	-		Equity	-	-	E1
	Esmee Master Issuer(s)	Belgium	Full	-	-		Full	-	-	
	Favor Finance	Belgium								S3
	Gemma Frisius Fonds KU Leuven	Belgium	FV	40.0%	40.0%		FV	40.0%	40.0%	E1
	Het Anker NV	Belgium	FV	27.8%	27.8%		FV	27.8%	27.8%	E1
	Holding PCS	Belgium	FV	31.7%	31.7%		FV	31.7%	31.7%	E1
	Immo Beaulieu	Belgium	Equity	25.0%	25.0%		Equity	25.0%	25.0%	E1
	Immobilière Sauveniere SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	D1
	Isabel SA NV	Belgium	Equity	25.3%	25.3%		Equity	25.3%	25.3%	E1
	Microstart	Belgium	Full	96.3%	76.7%	V1	Full	85.5%	66.2%	E1
	Novy Invest	Belgium	FV	33.7%	33.7%		FV	33.7%	33.7%	D1
	Omega Invest	Belgium	FV	28.4%	28.3%		FV	28.4%	28.3%	E1
	Penne International	Belgium	FV	74.9%	74.9%		FV	74.9%	74.9%	D1
	Sagip	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Sowo Invest SA NV	Belgium	Full	87.5%	87.5%		Full	87.5%	87.5%	E1
	Studio 100	Belgium	FV	32.5%	32.5%		FV	32.5%	32.5%	D1
Retail Banking - Luxembourg										
	BGL BNPP	Luxemburg	Full	66.0%	65.9%		Full	66.0%	65.9%	
	BGL BNPP (Germany branch)	Germany	Full	100.0%	65.9%		Full	100.0%	65.9%	
	BNPP Lease Group Luxembourg SA	Luxemburg	Full	100.0%	65.9%		Full	100.0%	65.9%	
	BNPP SB Re	Luxemburg	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cofhylux SA	Luxemburg	Full	100.0%	65.9%		Full	100.0%	65.9%	
	Compagnie Financière Ottomane SA	Luxemburg	Full	97.3%	97.2%		Full	97.3%	97.2%	
	Elimmo SARL(s)	Luxemburg	Full	-	-		Full	-	-	E1
	Le Sphinx Assurances Luxembourg SA	Luxemburg	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Lion International Investments SA	Luxemburg	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Plagefin SA	Luxemburg	Full	100.0%	65.9%		Full	100.0%	65.9%	
	Visalux	Luxemburg	Equity	23.9%	15.7%		Equity	24.8%	15.7%	E1
Retail Banking - Italy										
	Artigiancassa SPA	Italy	Full	73.9%	73.9%		Full	73.9%	73.9%	
	Axepta SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Banca Nazionale Del Lavoro SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNL Finance SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Business Partner Italia SCPA	Italy				S4	Full	100.0%	100.0%	V4
	EMF IT 2008 1 SRL(s)	Italy	Full	-	-		Full	-	-	

Business	Name	Country	30 June 2019 Method	Voting (%)	Interest (%)	Ref.	31 December 2018 Method	Voting (%)	Interest (%)	Ref.
	Eutimm SRL	Italy	Full	100.0%	100.0%	E1				
	International Factors Italia SPA	Italy	Full	99.7%	99.7%		Full	99.7%	99.7%	
	Permicro SPA	Italy	Equity	21.6%	21.6%	V4	Equity	20.9%	20.9%	E1
	Serfactoring SPA	Italy	Equity	27.0%	26.9%		Equity	27.0%	26.9%	E1
	Servizio Italia SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	D1
	Sviluppo HQ Tiburtina SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Tierre Securitisation SRL(s)	Italy	Full	-	-		Full	-	-	
	Vela ABS SRL(s)	Italy	Full	-	-		Full	-	-	
	Vela Consumer 2 SRL(s)	Italy	Full	-	-		Full	-	-	
	Vela Consumer SRL(s)	Italy	Full	-	-		Full	-	-	
	Vela Home SRL(s)	Italy	Full	-	-		Full	-	-	
	Vela Mortgages SRL(s)	Italy	Full	-	-		Full	-	-	
	Vela OBG SRL(s)	Italy	Full	-	-		Full	-	-	
	Vela RMBS SRL(s)	Italy	Full	-	-		Full	-	-	
Arval										
	Annuo Jiutong	China								V2/S2
	Artel	France	Full	100.0%	99.9%		Full	100.0%	99.9%	D1
	Arval AB	Sweden	Full	100.0%	99.9%		Full	100.0%	99.9%	D1
	Arval AS	Denmark	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval AS Norway	Norway	Full	100.0%	99.9%	E1				
	Arval Austria GmbH	Austria	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Belgium NV SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Benelux BV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Brasil Ltda	Brazil	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval BV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval CZ SRO	Czech Rep.	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Deutschland GmbH	Germany	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Fleet Services	France	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Hellas Car Rental SA	Greece	Full	100.0%	99.9%		Full	100.0%	99.9%	D1
	Arval India Private Ltd	India	Full	100.0%	99.9%		Full	100.0%	99.9%	D1
	Arval LLC	Russia	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Luxembourg SA	Luxemburg	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Magyarorszag KFT	Hungary	Full	100.0%	99.9%		Full	100.0%	99.9%	D1
	Arval Maroc SA	Morocco	Full	100.0%	89.0%		Full	100.0%	89.0%	D1
	Arval OY	Finland	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Relsa SPA	Chile	Equity(3)	50.0%	50.0%		Equity(3)	50.0%	50.0%	E1
	Arval Schweiz AG	Switzerland	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Service Lease	France	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Service Lease Aluger Operational Automoveis SA	Portugal	Full	100.0%	99.9%		Full	100.0%	99.9%	D1
	Arval Service Lease Italia SPA	Italy	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Service Lease Polska SP ZOO	Poland	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Service Lease Romania SRL	Romania	Full	100.0%	99.9%		Full	100.0%	99.9%	D1

			30 June 2019				31 December 2018			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Arval Service Lease SA	Spain	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Slovakia SRO	Slovakia	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval Trading	France	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval UK Group Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval UK Leasing Services Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Arval UK Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Fleet Holdings Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Cetelem Renting	France				S4	Full	100.0%	99.9%	E1
	Cofiparc	France	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Greenval Insurance DAC	Ireland	Full[2]	100.0%	100.0%		Full[2]	100.0%	100.0%	
	Locadif	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Louveo	France	Full	100.0%	99.9%		Full	100.0%	99.9%	E1
	Public Location Longue Durée	France	Full	100.0%	99.9%		Full	100.0%	99.9%	
	TEB Arval Arac Filo Kiralama AS	Turkey	Full	100.0%	75.0%		Full	100.0%	75.0%	
Leasing Solutions										
	Albury Asset Rentals Ltd	UK								S1
	All In One Vermietung GmbH	Austria	Full	100.0%	83.0%		Full	100.0%	83.0%	E1
	Aprolis Finance	France	Full	51.0%	42.3%		Full	51.0%	42.3%	
	Arius	France	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Artegy	France	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNL Leasing SPA	Italy	Full	100.0%	95.5%	E1				
	BNPP B Institutional II Treasury 17[s]	Belgium								S3
	BNPP Finansal Kiralama AS	Turkey	Full	100.0%	82.5%		Full	100.0%	82.5%	
	BNPP Lease Group	France	Full[1]	100.0%	83.0%		Full[1]	100.0%	83.0%	
	BNPP Lease Group (Germany branch)	Germany	Full[1]	100.0%	83.0%		Full[1]	100.0%	83.0%	
	BNPP Lease Group (Italy branch)	Italy	Full[1]	100.0%	83.0%		Full[1]	100.0%	83.0%	
	BNPP Lease Group (Portugal branch)	Portugal	Full[1]	100.0%	83.0%		Full[1]	100.0%	83.0%	
	BNPP Lease Group (Spain branch)	Spain	Full[1]	100.0%	83.0%		Full[1]	100.0%	83.0%	
	BNPP Lease Group Belgium	Belgium	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Lease Group GmbH & Co KG	Austria	Full	100.0%	83.0%		Full	100.0%	83.0%	E1
	BNPP Lease Group Leasing Solutions SPA	Italy	Full	100.0%	95.5%		Full	100.0%	95.5%	
	BNPP Lease Group PLC	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Lease Group Rentals Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Lease Group SP ZOO	Poland	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Services	Poland	Full	100.0%	88.7%		Full	100.0%	88.7%	V4
	BNPP Leasing Solution AS	Norway	Full	100.0%	83.0%		Full	100.0%	83.0%	E3
	BNPP Leasing Solutions	Luxemburg	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions IFN SA	Romania	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions NV	Netherlands	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions Suisse SA	Switzerland	Full	100.0%	83.0%		Full	100.0%	83.0%	D1
	BNPP Rental Solutions Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Rental Solutions SPA	Italy	Full	100.0%	83.0%		Full	100.0%	83.0%	D1

Business	Name	Country	30 June 2019				31 December 2018			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Claas Financial Services	France	Full[(1)]	51.0%	42.3%		Full[(1)]	51.0%	42.3%	
	Claas Financial Services (Germany branch)	Germany	Full[(1)]	100.0%	42.3%		Full[(1)]	100.0%	42.3%	
	Claas Financial Services (Italy branch)	Italy	Full[(1)]	100.0%	42.3%		Full[(1)]	100.0%	42.3%	
	Claas Financial Services (Poland branch)	Poland	Full[(1)]	100.0%	42.3%		Full[(1)]	100.0%	42.3%	
	Claas Financial Services (Spain branch)	Spain	Full[(1)]	100.0%	42.3%		Full[(1)]	100.0%	42.3%	
	Claas Financial Services Ltd	UK	Full	51.0%	42.3%		Full	51.0%	42.3%	
	CMV Mediforce	France	Full[(1)]	100.0%	83.0%		Full[(1)]	100.0%	83.0%	V3
	CNH Industrial Capital Europe	France	Full[(1)]	50.1%	41.6%		Full[(1)]	50.1%	41.6%	
	CNH Industrial Capital Europe (Belgium branch)	Belgium	Full[(1)]	100.0%	41.6%		Full[(1)]	100.0%	41.6%	
	CNH Industrial Capital Europe (Germany branch)	Germany	Full[(1)]	100.0%	41.6%		Full[(1)]	100.0%	41.6%	
	CNH Industrial Capital Europe (Italy branch)	Italy	Full[(1)]	100.0%	41.6%		Full[(1)]	100.0%	41.6%	
	CNH Industrial Capital Europe (Poland branch)	Poland	Full[(1)]	100.0%	41.6%		Full[(1)]	100.0%	41.6%	
	CNH Industrial Capital Europe (Spain branch)	Spain	Full[(1)]	100.0%	41.6%		Full[(1)]	100.0%	41.6%	
	CNH Industrial Capital Europe BV	Netherlands	Full	100.0%	41.6%		Full	100.0%	41.6%	
	CNH Industrial Capital Europe GmbH	Austria	Full	100.0%	41.6%		Full	100.0%	41.6%	
	CNH Industrial Capital Europe Ltd	UK	Full	100.0%	41.6%		Full	100.0%	41.6%	
	Commercial Vehicle Finance Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	ES-Finance	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	FL Zeebrugge[(s)]	Belgium	Full	-	-		Full	-	-	D1
	Folea Grundstucksverwaltungs und Vermietungs Gmbh & Co[(s)]	Germany	Full	-	-		Full	-	-	D1
	Fortis Lease	France	Full[(1)]	100.0%	83.0%		Full[(1)]	100.0%	83.0%	
	Fortis Lease Belgium	Belgium	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Fortis Lease Deutschland GmbH	Germany	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Fortis Lease Iberia SA	Spain	Full	100.0%	86.6%		Full	100.0%	86.6%	
	Fortis Lease Portugal	Portugal	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Fortis Lease UK Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	D1
	Fortis Vastgoedlease BV	Netherlands	Full	100.0%	83.0%		Full	100.0%	83.0%	D1
	Heffiq Heftruck Verhuur BV	Netherlands	Full	50.0%	41.5%		Full	50.1%	41.5%	E1
	Humberclyde Commercial Investments Ltd	UK								S1
	JCB Finance	France	Full[(1)]	100.0%	41.6%		Full[(1)]	100.0%	41.6%	
	JCB Finance (Germany branch)	Germany	Full[(1)]	100.0%	41.6%		Full[(1)]	100.0%	41.6%	
	JCB Finance (Italy branch)	Italy	Full[(1)]	100.0%	41.6%		Full[(1)]	100.0%	41.6%	
	JCB Finance Holdings Ltd	UK	Full	50.1%	41.6%		Full	50.1%	41.6%	
	Manitou Finance Ltd	UK	Full	51.0%	42.3%		Full	51.0%	42.3%	
	MFF	France	Full[(1)]	51.0%	42.3%		Full[(1)]	51.0%	42.3%	
	Natio Energie 2	France	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	Natiocredibail	France	Full[(1)]	100.0%	100.0%		Full[(1)]	100.0%	100.0%	
	RD Leasing IFN SA	Romania	Full	100.0%	83.0%		Full	100.0%	83.0%	E3
	Same Deutz Fahr Finance	France	Full[(1)]	100.0%	83.0%		Full[(1)]	100.0%	83.0%	
	Same Deutz Fahr Finance Ltd	UK								S1
	SNC Natiocredimurs	France	Full[(1)]	100.0%	100.0%		Full[(1)]	100.0%	100.0%	
	UCB Bail 2	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
New Digital Businesses										

			30 June 2019				31 December 2018			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Financière des Paiements Electroniques	France	Full	95.0%	95.0%		Full	95.0%	95.0%	
	Lyf SA	France	Equity(3)	43.8%	43.8%	V2	Equity(3)	46.0%	46.0%	V1
	Lyf SAS	France	Equity(3)	45.4%	45.4%	V2	Equity(3)	45.8%	45.8%	V1
Personal Investors										
	Geojit Technologies Private Ltd	India	Equity	35.0%	35.0%		Equity	35.0%	35.0%	
	Human Value Developers Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Sharekhan BNPP Financial Services Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Sharekhan Commodities Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	Sharekhan Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
INTERNATIONAL FINANCIAL SERVICES										
BNP Paribas Personal Finance										
	Alpha Crédit SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Autop Ocean Indien	France	Full	100.0%	97.8%		Full	100.0%	97.8%	E1
	Axa Banque Financement	France	Equity	35.0%	35.0%		Equity	35.0%	35.0%	
	B Carat(s)	Belgium								S1
	Banco BNPP Personal Finance SA	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Banco Cetelem Argentina SA	Argentina	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Banco Cetelem SA	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Banco Cetelem SAU	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Banco de Servicios Financieros SA	Argentina	Equity	40.0%	40.0%		Equity	40.0%	40.0%	
	Banque Solfea	France	Equity(3)	45.0%	45.0%		Equity(3)	45.0%	45.0%	
	BGN Mercantil E Servicos Ltda	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Austria branch)	Austria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Bulgaria branch)	Bulgaria	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
	BNPP Personal Finance (Czech Republic branch)	Czech Rep.	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Romania branch)	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
	BNPP Personal Finance (Slovakia branch)	Slovakia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance EAD	Bulgaria								S4
	BNPP Personal Finance South Africa Ltd	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Cafineo	France	Full(1)	51.0%	50.8%		Full(1)	51.0%	50.8%	
	Carrefour Banque	France	Equity	40.0%	40.0%		Equity	40.0%	40.0%	
	Cartolarizzazione Auto Receivable's SRL(s)	Italy								S3
	Cetelem Algérie	Algeria	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	Cetelem America Ltda	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Cetelem Bank LLC	Russia	Equity	20.8%	20.8%		Equity	20.8%	20.8%	
	Cetelem Gestion AIE	Spain	Full	100.0%	96.5%		Full	100.0%	96.5%	E1
	Cetelem IFN	Romania								S4
	Cetelem SA de CV	Mexico	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Cetelem Servicios Informaticos AIE	Spain	Full	100.0%	81.5%		Full	100.0%	81.5%	E1
	Cetelem Servicos Ltda	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	D1

Business	Name	Country	30 June 2019 Method	30 June 2019 Voting (%)	30 June 2019 Interest (%)	30 June 2019 Ref.	31 December 2018 Method	31 December 2018 Voting (%)	31 December 2018 Interest (%)	31 December 2018 Ref.
	Cofica Bail	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	Cofinoga Funding Two LP(s)	UK	Full	-	-		Full	-	-	
	Cofiplan	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	Creation Consumer Finance Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Creation Financial Services Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Crédit Moderne Antilles Guyane	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	Crédit Moderne Océan Indien	France	Full(1)	97.8%	97.8%		Full(1)	97.8%	97.8%	
	Domofinance	France	Full(1)	55.0%	55.0%		Full(1)	55.0%	55.0%	
	Ecarat SA(s)	Luxemburg	Full	-	-		Full	-	-	
	Ecarat UK (a)(s)	UK	Full	-	-		Full	-	-	
	Effico	France	Equity	24.5%	24.5%		Equity	24.5%	24.5%	
	Ekspres Bank AS	Denmark	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Ekspres Bank AS (Norway branch)	Norway	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Ekspres Bank AS (Sweden branch)	Sweden	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
	Eos Aremas Belgium SA NV	Belgium	Equity	50.0%	49.9%		Equity	50.0%	49.9%	
	FCT F Carat(s)	France								S1
	Findomestic Banca SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Florence 1 SRL(s)	Italy								S1
	Florence SPV SRL(s)	Italy	Full	-	-		Full	-	-	
	GCC Consumo Establecimiento Financiero de Credito SA	Spain	Full	51.0%	51.0%		Full	51.0%	51.0%	
	Genius Auto Finance Co Ltd	China	Equity(3)	20.0%	20.0%		Equity(3)	20.0%	20.0%	
	Gesellschaft für Capital & Vermögensverwaltung GmbH	Germany								S3
	I Carat SRL(s)	Italy								S1
	Inkasso Kodat GmbH & Co KG	Germany								S3
	International Development Resources AS Services SA	Spain								S3
	Laser ABS 2017 Holding Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Laser ABS 2017 PLC(s)	UK	Full	-	-		Full	-	-	
	Leval 20	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Loisirs Finance	France	Full(1)	51.0%	51.0%		Full(1)	51.0%	51.0%	
	Magyar Cetelem Bank ZRT	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Neuilly Contentieux	France	Full	96.0%	95.7%		Full	96.0%	95.7%	E1
	Noria 2018-1(s)	France	Full	-	-		Full	-	-	E2
	Norrsken Finance	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	Olympia SAS	France	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Oney Magyarorszag ZRT	Hungary	Equity	40.0%	40.0%		Equity	40.0%	40.0%	
	Opel Bank	France	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Opel Bank GmbH	Germany	Full	100.0%	50.0%		Full	100.0%	50.0%	
	Opel Bank GmbH (Greece branch)	Greece	Full	100.0%	50.0%		Full	100.0%	50.0%	
	Opel Bank GmbH (Ireland branch)	Ireland	Full	100.0%	50.0%		Full	100.0%	50.0%	
	Opel Bank GmbH (Spain branch)	Spain	Full	100.0%	50.0%		Full	100.0%	50.0%	E2
	Opel Finance AB	Sweden	Full	100.0%	50.0%		Full	100.0%	50.0%	D1
	Opel Finance BVBA	Belgium	Full	100.0%	50.0%		Full	100.0%	50.0%	D1

Business	Name	Country	30 June 2019 Method	30 June 2019 Voting (%)	30 June 2019 Interest (%)	30 June 2019 Ref.	31 December 2018 Method	31 December 2018 Voting (%)	31 December 2018 Interest (%)	31 December 2018 Ref.
	Opel Finance Germany Holdings GmbH	Germany								S4
	Opel Finance International BV	Netherlands	Full	100.0%	50.0%		Full	100.0%	50.0%	
	Opel Finance NV	Netherlands	Full	100.0%	50.0%		Full	100.0%	50.0%	D1
	Opel Finance NV (Belgium branch)	Belgium								S1
	Opel Finance SA	Switzerland	Full	100.0%	50.0%		Full	100.0%	50.0%	D1
	Opel Finance SPA	Italy	Full	100.0%	50.0%		Full	100.0%	50.0%	
	Opel Leasing GmbH	Germany	Full	100.0%	50.0%		Full	100.0%	50.0%	
	Opel Leasing GmbH (Austria branch)	Austria	Full	100.0%	50.0%		Full	100.0%	50.0%	
	OPVF Europe Holdco Ltd	UK								S4
	OPVF Holdings UK Ltd	UK								S1
	Phedina Hypotheken 2010 BV(s)	Netherlands	Full	-	-		Full	-	-	
	Phedina Hypotheken 2013 I BV(s)	Netherlands				S1	Full	-	-	
	Projeo	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	RCS Cards Pty Ltd	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Securely Transferred Auto Receivables II SA(s)	Luxembourg								S3
	Securitisation fund Autonoria(s)	France				S1	Full	-	-	
	Securitisation funds Domos (c)(s)	France	Full	-	-		Full	-	-	
	Securitisation funds UCI and RMBS Prado (b)(s)	Spain	Equity(3)	-	-		Equity(3)	-	-	
	Servicios Financieros Carrefour EFC SA	Spain	Equity	37.3%	40.0%		Equity	37.3%	40.0%	
	Sevenday Finans AB	Sweden								S4
	Sundaram BNPP Home Finance Ltd	India	Equity(3)	49.9%	49.9%		Equity(3)	49.9%	49.9%	
	Suning Consumer Finance Co Ltd	China	Equity	15.0%	15.0%		Equity	15.0%	15.0%	
	Sygma Funding Two Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Symag	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	TEB Finansman AS	Turkey	Full	100.0%	92.8%		Full	100.0%	92.8%	
	UCB Ingatlanhitel ZRT	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Union de Creditos Inmobiliarios SA	Spain	Equity(3)	50.0%	50.0%		Equity(3)	50.0%	50.0%	
	United Partnership	France	Equity(3)	50.0%	50.0%		Equity(3)	50.0%	50.0%	E1
	Vault Funding Ltd(s)	UK								S3
	Vauxhall Finance PLC	UK	Full	100.0%	50.0%		Full	100.0%	50.0%	
	Von Essen Bank GmbH	Germany				S4	Full	100.0%	99.9%	
	Warf 2012 Ltd(s)	UK								S3
International Retail Banking - BancWest										
	1897 Services Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BancWest Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BancWest Holding Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BancWest Investment Services Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Bank of the West	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Bank of the West Auto Trust 2014-1(s)	USA								S1
	Bank of the West Auto Trust 2015-1(s)	USA								S2
	Bank of the West Auto Trust 2017-1(s)	USA								S2

			30 June 2019				31 December 2018			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Bank of the West Auto Trust 2018-1[(s)]	USA	Full	-	-		Full	-	-	
	Bank of the West Auto Trust 2019-1 (Ex- Bank of the West Auto Trust 2018-2)[(s)]	USA	Full	-	-		Full	-	-	E2
	Bank of the West Auto Trust 2019-2[(s)]	USA	Full	-	-	E2				
	Bishop Street Capital Management Corp	USA								V3/S2
	BNPP Leasing Solutions Canada Inc	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	BOW Auto Receivables LLC[(s)]	USA	Full	-	-		Full	-	-	
	BWC Opportunity Fund 2 Inc[(s)]	USA	Full	-	-	E2				
	BWC Opportunity Fund Inc[(s)]	USA	Full	-	-		Full	-	-	E2
	Center Club Inc	USA								V3/S2
	CFB Community Development Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Claas Financial Services LLC	USA	Full	51.0%	51.0%		Full	51.0%	51.0%	
	Commercial Federal Affordable Housing Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Commercial Federal Community Development Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Commercial Federal Insurance Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Commercial Federal Investment Service Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	FHL SPC One Inc	USA								V3/S2
	First Bancorp[(s)]	USA	Full	-	-		Full	-	-	
	First Hawaiian Bank	USA								V3/S2
	First Hawaiian Inc	USA				S2	Equity	18.4%	18.4%	V2
	First Hawaiian Leasing Inc	USA								V3/S2
	First National Bancorporation[(s)]	USA	Full	-	-		Full	-	-	
	First Santa Clara Corp[(s)]	USA	Full	-	-		Full	-	-	
	Glendale Corporate Center Acquisition LLC[(s)]	USA								S2
	LACMTA Rail Statutory Trust FH1[(s)]	USA								V3/S2
	Liberty Leasing Co	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Mountain Falls Acquisition Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Real Estate Delivery 2 Inc	USA								V3/S2
	ST 2001 FH 1 Statutory Trust[(s)]	USA								V3/S2
	The Bankers Club Inc	USA								V3/S2
	Ursus Real Estate Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	VTA 1998 FH[(s)]	USA								S1
International Retail Banking - Europe Mediterranean										
	Bank of Nanjing	China	Equity	15.0%	15.0%		Equity	15.0%	15.0%	V2
	Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire	Ivory Coast	Full	59.8%	59.8%		Full	59.8%	59.8%	
	Banque Internationale pour le Commerce et l'Industrie de la Guinée	Guinea	Full	55.6%	55.6%		Full	55.6%	55.6%	
	Banque Internationale pour le Commerce et l'Industrie du Burkina Faso	Burkina Faso	Full	51.0%	51.0%		Full	51.0%	51.0%	
	Banque Internationale pour le Commerce et l'Industrie du Gabon	Gabon	Equity	47.0%	47.0%		Equity	47.0%	47.0%	
	Banque Internationale pour le Commerce et l'Industrie du Mali	Mali	Full	85.0%	85.0%		Full	85.0%	85.0%	

