2018 FULL YEAR RESULTS

PRESS RELEASE
Paris, 6 February 2019

BUSINESS INCREASE IN AN ENVIRONMENT OF ECONOMIC GROWTH IN EUROPE

OUTSTANDING LOANS: +3.9% vs. 2017

REVENUES OF THE DIVISIONS HELD UP WELL DESPITE LOW RATES AND UNFAVOURABLE FINANCIAL MARKET CONTEXT, IN PARTICULAR AT THE END OF THE YEAR

REVENUES OF THE OPERATING DIVISIONS: -0.4%* vs. 2017

DEVELOPMENT OF THE SPECIALISED BUSINESSES OF DOMESTIC MARKETS AND INTERNATIONAL FINANCIAL SERVICES

DECREASE OF COSTS IN THE RETAIL NETWORKS AND CIB

OPERATING EXPENSES OF THE OPERATING DIVISIONS: +1.7%* vs. 2017

DECREASE IN THE COST OF RISK

-4.9% vs. 2017 (35 bp)**

NET INCOME GROUP SHARE HELD UP WELL

NET INCOME GROUP SHARE: €7,526m (-3.0% vs. 2017)

DIVIDEND PER SHARE

€3.02* (stable vs. 2017)**

VERY SOLID BALANCE SHEET

CET1 RATIO**: 11.8%**

BUSINESS GROWTH

SIGNIFICANT PROGRESS IN THE DIGITAL TRANSFORMATION

*AT CONSTANT SCOPE AND EXCHANGE RATES; **COST OF RISK/CUSTOMER LOANS AT THE BEGINNING OF THE PERIOD (IN BP); ***SUBJECT TO THE APPROVAL OF THE ANNUAL GENERAL MEETING ON 23 MAY 2019; **** CRD4 FULLY LOADED

BNP PARIBAS

The bank for a changing world

The Board of Directors of BNP Paribas met on 5 February 2019. The meeting was chaired by Jean Lemierre and the Board examined the Group's results for the fourth quarter and endorsed the 2018 financial statements.

GOOD RESILIENCE OF INCOME

The business of BNP Paribas was up in 2018 with higher outstanding loans in the context of economic growth in Europe. The revenue evolution was however penalised by the still low interest rate environment and an unfavourable financial market context with particularly challenging conditions at the end of the year.

Revenues totalled 42,516 million euros, down by 1.5% compared to 2017 which included exceptional items: +233 million euros in capital gains from the sale of Shinhan and Euronext shares and -175 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA).

In the operating divisions, revenues were down by 0.9% (-0.4% at constant scope and exchange rates): they were down slightly at Domestic Markets[1] (-0.2%) due to the low interest rate environment partly offset by good business development, in particular in the specialised businesses; up at International Financial Services (+3.4%), despite an unfavourable foreign exchange effect (+6.6% at constant scope and exchange rates[2]); but down at CIB (-7.5%) due to a lacklustre market context and very challenging conditions at the end of the year, notwithstanding good development with targeted customers.

At 30,583 million euros, the Group's operating expenses were up by 2.1% compared to 2017. They included the exceptional 1,235 million euro impact of businesses' transformation costs and acquisitions' restructuring costs[3] (957 million euros in 2017). Excluding these exceptional items, they rose by only 1.2%.

The operating expenses of the operating divisions rose by 1.7% compared to 2017 (+1.7% at constant scope and exchange rates): they were up by 0.8% for Domestic Markets[1] with a rise in the specialised businesses due to business development but down in the domestic networks; up by 5.4% for International Financial Services as a result of business growth support and new product development; but down by 1.3% for CIB due to cost saving measures.

The gross operating income of the Group thus totalled 11,933 million euros, down by 9.7%. It was down by 6.0% for the operating divisions (-4.7% at constant scope and exchange rates).

The cost of risk was down at 2,764 million euros (2,907 million euros in 2017). It was 35 basis points of outstanding customer loans. This low level reflects in particular the good control of risk at loan origination, the low interest rate environment and the continued improvement in Italy.

The Group's operating income, at 9,169 million euros (10,310 million euros in 2017), was thus down by 11.1%. It was down by 6.4% for the operating divisions (-5.5% at constant scope and exchange rates).

Non-operating items totalled 1,039 million euros (1,000 million euros in 2017). They included the exceptional +101 million euro impact of the capital gain from the sale of a building and the +286 million euro capital gain from the sale of First Hawaiian Bank shares. Last year, they included a +326 million euro capital gain realised from the initial public offering of SBI Life as well as the full impairment of TEB's goodwill for -172 million euros.

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[1] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)
[2] Excluding the impact of the drop in markets at the end of the year in Insurance on assets at market value
[3] In particular, LaSer, DAB Bank, GE LLD, ABN Amro Luxembourg and Raiffeisen Bank Polska

Pre-tax income, which came to 10,208 million euros (11,310 million euros in 2017), was thus down by 9.7%. It was down by 8.6% for the operating divisions (-5.3% at constant scope and exchange rates).

The average tax rate was 23.1%, benefitting in particular from a decrease in the corporate tax rate in Belgium and in the United States and from the low tax rate on the long term capital gain from amongst others the sale of First Hawaiian Bank shares.

The Group's net income attributable to equity holders was 7,526 million euros, down by 3.0% compared to 2017 but by only 1.4%, at 8,036 million euros, excluding the effect of exceptional items[1].

Noteworthy that net income reflected the spot impact, at the closing date, of the sharp fall in the markets on the revaluation of the residual stake in First Hawaiian Bank[2] and on some insurance portfolios (-220 million euros).

The return on equity was thus 8.2% (8.8% excluding exceptional items). The return on tangible equity came to 9.6% (10.2% excluding exceptional items). Earnings per share was €5.73.

As at 31 December 2018, the fully loaded Basel 3 common equity Tier 1 ratio[3] was 11.8% (stable compared to 31 December 2017 despite the -20 bp technical adjustment as at 1st January 2018 related to the full application of IFRS 9 and to an amended prudential treatment of irrevocable payment commitments). The fully loaded Basel 3 leverage ratio[4] came to 4.5% and the Liquidity Coverage Ratio to 132%. Lastly, the Group's immediately available liquidity reserve was 308 billion euros, equivalent to over one year of room to manoeuvre in terms of wholesale funding.

The net book value per share reached 74.7 euros, equivalent to a compound annual growth rate of 5.0% since 31 December 2008, illustrating the continuous value creation throughout the cycle.

The Board of Directors will propose to shareholders at the Shareholders' Meeting to pay a €3.02 dividend per share (stable compared to 2017), payable in cash.

The Group is actively implementing its 2020 plan. 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 while strengthening its internal control and compliance system. The digital transformation programme is a success with the roll out of new customer experiences, the automation of processes and improved operating efficiency (1,150 million euros in savings since the launch of the programme in early 2017).

The trajectories of Domestic Markets and IFS are in line with the plan but the unfavourable environment requires to intensify the transformation of CIB. The Group has updated the targets of the plan with recurring cost savings increased to 3.3 billion euros starting from 2020, equivalent to an additional 600 million euros vs. the initial plan, of which 350 million at CIB. On these bases, the Group expects a return on equity of 9.5% in 2020 (*i.e.* a return on tangible equity above 10.5%), growth in the earnings per share of over 20% between 2016 and 2020 and a CET1 ratio of at least 12%.

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[1] Effect of exceptional items after tax: -510 million euros (-390 million euros in 2017)
[2] Value of the stake in First Hawaiian Bank now revalued at market value
[3] Ratio taking into account all the CRD4 rules with no transitory provisions
[4] Ratio taking into account all the CRD4 rules at 2019 with no transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014

In the fourth quarter 2018, revenues, at 10,160 million euros, were down by 3.5% compared to the fourth quarter 2017 which included an exceptional item: +11 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA).

The revenues of the operating divisions were down by 3.4% reflecting an unfavourable foreign exchange effect (-2.7% at constant scope and exchange rates): they were slightly up at Domestic Markets[1] (+0.1%) due to good business development, in particular in the specialised businesses, offset by the still low interest rate environment; down at International Financial Services (-3.1%) due in particular to a significant scope and foreign exchange effect as well as the impact of the fall in the markets at the end of the year on the assets at market value in Insurance (+4.7% excluding these effects); and down at CIB due to the impact of the extreme market conditions at the end of the year (-9.4%).

At 7,678 million euros, the Group's operating expenses were up by 0.7% compared to the fourth quarter 2017. They included the exceptional 481 million euro impact of the businesses' transformation costs and acquisitions' restructuring costs[2] (456 million euros in the fourth quarter 2017).

The operating expenses of the operating divisions rose by 1.3% compared to the fourth quarter 2017 (+0.9% at constant scope and exchange rates): they were down by 1.9% for Domestic Markets[1] with a significant decrease in the networks and a rise in the specialised businesses related to business development, up by 4.3% for International Financial Services as a result of business growth, and up by 1.9% for CIB (+0.2% at constant scope and exchange rates).

The gross operating income of the Group thus totalled 2,482 million euros, down by 14.7%. It was down by 12.7% for the operating divisions (-9.8% at constant scope and exchange rates).

The cost of risk, at 896 million euros, was down by 9.0% compared to the fourth quarter 2017. At 42 basis points of outstanding customer loans[3], it was still at a low level.

The Group's operating income, at 1,586 million euros (1,926 million euros in the fourth quarter 2017), was thus down by 17.7%. It was down by 11.2% for the operating divisions (-7.8% at constant scope and exchange rates).

Non-operating items totalled 97 million euros (196 million euros in the fourth quarter 2017). They reflected in particular this quarter the impact of the revaluation at market value, on the date of the closing of the accounts, of the First Hawaiian Bank equity stake (-125 million euros).

Pre-tax income, which came to 1,683 million euros (2,122 million euros in the fourth quarter 2017), was thus down by 20.7%. It was down by 12.2% for the operating divisions (-6.3% at constant scope and exchange rates). Following the fiscal provisions recorded in the previous quarters, the balance of the corporate tax income decreased significantly this quarter compared to the fourth quarter 2017. Net income attributable to equity holders was thus 1,442 million euros, up by 1.1% compared to the fourth quarter 2017 (1,426 million euros). It included the spot impact, at the closing date, of the sharp fall in the markets on the revaluation of the residual stake in First Hawaiian Bank and on part of the insurance portfolios (-220 million euros).

[1] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)
[2] In particular, LaSer, DAB Bank, GE LLD, ABN Amro Luxembourg and Raiffeisen Bank Polska
[3] 45 bps including the impact of booking of stage 1 provisions for Raiffeisen Bank Polska's portfolio of non-doubtful loans after the acquisition of its core banking activities

RETAIL BANKING & SERVICES

DOMESTIC MARKETS

For the whole of 2018, the business activity of Domestic Markets was up. Outstanding loans rose by 4.9% compared to 2017 with good growth in loans both in the domestic networks and in the specialised businesses (Arval, Leasing Solutions). Deposits rose by 5.2% compared to 2017 and were up in all countries. There were good net asset inflows at Private Banking (4.4 billion euros).

Domestic Markets continued to develop new customer experiences and digital transformation. Hello bank! reached 3 million customers and exceeded the threshold of 400,000 customers in France thanks to the good level of net client acquisition. For its part, Nickel exceeded 1.1 million accounts opened, or a 44% increase compared to 31 December 2017. The operating division accelerated individual customers' mobile uses and enhanced mobile app features available, ranking as France's leading bank in terms of mobile functionalities according to D-rating[1], and recorded a significant increase in the number of contacts via mobile app in the networks (+28% compared to December 2017). It continues adapting its offerings to new banking uses with the development of *LyfPay*, a universal mobile payment solution, which has already recorded over 1.3 million downloads since it was launched in May 2017. The operating division also continued the transformation of its operating model by streamlining and digitalising end-to-end its main customer journeys and automating its processes (280 robots in production at the end of 2018).

It is streamlining and optimising the local commercial network in order to enhance customer service and reduce costs (262 branches closed since 2016 in France, Belgium and Italy and removed in 2018 a regional management level in the network in France).

Revenues[2], at 15,683 million euros, were down by 0.2% compared to 2017, as the impact of low interest rates was not fully offset by increased business and growth in the specialised businesses.

Operating expenses[2] (10,707 million euros) were up by 0.8% compared to 2017, with an increase in the specialised businesses due to their development but a 0.9% decrease in the retail networks' costs.

Gross operating income[2] was down by 2.4%, at 4,977 million euros, compared to last year.

The cost of risk was down by 22.8% compared to 2017. It was down in all the networks and continued to 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 3,663 million euros in pre-tax income[3], up by 3.4% compared to 2017.

In the fourth quarter 2018, revenues[2], at 3,903 million euros, were up by 0.1% compared to the fourth quarter 2017 due to increased business and good growth in the specialised businesses, offset by the low interest rate environment. Operating expenses[2] (2,603 million euros) were down by 1.9% compared to the fourth quarter 2017, the significant decrease in the networks (-3.0%) being offset in part by the effect of the business development of the specialised businesses. The jaws effect was positive this quarter in each of the operating divisions' businesses. Gross operating income[2], at 1,300 million euros, was up by 4.5% compared to the same quarter last year. The cost of risk was down by 13.2% compared to the fourth quarter 2017, due in particular to the continued decrease at BNL bc. Thus, after allocating one-third of Domestic Markets Private Banking's net

[1] Agency specialised in digital performance analysis
[2] Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg
[3] Excluding PEL/CEL effects of +20 million euros compared to +19 million euros in 2017

income to the Wealth Management business (International Financial Services division), the division reported 917 million euros in pre-tax income[1], up sharply compared to the fourth quarter 2017 (+12.9%).

French Retail Banking (FRB)

For the whole of 2018, FRB continued its good business drive in the context of economic growth in France. Outstanding loans rose by 5.4% compared to 2017 with sustained growth in loans to both individual and corporate clients and, for mortgage loans, the confirmation of the return to normal of renegotiations and early repayments. Deposits were up by 5.3%, driven by strong growth in current accounts and Private Banking in France reported strong net asset inflows (3.3 billion euros).

The new property and casualty offering launched in May as part of the partnership between BNP Paribas Cardif and Matmut (Cardif IARD) is a success with already 100,000 contracts sold as at 31 December 2018. The goal is to multiply by three by 2020 sales of property and casualty contracts and to grow the customer penetration rate from 8% to 12%.