Business	Name	Country	30 June 2019 Method	Voting (%)	Interest (%)	Ref.	31 December 2018 Method	Voting (%)	Interest (%)	Ref.
	Banque Internationale pour le Commerce et l'Industrie du Sénégal	Senegal	Full	54.1%	54.1%		Full	54.1%	54.1%	
	Banque Marocaine pour le Commerce et l'Industrie	Morocco	Full	67.0%	67.0%		Full	67.0%	67.0%	
	Banque Marocaine pour le Commerce et l'Industrie Banque Offshore	Morocco	Full	100.0%	67.0%		Full	100.0%	67.0%	
	Banque pour l'Industrie et le Commerce des Comores	Comoros	Full	51.0%	51.0%		Full	51.0%	51.0%	E1
	Bantas Nakit AS	Turkey	Equity(3)	33.3%	16.7%		Equity(3)	33.3%	16.7%	E1
	BDSI	Morocco	Full	100.0%	96.4%	E1				
	BGZ BNPP Faktoring Spolka ZOO	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BGZ Poland ABS1 DAC(s)	Ireland	Full	-	-		Full	-	-	
	BICI Bourse	Ivory Coast	Full	90.0%	53.5%		Full	90.0%	53.5%	D1
	BMCI Leasing	Morocco	Full	86.9%	58.2%		Full	86.9%	58.2%	
	BNPP Bank Polska SA (Ex- Bank BGZ BNPP SA)	Poland	Full	88.8%	88.7%		Full	88.8%	88.7%	V4
	BNPP El Djazair	Algeria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Fortis Yatirimlar Holding AS	Turkey	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP IRB Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Solutions Spolka ZOO	Poland	Full	100.0%	88.7%		Full	100.0%	88.7%	E3
	BNPP Yatirimlar Holding AS	Turkey	Full	100.0%	100.0%		Full	100.0%	100.0%	
	IC Axa Insurance JSC	Ukraine				S2	Equity	49.8%	29.9%	
	TEB Faktoring AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	
	TEB Holding AS	Turkey	Full	50.0%	50.0%		Full	50.0%	50.0%	
	TEB Portfoy Yonetimi AS	Turkey	Full	100.0%	72.5%	V4	Full	54.8%	39.7%	V3
	TEB SH A	Serbia	Full	100.0%	50.0%		Full	100.0%	50.0%	
	TEB Yatirim Menkul Degerler AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	
	Turk Ekonomi Bankasi AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	
	UkrSibbank Public JSC	Ukraine	Full	60.0%	60.0%		Full	60.0%	60.0%	
	Union Bancaire pour le Commerce et l'Industrie	Tunisia	Full	50.1%	50.1%		Full	50.1%	50.1%	
Insurance										
	AEW Immocommercial(s)	France	FV	-	-		FV	-	-	E1
	AG Insurance	Belgium	Equity	25.0%	25.0%		Equity	25.0%	25.0%	
	Agathe Retail France	France	FV	33.3%	33.3%		FV	33.3%	33.3%	E1
	Ambrosia Avril 2025(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	Astridplaza	Belgium	Full	100.0%	98.4%	E3				
	Batipart Participations SAS	Luxemburg	FV	29.7%	29.7%		FV	29.7%	29.7%	E3
	BNPP ABS Europe AAA(s)	France				S4	Full(4)	-	-	E1
	BNPP ABS Europe IG(s)	France				S4	Full(4)	-	-	E1
	BNPP ABS Opportunities(s)	France				S4	Full(4)	-	-	E1
	BNPP Actions Croissance (Ex- Camgestion Actions Croissance)(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Actions Entrepreneurs(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Actions Euro (Ex- Camgestion Actions Euro)(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Actions Monde(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Actions PME(s)	France	Full(4)	-	-		Full(4)	-	-	E1

Business	Name	Country	30 June 2019				31 December 2018			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Aqua(s)	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Best Selection Actions Euro (Ex- BNPP Actions Euroland)(s)	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Cardif	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif BV	Netherlands	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif Compania de Seguros y Reaseguros SA	Peru	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	BNPP Cardif Emeklilik AS	Turkey	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif General Insurance Co Ltd	Rep. of Korea	Equity *	90.0%	90.0%		Equity *	90.0%	90.0%	
	BNPP Cardif Hayat Sigorta AS	Turkey	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	BNPP Cardif Levensverzekeringen NV	Netherlands	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif Pojistovna AS	Czech Rep.	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif Schadeverzekeringen NV	Netherlands	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif Seguros de Vida SA	Chile	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif Seguros Generales SA	Chile	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Cardif Servicios y Asistencia Ltda	Chile	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	BNPP Cardif Sigorta AS	Turkey	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	E1
	BNPP Cardif TCB Life Insurance Co Ltd	Taiwan	Equity	49.0%	49.0%		Equity	49.0%	49.0%	
	BNPP Cardif Vita Compagnia di Assicurazione E Riassicurazione SPA	Italy	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	BNPP Convictions(s)	France	Full(4)	-	-		Full(4)	-	-	
	BNPP CP Cardif Alternative(s)	France	Full(2)	-	-		Full(2)	-	-	
	BNPP CP Cardif Private Debt(s)	France	Full(4)	-	-		Full(2)	-	-	
	BNPP Développement Humain(s)	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Diversipierre(s)	France	Full(2)	-	-		Full(2)	-	-	
	BNPP Euro Valeurs Durables(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP France Crédit(s)	France	Full(2)	-	-		Full(2)	-	-	
	BNPP Global Senior Corporate Loans(s)	France	Full(4)	-	-		Full(4)	-	-	
	BNPP Indice Amerique du Nord(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Indice Euro(s)	France				S3	Full(4)	-	-	
	BNPP Midcap France(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Monétaire Assurance(s)	France				S3	Full(4)	-	-	E1
	BNPP Protection Monde(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Rendactis (Ex- Camgestion Rendactis)(s)	France				S3	Full(4)	-	-	E1
	BNPP Sélection Dynamique Monde(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Sélection Flexible(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	BOB Cardif Life Insurance Co Ltd	China	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
	C Santé(s)	France	Full(2)	-	-		Full(2)	-	-	E1
	Camgestion Obliflexible(s)	France	Full(2)	-	-		Full(2)	-	-	
	Capital France Hotel	France	Full(2)	98.4%	98.4%		Full(2)	98,4%	98,4%	

			30 June 2019				31 December 2018			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Cardif Alternatives Part I(s)	France	Full(2)	-	-		Full(2)	-	-	
	Cardif Assurance Vie	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurance Vie (Austria branch)	Austria	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurance Vie (Belgium branch)	Belgium	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurance Vie (Bulgaria branch)	Bulgaria	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurance Vie (Germany branch)	Germany	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurance Vie (Italy branch)	Italy	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurance Vie (Japan branch)	Japan				S1	Full(2)	100.0%	100.0%	
	Cardif Assurance Vie (Portugal branch)	Portugal	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurance Vie (Romania branch)	Romania	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurance Vie (Spain branch)	Spain	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurance Vie (Switzerland branch)	Switzerland	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurance Vie (Taiwan branch)	Taiwan	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Austria branch)	Austria	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Belgium branch)	Belgium	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Bulgaria branch)	Bulgaria	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Germany branch)	Germany	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Italy branch)	Italy	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Japan branch)	Japan				S1	Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Luxembourg branch)	Luxemburg	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Poland branch)	Poland	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Portugal branch)	Portugal	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Romania branch)	Romania	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Spain branch)	Spain	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Switzerland branch)	Switzerland	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Taiwan branch)	Taiwan	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Biztosito Magyarorszag ZRT	Hungary	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	E1
	Cardif BNPP IP Convertibles World(s)	France	Full(2)	-	-		Full(2)	-	-	
	Cardif BNPP IP Equity Frontier Markets(s)	France	Full(2)	-	-		Full(2)	-	-	
	Cardif BNPP IP Signatures(s)	France	Full(2)	-	-		Full(2)	-	-	
	Cardif BNPP IP Smid Cap Euro(s)	France	Full(2)	-	-		Full(2)	-	-	
	Cardif BNPP IP Smid Cap Europe(s)	France				S3	Full(2)	-	-	
	Cardif Colombia Seguros Generales SA	Colombia	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif CPR Global Return(s)	France	Full(2)	-	-		Full(2)	-	-	
	Cardif do Brasil Seguros e Garantias SA	Brazil	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif do Brasil Vida e Previdencia SA	Brazil	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	

Business	Name	Country	30 June 2019				31 December 2018			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Cardif Edrim Signatures(s)	France	Full(2)	-	-		Full(2)	-	-	
	Cardif El Djazair	Algeria	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Forsakring AB	Sweden	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Forsakring AB (Denmark branch)	Denmark	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Forsakring AB (Norway branch)	Norway	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif IARD	France	Full(2)	66.0%	66.0%		Full(2)	66.0%	66.0%	V3/D1
	Cardif Insurance Co LLC	Russia	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Life	Luxemburg	Full(2)	100.0%	88.6%		Full(2)	100.0%	88.6%	E3/V4
	Cardif Life Insurance Co Ltd	Rep. of Korea	Full(2)	85.0%	85.0%		Full(2)	85.0%	85.0%	
	Cardif Life Insurance Japan	Japan	Full(2)	75.0%	75.0%		Full(2)	75.0%	75.0%	E1
	Cardif Livforsakring AB	Sweden	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Livforsakring AB (Denmark branch)	Denmark	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Livforsakring AB (Norway branch)	Norway	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Ltda	Brazil	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	E1
	Cardif Lux Vie	Luxemburg	Full(2)	100.0%	88.6%		Full(2)	100.0%	88.6%	V1
	Cardif Mexico Seguros de Vida SA de CV	Mexico	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Mexico Seguros Generales SA de CV	Mexico	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Non Life Insurance Japan	Japan	Full(2)	100.0%	75.0%		Full(2)	100.0%	75.0%	E1
	Cardif Nordic AB	Sweden	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Pinnacle Insurance Holdings PLC	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Pinnacle Insurance Management Services PLC	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Polska Towarzystwo Ubezpieczen Na Zycie SA	Poland	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Seguros SA	Argentina	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cardif Servicios SA	Argentina	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Servicios SAC	Peru	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	E1
	Cardif Vita Convex Fund Eur(s)	France	Full(2)	-	-		Full(2)	-	-	
	Cardimmo	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cargeas Assicurazioni SPA	Italy	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Carma Grand Horizon SARL	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	CB UK Ltd	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Cedrus Carbon Initiative Trends(s)	France	Full(2)	-	-		Full(2)	-	-	
	CFH Algonquin Management Partners France Italia	Italy	Full(2)	100.0%	98.4%		Full(2)	100.0%	98.4%	V3
	CFH Bercy	France	Full(2)	100.0%	98.4%		Full(2)	100.0%	98.4%	V3
	CFH Bercy Hotel	France	Full(2)	100.0%	98.4%		Full(2)	100.0%	98.4%	V3
	CFH Bercy Intermédiaire	France	Full(2)	100.0%	98.4%		Full(2)	100.0%	98.4%	V3
	CFH Boulogne	France	Full(2)	100.0%	98.4%		Full(2)	100.0%	98.4%	V3
	CFH Cap d'Ail	France	Full(2)	100.0%	98.4%		Full(2)	100.0%	98.4%	V3
	CFH Milan Holdco SRL	Italy	Full(2)	100.0%	98.4%		Full(2)	100.0%	98.4%	V3

			30 June 2019				31 December 2018			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	CFH Montmartre	France	Full(2)	100.0%	98.4%		Full(2)	100.0%	98.4%	V3
	CFH Montparnasse	France	Full(2)	100.0%	98.4%		Full(2)	100.0%	98.4%	V3
	Corosa	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Darnell DAC	Ireland	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Défense CB3 SAS	France	FV	25.0%	25.0%		FV	25.0%	25.0%	E1
	EP L(s)	France	Full(2)	-	-		Full(2)	-	-	
	Fleur SAS	France	FV	33.3%	33.3%		FV	33.3%	33.3%	E1
	Foncière Partenaires(s)	France	FV	-	-		FV	-	-	E1
	Fonds d'Investissements Immobiliers pour le Commerce et la Distribution	France	FV	25.0%	25.0%		FV	25.0%	25.0%	E1
	FP Cardif Convex Fund USD(s)	France	Full(2)	-	-		Full(2)	-	-	
	Fundamenta(s)	Italy	Full(2)	-	-		Full(2)	-	-	
	G C Thematic Opportunities II(s)	Ireland	Full(2)	-	-		Full(2)	-	-	
	GIE BNPP Cardif	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	V4
	Harewood Helena 2 Ltd	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	E1
	Hibernia France	France	Full(2)	100.0%	98.4%		Full(2)	100.0%	98.4%	V3
	High Street Retail	France	FV	20.5%	20.5%	E1				
	Horizon GmbH	Germany	FV	66.7%	64.7%	E3				
	Icare	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Icare Assurance	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Luizaseg	Brazil	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
	Natio Assurance	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	V1
	Natio Fonds Ampère 1(s)	France	Full(4)	-	-		Full(4)	-	-	
	Natio Fonds Athenes Investissement N 5(s)	France	Full(2)	-	-		Full(2)	-	-	V4
	Natio Fonds Colline International(s)	France	Full(2)	-	-		Full(2)	-	-	
	Natio Fonds Collines Investissement N 1(s)	France	Full(2)	-	-		Full(2)	-	-	
	Natio Fonds Collines Investissement N 3(s)	France	Full(2)	-	-		Full(2)	-	-	
	NCVP Participacoes Societarias SA	Brazil	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	New Alpha Cardif Incubator Fund(s)	France	Full(2)	-	-		Full(2)	-	-	
	Opéra Rendement(s)	France	Full(2)	-	-		Full(2)	-	-	
	Paris Management Consultant Co Ltd	Taiwan	Equity *	100.0%	100.0%	E1				
	Permal Cardif Co Investment Fund(s)	France	Full(2)	-	-		Full(2)	-	-	
	Pinnacle Insurance PLC	UK	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Poistovna Cardif Slovakia AS	Slovakia	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Preim Healthcare SAS(s)	France	FV	-	-		FV	-	-	E1
	PWH	France	FV	47.4%	47.4%		FV	47,4%	47,4%	E1
	Reumal Investissements	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Rubin SARL	Luxemburg	FV	50.0%	50.0%		FV	50,0%	50,0%	E1
	Rueil Ariane	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	

Business	Name	Country	30 June 2019 Method	30 June 2019 Voting (%)	30 June 2019 Interest (%)	30 June 2019 Ref.	31 December 2018 Method	31 December 2018 Voting (%)	31 December 2018 Interest (%)	31 December 2018 Ref.
	SAS HVP	France	Full(2)	100.0%	98.4%		Full(2)	100.0%	98.4%	V3
	SCI 68/70 rue de Lagny - Montreuil	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Alpha Park	France	FV	50.0%	50.0%		FV	50.0%	50.0%	E1
	SCI BNPP Pierre I	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI BNPP Pierre II	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Bobigny Jean Rostand	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Bouleragny	France	FV	50.0%	50.0%		FV	50.0%	50.0%	E1
	SCI Cardif Logement	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Citylight Boulogne	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Clichy Nuovo	France	FV	50.0%	50.0%		FV	50.0%	50.0%	E1
	SCI Défense Etoile	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Défense Vendôme	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Etoile du Nord	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Fontenay Plaisance	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Imefa Velizy	France	FV	21.8%	21.8%		FV	21.8%	21.8%	E1
	SCI Le Mans Gare	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Liberté	France	FV	50.0%	50.0%		FV	50.0%	50.0%	E1
	SCI Nanterre Guilleraies	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Nantes Carnot	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Odyssée	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Pantin Les Moulins	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Paris Batignolles	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Paris Cours de Vincennes	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Portes de Claye	France	Equity	45.0%	45.0%		Equity	45.0%	45.0%	
	SCI Rue Moussorgski	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Rueil Caudron	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Saint Denis Landy	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Saint Denis Mitterrand	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI Saint-Denis Jade	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	SCI SCOO	France	Equity	46.4%	46.4%		Equity	46.4%	46.4%	
	SCI Vendôme Athènes	France	FV	50.0%	50.0%		FV	50.0%	50.0%	E1
	SCI Villeurbanne Stalingrad	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Secar	France	FV	59.0%	59.0%		FV	59.0%	59.0%	E1
	Seniorenzentren Deutschland Holding SARL(s)	Luxemburg	FV	-	-		FV	-	-	E1
	Seniorenzentren Reinbeck Oberursel München Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	E3
	Seniorenzentrum Butzbach Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	E3
	Seniorenzentrum Heilbronn Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	E3
	Seniorenzentrum Kassel Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	E3
	Seniorenzentrum Wolfratshausen Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	E3

			30 June 2019				31 December 2018			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Société Francaise d'Assurances sur la Vie	France	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
	Société Immobilière du Royal Building SA	Luxemburg	Full(2)	100.0%	88.6%		Full(2)	100.0%	88.6%	V4
	State Bank of India Life Insurance Co Ltd	India				S2	Equity	22.0%	22.0%	
	Tikehau Cardif Loan Europe(s)	France	Full(2)	-	-		Full(2)	-	-	
	Valeur Pierre Epargne	France	Full(2)	100.0%	100.0%		Full(2)	100.0%	100.0%	
	Valtitres FCP(s)	France	Full(2)	-	-		Full(2)	-	-	
	Velizy SAS	France	FV	33.3%	33.3%		FV	33.3%	33.3%	E1
	Vietcombank Cardif Life Insurance Co Ltd	Viet Nam	Equity	55.0%	55.0%	V1	Equity	43.0%	43.0%	E1
Wealth Management										
	BNPP Espana SA	Spain	Full	99.7%	99.7%		Full	99.7%	99.7%	
	BNPP Wealth Management Monaco	Monaco	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
Asset Management										
	Alfred Berg Asset Management AB	Sweden								S4
	Alfred Berg Kapitalforvaltning AB	Sweden	Full	100.0%	98.2%		Full	100.0%	98.2%	V3
	Alfred Berg Kapitalforvaltning AS	Norway	Full	100.0%	98.2%		Full	100.0%	98.2%	V3
	Ambrosia Mars 2026(s)	France	Full(4)	-	-	E1				
	Bancoestado Administradora General de Fondos SA	Chile	Equity	50.0%	49.1%		Equity	50.0%	49.1%	V3
	BNPP Asset Management Asia Ltd	Hong Kong	Full	100.0%	98.2%		Full	100.0%	98.2%	V3
	BNPP Asset Management Be Holding	Belgium	Full	100.0%	98.2%		Full	100.0%	98.2%	V3
	BNPP Asset Management Belgium	Belgium	Full	100.0%	98.2%		Full	100.0%	98.2%	V3
	BNPP Asset Management Belgium (Germany branch)	Germany	Full	100.0%	98.2%		Full	100.0%	98.2%	V3
	BNPP Asset Management Brasil Ltda	Brazil	Full	100.0%	99.5%		Full	100.0%	99.5%	V3
	BNPP Asset Management France	France	Full	100.0%	98.2%		Full	100.0%	98.2%	V3
	BNPP Asset Management France (Austria branch)	Austria	Full	100.0%	98.2%		Full	100.0%	98.2%	V3
	BNPP Asset Management France (Italy branch)	Italy	Full	100.0%	98.2%		Full	100.0%	98.2%	E2
	BNPP Asset Management Holding	France	Full	99.9%	98.2%		Full	99.9%	98.2%	V3
	BNPP Asset Management India Private Ltd	India	Full	100.0%	98.2%		Full	100.0%	98.2%	D1
	BNPP Asset Management Japan Ltd	Japan	Full	100.0%	98.2%		Full	100.0%	98.2%	V3
	BNPP Asset Management Luxembourg	Luxemburg	Full	99.7%	97.9%		Full	99.7%	97.9%	V3
	BNPP Asset Management Nederland NV	Netherlands	Full	100.0%	98.2%		Full	100.0%	98.2%	V3
	BNPP Asset Management Netherlands NV	Netherlands				S4	Full	100.0%	98.3%	
	BNPP Asset Management NL Holding NV	Netherlands	Full	100.0%	98.2%		Full	100.0%	98.2%	V3
	BNPP Asset Management Services Grouping	France	Full	100.0%	98.2%		Full	100.0%	98.2%	E1/V3
	BNPP Asset Management UK Ltd	UK	Full	100.0%	98.2%		Full	100.0%	98.2%	V3
	BNPP Asset Management USA Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Asset Management USA Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP B Institutional II(s)	France	Full	-	-		Full	-	-	
	BNPP B Control(s)	Belgique	Full(4)	-	-	E1				
	BNPP Capital Partners	France	Full	100.0%	100.0%		Full	100.0%	100.0%	D1
	BNPP Dealing Services	France	Full(1)	100.0%	98.2%		Full(1)	100.0%	98.2%	V3
	BNPP Dealing Services (United Kingdom branch)	UK								S1

			30 June 2019				31 December 2018			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Deep Value (Ex- Camgestion Deep Value)(s)	France	Full(4)	-	-	E1				
	BNPP Finance Europe(s)	France	Full(4)	-	-	E1				
	BNPP Indice France(s)	France	Full(4)	-	-	E1				
	BNPP Investment Partners PT	Indonesia	Full	100.0%	98.2%		Full	100.0%	98.2%	V3
	BNPP Investment Partners SGR SPA	Italy								S4
	BNPP L1(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Moderate Focus Italia(s)	France	Full(4)	-	-	E1				
	BNPP Multistratégies Protection 80(s)	France	Full(4)	-	-	E1				
	BNPP Perspectives(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	BNPP Smallcap Euroland(s)	France	Full(4)	-	-	E1				
	CamGestion Obligations Europe(s)	France	Full(4)	-	-	E1				
	Cardif BNPP IP Global Senior Corporate Loans(s)	France	Full(4)	-	-	E1				
	EAB Group PLC (Ex- Elite Asset Management PLC)	Finland	Equity	17.6%	17.3%	V3	Equity	19.0%	18.7%	V3
	Eclair(s)	France	Full(4)	-	-	E1				
	EMZ Partners	France				S2	Equity	24.9%	24.9%	E1
	Fund Channel	Luxemburg	Equity(3)	50.0%	49.1%		Equity(3)	50.0%	49.1%	V3
	Fundquest(s)	France				S3	Full(4)	-	-	E1
	Fundquest Advisor	France	Full	100.0%	98.2%		Full	100.0%	98.2%	D1/V3
	Fundquest Advisor (United Kingdom branch)	UK	Full	100.0%	98.2%		Full	100.0%	98.2%	D1/V3
	Gambit Financial Solutions	Belgium	Full	86.0%	84.4%		Full	86.0%	84.4%	E1/V3
	Groeivermogen NV	Netherlands	Full	100.0%	98.2%		Full	100.0%	98.2%	E1
	Haitong Fortis Private Equity Fund Management Co Ltd	China	Equity	33.0%	32.4%		Equity	33.0%	32.4%	
	Harewood Helena 1 Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	HFT Investment Management Co Ltd	China	Equity	49.0%	48.1%		Equity	49.0%	48.1%	V3
	Impax Asset Management Group PLC	UK	Equity	24.5%	24.0%		Equity	24.5%	24.0%	V3
	Parvest(s)	France	Full(4)	-	-		Full(4)	-	-	E1
	Parworld(s)	Luxembourg	Full(4)	-	-		Full(4)	-	-	E1
	Services Epargne Entreprise	France	Equity	37.1%	37.1%		Equity	37.1%	37.1%	E1
	Shinhan BNPP Asset Management Co Ltd	Rep. of Korea	Equity	35.0%	34.4%		Equity	35.0%	34.4%	V3
	SME Alternative Financing DAC(s)	Ireland	Full	-	-		Full	-	-	E1
	Theam Infrastructure Investments fund(s)	France	Full(4)	-	-	E1				
	Theam Quant(s)	Luxemburg	Full(4)	-	-		Full(4)	-	-	E1
Real Estate Services										
	99 West Tower GmbH & Co KG	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	99 West Tower GP GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Auguste Thouard Expertise	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Immobilier Promotion Immobilier d'Entreprise	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Immobilier Promotion Résidentiel	France								S4
	BNPP Immobilier Résidences Services	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Immobilier Résidentiel	France	Full	100.0%	100.0%		Full	100.0%	100.0%	

Business	Name	Country	30 June 2019				31 December 2018			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Immobilier Résidentiel Service Clients	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate (United Arab Emirates branch)	United Arab Emirates	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Advisory & Property Management Luxembourg SA	Luxemburg	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Advisory & Property Management UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Advisory and Property Management Ireland Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Advisory Belgium SA	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Advisory Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Advisory Netherlands BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Advisory SA	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate APM CR SRO	Czech Rep.	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Conseil Habitation & Hospitality	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Consult France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Consult GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Facilities Management Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Financial Partner	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Holding Benelux SA	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Holding GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Holding Netherlands BV	Netherlands								S4
	BNPP Real Estate Investment Management Belgium	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Investment Management France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Investment Management Germany GmbH	Germany	Full	94.9%	94.9%		Full	94.9%	94.9%	
	BNPP Real Estate Investment Management Germany GmbH (Italy branch)	Italy	Full	94.9%	94.9%		Full	94.9%	94.9%	
	BNPP Real Estate Investment Management Germany GmbH (Spain branch)	Spain	Full	94.9%	94.9%		Full	94.9%	94.9%	
	BNPP Real Estate Investment Management International GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
	BNPP Real Estate Investment Management Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Investment Management Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Investment Management Luxembourg SA	Luxemburg	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Investment Management Spain SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Investment Management UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Investment Services	France								S4
	BNPP Real Estate Italy SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Magyarorszag Tanacsado Es Ingatlankezelo ZRT	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Poland SP ZOO	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Portugal Unipersonal LDA	Portugal	Full	100.0%	100.0%	E2				
	BNPP Real Estate Property Development UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Property Developpement Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Property Management Belgium	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Property Management France SAS	France	Full	100.0%	100.0%		Full	100.0%	100.0%	

Business	Name	Country	30 June 2019 Method	30 June 2019 Voting (%)	30 June 2019 Interest (%)	30 June 2019 Ref.	31 December 2018 Method	31 December 2018 Voting (%)	31 December 2018 Interest (%)	31 December 2018 Ref.
	BNPP Real Estate Property Management GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Property Management Italy SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Property Management Spain SA	Spain								S4
	BNPP Real Estate Singapore Pte Ltd	Singapore	Full	100.0%	100.0%	E2				
	BNPP Real Estate Spain SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Transaction France	France	Full	96.0%	96.0%		Full	96.0%	96.0%	V2
	BNPP Real Estate Valuation France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Construction-Sale Companies (d)	France	Full / Equity	-	-		Full / Equity	-	-	
	GIE Siège Issy	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Horti Milano SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Lifizz	France	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
	Locchi SRL	Italy								S3
	Parker Tower Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Partner's & Services	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Pyrotex GB 1 SA	Luxembourg								S4
	Pyrotex SARL	Luxemburg	Full	100.0%	100.0%		Full	100.0%	100.0%	
	REPD Parker Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Société Auxiliaire de Construction Immobilière	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Sviluppo Residenziale Italia SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Territory of Switzerland										
	BNPP Suisse SA	Switzerland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Suisse SA (Guernsey branch)	Guernsey	Full	100.0%	100.0%		Full	100.0%	100.0%	
CORPORATE & INSTITUTIONAL BANKING										
SECURITIES SERVICES										
	BNPP Financial Services LLC	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	BNPP Fund Administration Services Ireland Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Fund Services Australasia Pty Ltd	Australia	Full	100.0%	100.0%		Full	100.0%	100.0%	D1
	BNPP Fund Services Australasia Pty Ltd (New Zealand branch)	New Zealand	Full	100.0%	100.0%		Full	100.0%	100.0%	D1
	BNPP Global Securities Operations Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Services	France	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Australia branch)	Australia	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Belgium branch)	Belgium	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Germany branch)	Germany	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Greece branch)	Greece	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Guernsey branch)	Guernsey	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Hong Kong branch)	Hong Kong	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Hungary branch)	Hungary	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Ireland branch)	Ireland	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	
	BNPP Securities Services (Italy branch)	Italy	Full(1)	100.0%	100.0%		Full(1)	100.0%	100.0%	

			30 June 2019				31 December 2018			
Business	**Name**	**Country**	**Method**	**Voting (%)**	**Interest (%)**	**Ref.**	**Method**	**Voting (%)**	**Interest (%)**	**Ref.**
	BNPP Securities Services (Jersey branch)	Jersey	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Securities Services (Luxembourg branch)	Luxemburg	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Securities Services (Netherlands branch)	Netherlands	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Securities Services (Poland branch)	Poland	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Securities Services (Portugal branch)	Portugal	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Securities Services (Singapore branch)	Singapore	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Securities Services (Spain branch)	Spain	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Securities Services (Switzerland branch)	Switzerland	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Securities Services (United Kingdom branch)	UK	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	Services Logiciels d'Intégration Boursière	France	Equity[3]	66.6%	66.6%		Equity[3]	66.6%	66.6%	E1
CIB EMEA (Europe, Middle East, Africa)										
France										
	Atargatis[s]	France	Full	-	-		Full	-	-	
	Auseter Real Estate Opportunities SARL[s]	Luxemburg	Full	-	-		Full	-	-	E1
	Austin Finance[s]	France	Full	-	-		Full	-	-	
	BNPP Arbitrage	France	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Arbitrage (United Kingdom branch)	UK								S1
	Compagnie d'Investissement Italiens[s]	France	Full	-	-		Full	-	-	
	Compagnie d'Investissement Opéra[s]	France	Full	-	-		Full	-	-	
	Esomet	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Eurotitrisation	France	Equity	23.0%	23.0%		Equity	23.0%	23.0%	E1
	FCT Juice[s]	France	Full	-	-		Full	-	-	E2
	Financière des Italiens[s]	France	Full	-	-		Full	-	-	
	Financière du Marché Saint Honoré	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Financière Paris Haussmann[s]	France	Full	-	-		Full	-	-	
	Financière Taitbout[s]	France	Full	-	-		Full	-	-	
	Laffitte Participation 22	France				S4	Full	100.0%	100.0%	
	Mediterranea[s]	France	Full	-	-		Full	-	-	
	Opéra Trading Capital	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Opéra Trading Capital (Hong Kong branch)	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Opéra Trading Capital (United Kingdom branch)	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Optichamps[s]	France	Full	-	-		Full	-	-	
	Parilease	France	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	Participations Opéra[s]	France	Full	-	-		Full	-	-	
	SNC Taitbout Participation 3	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Société Orbaisienne de Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Verner Investissements	France	Equity	40.0%	50.0%		Equity	40.0%	50.0%	
Other European countries										
	Alectra Finance PLC[s]	Ireland	Full	-	-		Full	-	-	
	Alpha Murcia Holding BV	Netherlands								S1

			30 June 2019				31 December 2018			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Aquarius + Investments PLC(s)	Ireland	Full	-	-		Full	-	-	
	Aries Capital DAC(s)	Ireland	Full	-	-		Full	-	-	
	BNP PUK Holding Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Bank JSC	Russia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Commodity Futures Ltd	UK				S4	Full	100.0%	100.0%	
	BNPP Emissions- Und Handels- GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP International Finance Dublin Unlimited Company(s)	Ireland	Full	-	-		Full	-	-	
	BNPP Invest Holdings BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Investments N 1 Ltd(s)	UK								S1
	BNPP Investments N 2 Ltd(s)	UK								S1
	BNPP Ireland Unlimited Co	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Islamic Issuance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Issuance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Net Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	D1
	BNPP Prime Brokerage International Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP UK Holdings Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP UK Ltd	UK								S3
	BNPP Vartry Reinsurance DAC	Ireland	Full(2)	100.0%	100.0%		Full	100.0%	100.0%	D1
	Boug BV(s)	Netherlands	Full	-	-		Full	-	-	
	Boug BV (United Kingdom branch)(s)	UK	Full	-	-		Full	-	-	
	Diamante Re SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	Ejesur SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	Financière Hime SA	Luxembourg	Equity	22.5%	22.5%		Equity	22.5%	22.5%	
	FScholen	Belgium	Equity(3)	50.0%	50.0%		Equity(3)	50.0%	50.0%	
	Greenstars BNPP	Luxemburg	Full(2)	100.0%	100.0%	D1	Equity *	100.0%	100.0%	
	Harewood Holdings Ltd	UK				S3	Full	100.0%	100.0%	
	Hime Holding 1 SA	Luxemburg	Equity	26.4%	26.4%		Equity	26.4%	26.4%	
	Hime Holding 2 SA	Luxemburg	Equity	21.0%	21.0%		Equity	21.0%	21.0%	
	Hime Holding 3 SA	Luxemburg	Equity	20.6%	20.6%		Equity	20.6%	20.6%	
	Landspire Ltd	UK				S1	Full	100.0%	100.0%	
	Madison Arbor Ltd(s)	Ireland	Full	-	-		Full	-	-	
	Matchpoint Finance PLC(s)	Ireland	Full	-	-		Full	-	-	
	Ribera Del Loira Arbitrage	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	Scaldis Capital Ltd(s)	Jersey	Full	-	-		Full	-	-	
	Utexam Logistics Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Utexam Solutions Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
Middle East										
	BNPP Investment Co KSA	Saudi Arabia	Full	100.0%	100.0%		Full	100.0%	100.0%	D1
AMERICAS										
	Banco BNPP Brasil SA	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Banexi Holding Corp	USA								S4

			30 June 2019				31 December 2018			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Canada Corp	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Capital Services Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP CC Inc	USA								S4
	BNPP Colombia Corporacion Financiera SA	Colombia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Energy Trading GP	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Energy Trading Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Energy Trading LLC	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP EQD Brazil Fund Fundo de Investmento Multimercado(s)	Brazil	Full	-	-		Full	-	-	
	BNPP FS LLC	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP IT Solutions Canada Inc	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Prime Brokerage Inc	USA								S4
	BNPP Proprietario Fundo de Investimento Multimercado(s)	Brazil	Full	-	-		Full	-	-	
	BNPP RCC Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP US Wholesale Holdings Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP USA Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP VPG Adonis LLC(s)	USA	Full	-	-		Full	-	-	
	BNPP VPG Brookfin LLC(s)	USA	Full	-	-		Full	-	-	
	BNPP VPG Brookline Cre LLC(s)	USA	Full	-	-		Full	-	-	
	BNPP VPG CT Holdings LLC(s)	USA	Full	-	-		Full	-	-	
	BNPP VPG EDMC Holdings LLC(s)	USA	Full	-	-		Full	-	-	
	BNPP VPG Express LLC(s)	USA	Full	-	-		Full	-	-	
	BNPP VPG Freedom Communications LLC(s)	USA								S1
	BNPP VPG Legacy Cabinets LLC(s)	USA								S1
	BNPP VPG Mark IV LLC(s)	USA								S1
	BNPP VPG Master LLC(s)	USA	Full	-	-		Full	-	-	
	BNPP VPG Medianews Group LLC(s)	USA								S1
	BNPP VPG Northstar LLC(s)	USA								S1
	BNPP VPG Pacex LLC(s)	USA								S1
	BNPP VPG PCMC LLC(s)	USA								S1
	BNPP VPG SBX Holdings LLC(s)	USA								S1
	Dale Bakken Partners 2012 LLC	USA	FV	23.8%	23.8%		FV	23.8%	23.8%	E1
	Decart Re Ltd(s)	Bermuda	Full(2)	-	-		Full(2)	-	-	E1
	FSI Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Starbird Funding Corp(s)	USA	Full	-	-		Full	-	-	
	Via North America Inc	USA								S4
PACIFIC ASIA										
	Bank BNPP Indonesia PT	Indonesia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNP Pacific Australia Ltd	Australia								S3
	BNPP Amber Holdings Pty Ltd	Australia				S3	Full	100.0%	100.0%	

			30 June 2019				31 December 2018			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Arbitrage Hong Kong Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP China Ltd	China	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Commodities Trading Shanghai Co Ltd	China	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Finance Hong Kong Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP India Holding Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP India Solutions Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Malaysia Berhad	Malaysia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Asia Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities India Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Japan Ltd	Japan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Korea Co Ltd	Rep. of Korea	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Singapore Pte Ltd	Singapore				S3	Full	100.0%	100.0%	
	BNPP Securities Taiwan Co Ltd	Taiwan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Sekuritas Indonesia PT	Indonesia	Full	99.0%	99.0%		Full	99.0%	99.0%	
	BPP Holdings Pte Ltd	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
OTHER BUSINESS UNITS										
PROPERTY COMPANIES (PROPERTY USED IN OPERATIONS) AND OTHERS										
	Antin Participation 5	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Home Loan SFH	France	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	BNPP Partners for Innovation	France	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
	BNPP Procurement Tech	France	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	BNPP Public Sector SCF	France	Full[1]	100.0%	100.0%		Full[1]	100.0%	100.0%	
	Cobema	Belgium								S4
	Euro Secured Notes Issuer[s]	France	Full	-	-		Full	-	-	
	FCT Laffitte 2016[s]	France	Full	-	-		Full	-	-	
	FCT Opéra 2014[s]	France	Full	-	-		Full	-	-	
	GIE Groupement Auxiliaire de Moyens	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	GIE Groupement d'Etudes et de Prestations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	Société Immobilière du Marché Saint-Honoré	France								S2

(a) At 30 June 2019, the securitisation funds Ecarat UK includes 5 funds (Ecarat PLC 6 to 10), versus 4 funds (Ecarat PLC 6 to 9) at 31 December 2018

(b) At 30 June 2019 and at 31 December 2018, the securitisation funds UCI and RMBS Prado include 14 funds (FCC UCI 9 to 12, 14 to 17 and RMBS Prado I to VI)

(c) At 30 June 2019 and at 31 December 2018, the securitisation funds Domos comprise these funds : Domos 2011 and Domos 2017

(d) At 30 June 2019, 90 Construction-sale companies (73 Full and 17 Equity) versus 95 at 31 December 2018 (77 Full and 18 Equity)

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds
E2 Incorporation
E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation
S1 Cessation of activity (dissolution, liquidation, ...)
S2 Disposal, loss of control or loss of significant influence
S3 Passing qualifying thresholds
S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest
V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest

Equity * Controlled but non material entities consolidated under the equity method as associates

FV Joint control or investment in associates measured at Fair Value through P&L

(s) Structured entities

Prudential scope of consolidation

(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council
(2) Insurance entities consolidated under the equity method in the prudential scope
(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope.

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2.2 Statutory Auditor's report on the half year consolidated financial information:

Deloitte & Associés	**PricewaterhouseCoopers Audit**	**Mazars**
6, place de la Pyramide	63, rue de Villiers	61, rue Henri Regnault
92908 Paris La Défense Cedex	92208 Neuilly-sur-Seine Cedex	92400 Courbevoie

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BNP Paribas SA
16, boulevard des Italiens
75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*) , we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of 2019, for the six months ended 30, June 2019;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to Notes 1.a.1 and 2 to the 2019 condensed half-year consolidated financial statements, which describes the impacts of the first time adoption of IFRS 16 "Leases".

II – Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Paris La Défense, Neuilly-sur-Seine and Courbevoie, 31 July 2019

The Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
Laurence Dubois	Patrice Morot	Virginie Chauvin

3. Risks and capital adequacy – Pillar 3 [non audited]

CAPITAL RATIOS

Area of special interest:
At 1 January 2019, the application of the IFRS16 accounting standard on leases has a limited impact on the Group's CET1 ratio of about -10 bp.

Update of the 2018 Registration document, table 1 page 280.

► CAPITAL RATIOS

In millions of euros	30 June 2019(*)	31 December 2018(*)
COMMON EQUITY TIER 1 (CET1) CAPITAL	79,733	76,131
TIER 1 CAPITAL	89,323	84,773
TOTAL CAPITAL	102,038	97,096
RISK-WEIGHTED ASSETS	669,488	647,001
RATIOS		
Common Equity Tier 1 (CET1) capital	**11.9%**	**11.8%**
Tier 1 capital	**13.3%**	**13.1%**
Total capital	**15.2%**	**15.0%**

(*) In accordance with grandfathered Additional Tier 1 and Tier 2 eligibility rules applicable as of 2019.

Since 1 January 2019, the Group does not include any transitional arrangement under Regulation (EU) No. 575/2013.

TLAC RATIO

In accordance with Regulation (EU) No. 2019/876, institutions have been subject to a twofold TLAC requirement since 27 June 2019. This requirement includes on the one hand a minimum ratio expressed as a percentage of the risk-weighted assets, and on the other hand a minimum ratio expressed as a percentage of the leverage ratio exposures.

► TLAC RATIO

In millions of euros	30 June 2019
Regulatory total capital	**102,038**
of which Common Equity Tier 1 (CET1) capital	*79,733*
of which Additional Tier 1 (AT1) capital	*9,590*
of which Tier 2 (T2) capital	*12,715*
Total capital: regulatory adjustments	**172**
Of which amortised portion of Tier 2 instruments where remaining maturity more than 1 year	*172*
ELIGIBLE REGULATORY TOTAL CAPITAL	102,210
Non preferred senior debt and equivalent instruments	**34,062**
REGULATORY TOTAL CAPITAL AND OTHER ELIGIBLE LIABILITIES	136,272
Risk-weighted assets	**669,488**
TLAC RATIO(*)	20.4%

(*) At 30 June 2019, TLAC ratio stood at 6.3% of leverage ratio exposure (to be compared to a 6% requirement).

At 30 June 2019, the minimum TLAC requirement for the Group stood at 20.08% of the risk-weighted assets, in view of the capital conservation buffer at 2.5%, a G-SIBs buffer at 1.5% and a countercyclical capital buffer of 0.08%.

With a 20.4% TLAC ratio at 30 June 2019, the Group is well above the minimum requirement, without taking into account the preferred senior debt eligible within the limit of 2.5% of the risk-weighted assets. The TLAC ratio stands at 22.9% including the senior preferred debt.

► TLAC RATIO – EFFECT OF PREFERRED SENIOR DEBT ELIGIBLE AT ISSUER'S DISCRETION

	30 June 2019
TLAC ratio	**20.4%**
Effect of preferred senior debt eligible at issuer's discretion(*)	2.5%
TLAC RATIO AFTER EFFECT OF PREFERRED SENIOR DEBT ELIGIBLE AT ISSUER'S DISCRETION	**22.9%**

(*) In accordance with Regulation (EU) No. 2019/876, article 72ter paragraphs 3 and 4, some preferred senior debt instruments (amounting to EUR 21,687 million at 30 June 2019) are eligible within the limit of 2.5% of risk-weighted assets (3.5% after 31 December 2021, in accordance with article 494 of Regulation (EU) No. 2019/876).

The tables presenting the details of the debt instruments recognised as capital (AT1 and Tier 2) as well as the main public issuances of senior preferred and senior non-preferred debt, including their contractual maturities and main characteristics, are available in the BNP Paribas Debt section of the Investor Relations website: www.invest.bnpparibas.com.

The rank of the commitments in the hierarchy of the creditor is available in the 2018 Registration Document, table 92 page 424.

REGULATORY CAPITAL

Update of the 2018 Registration document, table 13 page 309.

► REGULATORY CAPITAL

In millions of euros	30 June 2019	31 December 2018	
		Phased-in	Transitional arrangements(*)
Common Equity Tier 1 (CET1) capital: instruments and reserves			
Capital instruments and the related share premium accounts	27,133	27,133	-
of which ordinary shares	*27,133*	*27,133*	-
Retained earnings	62,174	58,968	-
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	1,510	503	-
Minority interests (amount allowed in consolidated CET1)	1,878	1,781	-
Independently reviewed interim profits net of any foreseeable charge or dividend	2,091	3,387	-
COMMON EQUITY TIER 1 (CET1) CAPITAL BEFORE REGULATORY ADJUSTMENTS	**94,786**	**91,772**	**-**
Common Equity Tier 1 (CET1) capital: regulatory adjustments	**(15,053)**	**(15,542)**	**98**
COMMON EQUITY TIER 1 (CET1) CAPITAL	**79,733**	**76,230**	**98**
Additional Tier 1 (AT1) capital: instruments(**)	**10,065**	**8,731**	**45**
Additional Tier 1 (AT1) capital: regulatory adjustments	**(476)**	**(44)**	**-**
ADDITIONAL TIER 1 (AT1) CAPITAL(**)	**9,590**	**8,687**	**45**
TIER 1 CAPITAL (T1 = CET1 + AT1)	**89,323**	**84,916**	**143**
Tier 2 (T2) capital: instruments and provisions(**)	**16,107**	**15,511**	**(45)**
Tier 2 (T2) capital: regulatory adjustments	**(3,392)**	**(3,233)**	**-**
Tier 2 (T2) CAPITAL(**)	**12,715**	**12,278**	**(45)**
TOTAL CAPITAL (TC = T1 + T2)	**102,038**	**97,194**	**98**

(*) Amounts subject to pre-regulation treatment or prescribed residual amount of Regulation (EU) No. 575/2013.

(**) In accordance with grandfathered Additional Tier 1 and Tier 2 eligibility rules applicable as of 2019.

The detail of the regulatory capital and adjustments is available in the appendix *Regulatory capital – detail*.

RISK FACTORS

Update of the 2018 Registration document, pages 287 to 295.

The main types of risks inherent in the Bank's business are presented below. They may be measured through risk-weighted assets or other indicia to the extent risk-weighted assets are not relevant.

Credit risk: Credit risk is defined as the probability of a borrower or counterparty defaulting on its obligations to the Bank. Probability of default along with the recovery rate of the loan or debt in the event of default are essential elements in assessing credit quality. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 504 billion at 31 December 2018. In accordance with the European Banking Authority recommendations, this category of risk also includes risks on equity investments, as well as those related to insurance activities.

Operational risk: Operational risk is the risk of loss resulting from failed or inadequate internal processes (particularly those involving personnel and information systems) or external events, whether deliberate, accidental or natural (floods, fires, earthquakes, terrorist attacks, etc.). Operational risks include fraud, human resources risks, legal and reputational risks, non-compliance risks, tax risks, information systems risks, risk of providing inadequate financial services (conduct risk), risk of failure of operational processes including credit processes, or from the use of a model (model risk), as well as potential financial consequences related to reputation risk management. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 73 billion at 31 December 2018.

Counterparty risk: Counterparty risk arises from the Bank's credit risk in the specific context of market transactions, investments, and/or settlements. The amount of this risk varies over time depending on fluctuations in market parameters affecting the potential future value of the transactions concerned. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 27 billion at 31 December 2018.

Market risk: Market risk is the risk of loss of value caused by an unfavorable trend in prices or market parameters. Market parameters include, but are not limited to, exchange rates, prices of securities and commodities (whether the price is directly quoted or obtained by reference to a comparable asset), the price of derivatives on an established market and all benchmarks that can be derived from market quotations such as interest rates, credit spreads, volatility or implicit correlations or other similar parameters. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 20 billion at 31 December 2018.

Securitization risk: Securitization is a transaction or arrangement by which the credit risk associated with a liability or set of liabilities is subdivided into tranches. Any commitment made under a securitization structure (including derivatives and liquidity lines) is considered to be a securitization. The bulk of these commitments are in the prudential banking portfolio. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 7 billion at 31 December 2018.

Risks related to deferred taxes and certain holdings in credit or financial institutions: amounts below the prudential capital deduction thresholds generate risk-weighted assets amounting to EUR 17 billion at 31 December 2018.

Liquidity risk: Liquidity risk is the risk that the Bank will not be able to honor its commitments or unwind or offset a position due to market conditions or specific factors within a specified period of time and at a reasonable cost. It reflects the risk of not being able to cope with net cash outflows, including collateral requirements, over short-term to long-term horizons. The Group's specific risk can be assessed through its short-term liquidity ratio (Liquidity Coverage Ratio – LCR), which analyzes the hedging of net cash outflows during a thirty-day stress period.

More generally, the risks to which the Group is exposed may arise from a number of factors related, among others, to changes in its macroeconomic, competitive, market and regulatory environment or the implementation of its strategy, its business or its operations.

These risk factors are described in detail below.

RISKS RELATED TO THE MACROECONOMIC ENVIRONMENT

Adverse economic and financial conditions have in the past had and may in the future have an impact on the Bank and the markets in which it operates.

The Bank's business is sensitive to changes in the financial markets and more generally to economic conditions in France, Europe and the rest of the world. A deterioration in economic conditions in the markets where the Bank operates could have some or all of the following impacts:

- Adverse economic conditions could affect the business and operations of the Bank's customers, reducing credit demand and trading volume and resulting in an increased rate of default on loans and receivables;
- A decline in market prices of bonds, shares and commodities could impact many of the businesses of the Bank, including in particular trading, investment banking and asset management revenues;
- Macroeconomic policies adopted in response to actual or anticipated economic conditions could have unintended effects, and are likely to impact market parameters such as interest rates and foreign exchange rates, which in turn could affect the Bank's businesses that are most exposed to market risk;

- Perceived favorable economic conditions generally or in specific business sectors could result in asset price bubbles, which could in turn exacerbate the impact of corrections when conditions become less favorable;
- A significant economic disruption (such as the global financial crisis of 2008 or the European sovereign debt crisis of 2011) could have a severe impact on all of the Bank's activities, particularly if the disruption is characterized by an absence of market liquidity that makes it difficult to sell certain categories of assets at their estimated market value or at all;
- A significant deterioration of market and economic conditions resulting from, among other things, from adverse political and geopolitical events such as natural disasters, societal unrest, geopolitical tensions (in particular protectionist measures), acts of terrorism, cyber-attacks, military conflicts or threats thereof and related risks could affect the operating environment for financial institutions episodically or for extended periods.

European markets may be affected by a number of factors in 2019 and into 2020, including continuing uncertainty resulting from the decision of the United Kingdom to leave the European Union, evolving monetary policy in Europe and the United States and uncertain political and economic conditions in certain large European countries. Markets in the United States may be affected by factors, such as trade policy or a tendency towards political stalemate, which has affected credit and currency markets globally. Asian markets could be impacted by factors such as slower than expected economic growth rates in certain countries in the region.

Share prices have recently experienced significant volatility, which may occur again. Credit markets and the value of fixed income assets could be adversely affected if interest rates were to rise as central banks continue to scale back the extraordinary support measures put in place in response to recent adverse economic conditions. Conversely, a continued or renewed loosening of monetary policy would weigh on banks' profitability. The price of oil has been particularly volatile in recent months, and could be impacted by unpredictable geopolitical factors in regions such as the Middle East and Russia.

More generally, increased volatility of financial markets could adversely affect the Bank's trading and investment positions in the debt, currency, commodity and equity markets, as well as its positions in other investments. Severe market disruptions and extreme market volatility have occurred in recent years and may occur again in the future, which could result in significant losses for the Bank. Such losses may extend to a broad range of trading and hedging products, including swaps, forward and future contracts, options and structured products. The volatility of financial markets makes it difficult to predict trends and implement effective trading strategies.

It is difficult to predict when economic or market downturns will occur, and which markets will be most significantly impacted. If economic or market conditions in France or elsewhere in Europe, or global markets more generally, were to deteriorate or become more volatile, the Bank's operations could be disrupted, and its business, results of operations and financial condition could be adversely affected.

Given the global scope of its activities, the Bank may be vulnerable to certain political, macroeconomic or financial risks in the countries and regions where it operates.

The Bank is subject to country risk, meaning the risk that economic, financial, political or social conditions in a given foreign country in which it operates could affect its business and results. The Bank monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements. In addition, factors specific to a country or region in which the Bank operates could make it difficult for it to carry out its business and lead to losses or impairment of assets.

As of 31 December 2018, 32% of the Bank's credit exposure was comprised of exposures in France, 14% in Belgium and Luxembourg, 10% in Italy, 19% in other European countries, 13% in North America and 6% in Asia. Adverse conditions that particularly affect these countries and regions would have a particularly significant impact on the Bank. In addition, the Group has significant exposures in countries outside the OECD, which are subject to risks that include political instability, unpredictable regulation and taxation, expropriation and other risks that are less present in more developed economies.

The Bank's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in credit spreads or other factors.

The financial crisis, the euro zone sovereign debt crisis as well as the general macroeconomic environment have at times adversely affected the availability and cost of funding for European banks in recent years. This was due to several factors, including a sharp increase in the perception of bank credit risk due to exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including the Bank, at various points experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the European Central Bank ("ECB") at times increased substantially. If such adverse credit market conditions were to reappear in the event of prolonged stagnation of growth, deflation, resurgence of the financial crisis, the sovereign debt crisis or new forms of financial crises, factors relating to the financial industry in general or to the Bank in particular, the effect on the liquidity of the European financial sector in general and the Bank in particular could be materially adverse and have a negative impact on the Bank's results of operations and financial condition.