The business is accelerating individual customers' mobile uses and developing self-care features with, for example, the option for customers to deactivate payment cards or change authorised spending limits online.

Revenues[2] totalled 6,311 million euros, down by 0.7% compared to 2017 with a gradual improvement of the trend during the course of the year and a return to growth in the last quarter. Net interest income[2] was down by 0.6% as the volume growth was more than offset by an unfavourable base effect due to renegotiation and early repayment penalties which were high in 2017. Fees[2] were down by 0.7% with a decrease in particular in financial fees.

At 4,609 million euros, operating expenses[2] were down by 1.0% compared to 2017 as a result of cost saving measures (optimisation of the network and streamlining of the management set-up), thereby generating a positive 0.3 point jaws effect.

Gross operating income[2] thus came to 1,701 million euros, up by 0.4% compared to last year.

The cost of risk[2] was down, at 288 million euros (331 million euros in 2017) and amounts to 16 basis points of outstanding customer loans.

Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 1,263 million euros in pre-tax income[3], up by 4.2% compared to 2017.

In the fourth quarter 2018, revenues[2] totalled 1,553 million euros, up by 0.8% compared to the fourth quarter 2017. Net interest income[2] was up by 1.3%. Fees[2] were up slightly (+0.1%). At 1,149 million euros, operating expenses[2] were down by 2.2% compared to the fourth quarter 2017, as a result of cost saving measures, which generated a positive jaws effect. Gross operating income[2] thus came to 404 million euros, up by 10.4% compared to the same quarter last year. The cost of risk[2] was down this quarter, at 85 million euros (107 million euros in the fourth quarter 2017). It was still at a low level (19 basis points of outstanding customer loans). Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 284 million euros in pre-tax income[1], up sharply compared to fourth quarter 2017 (+28.5%).

[1] Excluding PEL/CEL effects of +15 million euros compared to +13 million euros in the fourth quarter 2017
[2] Including 100% of Private Banking in France (excluding PEL/CEL effects)
[3] Excluding PEL/CEL effects of +20 million euros compared to +19 million euros in 2017

BNL banca commerciale (BNL bc)

For the whole of 2018, the outstanding loans of BNL bc grew by 0.6% compared to 2017. Deposits, for their part, grew by 4.7% driven by a rise in current accounts. Life insurance outstandings reported a good performance (+6.8% compared to 31 December 2017).

BNL bc also continued to develop new client journeys and digital transformation with the launch this year of *MyBiz*, a new app for SMEs offering mobile access to a large range of banking services including applying for loans. The business also continued the automation of processes with already 70 robots operational.

Revenues[1] were down 4.0% compared to 2017, at 2,792 million euros. Net interest income[1] was down by 6.6% due to the persistently low interest rate environment and the positioning on clients with a better risk profile. However, margins on the loan origination tended to improve at the end of the year. Fees[1] were up by 0.5% for their part with a rise in banking fees partly offset by the decrease in financial fees.

Operating expenses[1], at 1,797 million euros, were down by 0.2% (-0.8% excluding the additional contribution to the Italian resolution fund[2]) thanks to the effect of cost saving measures.

Gross operating income[1] thus totalled 995 million euros, down by 10.1% compared to last year.

The cost of risk[1], at 75 basis points of outstanding customer loans, continued its decrease (-279 million euros compared to 2017).

Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc confirmed its improving profitability and posted 356 million euros in pre-tax income (+164 million euros compared to 2017).

In the fourth quarter 2018, revenues[1] were down by 1.4% compared to the fourth quarter 2017, at 722 million euros. Net interest income[1] was down by 3.4% due to the persistently low interest rate environment and the positioning on clients with a better risk profile, reflecting however a slight improvement of margins on new loan origination. Fees[1] were up by 1.9% as a result of an increase in banking fees. Operating expenses[1], at 440 million euros, were down by 3.6% thanks to cost saving measures, generating a positive jaws effect. Gross operating income[1] thus totalled 282 million euros, up by 2.3% compared to the same quarter last year. The cost of risk[1] continued its downward trend (-54 million euros compared to the fourth quarter 2017) thanks to the improvement of the quality of the portfolio and came to 82 basis points of outstanding customer loans. Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc posted 105 million euros in pre-tax income, more than two times the level of the fourth quarter 2017 (46 million euros).

[1] Including 100% of Private Banking in Italy
[2] 11 million euros paid in the second quarter 2018

Belgian Retail Banking

For the whole of 2018, BRB reported sustained business activity. Loans were up by 4.2% compared to 2017 with a sharp rise in corporate loans and growth in mortgage loans. Deposits rose by 4.1% with growth in current and savings accounts.

The business also successfully continued its digital development. Thanks to the continuous enhancement of its features, the *Easy Banking* app recorded a 23% increase in the number of users compared to 31 December 2017, at 1.4 million. The number of companies using *Easy Banking Business* was also up sharply (+20% since 31 December 2017) with in particular the successful launch of the mobile version. The business was also successful in the exclusive launch of Apple Pay in Belgium.

BRB's revenues[1] were down by 2.2%, compared to 2017, at 3,595 million euros: net interest income[1] was down by 1.2% due to the impact of the low interest rate environment partly offset by volume growth. Fees[1] were down by 5.2% with a decrease in financial fees, as a result in particular of the very unfavourable market context in the fourth quarter, and a rise in retrocession fees to independent agents whose network has been expanded.

Operating expenses[1], at 2,521 million euros, were down by 1.3% compared to 2017 thanks to the effect of cost saving measures (optimisation of the branch network and streamlining of the management set-up).

Gross operating income[1], at 1,074 million euros, was down by 4.3% compared to last year.

At 43 million euros, the cost of risk[1] was down (65 million euros in 2017) and totalled 4 basis points of outstanding customer loans.

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 980 million euros in pre-tax income, down by 3.3% compared to 2017.

In the fourth quarter 2018, BRB's revenues[1] were down by 4.1%, compared to the fourth quarter 2017, at 857 million euros. Net interest income[1] was down by 1.6% due to the impact of the low interest rate environment partly offset by increased volumes. Fees[1] were down by 11.0% with a significant decrease in financial fees as a result of the market context this quarter, and a rise in retrocession fees to independent agents whose network has been expanded. Operating expenses[1], at 571 million euros, were down by 5.0% compared to the fourth quarter 2017, thanks to the effect of cost saving measures. Gross operating income[1], at 286 million euros, was down by 2.3% compared to the same quarter last year. The cost of risk[1] totalled 43 million euros due in particular to a specific file (15 million euros in the fourth quarter 2017). At 16 basis points of outstanding customer loans, it was still very low. After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 238 million euros in pre-tax income, down by 9.1% compared to the fourth quarter 2017.

[1] Including 100% of Private Banking in Belgium

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

For the whole of 2018, Domestic Markets' specialised businesses continued their strong growth: the financed fleet of Arval grew by 7.7% and the financing outstandings of Leasing Solutions were up by 8.7%[1] compared to 2017; Personal Investors reported increased orders from individual customers (+8.9% compared to 2017) and Nickel continued its very strong growth with already over 1.1 million accounts opened (+347,000 in 2018). Nickel's target is to reach 2 million accounts opened by 2020. To this end, Nickel is growing its point of sales network (4,300 *buralistes* as at 31 December 2018, +48% compared to 31 December 2017) with a target of 10,000 by 2020.