The prolonged low interest rate environment carries inherent systemic risks, and an exit from such environment also carries risks.

Since the 2008-2009 financial crisis, global markets have been characterized by an extended period of low interest rates. If the low interest rate environment continues, as a result of continued monetary loosening, low growth or other factors, the Bank's profitability may be affected. In this respect, after announcing in December 2018 the end of its quantitative easing policy, the ECB announced in March 2019 – in the face of slower than anticipated growth – a status quo on its benchmark lending rates until at least the end of

2019 (extended in June 2019 to at least the first half of 2020) as well as new targeted longer-term financing operations (TLTRO) bearing, under certain conditions, negative rates. During periods of low interest rates, interest rate spreads tend to tighten, and the Bank may be unable to lower interest rates on deposits sufficiently to offset reduced income from lending at lower interest rates. In addition, the Bank has been facing and may continue to face an increase in early repayment and refinancing of mortgages and other fixed-rate consumer and corporate loans as clients take advantage of lower borrowing costs. This, along with the issuance of new loans at the low prevailing market interest rates, has resulted and may continue to result in a decrease in the average interest rate of the Bank's portfolio of loans thereby causing a decline in the Bank's net interest income from its lending activities. Moreover, an environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premium generated by the Bank from its funding activities. A flattening yield curve can also influence financial institutions to engage in riskier activities in an effort to earn the desired level of returns, which can increase overall market risk and volatility. Low interest rates may also negatively affect the profitability of the Bank's insurance activities, which may not be able to generate sufficient returns to be competitive with other investment products. Low interest rates may also adversely affect commissions charged by the Bank's asset management subsidiaries on money market and other fixed income products. A reduction in credit spreads and decline in retail banking income resulting from lower portfolio interest rates may adversely affect the profitability of the Bank's retail banking operations.

On the other hand, the end of a period of prolonged low interest rates, in particular due to tightening monetary policy, also carries risks. In this respect, the U.S. Federal Reserve tightened its monetary policy in 2017 and 2018. If market interest rates were to rise, a portfolio featuring significant amounts of lower interest loans and fixed income assets would be expected to decline in value. If the Bank's hedging strategies are ineffective or provide only a partial hedge against such a change in value, the Bank could incur losses. Any sharper or more rapid than expected tightening could have a negative impact on the economic recovery. On the lending side, it could in particular cause stress in loan and bond portfolios, possibly leading to an increase in non-performing exposures and defaults. More generally, the ending of accommodative monetary policies (including liquidity infusions from central bank asset purchases) may lead to severe corrections in certain markets or asset classes (e.g., non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefitted (including from very low risk premia as compared to historical averages) from the prolonged low interest rate and high liquidity environment, and such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility.

RISKS RELATED TO THE MARKET ENVIRONMENT

Significant interest rate changes could adversely affect the Bank's revenues or profitability.

The amount of net interest income earned by the Bank during any given period significantly affects its overall revenues and profitability for that period. Interest rates are highly sensitive to many factors beyond the Bank's control, such as the rate of inflation, country-specific monetary policies and certain decisions concerning regulatory capital. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in net interest income from the Bank's lending activities. In addition, increases in the interest rates at which the Bank's short-term funding is available and maturity mismatches may adversely affect its profitability.

The soundness and conduct of other financial institutions and market participants could adversely affect the Bank.

The Bank's ability to engage in financing, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, may lead to market-wide liquidity problems and could lead to further losses or defaults. The Bank has exposure to many counterparties in the financial industry, directly and indirectly, including clearing houses, brokers and dealers, commercial banks, investment banks, mutual and alternative investment funds, and other institutional clients with which it regularly executes transactions. The Bank may also be exposed to risks related to the increasing involvement in the financial sector of players and the introduction of new types of transactions subject to little or no regulation (e.g., unregulated funds, trading venues or crowdfunding platforms). Credit and counterparty risks could be exacerbated if the collateral held by the Bank cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to the Bank or in case of a failure of a significant financial market participant such as a central counterparty. It is worth noting in this respect that regulatory changes requiring mandatory clearing of standardized over-the-counter (OTC) derivatives through central counterparties have resulted in an increase of the exposure of financial market participants to such central counterparties.

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due in particular to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous financial institutions globally, including the Bank, announced losses or exposure to losses in substantial amounts. The Bank remains the subject of various claims in connection with the Madoff matter; see note 8.b *Contingent liabilities: legal proceedings and arbitration* to its consolidated financial statements as of and for the period ended 31 December 2018.

There can be no assurance that any losses resulting from the risks summarized above will not materially and adversely affect the Bank's results of operations.

The Bank may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

The Bank maintains trading and investment positions in the debt, currency, commodity and equity markets, and in unlisted securities, real estate and other asset classes, including through derivative contracts. These positions could be adversely affected by extreme volatility in these markets, i.e., the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. Moreover, volatility trends that prove substantially different from the Bank's expectations may lead to losses relating to a broad range of other products that the Bank uses, including swaps, forward and future contracts, options and structured products.

To the extent that the Bank owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that the Bank has sold assets that it does not own, or has net short positions in any of those markets, a market upturn could, in spite of the existing limitation of risks and control systems, expose it to potentially substantial losses as it attempts to cover its net short positions by acquiring assets in a rising market. The Bank may from time to time hold a long position in one asset and a short position in another, in order to hedge transactions with clients and/or from which it expects to gain based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the Bank did not anticipate or against which it is not hedged, the Bank might realize a loss on those paired positions. Such losses, if significant, could adversely affect the Bank's results and financial condition.

The Group uses a "value at risk" (VaR) model to quantify its exposure to potential losses from market risks, and also performs stress testing with a view to quantifying its potential exposure in extreme scenarios. However, these techniques rely on statistical methodologies based on historical observations, which may turn out to be unreliable predictors of future market conditions. Accordingly, the Group's exposure to market risk in extreme scenarios could be greater than the exposures predicted by its quantification techniques.

The Bank may generate lower revenues from commission and fee-based businesses during market downturns.

Financial and economic conditions affect the number and size of transactions for which the Bank provides securities underwriting, financial advisory and other investment banking services. These revenues, which include fees from these services, are directly related to the number and size of the transactions in which it participates and can thus be significantly affected by economic or financial changes that are unfavorable to its Investment Banking business and clients. In addition, because the fees that the Bank charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues the Bank receives from its asset management, equity derivatives and private banking businesses. Independently of market changes, below-market performance by the Bank's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues the Bank receives from its asset management business. The Bank experienced some or all of these effects during the various significant market downturns of recent years and could experience them again in future market downturns, which may occur periodically and unexpectedly.

Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.

In some of the Bank's businesses, particularly Global Markets and Asset/Liability Management, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Bank cannot close out deteriorating positions in a timely way. This is particularly true for assets that are intrinsically illiquid. Assets that are not traded on stock exchanges or other public trading markets, such as certain derivative contracts between financial institutions, may have values that the Bank calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to significant losses that the Bank did not anticipate.

The Bank must ensure that its assets and liabilities properly match in order to avoid exposure to losses.

The Bank is exposed to the risk that the maturity, interest rate or currencies of its assets might not match those of its liabilities. The timing of payments on many of the Bank's assets is uncertain, and if the Bank receives lower revenues than expected at a given time, it might require additional funding from the market in order to meet its obligations on its liabilities. While the Bank imposes strict limits on the gaps between its assets and its liabilities as part of its risk management procedures, it cannot be certain that these limits will be fully effective to eliminate potential losses arising from asset and liability mismatches.

REGULATORY RISKS

Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact the Bank and the financial and economic environment in which it operates.

Laws and regulations have been enacted in the past few years, in particular in France, Europe and the United States, with a view to introducing a number of changes, some permanent, in the financial environment. The impact of the measures has changed substantially the environment in which the Bank and other financial institutions operate. The measures that have been adopted include:

- more stringent capital and liquidity requirements (particularly for global systemically important banks such as the Bank), as well as changes to the risk-weighting methodologies and the methods of using internal models that could lead to increased capital requirements;
- restrictions on certain types of activities considered as speculative undertaken by commercial banks that are prohibited or need to be ring-fenced in subsidiaries (particularly proprietary trading) and are subject to prudential requirements and autonomous financing;
- restrictions or prohibitions on certain types of financial products or activities, enhanced recovery and resolution regimes, in particular the Bank Recovery and Resolution Directive of 15 May 2014 (the "BRRD"), which strengthens powers to prevent and resolve banking crises in order to ensure that losses are borne largely by the creditors and shareholders of the banks and in order to keep the costs incurred by taxpayers to a minimum;

- the establishment of the national resolution funds by the BRRD and the creation of the Single Resolution Board (the "SRB") by the European Parliament and Council of the European Union in a resolution dated 15 July 2014, which can initiate resolution proceedings for banking institutions such as the Bank, and the Single Resolution Fund (the "SRF"), whose financing is provided for by the Bank (up to its annual contribution) and can be significant;
- the establishment of national deposit guarantee schemes and a proposed European deposit guarantee scheme or deposit insurance which will gradually cover all or part of the guarantee schemes of participating countries;
- increased internal control and reporting requirements with respect to certain activities;
- more stringent governance and conduct of business rules and restrictions and increased taxes on employee compensation over specified levels;
- measures to improve the transparency, efficiency and integrity of financial markets and in particular the regulation of high frequency trading, more extensive market abuse regulations, increased regulation of certain types of financial products including mandatory reporting of derivative and securities financing transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over-the-counter derivative transactions (including through posting of collateral in respect of non-centrally cleared derivatives);
- the taxation of financial transactions;
- enhanced privacy and cybersecurity requirements;
- enhanced disclosure requirements, for instance in the area of sustainable finance; and
- strengthening the powers of supervisory bodies, such as the French Prudential Supervision and Resolution Authority (the "ACPR") and the creation of new authorities, including the adoption of the Single Resolution Mechanism in October 2013, which placed the Bank under the direct supervision of the ECB as of November 2014.

These measures could be further amended, expanded or strengthened. Moreover, additional measures could be adopted in other areas. It is impossible to predict what additional measures will be adopted and, given the complexity and continuing uncertainty of a certain number of these measures, to determine their impact on the Bank. The cumulative effect of these measures, whether already adopted or that may be adopted in the future, has been and could continue to be a decrease in the Bank's ability to allocate its capital and capital resources to financing, limit its ability to diversify risks, reduce the availability of certain financing and liquidity resources, increase the cost of financing, increase the cost or reduce the demand for the products and services offered by the Bank, require the Bank to proceed with internal reorganizations, structural changes or reallocations, affect the ability of the Bank to carry on certain activities or to attract and/or retain talent and, more generally, affect its competitiveness and profitability, which could have an impact on its profitability, financial condition and operating results.

The Bank could become subject to a resolution proceeding.

The BRRD and the Ordinance of 20 August 2015 confer upon the ACPR or the SRB the power to commence resolution proceedings for a banking institution, such as the Bank, with a view to ensure the continuity of critical functions, to avoid the risks of contagion and to recapitalize or restore the viability of the institution.

These powers are to be implemented so that, subject to certain exceptions, losses are borne first by shareholders, then by holders of additional capital instruments qualifying as tier 1 and tier 2 (such as subordinated bonds), then by the holders of non preferred senior debt and finally by the holders of senior preferred debt, all in accordance with the order of their claims in normal insolvency proceedings.

Resolution authorities have broad powers to implement resolution measures with respect to institutions and groups subject to resolution proceedings, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a special manager (*administrateur spécial*).

Certain powers, including the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity of additional capital instruments qualifying as tier 1 and tier 2 (such as subordinated bonds), can also be exercised as a precautionary measure, outside of resolution proceedings and/or pursuant to the European Commission's State Aid framework if the institution requires exceptional public financial support.

The implementation of these tools and powers with respect to the Bank may result in significant structural changes to the Group (including as a result of asset or business sales or the creation of bridge institutions) and in a partial or total write-down, modification or variation of claims of shareholders and creditors. Such powers may also result, after any transfer of all or part of the Bank's business or separation of any of its assets, in the holders of securities (even in the absence of any such write-down or conversion) being left as the creditors of the Bank whose remaining business or assets are insufficient to support the claims of all or any of the creditors of the Bank.

The Bank is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates.

The Bank faces the risk of changes in legislation or regulation in all of the countries in which it operates, including, but not limited to, the following:

- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which the Group operates;
- changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable governance, remunerations, capital adequacy and liquidity frameworks, restrictions on activities considered as speculative and recovery and resolution frameworks;
- changes in securities regulations as well as in financial reporting, disclosure and market abuse regulations;
- changes in the regulation of certain types of transactions and investments, such as derivatives and securities financing transactions and money market funds;
- changes in the regulation of market infrastructures, such as trading venues, central counterparties, central securities depositories, and payment and settlement systems;
- changes in the regulation of payment services, crowdfunding and fintech;
- changes in the regulation of data privacy and cybersecurity;
- changes in tax legislation or the application thereof;
- changes in accounting norms;
- changes in rules and procedures relating to internal controls, risk management and compliance; and
- expropriation, nationalization, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect the Bank and have an adverse effect on its business, financial condition and results of operations. Some reforms not aimed specifically at financial institutions, such as measures relating to the funds industry or promoting technological innovation (such as open data projects), could facilitate the entry of new players in the financial services sector or otherwise affect the Bank's business model, competitiveness and profitability, which could in turn affect its financial condition and results of operations.

The Bank may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties.

The Bank is exposed to regulatory compliance risk, i.e. the failure to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging and even conflicting legal or regulatory requirements. Besides damage to the Bank's reputation and private rights of action (including class actions), non-compliance could lead to material legal proceedings, fines and expenses (including fines and expenses in excess of recorded provisions), public reprimand, enforced suspension of operations or, in extreme cases, withdrawal by the authorities of operating licenses. This risk is further exacerbated by continuously increasing regulatory scrutiny of financial institutions as well as substantial increases in the quantum of applicable fines and penalties. Moreover, litigation by private parties against financial institutions has substantially increased in recent years. Accordingly, the Bank faces significant legal risk in its business, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms have substantially increased in recent years and may increase further.

In this respect, on 30 June 2014 the Bank entered into a series of agreements with, and was the subject of several orders issued by, U.S. federal and New York state government agencies and regulatory authorities in settlement of investigations into violations of U.S. laws and regulations regarding economic sanctions. The fines and penalties imposed on the Bank as part of this settlement included, among other things, the payment of monetary penalties amounting in the aggregate to $8.97 billion (€6.6 billion) and guilty pleas by BNP Paribas S.A., the parent company of the BNP Paribas Group, to charges of having violated U.S. federal criminal law and New York State criminal law. Following this settlement, the Bank remains subject to increased scrutiny by regulatory authorities (including via the presence within the Bank of an independent consultant) who are monitoring its compliance with a remediation plan agreed with them.

The Bank is currently involved in various litigations and investigations as summarized in note 8.b *Contingent liabilities: legal proceedings and arbitration* to its consolidated financial statements as of and for the period ended 31 December 2018. It may become involved in further such matters at any point. No assurance can be given that an adverse outcome in one or more of such matters would not have a material adverse effect on the Bank's operating results for any particular period.

RISKS RELATED TO THE IMPLEMENTATION OF THE BANK'S STRATEGY

Risks related to the implementation of the Bank's strategic plans.

The Bank announced a strategic plan for the 2017-2020 period on 7 February 2017. This plan contemplates a number of initiatives, including the implementation of new customer pathways, the digital transformation of the Bank, continuing to improve operating efficiency and various business development initiatives. The Bank closely monitors these initiatives and provided an update on its 2020 targets on 6 February 2019.

The plan also includes a number of financial targets and objectives relating to net banking income, operating costs, net income, capital adequacy ratios and return on equity, among other things. These financial targets and objectives were established primarily for purposes of internal planning and allocation of resources, and are based on a number of assumptions with regard to business and economic conditions.

The Bank's actual results could vary significantly from these targets and objectives for a number of reasons, including the occurrence of one or more of the risk factors described elsewhere in this section.

Additionally, as part of the Bank's commitment to environmental responsibility within its CSR policy, it has announced a number of initiatives to support the energy transition towards a low-carbon economy, including a reduction in financing for energies with the most negative environmental impact. These measures (and any future ones along similar lines) may in certain cases adversely affect the Bank's results in the relevant sectors.

The Bank may experience difficulties integrating acquired companies and may be unable to realize the benefits expected from its acquisitions.

The Bank makes acquisitions on a regular basis. Integrating acquired businesses is a long and complex process. Successful integration and the realization of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realization. Moreover, the integration of the Bank's existing operations with those of the acquired operations could interfere with the respective businesses and divert management's attention from other aspects of the Bank's business, which could have a negative impact on the business and results of the Bank. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

Although the Bank undertakes an in-depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. As a result, the Bank may increase its exposure to doubtful or troubled assets and incur greater risks as a result of its acquisitions, particularly in cases in which it was unable to conduct comprehensive due diligence prior to the acquisition.

RISKS RELATED TO THE MANAGEMENT OF THE BANK'S BUSINESS

The Bank is exposed to credit risk and counterparty risk.

As a credit institution, the Bank is exposed to the creditworthiness of its customers and counterparties. These risks impact the Group's consolidated financial statements when a customer or counterparty is unable to honour its obligations and when the book value of these obligations in the Bank's records is positive. The customer or counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government and its various entities, an investment fund, or a natural person. If the level of customer or counterparty defaults increases compared to recent historically low levels, the Bank may have to record significant charges for possible bad and doubtful debts, affecting its profitability.

While the Bank seeks to reduce its exposure to credit risk and counterparty risk by using risk mitigation techniques such as collateralization, obtaining guarantees, entering into credit derivatives and entering into netting agreements, it cannot be certain that these techniques will be effective to offset losses resulting from counterparty defaults that are covered by these techniques. Moreover, the Bank is exposed to the risk of default by the party providing the credit risk coverage (such as a counterparty on derivatives) or to the risk of loss of value of any collateral. In addition, only a portion of the Bank's overall credit risk and counterparty risk is covered by these techniques. Accordingly, the Bank has significant exposure to these risks.

A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect the Bank's results of operations and financial condition.

In connection with its lending activities, the Bank regularly establishes provisions for loan losses, which are recorded in its profit and loss account under "cost of risk". The Bank's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans or statistical analysis based on scenarios applicable to different asset classes. Although the Bank seeks to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of deteriorating economic conditions or other causes. Any significant increase in provisions for loan losses or a significant change in the Bank's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on the Bank's results of operations and financial condition.

The Bank's hedging strategies may not prevent losses.

If any of the variety of instruments and strategies that the Bank uses to hedge its exposure to various types of risk in its businesses is not effective, the Bank may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the Bank holds a long position in an asset, it may hedge that position by taking a short position in another asset where the short position has historically moved in a direction that would offset a change in the value of the long position. However, the hedge may only be partial, or the strategies used may not protect against all future risks or may not be fully effective in mitigating the Bank's risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of the Bank's hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the Bank's reported earnings.

Adjustments to the carrying value of the Bank's securities and derivatives portfolios and the Bank's own debt could have an impact on its net income and shareholders' equity.

The carrying value of the Bank's securities and derivatives portfolios and certain other assets, as well as its own debt, in its balance sheet is adjusted as of each financial statement date. Most of the adjustments are made on the basis of changes in fair value of its assets or its debt during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect its consolidated revenues and, as a result, its net income. All fair value adjustments affect shareholders' equity and, as a result, its capital adequacy ratios. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.

The credit ratings of the Bank may be downgraded, which would weigh on its profitability.

Credit ratings have a significant impact on the Bank's liquidity. A downgrade in the Bank's credit rating could affect its liquidity and competitive position. It could also increase the Bank's borrowing costs, limit access to the capital markets or trigger additional obligations under its covered bonds or under certain bilateral provisions in some trading, derivative or collateralized financing contacts.

In addition, the Bank's cost of obtaining long-term unsecured funding from market investors is also directly related to its credit spreads, which in turn depend to a certain extent on its credit ratings. Increases in credit spreads can significantly increase the Bank's cost of funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of the Bank's creditworthiness. Furthermore, credit spreads may be influenced by movements in the cost to purchasers of credit default swaps referenced to the Bank's debt obligations, which are influenced both by the credit quality of those obligations, and by a number of market factors that are beyond the control of the Group.

Intense competition by banking and non-banking operators could adversely affect the Bank's revenues and profitability.

Competition is intense in all of the Bank's primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the banking industry could intensify as a result of consolidation in the financial services area or as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding platforms. In particular, competitors subject to less extensive regulatory requirements or to less strict capital requirements (*e.g.*, debt funds, shadow banks), or benefiting from economies of scale, data synergies or technological innovation (*e.g*., internet and mobile operators, digital platforms, fintechs), could be more competitive by offering lower prices or more innovative services. In addition, new payment systems and crypto-currencies, such as Bitcoin, and new technology that facilitate transaction processes, such as blockchain, have developed in recent years. While it is difficult to predict the effects of these emerging technologies as well as any applicable regulations, their use could nevertheless reduce the Bank's market share or secure investments that otherwise would have used technology used by more established financial institutions, such as the Bank. If the Bank is unable to respond to the competitive environment in France or in its other major markets by offering attractive, innovative and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the Bank and its competitors. It is also possible that the imposition of more stringent requirements (particularly capital requirements and business restrictions) on large or systemically significant financial institutions, could lead to distortions in competition in a manner adverse to large private-sector institutions such as the Bank.

RISKS RELATED TO THE BANK'S OPERATIONS

The Bank's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.

The Bank has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, the Bank's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic and market environments or against all types of risk, particularly risks that the Bank may have failed to identify or anticipate. The Bank's ability to assess the creditworthiness of its customers or to estimate the values of its assets may be impaired if, as a result of market turmoil such as that experienced in recent years, the models and approaches it uses become less predictive of future behavior, valuations, assumptions or estimates. Some of the Bank's qualitative tools and metrics for managing risk are based on its use of observed historical market behavior. The Bank applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process the Bank uses to estimate losses inherent in its credit exposure or estimate the value of certain assets requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of its borrowers to repay their loans or impact the value of assets, which may, during periods of market disruption, be incapable of accurate estimation and, in turn, impact the reliability of the process. These tools and metrics may fail to predict future risk exposures, e.g., if the Bank does not anticipate or correctly evaluate certain factors in its statistical models, or upon the occurrence of an event deemed extremely unlikely by the tools and metrics. This would limit the Bank's ability to manage its risks. The Bank's losses could therefore be significantly greater than the historical measures indicate. In addition, the Bank's quantified modelling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.

An interruption in or a breach of the Bank's information systems may cause substantial losses of client or customer information, damage to the Bank's reputation and financial losses.

As with most other banks, the Bank relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services, and the development of cloud computing and blockchain technologies. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Bank's customer relationship management, general ledger, deposit, servicing and/or loan organization systems or could cause the Bank to incur significant costs in recovering and verifying lost data. The Bank cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed.

In addition, the Bank is subject to cybersecurity risk, or risk caused by a malicious and/or fraudulent act, committed virtually, with the intention of manipulating information (confidential data, bank/insurance, technical or strategic), processes and users, in order to cause material losses to the Group's subsidiaries, employees, partners and clients. An increasing number of companies (including financial institutions) have in recent years experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorized access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognized until launched against a target, the Bank and its third-party service providers may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. Any failures of or interruptions in the Bank's information systems or those of its providers and any subsequent disclosure of confidential information related to any client, counterpart or employee of the Bank (or any other person) or any intrusion or attack against the Bank's communication system could cause significant losses and have an adverse effect on the Bank's reputation, financial condition and results of operations.

Moreover, the Bank is exposed to the risk of operational failure or interruption of a clearing agent, foreign markets, clearing houses, custodian banks or any other financial intermediary or external service provider used by the Bank to execute or facilitate financial transactions. Due to its increased interaction with clients, the Bank is also exposed to the risk of operational malfunction of the latter's information systems. The Group's communications and data systems and those of its clients, service providers and counterparties may also be subject to malfunctions or interruptions by as a result of cyber-crime or cyber-terrorism. The Bank cannot guarantee that these malfunctions or interruptions in its own systems or those of other parties will not occur or that in the event of a cyberattack, these malfunctions or interruptions will be adequately resolved.

The Bank's competitive position could be harmed if its reputation is damaged.

Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to the Bank's ability to attract and retain customers. The Bank's reputation could be harmed if it fails to adequately promote and market its products and services. The Bank's reputation could also be damaged if, as it increases its client base and the scale of its businesses, the Bank's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address conflicts of interest properly. At the same time, the Bank's reputation could be damaged by employee misconduct, fraud or misconduct by market participants to which the Bank is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action such as the settlement the Bank entered into in with the U.S. authorities for violations of U.S. laws and regulations regarding economic sanctions. Such risks to reputation have recently increased as a result of the growing use of social networks within the economic sphere. The loss of business that could result from damage to the Bank's reputation could have an adverse effect on its results of operations and financial position.

CONSOLIDATED BALANCE SHEET TO PRUDENTIAL BALANCE SHEET RECONCILIATION

Update of the 2018 Registration document, table 9 page 298.

▶ CONSOLIDATED BALANCE SHEET TO PRUDENTIAL BALANCE SHEET RECONCILIATION (EU LI1-A)

	30 June 2019				
In millions of euros	Accounting scope	Adjustment of insurance companies	Other adjustments related to consolidation methods(*)	Prudential scope	Reference to capital table (see Appendix)
ASSETS					
Cash and amounts due from central banks	178,729	-	68	178,797	
Financial instruments at fair value through profit or loss					
Securities	197,965	515	(61)	198,419	
of which own funds instruments in credit or financial institutions more than 10%-owned	*169*	*515*	-	*684*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*2,034*	-	-	*2,034*	*2*
Loans and repurchase agreements	316,675	2,582	(171)	319,086	
Derivative financial instruments	256,250	346	(179)	256,417	
Derivatives used for hedging purposes	15,037	(11)	-	15,026	
Financial assets at fair value through equity					
Debt securities	53,202	2,690	697	56,589	
of which own funds instruments in credit or financial institutions more than 10%-owned	-	2,690	-	2,690	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	12	-	-	12	*2*
Equity securities	2,303	611	-	2,914	
of which own funds instruments in credit or financial institutions more than 10%-owned	372	611	-	983	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	843	-	-	843	*2*
Financial assets at amortised cost					
Loans and advances to credit institutions	40,015	-	228	40,243	
of which own funds instruments in credit or financial institutions more than 10%-owned	*253*	-	*(40)*	*213*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*1*	-	-	*1*	*2*
Loans and advances to customers	*793,960*	*3,479*	*5,802*	*803,241*	
of which own funds instruments in credit or financial institutions more than 10%-owned	*32*	*339*	*(32)*	*339*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*385*	-	-	*385*	*2*
Debt securities	90,264	14	1,042	91,320	
of which own funds instruments in credit or financial institutions more than 10%-owned	*100*	*14*	-	*114*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*64*	-	-	*64*	*2*
Remeasurement adjustment on interest-rate risk hedged portfolios	4,919	-	63	4,982	
Financial investments of insurance activities	250,595	(250,595)	-	-	
Current and deferred tax assets	6,853	(107)	140	6,886	
Accrued income and other assets	117,876	(3,714)	337	114,499	
Equity-method investments	5,784	5,543	(651)	10,676	
of which investments in credit or financial institutions	*5,344*	*5,264*	*(621)*	*9,988*	*1*
of which goodwill	*366*	*279*	*(29)*	*616*	*3*
Property, plant and equipment and investment property	30,811	(569)	85	30,327	
Intangible assets	3,688	(237)	19	3,470	
of which intangible assets excluding mortgage servicing rights	*3,657*	*(237)*	*18*	*3,438*	*3*
Goodwill	7,694	(277)	28	7,445	
Non-current assets held for sale)	-	-	-	-	
TOTAL ASSETS	**2,372,620**	**(239,730)**	**7,447**	**2,140,337**	

LIABILITIES					
Deposits from central banks	9,090	-	-	9,090	
Financial instruments at fair value through profit or loss					
Securities	100,405	-	-	100,405	
Deposits and repurchase agreements	348,039	-	-	348,039	
Issued debt securities	61,783	(4,529)	-	57,254	
of which liabilities qualifying for Tier 1 capital	*205*	-	-	*205*	*4*
of which liabilities qualifying for Tier 2 capital	*119*	-	-	*119*	*5*
Derivative financial instruments	250,477	341	(178)	250,640	
Derivatives used for hedging purposes	16,120	(4)	201	16,317	
Financial liabilities at amortised cost					
Deposit from credit institutions	108,274	(5,600)	520	103,194	
Deposit from customers	833,265	1,879	5,514	840,658	
Debt securities	168,303	2,873	1,171	172,347	
Subordinated debt	18,718	(1,713)	12	17,017	
of which liabilities qualifying for Tier 1 capital	-	-	-	-	*4*
of which liabilities qualifying for Tier 2 capital	*15,992*	-	-	*15,992*	*5*
Remeasurement adjustment on interest-rate risk hedged portfolios	5,190	-	-	5,190	
Current and deferred tax liabilities	2,430	(376)	57	2,111	
Accrued expenses and other liabilities	102,210	(2,402)	147	99,955	
Technical reserves and other insurance liabilities	229,800	(229,800)	-	-	
Provisions for contingencies and charges	*10,034*	*(300)*	*3*	*9,737*	
TOTAL LIABILITIES	**2,264,138**	**(239,631)**	**7,447**	**2,031,954**	
EQUITY					
Share capital, additional paid-in capital and retained earnings	*98,232*	*16*	-	*98,248*	*6*
Net income for the period attributable to shareholders	*4,386*	-	-	*4,386*	*9*
Total capital, retained earnings and net income for the period attributable to shareholders	**102,618**	**16**	**-**	**102,634**	
Changes in assets and liabilities recognised directly in equity	*1,517*	*(7)*	-	*1,510*	
Shareholders' equity	**104,135**	**9**	**-**	**104,144**	
Minority interests	**4,347**	**(108)**	**-**	**4,239**	
TOTAL CONSOLIDATED EQUITY	**108,482**	**(99)**	**-**	**108,383**	
TOTAL LIABILITIES AND EQUITY	**2,372,620**	**(239,730)**	**7,447**	**2,140,337**	

(*) Adjustment of jointly controlled entities under proportional consolidation for prudential purposes, consolidated using the equity method in the accounting scope.

In millions of euros	31 December 2018				
	Accounting scope	Adjustment of insurance companies	Other adjustments related to consolidation methods(*)	Prudential scope	Reference to capital table (see Appendix)
ASSETS					
Cash and amounts due from central banks	185,119	-	232	185,351	
Financial instruments at fair value through profit or loss					
Securities	121,954	64	(32)	121,986	
of which own funds instruments in credit or financial institutions more than 10%-owned	*138*	*64*	*-*	*202*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*1,478*	*-*	*-*	*1,478*	*2*
Loans and repurchase agreements	183,716	2,378	(227)	185,867	
Derivative financial instruments	232,895	310	(57)	233,148	
Derivatives used for hedging purposes	9,810	(47)	-	9,763	
Financial assets at fair value through equity					
Debt securities	53,838	2,491	917	57,246	
of which own funds instruments in credit or financial institutions more than 10%-owned	*-*	*2,491*	*-*	*2,491*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*11*	*-*	*-*	*11*	*2*
Equity securities	2,151	-	-	2,151	
of which own funds instruments in credit or financial institutions more than 10%-owned	*439*	*-*	*-*	*439*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*986*	*-*	*-*	*986*	*2*
Financial assets at amortised cost					
Loans and advances to credit institutions	19,556	-	220	19,776	
of which own funds instruments in credit or financial institutions more than 10%-owned	*343*	*-*	*(40)*	*303*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*1*	*-*	*-*	*1*	*2*
Loans and advances to customers	765,871	4,209	5,531	775,611	
of which own funds instruments in credit or financial institutions more than 10%-owned	*33*	*339*	*(33)*	*339*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*26*	*-*	*-*	*26*	*2*
Debt securities	75,073	15	1,079	76,167	
of which own funds instruments in credit or financial institutions more than 10%-owned	*99*	*15*	*-*	*114*	*1*
of which own funds instruments in credit or financial institutions less than 10%-owned	*62*	*-*	*-*	*62*	*2*
Remeasurement adjustment on interest-rate risk hedged portfolios	2,787	-	11	2,798	
Financial investments of insurance activities	232,308	(232,308)	-	-	
Current and deferred tax assets	7,220	(46)	105	7,279	
Accrued income and other assets	103,346	(3,382)	336	100,300	
Equity-method investments	5,772	4,482	(115)	10,139	
of which investments in credit or financial institutions	*5,332*	*4,203*	*(84)*	*9,452*	*1*
of which goodwill	*367*	*279*	*(29)*	*628*	*3*
Property, plant and equipment and investment property	26,652	(551)	73	26,174	
Intangible assets	3,783	(238)	18	3,563	
of which intangible assets excluding mortgage servicing rights	*3,751*	*(239)*	*18*	*3,530*	*3*
Goodwill	8,487	(280)	29	8,236	
Non-current assets held for sale(**)	498	-	(498)	-	
TOTAL ASSETS	**2,040,836**	**(222,903)**	**7,622**	**1,825,555**	

LIABILITIES					
Deposits from central banks	1,354	-	-	1,354	
Financial instruments at fair value through profit or loss					
Securities	75,189	-	-	75,189	
Deposits and repurchase agreements	204,039	-	-	204,039	
Issued debt securities	54,908	(3,787)	-	51,121	
of which liabilities qualifying for Tier 1 capital	*205*	-	-	*205*	*4*
of which liabilities qualifying for Tier 2 capital	*116*	-	-	*116*	*5*
Derivative financial instruments	225,804	295	(59)	226,040	
Derivatives used for hedging purposes	11,677	(5)	66	11,738	
Financial liabilities at amortised cost					
Deposit from credit institutions	78,915	(5,938)	547	73,524	
Deposit from customers	796,548	1,033	5,456	803,037	
Debt securities	151,451	3,391	1,311	156,153	
Subordinated debt	17,627	(1,689)	28	15,966	
of which liabilities qualifying for Tier 1 capital	-	-	-	-	*4*
of which liabilities qualifying for Tier 2 capital	*15,454*	-	-	*15,454*	*5*
Remeasurement adjustment on interest-rate risk hedged portfolios	2,470	-	-	2,470	
Current and deferred tax liabilities	2,255	(125)	75	2,205	
Accrued expenses and other liabilities	89,562	(2,016)	194	87,740	
Technical reserves and other insurance liabilities	213,691	(213,691)	-	-	
Provisions for contingencies and charges	9,620	(264)	4	9,360	
Liabilities associated to non-current assets held for sales	-	-	-	-	
TOTAL LIABILITIES	**1,935,110**	**(222,796)**	**7,622**	**1,719,936**	
EQUITY					
Share capital, additional paid-in capital and retained earnings	*93,431*	*16*	*4*	*93,451*	*6*
Net income for the period attributable to shareholders	*7,526*	-	*(4)*	*7,522*	*9*
Total capital, retained earnings and net income for the period attributable to shareholders	**100,957**	**16**	**-**	**100,973**	
Changes in assets and liabilities recognised directly in equity	*510*	*(7)*	-	*503*	
Shareholders' equity	**101,467**	**9**	**-**	**101,476**	
Minority interests	**4,259**	**(116)**	**-**	**4,143**	
TOTAL CONSOLIDATED EQUITY	**105,726**	**(107)**	**-**	**105,619**	
TOTAL LIABILITIES AND EQUITY	**2,040,836**	**(222,903)**	**7,622**	**1,825,555**	

(*) Adjustment of jointly controlled entities under proportional consolidation for prudential purposes, consolidated using the equity method in the accounting scope.
(**) The items allocated to the account "Non-current assets held for sales" are allocated to their original account in the prudential balance-sheet.

CAPITAL REQUIREMENTS AND RISK-WEIGHTED ASSETS

In the following tables, only relevant items with a non-zero value are included. Capital requirements make up 8% of risk-weighted assets.

Update of the 2018 Registration document, table 16 page 311.

▶ RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENT (EU OV1)

In millions of euros		RWAs		Capital requirements
		30 June 2019	31 December 2018	30 June 2019
1	**Credit risk**	**520,897**	**503,851**	**41,672**
2	of which standardised approach	226,173	220,383	18,094
4	of which advanced IRB approach	249,090	242,323	19,927
5	of which equity positions under the simple weighting method	45,633	41,146	3,651
6	**Counterparty credit risk**	**32,674**	**26,634**	**2,614**
7	of which mark-to-market method	3,033	2,552	243
10	of which internal model method (IMM)	25,231	19,702	2,018
11	of which CCP - default fund contributions	1,349	1,289	108
12	of which CVA	3,062	3,090	245
13	**Settlement risk**	**3**	**12**	**0**
14	**Securitisation exposures in the banking book**	**7,840**	**7,040**	**627**
14a	of which internal ratings based approach (SEC-IRBA)(*)	1,249	-	100
14b	of which standardised approach (SEC-SA)(*)	444	-	36
14c	of which external ratings based approach (SEC-ERBA)(*)	33	-	3
15	of which IRB approach	875	1,675	70
16	of which IRB supervisory formula approach (SFA)	3,906	4,301	313
18	of which standardised approach	1,333	1,064	107
19	**Market risk**	**19,985**	**19,948**	**1,599**
20	of which standardised approach	2,365	2,222	189
21	of which internal model approach (IMA)	17,620	17,726	1,410
23	**Operational risk**	**72,516**	**72,947**	**5,801**
24	of which basic indicator approach	5,417	5,619	433
25	of which standardised approach	10,343	10,393	827
26	of which advanced measurement approach (AMA)	56,756	56,935	4,540
27	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**15,573**	**16,569**	**1,246**
29	**TOTAL**	**669,488**	**647,001**	**53,559**

(*) Since 1 January 2019, the Group calculates the risk-weighted assets related to securitisation positions in the banking book issued after 1 January 2019 in accordance with Regulation (EU) No. 2017/2401. For securitisation positions issued before 1 January 2019, Regulation (EU) No. 575/2013 applies until 1 January 2020 as transitional arrangements.

Update of the 2018 Registration document, table 17 page 312.

▶ RISK-WEIGHTED ASSETS MOVEMENTS BY KEY DRIVER

RWAs *In millions of euros*	31 December 2018	Key driver							Total variation	30 June 2019
		Asset size	Asset quality	Model updates	Methodology and policy	Acquisitions and disposals	Currency	Other		
Credit risk	**503,851**	21,059	(6,754)	(1,521)	3,361	108	621	172	17,046	**520,897**
Counterparty credit risk	**26,634**	6,258	(786)	318	-	1	(7)	256	6,040	**32,674**
Settlement risk	**12**	-	-	-	-	-	-	(9)	(9)	**3**
Banking book securitisation positions	**7,040**	1,105	(312)	-	-	15	73	(80)	800	**7,840**
Market risk	**19,948**	3,410	(1,111)	(2,413)	-	(419)	-	570	37	**19,985**
Operational risk	**72,947**	120	(142)	(156)	-	(252)	(1)	0	(431)	**72,516**
Amounts below the thresholds for deduction (subject to 250% risk weight)	**16,569**	21	-	-	170	(1,228)	0	41	(996)	**15,573**
TOTAL	**647,001**	**31,973**	**(9,106)**	**(3,771)**	**3,531**	**(1,777)**	**686**	**951**	**22,487**	**669,488**

Update of the 2018 Registration document, table 18 page 313.

▶ RISK-WEIGHTED ASSETS BY RISK TYPE AND BUSINESS

	30 June 2019						
	Retail Banking & Services		Corporate & Institutional Banking				
RWAs *In millions of euros*	Domestic Markets	International Financial Services	Corporate Banking	Global Markets	Securities Services	Corporate Centre	Total
Credit risk	202,941	187,807	96,793	6,633	2,445	24,278	**520,897**
Counterparty credit risk	2,671	731	1,463	25,918	1,767	124	**32,674**
Settlement risk	0	0	0	3	0	0	**3**
Securitisation exposures in the banking book	845	186	4,168	2,494	0	146	**7,840**
Market risk	253	652	1,114	17,426	503	38	**19,985**
Operational risk	22,736	19,468	10,676	15,057	3,632	947	**72,516**
Amounts below the thresholds for deduction (subject to 250% risk weight)	1,090	5,791	14	505	55	8,117	**15,573**
TOTAL	**230,535**	**214,635**	**114,228**	**68,037**	**8,402**	**33,651**	**669,488**

	31 December 2018						
	Retail Banking & Services		Corporate & Institutional Banking				
RWAs *In millions of euros*	Domestic Markets	International Financial Services	Corporate Banking	Global Markets	Securities Services	Corporate Centre	Total
Credit risk	201,178	181,846	93,573	5,561	2,773	18,920	**503,851**
Counterparty credit risk	2,249	708	515	21,561	1,440	161	**26,634**
Settlement risk	0	0	0	12	0	0	**12**
Securitisation exposures in the banking book	836	205	1,178	4,479	0	342	**7,040**
Market risk	39	284	1,295	17,846	476	7	**19,948**
Operational risk	23,606	19,172	9,970	15,962	3,459	778	**72,947**
Amounts below the thresholds for deduction (subject to 250% risk weight)	1,207	5,420	9	484	54	9,395	**16,569**
TOTAL	**229,115**	**207,635**	**106,541**	**65,905**	**8,203**	**29,603**	**647,001**

CREDIT RISK

Update of the 2018 Registration document, table 29 page 347.

▶ CREDIT RISK-WEIGHTED ASSETS MOVEMENTS BY KEY DRIVER (EU CR8)

	RWAs		Capital requirements	
In millions of euros	Total	*of which IRB approach*	Total	*of which IRB approach*
31 December 2018	**503,851**	**242,323**	**40,308**	**19,386**
Asset size	21,059	11,562	1,685	925
Asset quality	(6,754)	(3,056)	(540)	(244)
Model update	(1,521)	(1,521)	(122)	(122)
Methodology and policy	3,361	-	269	-
Acquisitons and disposals	108	(155)	9	(12)
Currency	621	536	50	43
Others	172	(598)	14	(48)
30 JUNE 2019	**520,897**	**249,090**	**41,672**	**19,927**

Update of the 2018 Registration document, table 33 page 354.

▶ IRBA EXPOSURE BY PD SCALE AND ASSET CLASS – SOVEREIGN, FINANCIAL INSTITUTION, CORPORATE AND SPECIALISED FINANCIANG PORTFOLIOS (EU CR6)

														30 June 2019
In millions of euros	PD range	Balance sheet exposure	Off-balance sheet exposure	Total exposure	Average off-balance sheet CCF	EAD	Average PD	Number of obligors	Average LGD	Average residual maturity	RWAs(*)	Average RW(*)	Expected Loss(**)	Provisions(**)
Central governments and central banks	0.00 to < 0.15%	281,788	1,170	282,958	57%	282,884	0.02%	100 to 1,000	2%	2	1,383	0%	1	
	0.15 to < 0.25%	803	1	804	50%	804	0.18%	0 to 100	13%	1	75	9%	0	
	0.25 to < 0.50%	2,183	37	2,220	72%	2,210	0.29%	0 to 100	21%	3	560	25%	1	
	0.50 to < 0.75%	894	713	1,607	55%	1,289	0.69%	0 to 100	13%	2	303	23%	1	
	0.75 to < 2.50%	235	45	280	51%	257	1.53%	0 to 100	22%	2	108	42%	1	
	2.50 to < 10.0%	533	119	651	68%	613	6.25%	0 to 100	7%	3	171	28%	3	
	10.0 to < 100%	302	196	498	75%	449	15.11%	0 to 100	6%	4	166	37%	6	
	100% (defaults)	84	3	87	55%	86	100.00%	0 to 100		2	0	0%	10	
SUB-TOTAL		**286,823**	**2,283**	**289,106**	**59%**	**288,592**	**0.09%**		**2%**	**2**	**2,765**	**1%**	**23**	**28**
Institutions	0.00 to < 0.15%	23,544	12,066	35,611	50%	29,588	0.05%	1,000 to 10,000	18%	2	3,120	11%	3	
	0.15 to < 0.25%	2,266	1,129	3,395	50%	2,831	0.18%	100 to 1,000	34%	2	992	35%	2	
	0.25 to < 0.50%	3,488	712	4,200	38%	3,761	0.33%	100 to 1,000	24%	1	1,247	33%	3	
	0.50 to < 0.75%	731	439	1,169	40%	909	0.65%	100 to 1,000	17%	2	603	66%	1	
	0.75 to < 2.50%	1,448	846	2,294	47%	1,849	1.28%	100 to 1,000	32%	2	1,244	67%	8	
	2.50 to < 10.0%	387	351	738	46%	548	4.24%	100 to 1,000	33%	2	601	110%	8	
	10.0 to < 100%	13	59	71	84%	62	23.17%	0 to 100	37%	1	125	202%	5	
	100% (defaults)	275	27	303	98%	302	100.00%	0 to 100		4	20	7%	203	
SUB-TOTAL		**32,152**	**15,629**	**47,780**	**49%**	**39,850**	**1.01%**		**21%**	**2**	**7,953**	**20%**	**233**	**246**
Corporates	0.00 to < 0.15%	66,869	135,205	202,074	52%	137,065	0.07%	10,000 to 20,000	37%	2	27,752	20%	34	
	0.15 to < 0.25%	31,060	28,349	59,410	47%	44,480	0.18%	10,000 to 20,000	35%	2	15,339	34%	28	
	0.25 to < 0.50%	49,614	34,816	84,430	46%	65,702	0.36%	30,000 to 40,000	33%	3	31,079	47%	77	
	0.50 to < 0.75%	18,297	15,984	34,281	34%	23,904	0.68%	10,000 to 20,000	25%	3	13,292	56%	40	
	0.75 to < 2.50%	51,416	26,613	78,030	43%	63,284	1.35%	40,000 to 50,000	26%	3	39,458	62%	224	
	2.50 to < 10.0%	33,201	16,578	49,778	49%	41,427	4.43%	40,000 to 50,000	32%	3	43,561	105%	466	
	10.0 to < 100%	3,201	2,080	5,281	54%	4,342	16.91%	1,000 to 10,000	30%	3	6,573	151%	218	
	100% (defaults)	11,640	1,917	13,556	45%	12,540	100.00%	10,000 to 20,000		2	3,247	26%	6,814	
SUB-TOTAL		**265,298**	**261,542**	**526,840**	**48%**	**392,745**	**4.21%**		**33%**	**3**	**180,301**	**46%**	**7,901**	**7,826**
TOTAL		**584,273**	**279,454**	**863,727**	**48%**	**721,187**	**2.38%**		**20%**	**2**	**191,019**	**26%**	**8,157**	**8,100**

(*) Add-on included.

(**) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard as explained in note 1.e.5 to the financial statements.

													31 December 2018	
In millions of euros	PD range	Balance sheet exposure	Off-balance sheet exposure	Total exposure	Average off-balance sheet CCF	EAD	Average PD	Number of obligors	Average LGD	Average residual maturity	RWAs(*)	Average RW(*)	Expected Loss(**)	Provisions(**)
Central governments and central banks	0.00 to < 0.15%	275,585	1,815	277,400	55%	276,903	0.01%	1,000 to 10,000	1%	2	513	0%	1	
	0.15 to < 0.25%	1,525	18	1,543	52%	1,535	0.19%	0 to 100	16%	3	316	21%	0	
	0.25 to < 0.50%	2,509	81	2,590	63%	2,560	0.30%	0 to 100	22%	2	609	24%	2	
	0.50 to < 0.75%	799	732	1,530	55%	1,202	0.69%	0 to 100	12%	2	234	19%	1	
	0.75 to < 2.50%	163	1	164	64%	163	1.08%	0 to 100	29%	2	92	56%	0	
	2.50 to < 10.0%	717	164	881	64%	822	5.94%	0 to 100	9%	3	246	30%	4	
	10.0 to < 100%	403	197	600	75%	551	14.61%	0 to 100	6%	3	192	35%	7	
	100% (defaults)	101	1	103	55%	102	100.00%	0 to 100		2	0	0%	9	
SUB-TOTAL		**281,801**	**3,009**	**284,811**	**57%**	**283,837**	**0.10%**		**2%**	**2**	**2,201**	**1%**	**23**	**9**
Institutions	0.00 to < 0.15%	20,134	15,589	35,723	50%	27,919	0.05%	1,000 to 10,000	17%	2	2,632	9%	3	
	0.15 to < 0.25%	2,126	1,256	3,381	52%	2,778	0.18%	100 to 1,000	37%	2	953	34%	2	
	0.25 to < 0.50%	2,141	703	2,844	43%	2,443	0.34%	1,000 to 10,000	29%	2	976	40%	2	
	0.50 to < 0.75%	1,059	620	1,679	41%	1,317	0.67%	100 to 1,000	17%	2	849	64%	1	
	0.75 to < 2.50%	1,300	792	2,091	43%	1,646	1.28%	100 to 1,000	33%	2	1,089	66%	7	
	2.50 to < 10.0%	384	354	738	45%	545	4.44%	100 to 1,000	31%	2	493	90%	9	
	10.0 to < 100%	22	67	88	84%	78	21.34%	100 to 1,000	45%	2	183	234%	7	
	100% (defaults)	270	46	315	78%	305	100.00%	0 to 100		4	10	3%	206	
SUB-TOTAL		**27,434**	**19,426**	**46,859**	**49%**	**37,030**	**1.09%**		**21%**	**2**	**7,184**	**19%**	**237**	**250**
Corporates	0.00 to < 0.15%	56,531	131,721	188,253	52%	125,641	0.07%	10,000 to 20,000	38%	2	25,709	20%	32	
	0.15 to < 0.25%	29,955	30,598	60,553	47%	44,496	0.18%	10,000 to 20,000	35%	2	15,286	34%	28	
	0.25 to < 0.50%	47,249	32,567	79,816	48%	63,185	0.35%	40,000 to 50,000	33%	3	28,955	46%	72	
	0.50 to < 0.75%	15,525	15,420	30,945	32%	20,608	0.68%	20,000 to 30,000	27%	3	12,510	61%	37	
	0.75 to < 2.50%	50,140	27,051	77,192	44%	62,210	1.34%	60,000 to 70,000	28%	3	41,661	67%	233	
	2.50 to < 10.0%	32,532	16,626	49,158	48%	40,655	4.33%	50,000 to 60,000	32%	3	43,644	107%	503	
	10.0 to < 100%	3,186	2,274	5,461	54%	4,422	16.56%	1,000 to 10,000	30%	3	6,949	157%	220	
	100% (defaults)	11,551	1,476	13,028	40%	12,159	100.00%	10,000 to 20,000		2	621	5%	6,907	
SUB-TOTAL		**246,670**	**257,735**	**504,405**	**49%**	**373,376**	**4.29%**		**34%**	**3**	**175,335**	**47%**	**8,032**	**8,401**
TOTAL		**555,905**	**280,170**	**836,075**	**49%**	**694,244**	**2.41%**		**20%**	**2**	**184,720**	**27%**	**8,292**	**8,660**

(*) Add-on included.

(**) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard as explained in note 1.e.5 to the financial statements.

Update of the 2018 Registration document, table 35 page 358.