The outstanding loans of Luxembourg Retail Banking (LRB) rose by 7.9% compared to 2017, with good growth in mortgage and corporate loans. Deposits were up by 11.8% with very good inflows in particular in the corporate segment.

The digital development continued with the growing use of e-signature at Leasing Solutions and Arval as well as the rollout by Arval in Europe of an offering to individuals, already operational in the Netherlands, to rent cars online (*Private Lease*).

The revenues[2] of the five businesses, which totalled 2,986 million euros, were up on the whole by 7.3% compared to 2017 due to scope effects and good business development.

Operating expenses[1] rose by 10.6% compared to 2017, to 1,779 million euros, as a result of scope effects and development of the businesses as well as the costs to launch new digital services.

The cost of risk[1], at 123 million euros, was up by 34 million euros compared to 2017.

Thus, the pre-tax income of these five business units, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was 1,064 million euros (-5.4% compared to 2017).

In the fourth quarter 2018, the revenues[1] of the five businesses, which totalled 771 million euros, were up on the whole by 5.6% compared to the fourth quarter 2017 due to good business development and scope effects. Operating expenses[1] rose by 5.5% compared to the fourth quarter 2017, to 443 million euros as a result of scope effects, business development and the costs to launch new digital services at Arval and Leasing Services. The jaws effect was thus positive by 0.1 point this quarter. The cost of risk[1] was down by 1 million euros compared to the fourth quarter 2017, at 29 million euros. Thus, the pre-tax income of these five business units, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), totalled 289 million euros (+2.3% compared to the fourth quarter 2017).

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

INTERNATIONAL FINANCIAL SERVICES

For the whole of 2018, International Financial Services continued its growth and reported a sustained business activity: outstanding loans were up by 3.8% compared to 2017 (+7.1% at constant scope and exchange rates) and the operating division reported good net asset inflows (13.4 billion euros). The assets under management of the savings and insurance businesses were down slightly, at 1,028 billion euros (-2.2% compared to 31 December 2017), due to the sharp fall in valuations at the end of the year.

The operating division actively implemented digital transformation and new technologies across all its businesses. The e-signature is now widely available with already 50% of contracts signed electronically at Personal Finance and 35 processes that use e-signatures in the international retail networks. It digitalised client journeys at Personal Finance with a completely digital application process for consumer loans already rolled out in 7 countries and put in place in Insurance in France an online questionnaire enabling over 80% of clients to get immediate approval for creditor protection insurance (150,000 contracts as at the end of 2018). It expanded the features available on mobile at Wealth Management with *My Biopass* which allows client identification and validation of transactions using biometrics and continued to expand its digital banks with already 665,000 customers for *Cepteteb* in Turkey and 223,000 customers for *BGZ Optima* in Poland. The operating division is developing new technologies and artificial intelligence with already 130 robots (automation of controls, reporting and data processing) and 17 chatbots already operational.

International Financial Services reported this year an unfavourable foreign exchange effect (depreciation of the Turkish lira and the US dollar) partially offset by several scope effects.

At 16,434 million euros, revenues were up by 3.4% compared to 2017. Excluding the impact of the fall in the markets at the end of the year on assets at market value at Insurance[1], they rose by 6.6% at constant scope and exchange rates, reflecting the good business drive.

Operating expenses, which totalled 10,242 million euros, were up by 5.4% compared to the same period last year, as a result of business development and new product launches (+5.5% at constant scope and exchange rates and excluding non-recurring items[2]).

Gross operating income came to 6,192 million euros, up by 0.2% compared to 2017 (+4.7% at constant scope and exchange rates).

The cost of risk, at 1,579 million euros, rose by 228 million compared to a weak base in 2017 given provision write-backs. It recorded the effect of the IFRS 9 application at Personal Finance where performing loans, which grow at a sustained level, are now provisioned.

Other non-operating items totalled 208 million euros (433 million euros in 2017). They reflected the exceptional impact of the 151 million euro capital gain[3] from the sale of First Hawaiian Bank shares. They included in the same period last year a 326 million euro capital gain realised from the initial public offering of SBI Life.

International Financial Services' pre-tax income thus totalled 5,310 million euros, down by 8.8% compared to 2017 but up by 3.3% at constant scope and exchange rates and excluding the impact of the fall in the markets at the end of the year at Insurance[4].

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[1] -180 million euros
[2] Non-recurring items at Asset Management, Real Estate Services and at BancWest (34 million euros in 2018)
[3] In addition, 135 million euro exchange difference booked in the P&L in the Corporate Centre
[4] Excluding non-recurring items : -33 million euros in 2018 (+40 million euros in 2017)

In the fourth quarter 2018, at 3,999 million euros, revenues were down by 3.1% compared to the fourth quarter 2017 given an unfavourable foreign exchange effect (depreciation of the Turkish lira), the scope effect related to the sale of First Hawaiian Bank[1] shares in the previous quarter and the impact of the fall in the markets at the end of the year on assets at market value at Insurance[2]. They rose by 4.7% at constant scope and exchange rates[3]. Operating expenses, which totalled 2,626 million euros, were up by 4.3%, as a result of good development of businesses (+5.4% at constant scope and exchange rates). Gross operating income thus came to 1,373 million euros, down by 14.6% compared to the fourth quarter 2017 (-9.0% at constant scope and exchange rates). The cost of risk, at 401 million euros, was up by 48 million compared to the fourth quarter 2017 due to increased outstanding loans at Personal Finance and a moderate rise in the cost of risk in Turkey. Other non-operating items totalled -3 million euros (54 million euros in the fourth quarter 2017 in which a capital gain was recorded). International Financial Services' pre-tax income thus totalled 1,101 million euros, down by 24.0% compared to the fourth quarter 2017 but virtually stable (-0.6%) at constant scope and exchange rates and excluding the impact of the fall in the markets at the end of the year at Insurance[3].

Personal Finance

For the whole of 2018, Personal Finance continued its strong organic growth drive while integrating General Motors Europe's financing activities[4]: outstanding loans were up by +12.6% at constant scope and exchange rates compared to 2017, driven by an increase in demand in a favourable context in Europe and the effect of new partnerships. The business signed new commercial agreements with Hyundai and Uber in France, Carrefour in Poland and Dixons Carphone in the United Kingdom. It continued to expand its digital footprint and new technologies with 97 robots already deployed and more than 31 million selfcare transactions done by clients, or 73.9% of the total.

The revenues of Personal Finance were up by 12.4% compared to 2017, at 5,533 million euros. They were up by 9.1% at constant scope and exchange rates as a result of the rise in volumes and the positioning on products with a better risk profile. They were driven in particular by a good drive in Italy, Spain and Germany.

Operating expenses were up by 13.9% compared to 2017, at 2,764 million euros. They were up by 7.9% at constant scope and exchange rates, as a result of business development. The cost income ratio was 50.0%.

Gross operating income thus came to 2,768 million euros, up by 10.9% compared to 2017 (+10.3% at constant scope and exchange rates).

The cost of risk came to 1,186 million euros (1,009 million euros in 2017). At 141 basis points of outstanding customer loans, it was at a low level despite the effect of the IFRS 9 adoption.

Personal Finance's pre-tax income thus came to 1,646 million euros, up by 2.5% compared to 2017 (+5.9% at constant scope and exchange rates and excluding the step effect of the IFRS 9 adoption).

In the fourth quarter 2018, the revenues of Personal Finance were up by 10.3% compared to the fourth quarter 2017, at 1,411 million euros (+9.5% at constant scope and exchange rates), in connection with increased volumes and the positioning on products with a better risk profile. They were driven in particular by a good drive in Italy, Spain and Germany. Operating expenses were up

[1] FHB accounted under the IFRS 5 standard (assets to be sold) as of 30 June 2018 and transferred to the Corporate Centre as of 1 October 2018
[2] -180 million euros
[3] Excluding capital gains from the sale of securities and loans at BancWest in the fourth quarter 2017 (8 million euros)
[4] Acquisition closed on 31 October 2017

by 14.0% compared to the fourth quarter 2017, at 728 million euros (+12.7% at constant scope and exchange rates), as a result of business development. Gross operating income thus came to 682 million euros, up by 6.5% compared to the fourth quarter 2017 (+6.3% at constant scope and exchange rates). The cost of risk totalled 299 million euros (+28 million euros compared to the fourth quarter 2017), reflecting in particular the effect of the IFRS 9 adoption. It was 136 basis points of outstanding customer loans. Personal Finance's pre-tax income thus came to 400 million euros, up by 2.9% compared to the fourth quarter 2017 (+6.3% at constant scope and exchange rates and excluding the step effect of the IFRS 9 adoption).

Europe-Mediterranean

For the whole of 2018, Europe-Mediterranean delivered a good overall performance. Outstanding loans rose by 5.2%[1] compared to 2017. Deposits grew by 8.6%[1], up in in particular in Turkey. The business continued to develop its digital banks (*Cepteteb* in Turkey and *BGZ Optima* in Poland) and to roll out e-signature in Poland, Turkey and Morocco for certain trade finance transactions and consumer loan applications.

The business also acquired this year the core banking activities of Raiffeisen Bank Polska[2], which strengthened BGZ BNP Paribas as the 6th largest bank in Poland (over 6% combined market share in loans and deposits) and is expected to have an above 1% positive impact on Group's net earnings per share in 2020.

At 2,358 million euros, Europe-Mediterranean's revenues[3] were up by 12.5%[1] compared to 2017, as a result of increased volumes and margins as well as the good level of fees. They were up in all regions.

Operating expenses[3], at 1,605 million euros, were up by 4.8%[1] due to business development with a largely positive jaws effect.

The cost of risk[3], which totalled 308 million euros, was up by 49 million euros as a result of a moderate rise in the cost of risk in Turkey. It was 82 basis points of outstanding customer loans.

After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean generated 684 million euros in pre-tax income, up significantly compared to the same period last year (+23.6% at constant scope and exchange rates and +10.9% at historical scope and exchange rates given the strong depreciation of the Turkish lira).

In the fourth quarter 2018, Europe-Mediterranean's revenues[3] were, at 600 million euros, up by 9.4%[1] compared to the fourth quarter 2017 as a result of increased volumes and margins as well as a good level of fees. They were up in all the regions. Operating expenses[3], at 405 million euros, were up by 1.3%[1] compared to the same quarter last year, reflecting good cost containment and generating a largely positive jaws effect. The cost of risk[3] totalled 78 million euros and was up by 16 million euros compared to the fourth quarter 2017 as a result of a moderate rise in Turkey. It was thus 87 basis points of outstanding customer loans. After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean thus generated 176 million euros in pre-tax income, up by 22.7% at constant scope and exchange rates and 11.7% at historical scope and exchange rates given the strong depreciation of the Turkish lira.

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1 At constant scope and exchange rates
2 Excluding mortgage loans in foreign currencies and a limited amount of other assets; acquisition closed on 31 October 2018
3 Including 100% of Private Banking in Turkey

BancWest

For the whole of 2018, BancWest's commercial activity continued to grow. The scope of the business evolved with the sale of 43.6% of First Hawaiian Bank[1], which is only 18.4% owned and is no more fully consolidated since 1st August 2018. Deposits were up by 3.6%[2] and loans by 1.6%[2] compared to 2017 with good growth in loans to individual and corporate customers. Private Banking's assets under management (13.7 billion U.S. dollars as at 31 December 2018) were up by 4.8%[2] compared to 31 December 2017.

The business continued its digital transformation with already 30% account openings done online. It developed cooperation with CIB (over 50 significant transactions done jointly, or a 31% increase compared to 2017) and Personal Finance (car loans).

Revenues[3], at 2,647 million euros, were up by 1.9%[2] compared to 2017 (+2.4%[2] excluding capital gains from the sale of securities and loans in 2017 for 14 million euros), as a result of volume growth.

At 1,870 million euros, operating expenses[3] rose by 2.6%[2] compared to 2017.

The cost of risk[3] (82 million euros), or 14 basis points of outstanding customer loans, was 29 million euros lower compared to 2017.

Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest posted 819 million euros in pre-tax income, up by 3.3% at constant scope and exchange rates compared to 2017 (-1.4% at historical scope and exchange rates).

In the fourth quarter 2018, revenues[3], at 599 million euros, were down by 0.8%[2] compared to the fourth quarter 2017 but up by 0.5%[2] excluding capital gains from the sale of securities and loans made the same quarter last year. At 431 million euros, operating expenses[3] were up by 2.3%[2] compared to the fourth quarter 2017. Gross operating income[3], at 169 million euros, was down by 7.7%[2] compared to the fourth quarter 2017. The cost of risk[3] (22 million euros) was still low and came to 17 basis points of outstanding customer loans (20 million euros in the fourth quarter 2017). Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest posted 139 million euros in pre-tax income, down by 9.6% at constant scope and exchange rates compared to the fourth quarter 2017 (-4.9% excluding capital gains from the sale of securities and loans made in the fourth quarter 2017) and by 39.3% at historical scope and exchange rates.

Insurance and Wealth and Asset Management

For the whole of 2018, Insurance and Wealth and Asset Management's businesses continued their growth. Assets under management[4] reached 1,028 billion euros as at 31 December 2018. They were down by 2.2% compared to 31 December 2017 due in particular to a very negative performance effect (-51.1 billion euros) as a result of the sharp fall in the markets at the end of the year, and despite a good level of net asset inflows at 13.4 billion euros (very good asset inflows at Wealth Management in particular in Asia, France, Italy, Germany and the United States; asset outflows at Asset Management concentrated on a bond mandate following the in-sourcing by a client of its fund management, partly offset by asset inflows into money market funds; good asset inflows in Insurance in particular in unit-linked policies), a +10.7 billion euro scope effect due in

[1] Sale of 13.2% on 8 May 2018, 15.5% on 31st July 2018 and 14.9% on 5 September 2018
[2] At constant scope and exchange rates
[3] Including 100% of Private Banking in the United States
[4] Including distributed assets

particular to the integration of ABN Amro's activities in Luxembourg[1] and a +3.9 billion euro foreign exchange effect.

As at 31 December 2018, assets under management[2] broke down as follows: Asset Management (399 billion euros), Wealth Management (361 billion euros), Insurance (239 billion euros) and Real Estate Services (29 billion euros).

Insurance continued its good business development with in particular good performance of protection insurance in Asia. The new property and casualty insurance offering in the FRB network via *Cardif IARD* (joint venture with Matmut) has gotten off to a good start with already 100,000 contracts sold and the new partnership with Orange (cell phone insurance) is a success. The business signed new partnerships with Seloger.com in France, Sumitomo Mitsui in Japan and Sainsbury's in the UK.