▶ IRBA EXPOSURE BY INTERNAL RATING AND ASSET CLASS – RETAIL PORTFOLIO (EU CR6)

													30 June 2019
In millions of euros	PD scale	Balance sheet exposure	Off-balance sheet exposure	Total exposure	Average off-balance sheet CCF	EAD	Average PD	Average LGD	Average residual maturity	RWAs(*)	Average RW(*)	Expected Loss(**)	Provisions(**)
Mortgages	0.00 to < 0.15%	70,719	3,250	73,969	100%	73,978	0.06%	12%	5	1,468	2%	5	
	0.15 to < 0.25%	15,708	685	16,392	99%	16,395	0.18%	13%	5	1,458	9%	4	
	0.25 to < 0.50%	36,206	1,101	37,307	97%	37,298	0.35%	16%	5	3,913	10%	20	
	0.50 to < 0.75%	12,846	652	13,499	72%	13,329	0.63%	15%	5	5,092	38%	13	
	0.75 to < 2.50%	15,483	902	16,385	78%	16,220	1.44%	15%	5	4,775	29%	36	
	2.50 to < 10.0%	7,655	315	7,970	66%	7,882	4.89%	17%	5	4,581	58%	64	
	10.0 to < 100%	2,905	67	2,972	76%	2,958	21.95%	16%	5	2,905	98%	104	
	100% (defaults)	3,887	16	3,903	58%	3,898	100.00%		4	869	22%	1,195	
SUB-TOTAL		**165,411**	**6,987**	**172,398**	**92%**	**171,958**	**3.17%**	**14%**	**5**	**25,059**	**15%**	**1,441**	**1,496**
Revolving exposures	0.00 to < 0.15%	172	6,838	7,010	88%	6,433	0.08%	64%	1	200	3%	3	
	0.15 to < 0.25%	65	372	437	74%	379	0.18%	76%	1	47	13%	1	
	0.25 to < 0.50%	125	1,512	1,637	67%	1,185	0.31%	63%	1	101	9%	2	
	0.50 to < 0.75%	175	740	915	51%	571	0.63%	65%	1	107	19%	2	
	0.75 to < 2.50%	1,117	1,950	3,067	47%	2,055	1.40%	53%	1	756	37%	15	
	2.50 to < 10.0%	1,652	822	2,474	65%	2,203	5.23%	51%	1	1,330	60%	59	
	10.0 to < 100%	906	194	1,100	69%	1,052	24.53%	53%	1	740	70%	140	
	100% (defaults)	1,153	36	1,188	79%	1,182	100.00%		1	365	31%	905	
SUB-TOTAL		**5,364**	**12,464**	**17,828**	**75%**	**15,060**	**10.60%**	**60%**	**1**	**3,647**	**24%**	**1,127**	**1,130**
Other exposures	0.00 to < 0.15%	9,895	3,043	12,938	88%	12,623	0.07%	40%	3	937	7%	3	
	0.15 to < 0.25%	3,278	1,178	4,456	89%	4,443	0.19%	40%	3	730	16%	3	
	0.25 to < 0.50%	11,729	2,627	14,355	90%	14,251	0.34%	36%	3	2,869	20%	17	
	0.50 to < 0.75%	6,721	1,612	8,333	59%	7,768	0.63%	37%	3	3,946	51%	18	
	0.75 to < 2.50%	15,700	3,123	18,822	86%	18,564	1.43%	36%	2	9,135	49%	96	
	2.50 to < 10.0%	9,938	1,383	11,322	83%	11,198	4.80%	36%	2	6,465	58%	195	
	10.0 to < 100%	3,561	181	3,742	94%	3,767	25.73%	37%	2	2,704	72%	367	
	100% (defaults)	5,337	98	5,435	86%	5,430	100.00%		2	2,265	42%	3,594	
SUB-TOTAL		**66,158**	**13,245**	**79,404**	**84%**	**78,045**	**9.38%**	**37%**	**3**	**29,050**	**37%**	**4,294**	**4,425**
TOTAL		**236,933**	**32,696**	**269,630**	**82%**	**265,062**	**5.42%**	**23%**	**4**	**57,756**	**22%**	**6,862**	**7,051**

(*) add-on included.

(**) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard as explained in note 1.e.5 to the financial statements.

													31 December 2018
In millions of euros	PD scale	Balance sheet exposure	Off-balance sheet exposure	Total exposure	Average off-balance sheet CCF	EAD	Average PD	Average LGD	Average residual maturity	RWAs(*)	Average RW(*)	Expected Loss(**)	Provisions(**)
Mortgages	0.00 to < 0.15%	67,090	2,860	69,950	100%	69,958	0.06%	12%	5	1,416	2%	5	
	0.15 to < 0.25%	15,839	531	16,370	100%	16,372	0.18%	13%	5	945	6%	4	
	0.25 to < 0.50%	34,751	1,002	35,753	95%	35,743	0.36%	16%	5	3,698	10%	20	
	0.50 to < 0.75%	13,211	619	13,829	68%	13,645	0.64%	15%	5	4,746	35%	13	
	0.75 to < 2.50%	16,004	855	16,859	81%	16,730	1.44%	15%	5	4,937	30%	37	
	2.50 to < 10.0%	7,812	299	8,112	66%	8,028	4.85%	17%	5	4,760	59%	65	
	10.0 to < 100%	2,995	69	3,064	70%	3,045	20.77%	16%	5	3,074	101%	102	
	100% (defaults)	3,952	17	3,969	56%	3,964	100.00%		4	1,849	47%	1,204	
SUB-TOTAL		**161,655**	**6,252**	**167,907**	**91%**	**167,485**	**3.29%**	**14%**	**5**	**25,425**	**15%**	**1,450**	**1,446**
Revolving exposures	0.00 to < 0.15%	171	6,192	6,363	88%	5,932	0.08%	64%	1	180	3%	3	
	0.15 to < 0.25%	66	973	1,039	84%	921	0.18%	63%	1	62	7%	1	
	0.25 to < 0.50%	151	1,459	1,610	51%	942	0.34%	64%	1	80	9%	2	
	0.50 to < 0.75%	196	712	907	43%	519	0.62%	65%	1	140	27%	2	
	0.75 to < 2.50%	1,202	2,036	3,238	46%	2,177	1.37%	53%	1	795	37%	15	
	2.50 to < 10.0%	1,707	852	2,559	65%	2,279	5.31%	51%	1	1,380	61%	62	
	10.0 to < 100%	964	200	1,164	66%	1,114	24.73%	53%	1	772	69%	148	
	100% (defaults)	1,117	33	1,150	78%	1,144	100.00%		1	358	31%	867	
SUB-TOTAL		**5,573**	**12,458**	**18,031**	**72%**	**15,028**	**10.53%**	**59%**	**1**	**3,768**	**25%**	**1,101**	**1,080**
Other exposures	0.00 to < 0.15%	10,281	2,736	13,017	88%	12,785	0.07%	40%	3	972	8%	4	
	0.15 to < 0.25%	2,922	1,116	4,038	86%	3,937	0.19%	41%	2	626	16%	3	
	0.25 to < 0.50%	11,539	2,538	14,078	91%	14,029	0.34%	36%	3	2,789	20%	17	
	0.50 to < 0.75%	6,591	1,568	8,159	61%	7,622	0.63%	37%	3	3,853	51%	18	
	0.75 to < 2.50%	15,205	3,011	18,216	87%	17,988	1.44%	36%	3	8,706	48%	93	
	2.50 to < 10.0%	9,524	1,301	10,825	84%	10,723	4.86%	37%	3	6,414	60%	191	
	10.0 to < 100%	3,684	153	3,837	95%	3,866	26.00%	37%	3	2,772	72%	383	
	100% (defaults)	5,356	98	5,454	88%	5,450	100.00%		2	2,030	37%	3,579	
SUB-TOTAL		**65,102**	**12,522**	**77,624**	**85%**	**76,400**	**9.62%**	**37%**	**3**	**28,163**	**37%**	**4,287**	**4,158**
TOTAL		**232,329**	**31,232**	**263,561**	**81%**	**258,913**	**5.58%**	**23%**	**4**	**57,355**	**22%**	**6,837**	**6,685**

(*) add-on included.

(**) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard as explained in note 1.e.5 to the financial statements.

Update of the 2018 Registration document, table 37 page 361.

▶ STANDARDISED CREDIT RISK EXPOSURE BY STANDARD EXPOSURE CLASS (EU CR4)

	30 June 2019					
	Gross exposure		EAD			
In millions of euros	Balance-sheet	Off-balance-sheet	Balance-sheet	Off-balance-sheet	RWAs	RWA density
Central governments or central banks	28,847	15	32,271	6	5,881	18%
Regional governments or local authorities	2,869	2,774	2,879	614	755	22%
Public sector entities	14,042	1,692	14,576	369	2,451	16%
Multilateral development banks	47	0	47	0	-	0%
International organisations	4	-	4	-	0	0%
Institutions	9,760	1,517	11,252	583	4,595	39%
Corporates	89,379	33,679	81,405	13,121	82,420	87%
Retail	101,037	31,634	96,388	3,417	70,305	70%
Exposures secured by mortgages on immovable property	63,811	7,354	57,876	1,642	26,519	45%
Exposures in default	11,849	424	4,877	131	5,503	110%
Items associated with particular high risk(*)	579	867	573	425	1,498	150%
Exposures in the form of units or shares in collective investment undertakings	-	549	-	182	66	37%
Equity	-	926	-	185	185	100%
Other items	36,551	-	36,551	-	25,994	71%
TOTAL	**358,776**	**81,430**	**338,699**	**20,674**	**226,173**	**63%**

(*) Immovable property financing exposures whose risk profile may be affected by market conditions.

	31 December 2018					
	Gross exposure		EAD			
In millions of euros	Balance-sheet	Off-balance-sheet	Balance-sheet	Off-balance-sheet	RWAs	RWA density
Central governments or central banks	30,663	10	34,956	4	6,124	18%
Regional governments or local authorities	4,130	2,762	4,137	610	781	16%
Public sector entities	12,397	1,823	12,855	386	2,413	18%
Multilateral development banks	120	-	120	-	0	0%
International organisations	0	-	0	-	0	0%
Institutions	10,609	1,306	11,582	483	4,530	38%
Corporates	87,591	33,379	80,838	13,182	83,292	89%
Retail	98,592	30,551	93,768	3,151	68,394	71%
Exposures secured by mortgages on immovable property	62,704	7,146	56,321	1,635	26,082	45%
Exposures in default	12,278	354	5,127	115	5,919	113%
Exposures in the form of units or shares in collective investment undertakings	-	603	-	188	77	41%
Equity	-	1,063	-	213	213	100%
Other items	32,013	-	32,013	-	22,558	70%
TOTAL	**351,097**	**78,997**	**331,718**	**19,968**	**220,383**	**63%**

Update of the 2018 Registration document, table 38 page 362.

► STANDARDISED CREDIT EAD (EU CR5)

	30 June 2019									
	EAD									
Risk weight *In millions of euros*	0%	20%	35%	50%	75%	100%	150%	Other	Total	of which unrated(*)
Central governments or central banks	25,806	155	-	930	-	5,385	-	-	**32,276**	15,209
Regional governments or local authorities	311	3,033	-	0	-	148	-	-	**3,494**	1,362
Public sector entities	9,768	3,364	-	66	-	1,746	-	-	**14,944**	9,509
Multilateral development banks	47	-	-	-	-	-	-	-	**47**	-
International organisations	4	0	-	-	-	-	-	-	**4**	4
Institutions	718	7,362	-	1,273	-	2,475	7	-	**11,836**	1,247
Corporates	973	8,950	31	7,259	-	76,210	1,102	-	**94,525**	68,312
Retail	-	-	0	-	99,805	-	-	-	**99,805**	99,724
Exposures secured by mortgages on immovable property	-	0	31,211	19,757	6,263	2,267	21	-	**59,518**	40,990
Exposures in default	-	-	-	-	-	4,016	991	-	**5,007**	4,905
Items associated with particular high risk(**)	-	-	-	-	-	-	998	-	**998**	393
Exposures in the form of units or shares in collective investment undertakings	61	68	-	-	-	53	-	-	**182**	182
Equity	-	-	-	-	-	185	-	-	**185**	185
Other items	3,895	152	-	30	-	15,632	-	16,842	**36,551**	34,089
TOTAL	**41,584**	**23,085**	**31,242**	**29,316**	**106,068**	**108,117**	**3,119**	**16,842**	**359,374**	**276,110**

(*) Exposures to counterparties without a credit rating from external rating agencies.
(**) Immovable property financing exposures whose risk profile may be affected by market conditions.

	31 December 2018									
	EAD									
Risk weight *In millions of euros*	0%	20%	35%	50%	75%	100%	150%	Other	Total	of which unrated(*)
Central governments or central banks	27,167	1,455	-	1,012	-	5,326	-	-	**34,960**	17,237
Regional governments or local authorities	1,466	3,125	-	0	-	156	-	-	**4,747**	1,306
Public sector entities	8,336	3,067	-	76	-	1,761	-	-	**13,241**	7,711
Multilateral development banks	120	0	-	-	-	-	-	-	**120**	0
International organisations	0	0	-	-	-	-	-	-	**0**	0
Institutions	804	7,645	-	1,239	-	2,371	7	-	**12,066**	1,153
Corporates	1,330	7,206	-	6,217	-	78,378	891	-	**94,021**	66,297
Retail	-	-	-	-	96,919	0	-	-	**96,919**	96,919
Exposures secured by mortgages on immovable property	-	-	30,249	18,768	6,108	2,804	27	-	**57,956**	57,034
Exposures in default	-	-	-	-	-	3,887	1,355	-	**5,242**	5,198
Exposures in the form of units or shares in collective investment undertakings	68	54	-	-	-	66	-	-	**188**	188
Equity	-	-	-	-	-	213	-	-	**213**	213
Other items	3,622	113	-	90	-	13,343	-	14,845	**32,013**	30,192
TOTAL	**42,912**	**22,665**	**30,249**	**27,403**	**103,027**	**108,305**	**2,281**	**14,845**	**351,686**	**283,447**

(*) Exposures to counterparties without a credit rating from external rating agencies.

Update of the 2018 Registration document, table 39 page 364.

EQUITY POSITIONS UNDER THE SIMPLE WEIGHTING METHOD (EU CR10)

	30 June 2019						
In millions of euros	On-balance-sheet amount	Off-balance-sheet amount	Total gross exposure	EAD	Risk weight	RWAs	Capital requirements
Private equity exposures in diversified portfolios	2,119	720	2,839	2,479	190%	4,710	377
Listed equity exposures	1,294	71	1,364	1,329	290%	3,854	308
Other equity exposures	9,972	94	10,066	10,019	370%	37,069	2,966
TOTAL	**13,384**	**885**	**14,269**	**13,826**		**45,633**	**3,651**

	31 December 2018						
In millions of euros	On-balance-sheet amount	Off-balance-sheet amount	Total gross exposure	EAD	Risk weight	RWAs	Capital requirements
Private equity exposures in diversified portfolios	1,983	648	2,630	2,306	190%	4,382	351
Listed equity exposures	1,193	213	1,405	1,349	290%	3,912	313
Other equity exposures	8,834	89	8,923	8,879	370%	32,851	2,628
TOTAL	**12,010**	**949**	**12,959**	**12,534**		**41,146**	**3,292**

Update of the 2018 Registration document, table 40 page 365.

INSURANCE UNDERTAKINGS (EU INS1)

In millions of euros	30 June 2019	31 December 2018
Holdings in insurance companies(*) (before 370% risk weight)	7,573	6,648
TOTAL RISK-WEIGHTED ASSETS	**28,020**	**24,599**

(*) Significant financial holdings in insurance companies consolidated by the equity method within the prudential scope, benefiting from the provisions of Article 49 of Regulation (EU) No. 575/2013 on exemptions from deduction from regulatory capital of holdings in an insurance company. Under the provisions of Article 48 of Regulation (EU) No. 575/2013, a potential deduction from regulatory capital would have a limited impact with a decrease of less than 10 basis points in the CET1 ratio.

Update of the 2018 Registration document, table 43 page 367.

▶ DEFAULTED EXPOSURES AND PROVISIONS BY ASSET CLASS (EU CR1-A)

In millions of euros	30 June 2019				
	Gross exposure				
	Defaulted exposures	Non-defaulted exposures	Total	Stage 3 provisions	Stage 1 and stage 2 provisions
Central governments or central banks	87	289,019	289,106	10	
Institutions	303	47,478	47,780	203	
Corporates	13,559	513,281	526,840	6,894	
Retail	10,526	259,104	269,630	5,787	
Secured by real estate property	*3,903*	*168,496*	*172,398*	*1,290*	
SMEs	*627*	*11,088*	*11,715*	*210*	
Non-SMEs	*3,276*	*157,408*	*160,683*	*1,080*	
Qualifying revolving	*1,188*	*16,639*	*17,828*	*902*	
Other retail	*5,435*	*73,969*	*79,404*	*3,596*	
SMEs	*2,500*	*25,755*	*28,255*	*1,487*	
Non-SMEs	*2,935*	*48,213*	*51,149*	*2,109*	
Other items	0	1,114	1,114	0	
TOTAL IRB APPROACH	**24,475**	**1,109,996**	**1,134,470**	**12,894**	**2,257**
Central governments or central banks	9	28,862	28,870	3	
Regional governments or local authorities	35	5,643	5,678	6	
Public sector entities	15	15,734	15,749	4	
Multilateral development banks	0	47	47	0	
International organisations	0	4	4	0	
Institutions	45	11,277	11,322	16	
Corporates	3,182	123,058	126,241	1,917	
of which SMEs	*1,082*	*20,828*	*21,909*	*628*	
Retail	5,608	132,671	138,279	3,560	
of which SMEs	*1,642*	*31,521*	*33,163*	*966*	
Exposures secured by mortgages on immovable property	3,271	71,166	74,436	1,461	
of which SMEs	*962*	*17,811*	*18,773*	*488*	
Exposures in default					
Items associated with particular high risk(*)	108	1,445	1,553	70	
Expositions sous la forme de parts ou d'actions d'OPC	-	549	549	0	
Actions	-	926	926	0	
Autres actifs risqués	-	36,551	36,551	0	
TOTAL APPROCHE STANDARD	**12,273**	**427,933**	**440,206**	**7,036**	**3,013**
TOTAL	**36,748**	**1,537,929**	**1,574,676**	**19,930**	**5,271**

(*) Immovable property financing exposures whose risk profile may be affected by market conditions.

	31 December 2018				
	Gross exposure				
In millions of euros	Defaulted exposures	Non-defaulted exposures	Total	Stage 3 provisions	Stage 1 and stage 2 provisions
Central governments or central banks	103	284,708	**284,811**	9	
Institutions	315	46,544	**46,859**	206	
Corporates	13,028	491,378	**504,405**	7,049	
Retail	10,574	252,988	**263,561**	5,716	
Secured by real estate property	*3,969*	*163,938*	***167,907***	*1,305*	
SMEs	*687*	*11,055*	***11,742***	*216*	
Non-SMEs	*3,282*	*152,882*	***156,164***	*1,089*	
Qualifying revolving	*1,150*	*16,881*	***18,031***	*869*	
Other retail	*5,454*	*72,169*	***77,624***	*3,542*	
SMEs	*2,478*	*25,552*	***28,030***	*1,462*	
Non-SMEs	*2,976*	*46,618*	***49,593***	*2,080*	
Other items	0	833	**833**	0	
TOTAL IRB APPROACH	**24,019**	**1,076,450**	**1,100,469**	**12,979**	**2,365**
Central governments or central banks	2	30,673	**30,675**	2	
Regional governments or local authorities	42	6,892	**6,934**	9	
Public sector entities	8	14,219	**14,228**	4	
Multilateral development banks	0	120	**120**	0	
International organisations	0	0	**0**	0	
Institutions	35	11,915	**11,950**	15	
Corporates	3,287	120,970	**124,257**	1,859	
of which SMEs	*875*	*21,389*	***22,264***	*487*	
Retail	5,827	129,143	**134,970**	3,654	
of which SMEs	*1,684*	*29,650*	***31,334***	*968*	
Exposures secured by mortgages on immovable property	3,430	69,850	**73,280**	1,531	
of which SMEs	*1,068*	*17,447*	***18,515***	*548*	
Exposures in default					
Expositions sous la forme de parts ou d'actions d'OPC	0	603	**603**	0	
Actions	0	1,063	**1,063**	0	
Autres actifs risqués	0	32,013	**32,013**	0	
TOTAL APPROCHE STANDARD	**12,632**	**417,462**	**430,094**	**7,073**	**3,075**
TOTAL	**36,651**	**1,493,912**	**1,530,563**	**20,052**	**5,440**

Update of the 2018 Registration document, table 44 page 368.

► DEFAULTED EXPOSURES AND PROVISIONS BY GEOGRAPHIC BREAKDOWN (EU CR1-C)

		30 June 2019				
		Gross exposure				
In millions of euros		Defaulted exposures	Non-defaulted exposures	Total	Stage 3 provisions	Stage 1 and stage 2 provisions
Europe(*)		**30,800**	**1,118,173**	**1,148,973**	**16,646**	
	France	8,805	425,133	433,938	5,054	
	Belgium	2,626	183,862	186,488	926	
	Luxembourg	201	55,030	55,231	93	
	Italy	13,488	146,527	160,015	7,911	
	United Kingdom	1,353	74,440	75,793	771	
	Germany	832	56,936	57,767	385	
	Netherlands	162	28,748	28,910	53	
	Other European countries	3,334	147,497	150,831	1,452	
North America		**1,430**	**215,139**	**216,569**	**515**	
Asia Pacific		**308**	**116,520**	**116,828**	**140**	
	Japan	7	42,553	42,560	0	
	North Asia	14	29,566	29,580	8	
	South-East Asia (ASEAN)	112	22,718	22,829	54	
	Indian peninsula & Pacific	175	21,684	21,859	77	
Rest of the World		**4,210**	**88,096**	**92,306**	**2,631**	
	Turkey	736	22,662	23,398	415	
	Mediterranean	784	11,476	12,260	557	
	Gulf States & Africa	1,589	18,453	20,042	868	
	Latin America	318	19,791	20,108	240	
	Other countries	783	15,714	16,497	551	
TOTAL		**36,748**	**1,537,929**	**1,574,676**	**19,930**	**5,271**

(*) Within the European Union and the European Free Trade Association (EFTA).

		31 December 2018				
		Gross exposure				
In millions of euros		Defaulted exposures	Non-defaulted exposures	Total	Stage 3 provisions	Stage 1 and stage 2 provisions
Europe(*)		**31,064**	**1,115,396**	**1,146,459**	**16,828**	
	France	8,357	483,981	492,339	4,856	
	Belgium	2,720	167,312	170,032	980	
	Luxembourg	301	38,323	38,624	143	
	Italy	14,039	142,260	156,299	8,187	
	United Kingdom	1,393	70,909	72,302	796	
	Germany	692	51,785	52,478	371	
	Netherlands	95	29,072	29,166	46	
	Other European countries	3,467	131,753	135,219	1,448	
North America		**1,075**	**206,731**	**207,807**	**581**	
Asia Pacific		**353**	**85,705**	**86,057**	**102**	
	Japan	0	19,394	19,395	0	
	North Asia	8	28,095	28,103	7	
	South-East Asia (ASEAN)	178	18,753	18,931	23	
	Indian peninsula & Pacific	167	19,462	19,628	72	
Rest of the World		**4,159**	**86,081**	**90,240**	**2,541**	
	Turkey	608	23,953	24,561	332	
	Mediterranean	853	11,522	12,375	540	
	Gulf States & Africa	1,586	17,563	19,150	870	
	Latin America	320	17,340	17,660	278	
	Other countries	791	15,702	16,493	521	
TOTAL		**36,651**	**1,493,912**	**1,530,563**	**20,052**	**5,440**

(*) Within the European Union and the European Free Trade Association (EFTA).

Update of the 2018 Registration document, table 45 page 369.

▶ DEFAULTED EXPOSURES AND PROVISIONS BY INDUSTRY (EU CR1-B)

In millions of euros	30 June 2019				
	Gross exposure				
	Defaulted exposures	Non-defaulted exposures	Total	Stage 3 provisions	Stage 1 and stage 2 provisions
Agriculture, Food, Tobacco	1,494	41,751	43,246	806	
Insurance	18	16,669	16,687	5	
Chemicals excluding Pharmaceuticals	72	15,084	15,156	56	
Building & Public works	4,007	30,854	34,861	2,152	
Retail trade	1,483	41,473	42,956	778	
Energy excluding Electricity	780	23,940	24,720	454	
Equipment excluding IT Electronic	1,042	43,401	44,443	615	
Finance	900	314,026	314,926	695	
Real estate	3,654	90,378	94,032	1,823	
Information technologies	211	21,628	21,839	109	
Minerals, metals & materials (including cement, packaging, etc.)	1,051	30,783	31,833	595	
Wholesale trade	2,208	63,496	65,704	1,484	
Private individual	13,442	402,092	415,535	7,438	
Healthcare & Pharmaceuticals	134	21,927	22,061	54	
Services to public authorities (electricity, gas, water, etc.)	827	37,275	38,103	217	
Business services	1,488	80,584	82,073	848	
Communication services	316	19,820	20,136	79	
Sovereign	163	128,879	129,042	34	
Transportation & Storage	1,425	49,435	50,859	529	
Other	2,031	64,434	66,466	1,159	
TOTAL	**36,748**	**1,537,929**	**1,574,676**	**19,930**	**5,271**

In millions of euros	31 December 2018				
	Gross exposure				
	Defaulted exposures	Non-defaulted exposures	Total	Stage 3 provisions	Stage 1 and stage 2 provisions
Agriculture, Food, Tobacco	1,476	42,888	44,364	818	
Insurance	17	15,971	15,988	5	
Chemicals excluding Pharmaceuticals	75	15,715	15,789	53	
Building & Public works	4,126	30,385	34,511	2,147	
Retail trade	1,147	39,223	40,369	762	
Energy excluding Electricity	907	21,477	22,384	535	
Equipment excluding IT Electronic	968	41,927	42,895	566	
Finance	813	325,018	325,831	613	
Real estate	3,916	88,567	92,484	1,873	
Information technologies	227	21,966	22,193	117	
Minerals, metals & materials (including cement, packaging, etc.)	1,038	29,081	30,118	621	
Wholesale trade	2,269	60,576	62,845	1,470	
Private individual	13,610	388,974	402,584	7,491	
Healthcare & Pharmaceuticals	146	20,530	20,676	78	
Services to public authorities (electricity, gas, water, etc.)	366	35,990	36,356	187	
Business services	1,691	76,772	78,463	807	
Communication services	320	18,765	19,085	113	
Sovereign	187	115,772	115,960	33	
Transportation & Storage	1,415	45,100	46,515	607	
Other	1,937	59,215	61,151	1,158	
TOTAL	**36,651**	**1,493,912**	**1,530,563**	**20,052**	**5,440**

COUNTERPARTY CREDIT RISK

Update of the 2018 Registration document, table 71 page 395.