Revenues of Insurance, at 2,680 million euros, rose by 6.6% compared to 2017 due to a good business drive but reflected at the end of the year the impact of the fall in the markets due to the booking of part of the assets at market value[3]. Operating expenses, at 1,406 million euros, rose by 12.4%, as a result of good business development. Other non-operating items were negligible but included during the same period last year a +326 million euro capital gain from the sale of a 4.0% stake in SBI Life. After taking into account decreased income of the associated companies, pre-tax income was thus down by 20.8% at historical scope and exchange rates compared to 2017, at 1,479 million euros. It is virtually stable at constant scope and exchange rates (-0.3%), including the spot impact of the fall in the markets at the end of the year.

Wealth and Asset Management continued its business development: Wealth Management integrated ABN Amro's activities in Luxembourg[1] thereby strengthening its positioning on the large entrepreneur segment; Asset Management continued its industrialisation with in particular the roll out of Blackrock's Aladdin IT outsourcing solution; Real Estate Services reported good growth in its business, in particular in real estate fund management in Germany and in advisory business in France, Italy and Germany.

Wealth and Asset Management's revenues (3,286 million euros) grew by 2.9% compared to 2017, driven by Real Estate Services, but were impacted this year by MiFID 2 regulation and the unfavourable movements in the financial markets at the end of the year. Operating expenses totalled 2,636 million euros, up by 10.4% compared to 2017 due to specific transformation projects at Asset Management, costs related to the acquisition of Strutt & Parker at Real Estate Services and continuous business development. The cost of risk was -6 million euros (it was a net write-back of 24 million euro in 2017). At 681 million euros, Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, was down by 24.2% compared to 2017 (-18.1% excluding non-recurring items[4]).

<u>In the fourth quarter 2018</u>, revenues of Insurance, at 542 million euros, were down by 14.8% compared to the fourth quarter 2017 (-15.9% at constant scope and exchange rates) due to the impact at the end of the year of the fall in the markets (booking of part of the assets at market value with a -180 million euro revaluation impact this quarter). Operating expenses, at 346 million euros, rose by 9.0% given scope effects. They were up by 4.9% at constant scope and exchange rates, as a result of business development. Other non-operating items were nil this quarter but included in the same quarter of last year a 49 million euro capital gain related to taking full control

[1] Closing of the acquisition on 3 September 2018 (+7.7 billion euros in assets under management at Wealth Management and +2.7 billion euros at Insurance)
[2] Including distributed assets
[3] -180 million euros in the fourth quarter
[4] Provision write-back in the 1st quarter 2017; capital gain from the sale of a building in the second quarter 2017, specific transformation projects in Asset Management and costs related to the acquisition of Strutt & Parker in Real Estate Services : -56 million euros in 2018 (-2 million euros in 2017)

of Cargeas Italy. Pre-tax income was thus down by 43.5% compared to the fourth quarter 2017 at 241 million euros, but it was up by 15.6% at constant scope and exchange rates and excluding the impact of the fall in the markets at the end of the year.

Wealth and Asset Management's revenues (866 million euros) were down by 4.6% compared to a high base in the fourth quarter 2017 (which recorded a good level of fees in Real Estate Services) due to an unfavourable market context this quarter for Wealth Management and Asset Management. Operating expenses totalled 728 million euros and rose by 7.9% compared to the fourth quarter 2017 due to business development, costs related to the implementation of Aladdin at Asset Management and the impact of the first consolidation of Gambit (whose revenues are still low). At 146 million euros, Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, was down by 41.2% compared to a high base in the fourth quarter 2017 which had recorded a rise of a similar magnitude (+40.8%) compared to the fourth quarter 2016.

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CORPORATE AND INSTITUTIONAL BANKING (CIB)

For the whole of 2018, CIB maintained its leading positions in Europe where it ranked joint number 3 and maintained its global market share after an increase in 2017. The operating division continued its good development on targeted clientele bases, onboarding over 300 new groups globally over the past two years.

CIB operated however in an unfavourable market environment and revenues, at 10,829 million euros, were down by 7.5% compared to 2017 with contrasting evolutions between the businesses.

At 4,727 million euros, Global Markets' revenues were down by 15.4% compared to 2017 given the lacklustre context for FICC[1] in Europe and particularly challenging conditions for Equity and Prime Services at the end of the year. The VaR, which measures the level of market risks, was still at a low level (25 million euros) but rose slightly at the end of the year given increased volatility.

The revenues of FICC[1], at 2,719 million euros, were down by 21.2% compared to last year. Client business in rates and credit was still weak in Europe due to monetary policy which resulted in low volatility and very low interest rates. The business also reported poor performance in forex, in particular in emerging markets. It did, however, deliver good performances on the primary market and on structured products. It confirmed its strong positions on bond issues (ranked number 1 for all bond issues in euros and number 9 for all international bond issues) and made significant progress on certain segments (ranked number 3 in the high-yield segment in Europe and number 3 for international green bond issues). The business continued its digital transformation with good development on multi dealer platforms where it ranked number 1 by volume for interest rate swaps in euros and number 5 for foreign exchange.

Revenues of Equity and Prime Services, at 2,008 million euros, were down for their part by 6% with in particular the impact of extreme market movements at the end of the year on inventories valuation and a loss on index derivative hedging in the United States. The business, however, reported increased client business in equity derivatives and prime brokerage.

Securities Services' revenues, at 2,152 million euros, rose by 10.1% compared to 2017. Excluding the transfer this quarter of the correspondent banking business from Corporate Banking, they were up by 8.7% as a result of increased transactions as well as assets under custody and administration (+4.3% on average compared to 2017), benefitting additionally from the positive

[1] Fixed Income, Currencies and Commodities

impact of the revaluation of an equity stake. The business continued its excellent drive with gains of significant mandates (Carmignac, Intermediate Capital Group), the finalisation of the strategic partnership with Janus Henderson in the United States and the acquisition of the depositary bank business of Banco BPM[1]. The business is implementing its digital transformation with already over 40 automated processes delivered and 30 in development. Its expertise was recognised with the Custodian of the Year Award at the 2018 CustodyRisk Global Awards.

Corporate Banking's revenues, at 3,951 million euros, were down by 5.1% compared to 2017 but rose by 0.3% excluding capital gains realised in the second quarter 2017, the transfer of the correspondent banking business to Securities Services and the impact of the environmental responsibility policy[2]. The business continued the development of the transaction businesses (cash management, trade finance) where it reinforced its number 1 position in Europe and reported good business development in Asia. It confirmed its leading position on syndicated loans (ranked number 1 in the EMEA region[3]). Loans, at 132 billion euros, were up by 1.0% compared to 2017 and deposits, at 126 billion euros, were down by 3.5%. The business continued to implement its digital transformation, and Centric, its online platform for corporates, has already 10,000 clients as at 31 December 2018 (+1,500 compared to the end of 2017).

At 8,163 million euros, CIB's operating expenses were down by 1.3 % compared to 2017 thanks to cost saving measures (221 million euros in savings in 2018) with in particular the ramping up of shared platforms, the implementation of digitalised end-to-end processes of transactions and the automation of operations (over 180 processes in production).