▶ COUNTERPARTY CREDIT RISK CAPITAL REQUIREMENT AND RISK-WEIGHTED ASSETS (EU CCR7)

	RWAs		Capital requirements	
In millions of euros	Total	of which internal model method (IMM)	Total	of which internal model method (IMM)
31 December 2018	**26,634**	**19,702**	**2,131**	**1,576**
Asset size	6,258	5,725	501	458
Asset quality	(786)	(795)	(63)	(64)
Model update	318	306	25	24
Methodology and policy	-	-	-	-
Acquisitons and disposals	1	-	0	-
Currency	(7)	0	(1)	0
Other	256	292	20	23
30 JUNE 2019	**32,674**	**25,231**	**2,614**	**2,018**

Update of the 2018 Registration document, table 62 page 388.

▶ BILATERAL COUNTERPARTY CREDIT RISK EXPOSURE AT DEFAULT BY APPROACH (EU CCR1)

	30 June 2019						
In millions of euros	NPV(***) + Add-on	EEPE(**)	Multiplier	EAD post CRM	RWAs	*of which standardised approach*	*of which IRBA*
Mark to market	2,457			1,402	1,159	*1,124*	*35*
Internal model approach (for derivatives and SFTs)		93,663	1.6	149,861	25,231	*4*	*25,227*
of which SFTs(*)		*42,965*	*1.6*	*68,743*	*5,199*	*1*	*5,198*
of which derivatives and long settlement transactions		*50,699*	*1.6*	*81,118*	*20,032*	*2*	*20,029*
TOTAL				**151,263**	**26,390**	***1,128***	***25,262***

(*) Securities Financing Transactions.

(**) Effective Expected Positive Exposure.

(**) Net Present Value.

	31 December 2018						
In millions of euros	NPV(***) + Add-on	EEPE(**)	Multiplier	EAD post CRM	RWAs	*of which standardised approach*	*of which IRBA*
Mark to market	1,899			1,313	998	*950*	*48*
Internal model approach (for derivatives and SFTs)		64,768	1.6	103,629	19,702	*3*	*19,699*
of which SFTs(*)		*20,994*	*1.6*	*33,591*	*2,690*	*0*	*2,690*
of which derivatives and long settlement transactions		*43,774*	*1.6*	*70,038*	*17,012*	*2*	*17,009*
TOTAL				**104,942**	**20,700**	***953***	***19,747***

(*) Securities Financing Transactions.

(**) Effective Expected Positive Exposure.

(**) Net Present Value.

Update of the 2018 Registration document, table 63 page 389.

► IRBA BILATERAL COUNTERPARTY CREDIT RISK EXPOSURE AT DEFAULT (EU CCR4)

		30 June 2019						
		a	b	c	d	e	f	g
In millions of euros	PD scale	EAD	Average PD	Number of obligors	Average LGD	Average marturity	RWAs	Average RW
Central governments or central banks	0,00 to < 0,15 %	36,477	0.02%	100 to 1,000	1%	2	140	0%
	0,15 to < 0,25 %	46	0.20%	0 to 100	44%	1	15	34%
	0,25 to < 0,50 %	77	0.29%	0 to 100	50%	1	30	39%
	0,50 to < 0,75 %	492	0.69%	0 to 100	31%	0	196	40%
	0,75 to < 2,50 %	1	1.13%	0 to 100	48%	1	1	88%
	2,50 to < 10,0 %	182	3.09%	0 to 100	50%	5	345	189%
	10,0 to < 100 %	-	-	-	-	-	-	-
	100 % (defaults)	-	-	-			-	-
	Sub-total	**37,275**	**0.05%**		**2%**	**2**	**727**	**2%**
Institutions	0,00 to < 0,15 %	29,460	0.05%	1,000 to 10,000	23%	1	2,991	10%
	0,15 to < 0,25 %	1,135	0.18%	100 to 1,000	38%	1	356	31%
	0,25 to < 0,50 %	1,252	0.37%	100 to 1,000	48%	1	779	62%
	0,50 to < 0,75 %	112	0.69%	0 to 100	49%	1	94	84%
	0,75 to < 2,50 %	522	1.31%	100 to 1,000	38%	1	411	79%
	2,50 to < 10,0 %	215	4.60%	100 to 1,000	56%	1	411	191%
	10,0 to < 100 %	0	13.74%	0 to 100	69%	1	1	349%
	100 % (defaults)	2	100.00%	0 to 100			0	2%
	Sub-total	**32,699**	**0.12%**		**25%**	**1**	**5,044**	**15%**
Corporates	0,00 to < 0,15 %	63,253	0.05%	1,000 to 10,000	31%	1	7,775	12%
	0,15 to < 0,25 %	5,701	0.17%	1,000 to 10,000	37%	2	1,718	30%
	0,25 to < 0,50 %	4,523	0.36%	1,000 to 10,000	37%	2	2,021	45%
	0,50 to < 0,75 %	1,205	0.69%	100 to 1,000	37%	3	880	73%
	0,75 to < 2,50 %	3,429	1.32%	1,000 to 10,000	53%	2	4,147	121%
	2,50 to < 10,0 %	1,544	4.34%	1,000 to 10,000	51%	2	2,580	167%
	10,0 to < 100 %	142	19.23%	100 to 1,000	49%	2	370	260%
	100 % (defaults)	143	100.00%	0 to 100			0	0%
	Sub-total	**79,940**	**0.44%**		**33%**	**1**	**19,491**	**24%**
Retail	**Sub-total**	**0**	**n.s.**		**n.s.**	**n.s.**	**0**	**n.s.**
	TOTAL	**149,915**	**0.27%**		**24%**	**1**	**25,262**	**17%**

		31 December 2018						
		a	b	c	d	e	f	g
In millions of euros	Fourchette de PD	EAD	Average PD	Number of obligors	Average LGD	Average marturity	RWAs	Average RW
Central governments or central banks	0,00 to < 0,15 %	25,247	0.03%	100 to 1,000	1%	3	116	0%
	0,15 to < 0,25 %	18	0.17%	0 to 100	26%	2	5	26%
	0,25 to < 0,50 %	36	0.33%	0 to 100	49%	2	20	55%
	0,50 to < 0,75 %	9	0.69%	0 to 100	50%	2	7	85%
	0,75 to < 2,50 %	0	1.13%	0 to 100	39%	2	0	81%
	2,50 to < 10,0 %	1	4.39%	0 to 100	68%	1	1	205%
	10,0 to < 100 %	83	13.52%	0 to 100	60%	3	262	318%
	100 % (defaults)	-	-	-			-	-
	Sub-total	**25,393**	**0.07%**		**2%**	**3**	**412**	**2%**
Institutions	0,00 to < 0,15 %	18,675	0.05%	1,000 to 10,000	22%	1	1,471	8%
	0,15 to < 0,25 %	1,254	0.19%	100 to 1,000	45%	1	451	36%
	0,25 to < 0,50 %	1,120	0.35%	100 to 1,000	50%	1	660	59%
	0,50 to < 0,75 %	222	0.69%	100 to 1,000	50%	1	202	91%
	0,75 to < 2,50 %	180	1.27%	100 to 1,000	51%	2	199	111%
	2,50 to < 10,0 %	181	3.91%	100 to 1,000	57%	1	338	187%
	10,0 to < 100 %	16	11.44%	0 to 100	19%	1	14	86%
	100 % (defaults)	1	100.00%	0 to 100			-	0%
	Sub-total	**21,649**	**0.13%**		**26%**	**1**	**3,336**	**15%**
Corporates	0,00 to < 0,15 %	43,038	0.06%	1,000 to 10,000	32%	1	6,257	15%
	0,15 to < 0,25 %	4,850	0.17%	1,000 to 10,000	37%	2	1,499	31%
	0,25 to < 0,50 %	3,284	0.36%	1,000 to 10,000	41%	2	1,674	51%
	0,50 to < 0,75 %	1,128	0.69%	100 to 1,000	31%	3	665	59%
	0,75 to < 2,50 %	2,974	1.30%	1,000 to 10,000	52%	2	3,488	117%
	2,50 to < 10,0 %	1,141	4.33%	1,000 to 10,000	55%	2	2,044	179%
	10,0 to < 100 %	154	17.75%	100 to 1,000	46%	2	373	242%
	100 % (defaults)	88	100.00%	0 to 100			0	0%
	Sub-total	**56,656**	**0.45%**		**34%**	**1**	**15,999**	**28%**
Retail	**Sub-total**	**0**	**n.s.**		**n.s.**	**n.s.**	**0**	**n.s.**
	TOTAL	**103,699**	**0.29%**		**24%**	**2**	**19,747**	**19%**

Update of the 2018 Registration document, table 64 page 391.

▶ STANDARDISED BILATERAL COUNTERPARTY CREDIT RISK EXPOSURE AT DEFAULT (EU CCR3)

	30 June 2019									
	EAD									
Risk weight *In millions of euros*	0%	20%	35%	50%	75%	100%	150%	Total	*of which unrated(*)*	RWAs
Central governments or central banks	-	-	-	2	-	0	-	**2**	-	**1**
Institutions	-	250	-	24	-	21	-	**295**	*0*	**83**
Corporates	-	5	0	8	-	1,026	4	**1,043**	*877*	**1,038**
Retail	-	-	-	-	8	-	-	**8**	*8*	**6**
TOTAL	**-**	**255**	**0**	**33**	**8**	**1,048**	**4**	**1,348**	***885***	**1,128**

(*) Exposure to counterparties without a credit rating from external rating agencies

	31 December 2018									
	EAD									
Risk weight *In millions of euros*	0%	20%	35%	50%	75%	100%	150%	Total	*of which unrated(*)*	RWAs
Central governments or central banks	-	-	-	-	-	2	-	**2**	-	**2**
Institutions	-	319	-	59	-	11	-	**390**	*0*	**104**
Corporates	-	-	0	7	-	838	1	**846**	*819*	**843**
Retail	-	-	-	-	5	-	-	**5**	*5*	**4**
TOTAL	**-**	**319**	**0**	**66**	**5**	**851**	**1**	**1,243**	***824***	**953**

(*) Exposure to counterparties without a credit rating from external rating agencies

Update of the 2018 Registration document, table 66 page 392.

▶ EXPOSURE TO CENTRAL COUNTERPARTIES (CCP) (EU CCR8)

	30 June 2019		31 December 2018	
In millions of euros	EAD	RWAs	EAD	RWAs
Exposure to QCCP (total)		**3,223**		**2,621**
Exposure for trades at QCCPs (excluding initial margin and default fund contributions)	28,710	1,562	26,735	1,235
of which OTC derivatives	*2,863*	*57*	*3,748*	*75*
of which exchange-traded derivatives	*23,790*	*1,460*	*22,384*	*1,145*
of which SFTs(*)	*2,058*	*45*	*603*	*15*
Non-segregated initial margin(**)	11,164	275	9,873	261
Prefunded default fund contributions	3,509	1,339	3,099	1,069
Alternative calculation		46		56
of which exposure for trades at QCCPs	*218*	*11*	*139*	*10*
of which segregated initial margin	*174*	*3*	*311*	*6*
of which non-segregated initial margin(**)	*192*	*23*	*211*	*38*
of which prefunded default fund contributions	*34*	*9*	*32*	*1*
Exposure to non-QCCPs (total)		**-**		**222**
Exposure to non-QCCPs (excluding initial margin and default fund contribution)	-	-	1	1
of which OTC derivatives	-	-	*1*	*1*
Non-segregated initial margin(**)	-	-	3	3
Prefunded default fund contributions	-	-	4	55
Unfunded default fund contributions	-	-	11	164
TOTAL	**44,001**	**3,222**	**40,419**	**2,843**

(*) Securities Financing Transactions.
(**) Not bankruptcy remote in accordance with article 300.1 Regulation (EU) No. 575/2013.

Update of the 2018 Registration document, table 67 page 393.

▶ CVA RISK CAPITAL CHARGE (EU CCR2)

	30 June 2019		31 December 2018	
In millions of euros	EAD	RWAs	EAD	RWAs
Advanced approach	**58,881**	**2,406**	**51,688**	**2,676**
CVA VaR charge		362		427
CVA SVaR charge		2,044		2,249
Standardised approach	**666**	**655**	**653**	**414**
TOTAL	**59,547**	**3,062**	**52,341**	**3,090**

Update of the 2018 Registration document, table 68 page 394.

▶ COMPOSITION OF COLLATERAL (EU CCR5-B)

	30 June 2019			
	Collateral used in derivative transactions		Collateral used in SFTs(*)	
In millions of euros	Fair value of collateral received	Fair value of posted collateral	Fair value of collateral received	Fair value of posted collateral
Cash - euro	30,583	42,366	175,183	181,911
Cash - other currencies	19,216	19,560	324,184	300,810
Sovereign debt - euro	5,218	9,533	229,085	221,208
Sovereign debt - other currencies	3,416	4,610	308,235	324,485
Corporate and institutional debt	12,326	7,036	80,786	100,924
Equity	1,157	-	76,557	75,452
Other	53	249	225	120
TOTAL	**71,968**	**83,355**	**1,194,255**	**1,204,910**

(*)Securities Financing Transactions.

	31 December 2018			
	Collateral used in derivative transactions		Collateral used in SFTs(*)	
In millions of euros	Fair value of collateral received	Fair value of posted collateral	Fair value of collateral received	Fair value of posted collateral
Cash - euro	28,121	31,484	109,329	132,595
Cash - other currencies	16,936	21,439	193,962	159,840
Sovereign debt - euro	2,908	4,436	81,068	110,872
Sovereign debt - other currencies	3,933	4,454	58,884	101,304
Corporate and institutional debt	6,148	5,033	156,448	141,375
Equity	230	-	106,304	142,327
Other	78	-	-	118
TOTAL	**58,353**	**66,846**	**705,995**	**788,432**

(*)Securities Financing Transactions.

Update of the 2018 Registration document, table 69 page 394.

▶ CREDIT DERIVATIVES EXPOSURES (EU CCR6)

	30 June 2019			
	Credit derivative hedges		Other credit derivatives	
In millions of euros	Protection bought	Protection sold	Protection bought	Protection sold
Notionals	**5,599**	**1,041**	**475,003**	**428,277**
Single-name credit default swaps	3,047	494	221,145	208,349
Index credit default swaps	2,552	547	194,069	164,861
Total return swaps	-	-	3,360	-
Credit options	-	-	56,048	55,067
Other credit derivatives	-	-	380	-
Fair values	**(108)**	**19**	**(6,245)**	**5,833**
Positive fair value (asset)	16	21	1,260	7,359
Negative fair value (liability)	(124)	(1)	(7,505)	(1,525)

	31 December 2018			
	Credit derivative hedges		Other credit derivatives	
In millions of euros	Protection bought	Protection sold	Protection bought	Protection sold
Notionals	**4,614**	**1,104**	**446,447**	**421,177**
Single-name credit default swaps	2,728	503	203,252	203,229
Index credit default swaps	1,386	601	183,693	175,199
Total return swaps	-	-	23,654	-
Credit options	500	-	35,124	42,749
Other credit derivatives	-	-	725	-
Fair values	**(31)**	**10**	**(2,150)**	**1,956**
Positive fair value (asset)	20	11	2,431	4,411
Negative fair value (liability)	(51)	(2)	(4,581)	(2,455)

MARKET RISK

Update of the 2018 Registration document, table 75 page 398.

▶ MARKET RISK-WEIGHTED ASSETS MOVEMENTS BY KEY DRIVER (EU MR2-B)

In millions of euros	VaR	SVaR	IRC(*)	CRM(**)	Standardised approach	Total RWAs	Total capital requirements
31 December 2018	**5,488**	**9,323**	**2,436**	**479**	**2,222**	**19,948**	**1,596**
Asset size	(672)	2,870	1,425	(80)	(132)	3,410	273
Asset quality	(291)	(641)	(210)	44	(13)	(1,111)	(89)
Model update	(758)	(1,652)	(3)	-	-	(2,413)	(193)
Methodology and policy	-	-	-	-	-	-	-
Acquisitons and disposals	(110)	(255)	(54)	-	-	(419)	(34)
Currency	-	-	-	-	-	-	-
Other	47	221	13	0	288	570	46
30 JUNE 2019	**3,704**	**9,867**	**3,606**	**443**	**2,365**	**19,985**	**1,599**

(*) Incremental Risk Charge.

(**) Comprehensive Risk Measure.

Update of the 2018 Registration document, table 73 page 397.

▶ MARKET RISK UNDER THE INTERNAL MODEL APPROACH (EU MR2-A)

In millions of euros	30 June 2019		31 December 2018	
	RWAs	Capital requirements	RWAs	Capital requirements
VaR(*) (higher of values 1.a and 1.b)	**3,704**	**296**	**5,488**	**439**
Previous day's VaR		88		124
Average of the daily VaR on each of the preceding sixty business days x multiplication factor		296		439
SVaR(*) (higher of values 2.a and 2.b)	**9,867**	**789**	**9,323**	**746**
Latest SVaR		230		212
Average of the SVaR during the preceding sixty business days x multiplication factor		789		746
IRC(*)(**) (higher of values 3.a and 3.b)	**3,606**	**289**	**2,436**	**195**
Most recent IRC value		241		177
Average of the IRC number over the preceding twelve weeks		289		195
CRM(***) (higher of values 4.a, 4.b and 4.c)	**443**	**35**	**479**	**38**
Most recent risk number for the correlation trading portfolio		30		35
Average of the risk number for the correlation trading portfolio over the preceding twelve weeks		35		38
8% of the own funds requirement in the standardised approach on the most recent risk number for the correlation trading portfolio		27		30
TOTAL	**17,620**	**1,410**	**17,726**	**1,418**

(*) VaR, SVaR and IRC values include all the components taken into account in the calculation of risk-weighted assets.

(**) Incremental Risk Charge.

(***) Comprehensive Risk Measure.

Update of the 2018 Registration document, table 74 page 397.

▶ MARKET RISK UNDER THE STANDARDISED APPROACH (EU MR1)

In millions of euros	30 June 2019		31 December 2018	
	RWAs	Capital requirements	RWAs	Capital requirements
Outright products				
Interest rate risk (general and specific)	293	23	260	21
Equity risk (general and specific)	0	0	0	0
Foreign exchange risk	1,784	143	1,513	121
Options				
Scenario approach	18	1	7	1
Securitisation (specific risk)	**270**	**22**	**442**	**35**
TOTAL	**2,365**	**189**	**2,222**	**178**

Update of the 2018 Registration document, table 79 page 406.

▶ INTERNAL MODEL APPROACH VALUES FOR TRADING PORTFOLIOS (EU MR3)

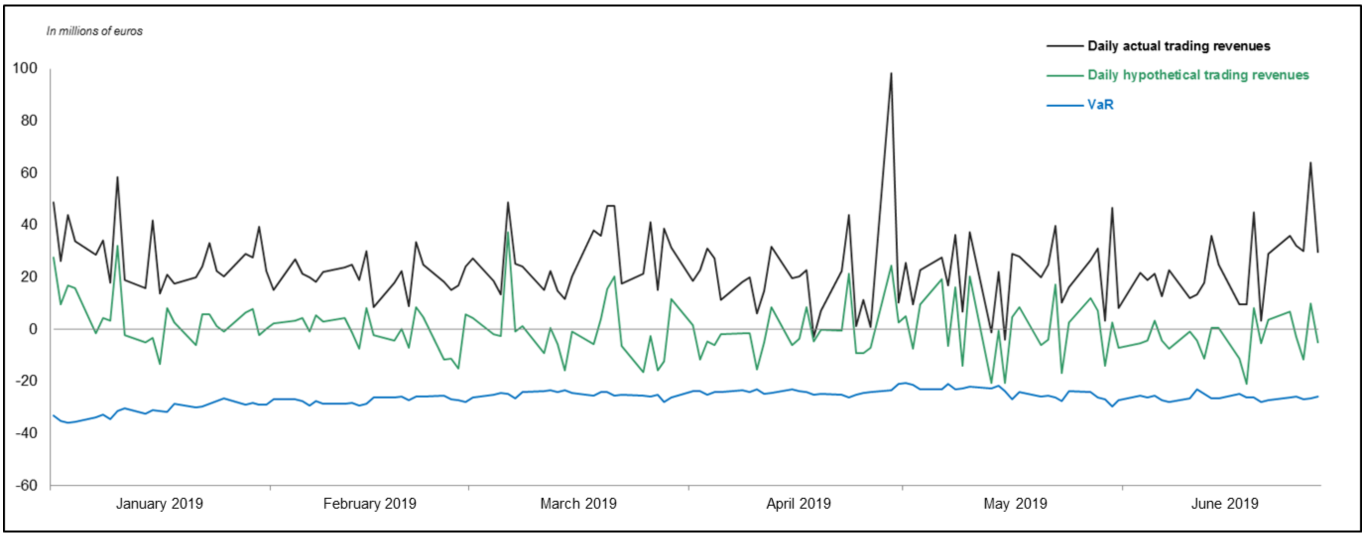
In millions of euros	Year to 30 June 2019	Year to 31 Dec. 2018
VaR (10-day, 99%)		
Maximum	102	118
Average	68	79
Minimum	52	56
Last measure	69	94
SVaR (10-day, 99%)		
Maximum	239	247
Average	195	151
Minimum	150	94
Last measure	204	201
IRC(*) (99.9%)		
Maximum	397	367
Average	249	190
Minimum	145	92
Last measure	198	135
CRM(**) (99.9%)		
Maximum	56	63
Average	39	44
Minimum	20	27
Last measure	30	35

(*) Incremental Risk Charge.

(**) Comprehensive Risk Measure.

Update of the 2018 Registration document, figure 10 page 403.

► COMPARISON BETWEEN VAR (1-DAY, 99%) AND DAILY TRADING REVENUE (EU MR4)



This backtesting consists of making a comparison between the daily global trading book VaR and the actual result. In accordance with the regulation, BNP Paribas supplements this "actual backtesting" method with a comparison between the daily VaR and the hypothetical result generated by the trading book, which is also known as "hypothetical backtesting". The hypothetical result includes all components of the actual result, except the intra-day revenues, fees and commissions. A backtesting event is declared when a real or hypothetical loss exceeds the daily VaR amount. The confidence interval selected for calculating daily VaR is 99%, which in theory means the observation of two to three events per year.

In 2019, no actual or hypothetical backtesting event was observed.

LEVERAGE RATIO

Update of the 2018 Registration document, table 22 page 320.

► LEVERAGE RATIO – ITEMISED

► *Summary reconciliation of accounting assets and leverage ratio exposures (LRSum)*

In billions of euros		30 June 2019	31 December 2018
1	Total assets as per published financial statements	2,373	2,041
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(232)	(215)
4	Adjustments for derivative financial instruments	(106)	(80)
5	Adjustment for securities financing transactions (SFTs)(*)	3	(5)
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	166	160
EU-6b	Adjustment for exposures exempt from the total exposure for the puposes of the ratio in respect of article 429, paragraph 14, of Regulation (EU) No. 575/2013	(15)	(17)
7	Other adjustments	(18)	(18)
8	**LEVERAGE RATIO TOTAL EXPOSURE MEASURE**	**2,171**	**1,864**

(*) Securities Financing Transactions: repurchase agreements and securities borrowing/lending.

▶ Leverage ratio common disclosure (LRCom)

	In billions of euros	30 June 2019	31 December 2018
	On-balance sheet exposures (excluding derivatives and SFTs(*))		
1	On-balance sheet items (excluding derivatives, SFTs(*) and fiduciary assets, but including collateral)	1,530	1,397
2	(Asset amounts deducted in determining Tier 1 capital)	(15)	(15)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	**1,515**	**1,381**
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	44	42
5	Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	163	144
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(40)	(30)
8	(Exempted CCP leg of client-cleared trade exposures)	(22)	(18)
9	Adjusted effective notional amount of written credit derivatives	481	450
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(460)	(424)
11	**Total derivatives exposures (sum of lines 4 to 10)**	**166**	**162**
	SFT(*) exposures		
12	Gross SFT(*) assets (with no recognition of netting), after adjusting for sales accounting transactions	470	284
13	(Netted amounts of cash payables and cash receivables of gross SFT(*) assets)	(140)	(112)
14	Counterparty credit risk exposure for SFT(*) assets	8	7
16	**Total securities financing transaction exposures (sum of lines 12 to 14)**	**338**	**179**
	Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	410	401
18	(Adjustments for conversion to credit equivalent amounts)	(244)	(241)
19	**Other off-balance sheet exposures (sum of lines 17 and 18)**	**166**	**160**
	Exposures exempted in accordance with Article 429 (7) and (14) of Regulation (EU) No. 575/2013 (on-balance sheet and off-balance sheet exposures)		
EU-19b	Exposures exempted under article 429 (14) of Regulation (EU) No. 575/2013 (on-balance sheet and off-balance sheet exposures)	(15)	(17)
	Capital and total exposure measure		
20	**Tier 1 capital(**)**	**89**	**85**
21	**Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19)**	**2,171**	**1,864**
22	**Leverage ratio**	**4.1%**	**4.5%**
	Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	Fully loaded(**)	Fully loaded(**)

(*) Securities Financing Transactions: repurchase agreements and securities borrowing/lending
(**) In accordance with the eligibility rules for grandfathered debts in additional Tier 1 capital applicable in 2019.

The leverage ratio stands at 4.1% at 30 June 2019, compared to 4.5% at 31 December 2018. This variation is mainly related to the increase of securities financing transactions.

▶ ***Split of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (LRSpl)***

In billions of euros		30 June 2019	31 December 2018
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs(*), and exempted exposures), of which:**	**1,515**	**1,381**
EU-2	Trading book exposures	193	117
EU-3	Banking book exposures, of which:	1,322	1,264
EU-5	Exposures treated as sovereigns	312	310
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	32	30
EU-7	Institutions	37	32
EU-8	Secured by mortgages of immovable properties	189	195
EU-9	Retail exposures	224	212
EU-10	Corporate	317	294
EU-11	Exposures in default	15	15
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	196	175

(*) Securities Financing Transactions: repurchase agreements and securities borrowing/lending.

LIQUIDITY COVERAGE RATIO

Update of the 2018 Registration document, table 90 page 420.

▶ SHORT-TERM LIQUIDITY RATIO (LCR)

	Weighted value			
In billions of euros	30 June 2019	31 March 2019	31 December 2018	30 September 2018
Number of data points used in the calculation of averages(*)	*12*	*12*	*12*	*12*
Liquidity buffer	304	300	298	299
Total net cash outflows	256	254	256	258
LIQUIDITY COVERAGE RATIO (%)	**119%**	**118%**	**117%**	**116%**

(*) The data presented in this table are calculated as the rolling average over the twelve latest month-end values.

APPENDIX: REGULATORY CAPITAL – DETAIL

The table below is presented in the format required under Annex VI of Implementing Regulation (EU) No. 1423/2013 of 20 December 2013.

► REGULATORY CAPITAL ACCORDING TO ANNEX VI OF IMPLEMENTING REGULATION (EU) No. 1423/2013

			31 December 2018			
In millions of euros		30 June 2019	Phased-in	Transitional arrangements[*]	Reference to table 9	Notes
Common Equity Tier 1 (CET1) capital: instruments and reserves						
1	Capital instruments and the related share premium accounts	27,133	27,133	-	6	
	of which ordinary shares	*27,133*	*27,133*	-		
2	Retained earnings	62,174	58,968	-		
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	1,510	503	-	8	
3a	Funds for general banking risk	-	-	-		
4	Amounts of qualifying items referred to in a1rticle 484 (3) and the related share premium accounts subject to phase out from CET1	-	-	-		
	Public sector capital injections grandfathered until 1 January 2018	-	-	-		
5	Minority interests (amount allowed in consolidated CET1)	1,878	1,781	-	10	(1)
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	2,091	3,387	-	9	(2)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**94,786**	**91,772**	**-**		
Common Equity Tier 1 (CET1) capital: regulatory adjustments						
7	Additional value adjustments (negative amount)	(1,074)	(892)	-		
8	Intangible assets (net of related tax liability) (negative amount)	(11,237)	(12,162)	-	3	(3)
9	Empty set in the EU	-	-	-		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in article 38 (3) are met) (negative amount)	(488)	(527)	98		
11	Fair value reserves related to gains or losses on cash flow hedges	(1,039)	(825)	-		
12	Negative amounts resulting from the calculation of expected loss amounts	(274)	(242)	-		
13	Any increase in equity that results from securitised assets (negative amount)	-	-	-		
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	91	126	-		
15	Defined-benefit pension fund assets (negative amount)	(196)	(224)	-		(3)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(46)	(140)	-		
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	-		
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	-		
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	-		
20	Empty set in the EU	-	-	-		
20a	Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for the deduction alternative	(213)	(192)	-		
20b	*of which: qualifying holdings outside the financial sector (negative amount)*	-	-	-		
20c	*of which: securitisation positions (negative amount)*	*(213)*	*(192)*	-		
20d	*of which: free deliveries (negative amount)*	-	-	-		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in article 38 (3) are met) (negative amount)	-	-	-		
22	Amount exceeding the 17,65% threshold (negative amount)	-	-	-		
23	*of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*	-	-	-		
24	Empty set in the EU	-	-	-		
25	*of which: deferred tax assets arising from temporary differences*	-	-	-		
25a	Losses for the current financial year (negative amount)	-	-	-		
25b	Foreseeable tax charges relating to CET1 items (negative amount)	-	-	-		
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	(578)	(465)	-		

26a	Regulatory adjustments relating to unrealised gains and losses pursuant to articles 467 and 468	-	-	-		
	of which: … unrealised gains (phase out)	-	-	-		
	of which: … unrealised losses (phase out)	-	-	-		
	of which: unrealised gains linked to exposures to central administrations (phase out)	-	-	-		
	of which: unrealised losses linked to exposures to central administrations (phase out)	-	-	-		
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	-	-	-		
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	-	-		
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(15,053)**	**(15,542)**	**98**		
29	**Common Equity Tier 1 (CET1) capital**	**79,733**	**76,230**	**98**		
Additional Tier 1 (AT1) capital: instruments						
30	Capital instruments and the related share premium accounts	6,733	5,429	-		
31	*of which: classified as equity under applicable accounting standards*	*6,733*	*5,429*	-	*7*	
32	*of which: classified as liabilities under applicable accounting standards*	-	-	-		
33	Amount of qualifying items referred to in article 484 (4) and the related share premium accounts subject to phase out from AT1	2,761	2,801	41	7	
	Public sector capital injections grandfathered until 1 January 2018	-	-	-		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	571	500	4		
35	*of which: instruments issued by subsidiaries subject to phase out*	*274*	*278*	*4*	*4*	(4)
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**10,065**	**8,731**	**45**		
Additional Tier 1 (AT1) capital: regulatory adjustments						
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	(26)	(44)	-		
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	-		
39	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	-		
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(450)	-	-		
41	Regulatory adjustments applied to Additional Tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	-	-	-		
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-	-	-		
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-	-	-		
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR	-	-	-		
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	-	-		
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**(476)**	**(44)**	**-**		
44	**Additional Tier 1 (AT1) capital**	**9,590**	**8,687**	**45**		
45	**Tier 1 capital (T1=CET1+AT1)**	**89,323**	**84,916**	**143**		
Tier 2 (T2) capital: instruments and provisions						
46	Capital instruments and the related share premium accounts	15,425	14,857	-	5	(5)
47	Amount of qualifying items referred to in article 484 (5) and the related share premium accounts subject to phase out from T2	94	50	(41)	5	(5)
	Public sector capital injections grandfathered until 1 January 2018	-	-	-		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 and 34) issued by subsidiaries and held by third parties	588	604	(4)	5	(5)
49	*of which: instruments issued by subsidiaries subject to phase out*	*203*	*81*	*(4)*		
50	Credit risk adjustments	-	-	-		

51	**Tier 2 (T2) capital before regulatory adjustments**	**16,107**	**15,511**	**(45)**		
Tier 2 (T2) capital: regulatory adjustments						
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(124)	(138)	-		
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	-		
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	-		
54a	*of which new holdings not subject to transitional arrangements*	-	-	-		
54b	*of which holdings existing before 1 January 2013 and subject to transitional arrangements*	-	-	-		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(3,437)	(3,317)	-	1	
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	-	-	-		
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	169	222	-		
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-	-	-		
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	-	-	-		
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**(3,392)**	**(3,233)**	**-**		
58	**Tier 2 (T2) capital**	**12,715**	**12,278**	**(45)**		
59	**Total capital (TC=T1+T2)**	**102,038**	**97,194**	**98**		
59a	Risk-weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)	**-**	**-**	**-**		
	of which: CET1 instruments of financial sector entities not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts)	-	-	-		
	of which: Deferred tax assets that rely on future profitability and arising from temporary differences not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts)	-	-	-		
	of which: AT1 instrument of financial sector entities not deducted from AT1 (Regulation (EU) No. 575/2013 residual amounts)	-	-	-		
	of which: Tier 2 instrument of financial sector entities not deducted from Tier 2 (Regulation (EU) No. 575/2013 residual amounts)	-	-	-		
60	**Total risk-weighted assets**	**669,488**	**647,001**	**-**	**-**	**-**
Capital ratios and buffers						
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	11.9%	11.8%	0.0%		
62	Tier 1 (as a percentage of risk exposure amount)	13.3%	13.1%	0.0%		
63	Total capital (as a percentage of risk exposure amount)	15.2%	15.0%	0.0%		
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	4.08%	3.45%	0.63%		
65	*of which: capital conservation buffer requirement*	*2.50%*	*1.875%*	*0.625%*		
66	*of which: countercyclical buffer requirement*	*0.08%*	*0.07%*	*0.0%*		
67	*of which: systemic risk buffer requirement*	*0.0%*	*0.0%*	*0.0%*		
67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	*1.5%*	*1.5%*	*0.0%*		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	7.8%	7.3%	0.0%		
69	[non relevant in EU regulation]	-	-	-		
70	[non relevant in EU regulation]	-	-	-		
71	[non relevant in EU regulation]	-	-	-		
Amounts below the thresholds for deduction (before risk weighting)						
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	3,337	2,564	-	2	(6)
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	2,957	3,353	-	1	(6)
74	Empty set in the EU	-	-	-		

75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in article 38 (3) are met)	3,247	3,265	-
Applicable caps on the inclusion of provisions in Tier 2				
76	Credit risk adjustments included in Tier 2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	3,045	2,983	-
78	Credit risk adjustments included in Tier 2 in respect of exposures subject to internal ratings based approach (prior to the application of the cap)	169	222	-
79	Cap on inclusion of credit risk adjustments in T2 under internal ratings based approach	1,621	1,546	-
Capital instruments subject to phase out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements	-	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	3,035	4,046	1,012
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	49	-	-
84	Current cap on T2 instruments subject to phase out arrangements	556	742	185
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	-

(*) Amounts subject to pre-regulation treatment or prescribed residual amount of Regulation (EU) No. 575/2013, in accordance with grandfathered Additional Tier 1 and Tier 2 eligibility rules applicable as of 2019.

(1) Minority interests are adjusted for their capitalisation surplus for regulated entities. For the other entities, minority interests are not recognised in Basel 3.
(2) Deductions from net income for the period relate mainly to the proposed dividend distribution.
(3) The deduction of intangible assets is calculated net of deferred tax liabilities.
(4) Tier 1 capital instruments issued by subsidiaries include subordinated debt, as well as preferred shares recognised in equity.
(5) A prudential discount is applied to Tier 2 capital instruments with less than fi ve years of residual maturity.
(6) Holdings of equity instruments in fi nancial institutions are recorded in the banking book, as detailed in the consolidated accounting balance sheet to the prudential balance sheet reconciliation, as well as in the trading book.

4. Additional information

4.1 Ownership structure as at 30 June 2019

Dates	30/06/2018			30/06/2019		
Shareholders	Number of shares *(in millions)*	% of share capital	% of voting rights	Number of shares *(in millions)*	% of share capital	% of voting rights
SFPI[1]	**96.55[2]**	**7.7%**	**7.7%**	**96.55[2]**	**7.7%**	**7.7%**
BlackRock Inc.	**63.22[3]**	**5.1%**	**5.1%**	**62.76[4]**	**5.0%**	**5.0%**
Gd Duché de Luxembourg	**12.87**	**1.0 %**	**1.0%**	**12.87**	**1.0%**	**1.0%**
Employees	**51.54**	**4.1 %**	**4.1 %**	**54.54**	**4.4%**	**4.4%**
• o/w FCPE[5] Group	37.74	3.0 %	3.0 %	40.82	3.3%	3.3%
• o/w direct ownership	13.80	1.1 %	1.1 %	13.72	1.1%	1.1%
Corporate officers	**0.16**	**NS**	**NS**	**0.19**	**NS**	**NS**
Treasury shares [6]	**1.30**	**0.1%**	**-**	**1.18**	**0.1%**	**-**
Individual shareholders	**45.30**	**3.6%**	**3.6%**	**48.70**	**3.9%**	**3.9%**
Institutional investors	**967.12**	**77.4%**	**77.5%**	**941.26**	**75.3%**	**75.4%**
• Europe	578.01	46.3%	46.3%	551.51	44.1%	44.2%
• Outside Europe	389.11	31.1%	31.2%	389.75	31.2%	31.2%
Other and unidentified	**11.74**	**1.0%**	**1.0%**	**31.75**	**2.6%**	**2.6%**
TOTAL	**1,249.80**	**100%**	**100%**	**1,249.80**	**100%**	**100%**

(1) Société Fédérale de Participations et d'Investissement (SFPI): a public-interest limited company ("société anonyme") acting on behalf of the Belgian government.
(2) According to statement by SFPI, AMF Document No. 217C1156 dated 6 June 2017.
(3) According to statement by BlackRock, AMF Document No. 217C0939 dated 9 May 2017.
(4) According to statement by BlackRock, AMF Document No. 219C0988 dated 19 June 2019.
(5) The voting rights of FCPE (profit-sharing scheme) are exercised, after the decision taken by the Supervisory Board, by its Chairman.
(6) Excluding trading desks' inventory positions.

4.2 Documents on displays

This document is freely available at BNP Paribas' head office:
16, boulevard des Italiens, 75009 Paris.

The French version of this document is also available on:
- The *Autorité des Marchés Financiers* (AMF) website at www.amf-france.org
- The BNP Paribas website at www.invest.bnpparibas.com/en

4.3 Registration Document filed before 21 July 2019 and of its potential updates Incorporated by reference

The Registration document and annual financial report filed with the AMF on 5 March 2019 under no. D.19-0114 and its first update update filed with the AMF on 2 May 2019 under no. D.19-0114-A01 are available on the BNP Paribas website at: https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports

4.4 Significant changes

Save as disclosed in this document, there has been no significant change in the financial position of the BNP Paribas Group since the end of the last financial period for which audited financial statements have been published.

4.5 Trends

Refer to the section 10 of the table of concordance in chapter 7 of this document.

5 Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
6, place de la Pyramide	63, rue de Villiers	61, rue Henri Regnault
92908 Paris-La Défense Cedex	92208 Neuilly-sur-Seine Cedex	92400 Courbevoie

- Deloitte & Associés was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2006.
  Deloitte & Associés is represented by Laurence Dubois

  Deputy:
  Société BEAS, 195, avenue Charles de Gaulle, Neuilly-sur-Seine (92), France, SIREN No. 315 172 445, Nanterre trade and companies register.

- PricewaterhouseCoopers audit was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 26 May 1994.
  PricewaterhouseCoopers Audit is represented by Patrice Morot.

  Deputy:
  Jean-Baptiste Deschryver, 63, rue de Villiers, Neuilly-sur-Seine (92).

- Mazars was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2000.
  Mazars is represented by Virginie Chauvin.

  Deputy:
  Charles de Boisriou, 28 rue Fernand Forest, 92150 Suresnes (92).

Deloitte & Associés, PricewaterhouseCoopers and Mazars are registered as Statutory Auditors with the Versailles Regional Association of Statutory Auditors, under the authority of the French National Accounting Oversight Board (Haut Conseil du Commissariat aux Comptes).

6 Person responsible for the update of the Registration Document

PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Jean-Laurent Bonnafé, Chief Executive Officer of BNP Paribas

STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ITS UPDATES

I hereby declare to the best of my knowledge, and after having taken all reasonable precautions, that the information contained in the present Universal Registration document is in accordance with the facts and contains no omission likely to affect its import.

I hereby certify that, to my knowledge, the condensed financial statements for the most recent half-year have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all entities included in the consolidated group, and the half-year report on pages 4 to 71 provides a true and fair view of the important events of the first six months of the current financial year, of the effect of such events on the Company’s accounts, of the principal related party transactions, as well as a description of the principal risks and principal uncertainties for the six months remaining in the current financial year.

Paris, 31st July 2019,

Chief Executive Officer

Jean-Laurent BONNAFÉ

7 Tables of concordance

7.1 Sections of Annex I of Regulation (EU) 2017/1129

	Second update filed with the AMF on July 31st, 2019	First update filed with the AMF on May 2, 2019	Registration document filed with the AMF on March 5, 2019
1. Persons responsible			
1.1 Person responsible for the registration document	244	101	596
1.2 Competent Authority approval	2	2	1
2. Statutory auditors	**243**	**100**	**594**
3. Risk factors	**74; 200-240**	**73; 75-77**	**277-464**
4. Information about the issuer			**585; 606**
5. Business overview			
5.1. Principal activities	3	3	6-15 ; 196-199 ; 578-584
5.2. Principal markets			6-15 ; 196-199 ; 578-584
5.3. History and development of the issuer			114-115 ; 127 ; 148
5.4. Strategy and objectives			136-137
5.5. Possible dependency			576
5.6. Basis for any statements made by the issuer regarding its competitive position			6-15; 114-127
5.7. Investments			135; 249-253; 502; 554-560; 577
6. Organisational structure			
6.1. Brief description	3	3	4; 6
6.2. List of significant subsidiaries	173-197		261-268; 496-501; 578-584
7. Operating and financial review			
7.1. Financial situation	4-71	4-69	152 ; 154 ; 466-467
7.2. Operating results	60-71	59-69	114; 116-127; 133-134; 140-146; 152 ; 466
8. Capital resources			
8.1. Issuer's capital resources	54-55;79 ; 81-82 161-164; 200-201	54; 55; 72; 75-77	156-157; 491
8.2. Sources and amounts of cash flows	80		155
8.3. Borrowing requirements and funding structure	15; 22	15-16	138; 414-427
8.4 Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, the issuer's operations.			NA
8.5. Anticipated sources of funds			NA
9. Regulatory environment			**279; 284-285**
10. Trend information	**242**		**136-138**
11. Profit forecasts or estimates			**NA**
12. Administrative, management, and supervisory bodies, and senior management			
12.1. Administrative and management bodies			31-45; 98
12.2. Administrative and management bodies' conflicts of interest			49-50; 63-64; 74-94
13. Remuneration and benefits			
13.1. Amount of remuneration paid and benefits in kind granted		78-96	74-97; 236-244
13.2. Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement, or similar benefits		78-96	74-94; 236-244
14. Board practices			
14.1. Date of expiry of the current terms of office			31-44
14.2. Information about members of the			NA

7.2 Annual Financial Report

Pursuant to annexe I of Regulation (EU) 2017/1129, the following items are incorporated by reference:

- The consolidated financial statements for the year ended 31 December 2018 and the Statutory Auditors' report on the consolidated financial statements at 31 December 2018, presented respectively on pages 149-269 and 270-276 of Registration Document no. D.19-0114 filed with the AMF on 5 March 2019 ; The information is available via the following link: https://invest.bnpparibas.com/sites/default/files/documents/ddr_2018_bnp_paribas_gb.pdf
- The consolidated financial statements for the year ended 31 December 2017 and the Statutory Auditors' report on the consolidated financial statements at 31 December 2017, presented respectively on pages 137-236 and 237-242 of Registration Document no. D.18-0101 filed with the AMF on 6 March 2018; The information is available via the following link: https://invest.bnpparibas.com/sites/default/files/documents/ddr2017_bnp_paribas_gb.pdf
- The consolidated financial statements for the year ended 31 December 2016 and the Statutory Auditors' report on the consolidated financial statements at 31 December 2016, presented respectively on pages 131-231 and 232-233 of Registration Document no. D.17-0132 filed with the AMF on 7 March 2017; The information is available via the following link: https://invest.bnpparibas.com/sites/default/files/documents/ddr2016gb.pdf

7.3 Half-year financial report

The condensed 2019 half-year consolidated financial statements and the limited auditor's review report as at 30 June 2019 are presented respectively in pages 75-197 and 198-199.

7.4 Management report

The table of concordance below allows information in the 2018 Registration Document filed with the AMF on 5 March, 2019 under No. D. 19-0114 to be cross-referenced with the Company's Management report (including the Corporate governance report) and the consolidated Management report, as required by the legal and regulatory provisions.

I. Company and Group Business and Situation

Information (reference texts)	
■ Company and Group position over the past year (L.232-1 II and L.233-26 of the French Commercial Code)	114-138; 152-268; 466-502
■ Objective and comprehensive analysis of business performance, results and the financial position of the Company and Group (L.225-100-1 of the French Commercial Code)	114-138; 152-268; 466-502
■ Key financial and non-financial performance indicators for the Company and Group (L.225-100-1 of the French Commercial Code)	114-148; 513; 518
■ Foreseeable developments of the Company and Group (L.232-1 II and L.233-26 of the French Commercial Code)	136-138
■ Key events occurring since the financial year-end and the preparation date of the Management Report (L.232-1 II and L.233-26 of the French Commercial Code)	577
■ Company and Group research and development activities (L.232-1 II and L.233-26 of the French Commercial Code)	N/A
■ Equity investments in, or takeovers of, companies that have their head office in France (L. 233-6 and L.247-1 of the French Commercial Code)	502
■ Business and results for the Company as a whole, Company subsidiaries and companies it controls by branch of activity (L.233-6 of the French Commercial Code)	6-15; 114-134
■ Existing Company branches (L.232-1 II of the French Commercial Code)	578-584

■ Information on Company locations and businesses (L.511-45 and R.511-16-4 of the French Monetary and Financial Code)	261-268 ; 578-584

II. Risk factors and characteristics of internal control procedures

Information (reference texts)	
■ Description of the main risks and contingencies faced by the Company and Group (L.225-100-1 of the French Commercial Code)	283-295
■ Information on the financial risks related to the effects of climate change and measures taken by the Company and Group to reduce these through a low-carbon strategy applicable to all aspects of their business (L.225-100-1 of the French Commercial Code)	106
■ Objectives and policy for hedging each main transaction category by the Company and Group (L.225-100-1 of the French Commercial Code)	410-413
■ Exposure to price, credit, liquidity and cash flow risks of the Company and Group (L.225-100-1 of the French Commercial Code)	331-427
■ Main features of internal control and risk management procedures set up by the Company and Group relating to the preparation and processing of accounting and financial information (L.225-100-1 of the French Commercial Code)	108-112

III. Information on share capital

Information (reference texts)	
■ Name of individuals or legal entities holding directly or indirectly more than 5% of capital or voting rights and changes arising during the year (L.233-13 of the French Commercial Code)	16-17
■ Name of companies controlled and share of the Company's share capital held by them (L.233-13 of the French Commercial Code)	261-268
■ Employee share ownership status (L.225-102 of the French Commercial Code)	16-17
■ Securities acquired by employees under a corporate takeover transaction (L.225-102 of the French Commercial Code)	N/A
■ Share disposals made to regularise cross shareholdings (L.233-29, R.233-19 of the French Commercial Code)	N/A
■ Information on share buyback transactions undertaken by the Company (L.225-211 of the French Commercial Code)	94-97 ; 245
■ Any adjustments made to securities giving access to share capital (L.225-181, L.228-99, R225-137, R.228-91 of the French Commercial Code)	N/A
■ Summary of transactions carried out by corporate officers, executives, certain company managers and persons with close connections to them during the past year (223-26 of the AMF General Regulation, L.621-18-2 and R.621-43-1 of the French Monetary and Financial Code)	93

IV. Other accounting, financial and legal information

Information (reference texts)	
■ Information on payment terms (L.441-6-1 and D. 441-4 of the French Commercial Code)	483
■ Amount of dividends distributed for the prior three years and revenue distributed eligible for the 40% tax reduction (243 bis of the French General Tax Code)	20
■ Injunctions or fines for anti-competitive practices (L.464-2 of the French Commercial Code)	N/A
■ Information on financial instruments with an agricultural commodity as their underlying and measures taken by the Company to prevent this having a significant impact on agricultural	529

commodity prices (L. 511-4-2 of the French Monetary and Financial Code)	
■ Amount and features of loans financed or distributed by the Company or that they distribute as defined in III of Article 80 of the Planning Act for Social Cohesion Law No. 2005-32 of 18 January 2005 and hence covered by public guarantees. (L.511-4-1 of the French Monetary and Financial Code)	N/A
■ Return on Company assets (R. 511-16-1 of the French Monetary and Financial Code)	322
V. Extra-financial performance statement and vigilance plan	
Information (reference texts)	
■ Information on the labour and environmental impact relating to the Company, subsidiaries and controlled companies (L.225-102-1 and R. 225-105 of the French Commercial Code)	510-571
■ Information on the effects of the Company's activity with respect to respect for Human rights and fight against corruption and tax evasion (L.225-102-1 and R. 225-105 of the French Commercial Code)	522 ; 557-562
■ Information on the Company, subsidiaries and controlled companies, relating to: ▪ the consequences of climate change on the business and the use of goods and services, ▪ social commitments to promote sustainable development, the circular economy, the fight against food waste and food poverty, respect for animal welfare and responsible, fair and sustainable food, ▪ actions to fight against discrimination and promote diversity,	511-574
■ Collective agreements agreed in the Company, subsidiaries and controlled companies and their impacts on the economic performance of the Company, subsidiaries and controlled companies as well as on employee working conditions (L.225-102-1 and R. 225-105 of the French Commercial Code)	531-545
■ Information for companies operating at least one facility listed under article L.515-36 of the French Environmental Code (L.225-102-2 of the French Commercial Code)	N/A
■ Company's business plan (R. 225-105 of the French Commercial Code)	4 ; 6-15
■ Social, environmental and civic information relevant to the main risks and policies of the company, its subsidiaries and controlled companies (R. 225-105 II of the French Commercial Code)	Chapter 7
■ Vigilance plan (L.225-102-4 of the French Commercial Code)	557-561
VI. Report on corporate governance	
Information (reference texts)	
■ Information on the remuneration policy for executive corporate officers (L.225-37-2 of the French Commercial Code)	74-78
■ Total remuneration and benefits in kind paid by the Company, companies controlled by it or the company that controls it to each corporate officer of the Company during the year (L.225-37-3 of the French Commercial Code)	79-93
■ Commitments of any kind made by the Company for the benefit of its corporate officers (L.225-37-3 of the French Commercial Code)	78 ; 81-93
■ Holding conditions for free shares allocated to executive corporate officers (L.225-197-1 of the French Commercial Code)	N/A
■ Conditions for exercising and holding options granted to corporate officers (L.225-185 of the French Commercial Code)	82
■ List of all directorships and positions held in any company by each corporate officer during the year (L.225-37-4 1° of the French Commercial Code)	31-45

Annexes

Financial statements