The gross operating income of CIB was thus down by 22.3%, at 2,666 million euros.

The cost of risk was still low, at 43 million euros (81 million euros in 2017), as the provisions were partly offset by write-backs. It broke down between Global Markets (19 million euros compared to 15 million euros in 2017), Corporate Banking (31 million euros compared to 70 million euros in 2017) and Securities Services (net write-back of 7 million euros compared to a net write-back of 3 million euros in 2017).

CIB thus generated 2,681 million euros in pre-tax income, down by 21.0% compared to 2017, as the impact of the unfavourable market context was attenuated by the decrease in costs and good control of risks.

<u>In the fourth quarter 2018</u>, the operating division's revenues, at 2,379 million euros, were down by 9.4% compared to the fourth quarter 2017 (-9.7% at constant scope and exchange rates). At 650 million euros, Global Markets' revenues were down by 39.5% compared to the fourth quarter 2017 due to a particularly challenging market context. Equity and Prime Services' revenues, at 145 million euros, were down by 69.9% compared to the same quarter last year with the impact of extreme market movements at the end of the year on the valuation of inventories and a loss on index derivative hedging in the United States. Client business was also low in structured products. The revenues of FICC[4], at 505 million euros, were down for their part by 14.7% compared to the fourth quarter 2017 with a market context still lacklustre in particular on rates and credit. Securities Services revenues, at 627 million euros, rose by 24.6% compared to the fourth quarter 2017 (+20.1% at constant scope and exchange rates) due to the growth in the business and positive impact of the revaluation of an equity stake. Corporate Banking's revenues, at 1,102 million euros, were up by 5.0% compared to the fourth quarter 2017 (+7.5% at constant scope and exchange rates and excluding the impact of the environmental responsibility policy[2]) with a rise in all regions and good growth in the transaction businesses.

[1] Closing of the acquisition on 28 September 2018
[2] Stopped financing gas and oil from shale and tobacco companies
[3] Europe, Middle East and Africa
[4] Fixed Income, Currencies and Commodities

At 1,919 million euros, CIB's operating expenses were up by 1.9% compared to the fourth quarter 2017 but by only 0.2% at constant scope and exchange rates. The gross operating income of CIB was thus down by 38.2%, at 460 million euros. CIB's cost of risk was 100 million euros, down sharply compared to the same quarter last year which had recorded the impact of two specific files (264 million euros in the fourth quarter 2017). It was 13 million euros at Global Markets (57 million euros in the fourth quarter 2017), 91 million euros at Corporate Banking (209 million euros in the fourth quarter 2017) and a net write-back of 4 million at Securities Services (net write-back of 2 million in the fourth quarter 2017). CIB thus generated 393 million euros in pre-tax income, down by 20.0% compared to the fourth quarter 2017.

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CORPORATE CENTRE

For the whole of 2018, Corporate Centre revenues totalled 120 million euros compared to 394 million euros in 2017 which recorded the exceptional impact of capital gains from the sale of Shinhan and Euronext shares for a total of +233 million euros as well as -175 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA). Revenues included a lesser contribution by Principal Investments compared to a high level in 2017.

Operating expenses totalled 1,776 million euros compared to 1,627 million euros in 2017. They included the exceptional impact of 1,106 million euros in transformation costs (856 million euros in 2017) and 129 million euros in acquisitions' restructuring costs[1] (101 million euros in 2017).

The cost of risk totalled 97 million euros (121 million euros in 2017). It included the booking of stage 1 provisions on the portfolio of non-doubtful loans of Raiffeisen Bank Polska following the acquisition of its core banking activities (60 million euros).

The share of income of the associated companies totalled 84 million euros (68 million euros in 2017).

Non-operating items totalled 204 million euros (-177 million euros in 2017). They included the exceptional impact of a +101 million euro capital gain on the sale of a building, a +135 million euro exchange difference from a sale of First Hawaiian Bank[2] shares, the impact of the revaluation at market value as at 31 December 2018 of the residual stake in First Hawaiian Bank[3] for -125 million euros and the booking of a badwill related to the acquisition of Raiffeisen Bank Polska for +68 million euros. They included last year the exceptional impact of the full impairment of TEB's goodwill for -172 million euros.

The Corporate Centre's pre-tax income was thus -1,466 million euros compared to -1,464 million euros in 2017.

In the fourth quarter 2018, Corporate Centre revenues totalled -1 million euros compared to 12 million euros in the fourth quarter 2017. They included in the fourth quarter of last year the exceptional impact of a +11 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA). Operating expenses totalled 605 million euros compared to 637 million euros in the fourth quarter 2017. They included the exceptional impact of 385 million euros in transformation costs (408 million euros in the fourth quarter 2017) and 97 million euros in acquisitions' restructuring costs[1] (48 million euros in the fourth quarter 2017). The cost of risk totalled 74 million euros (negligible in the fourth quarter 2017). It included this year the booking of

[1] In particular, LaSer, DAB Bank GE LLD, ABN Amro Luxembourg and Raiffeisen Bank Polska
[2] In addition, +151 million euro capital gain booked in BancWest
[3] First Hawaiian Bank accounted under the IFRS 5 standard as of 30.06.18

stage 1 provisions on the portfolio of non-doubtful loans of Raiffeisen Bank Polska following the acquisition of its core banking activities (60 million euros). Non-operating items totalled -87 million euros (-33 million euros in the fourth quarter 2017). They included the impact of the revaluation at market value as at 31 December 2018 of the residual stake in First Hawaiian Bank[1] for -125 million euros and the booking of a badwill related to the acquisition of Raiffeisen Bank Polska for +68 million euros. The Corporate Centre's pre-tax income was thus -743 million euros compared to -642 million euros in the fourth quarter 2017.

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FINANCIAL STRUCTURE

The Group's balance sheet is very solid.

The impacts of the first time application of the new IFRS 9 accounting standard were fully taken into account as of 1st January 2018: -2.5 billion euro impact on revaluated shareholders' equity[2] and -10 bp on the fully loaded Basel 3 common equity Tier 1 ratio[3]. This ratio also recorded as at 1st January 2018 the impact of -10 bp of the supervisor's new general requirement to deduct irrevocable payment commitments from the prudential capital and thus came to 11.6% pro forma as at 1st January 2018.

It rose back to 11.8% as at 31 December 2018, or an increase of 20 bp compared to 1st January 2018 which breaks down between:

- the net income for the year (excluding capital gain on the sale of 43.6% of First Hawaiian Bank) after taking into account dividend payment (+50 bp),
- the increase in risk weighted assets, in particular in Domestic Markets and Personal Finance, excluding foreign exchange effect and operational risk (-20 bp),
- the risk-weighted assets related to operational risk brought to the standard method level (-10 bp)
- the other effects which have a negligible impact on the ratio overall (including the effects of the acquisitions and sales of the year).

The Basel 3 fully loaded leverage ratio[4], calculated on total Tier 1 capital, totalled 4.5% as at 31 December 2018.

The Liquidity Coverage Ratio stood at 132% as at 31 December 2018.

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

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

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[1] First Hawaiian Bank accounted under the IFRS 5 standard as of 30.06.18

[2] Shareholders'equity including valuation reserves

[3] Taking into account all the rules of the CRD4 directives with no transitory provisions. Subject to the provisions of Article 26.2 of Regulation (EU) No 575/2013

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

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A CONFIRMED 2020 AMBITION

The Group is actively implementing its 2017-2020 development plan in a contrasted environment (economic growth still favourable but which is expected to slow down, low interest rate environment in Europe which is expected to improve only gradually and uncertain evolution of foreign exchange parities).

Leveraging on its integrated and diversified business model, the Group is successfully implementing its digital transformation and pursues differentiated business development strategies in Domestic Markets, International Financial Services (IFS) and CIB, all the while resolutely committing for a positive impact on society.

A trajectory in line with the plan for Domestic Markets and IFS but need to accelerate transformation at CIB

In line with its mid-term plan objectives, Domestic Markets confirms its 2020 ambitions. In an interest rate environment that is expected to improve only gradually and with new expectations from customers influenced by digital uses, the operating division will continue to strengthen its sales and marketing drive while improving the customer experience and offering new services. It will intensify its cost reduction measures with an additional savings programme of 150 million euros compared to the initial objective. It will continue adapting its branch network, creating omni-channel customer service centres and rolling out end-to-end digitalised processes. It will continue its rigorous risk management policy with in particular the continued improvement of the risk profile of BNL bc for which it confirms the cost of risk target of 50 basis points in 2020.

The operating division thus confirms its 2020 trajectory with a revenue evolution slightly above initial expectations, an upcoming significant improvement of the operating efficiency generating a positive jaws effect (decrease in the cost income ratio in the networks and virtually stable in the specialised businesses) and a confirmation of the plan's RONE[1] target.

Despite an unfavourable foreign exchange effect, IFS likewise presents a 2020 trajectory in line with the plan and confirms its role as a growth engine for the Group. The operating division will thus continue its sustained growth, consolidating its leading positions in the businesses thanks to the quality of its product offering, pursuing its digital transformation, continuing the selective development of retail banking outside the Eurozone, strengthening cooperation with the Group and executing the integration of acquisitions made recently. It will intensify cost saving measures with a programme of an additional 120 million euros in savings compared to the initial objective, continuing the industrialisation and pooling of processes, the streamlining of certain product offerings and the implementation of digital initiatives.

IFS thus confirms its 2020 trajectory with a revenue growth in line with the plan, thanks to a good business drive and acquisitions made, and a significant improvement of the operating efficiency (leading to a positive jaws effect as early as 2019) but less however than expected initially due mainly to the unfavourable foreign exchange effect. The RONE[1] will reach a level close to the target.

In the face of an unfavourable environment, CIB is intensifying its transformation. Despite the successes recorded both in terms of gains of new clients and cost savings (down for the third year in a row) and of containment of allocated capital (-6.3% since 2016), the operating division is

[1] Pre-tax return on notional equity

confronted with a decrease of the global revenue pool in the CIB industry and a decrease in its profitability with a 12.9% RONE[1] this year (-3.2 points compared to 2017).

CIB thus announces three-pronged structural actions to improve a profitability that deviated from the 2020 trajectory.

(1) review of non-strategic, subscale or unprofitable business segments (e.g. stopped Opera Trading Capital's proprietary business and commodity derivatives in the United States); analysis of certain peripheral locations and rationalisation of the relationship with clients who are sub-profitable. The preliminary scope of potential exits could represent revenues in the range of 200 to 300 million euros for a cost income ratio above 100% and 5 billion euros in risk-weighted assets.

(2) intensification of the industrialisation to reduce costs with in particular the adaptation of the flow businesses to the fast electronisation of the financial markets at Global Markets, the development of shared platforms at Corporate Banking, the industrialisation of the multi-local operations model at Securities Services and the streamlining and mutualising of IT and back offices. CIB thus increases its recurring savings programme by 350 million euros to bring it to 850 million euros[2] over 2019 and 2020.

(3) Priority given to even more selective and profitable growth with in particular reinforced cooperation between the businesses (e.g. expansion of the joint Corporate Banking and Global Markets platform to develop the Originate & Distribute policy), the implementation of targeted measures at Global Markets to turn around the performances of the forex and the equity derivatives businesses, the continuation of development at Corporate Banking in targeted countries in Europe and the selective growth in America and Asia, and the integration of the acquisitions made at Securities Services.

The operating division thus focuses on profitable growth to be the preferred European partner of its clients by continuing to strengthen its leading positions in Europe and selective development in the United States and Asia, and deepening the integrated model between the businesses and the regions ("One Bank").

CIB is thereby adjusting its 2020 trajectory, with a downward revision of its revenue target (expected to be up however compared to a weak 2018 base), a significant improvement of operating efficiency enabling to generate a positive jaws effect thanks to additional cost saving efforts, stable risk-weighted assets in 2020 compared to 2016 (compared to a 2% increase per year[3] in the initial plan) and a rise in the RONE[1] to a level close to the initial objective.

Significant progress in the digital transformation

The Group is successfully implementing in all the operating divisions its ambitious transformation programme designed to implement new customer experiences, accelerate digitalisation and improve operating efficiency.

Digital is strongly growing in all the businesses. Domestic Markets already has over 8 million digital clients in retail banking (of which 3 million at Hello bank! and 1.1 million at Nickel) and accelerates mobile uses of individual customers thanks to expanded features available, ranking as first bank in France in terms of mobile features according to D-rating[4]. IFS has 0.9 million clients in its digital banks (*Cepteteb* in Turkey and *BZG Optima* in Poland) and makes electronic signature widely available (accounting already for 50% of contracts signed at Personal Finance). At CIB, the Centric digital platform is growing rapidly with close to 10,000 customers using it.

[1] Pre-tax return on notional equity
[2] Excluding savings related to businesses exits
[3] 2016-2020 compound annual growth rate
[4] Agency specialised in digital performance analysis

Robotics and artificial intelligence are developing rapidly with already over 500 robots operational (chatbots, automation of controls, reportings, data processing). Processes are industrialised and optimised everywhere and new end-to-end digitalised customer journeys implemented. Lastly, new digital products are being launched, such as LyfPay, a value-added mobile payment solution, with already 1.3 million downloadings.

The Group is thus successfully implementing its five transformation levers (implement new customer journeys, make better use of data, upgrade the operational model, adapt and mutualise information systems and develop more digital work practices).

The costs associated with this transformation totalled 2 billion euros since last year, in line with the plan. For 2019, the envelope of transformation costs is revised downward by 300 million euros, to 700 million euros versus 1 billion euros initially planned (-10% compared to the 3 billion euro envelope originally planned for the whole plan).

The recurring cost savings generated by the end of 2018 totalled 1.15 billion euros, in line with the objective. Given the higher rise than expected of certain regulatory costs totalling 200 million euros by 2020 and the needed intensification of transformation at CIB, the Group updated its programme with an additional 600 million euros in savings (55% at CIB, 25% at Domestic Markets, 20% at IFS). These additional savings will be achieved in particular thanks to the streamlining of the IT organisation and the use of the cloud, the reinforcement of the industrialisation of the functions with increased use of artificial intelligence, the streamlining of structures through international mutualized competency centers and the optimisation of real estate costs (stepping-up of flex offices, etc.). The 2020 recurring cost savings target is thus raised from 2.7 billion euros to 3.3 billion euros.

Commitment for a positive impact on society

The Group is pursuing out an ambitious corporate social and environmental responsibility (CSR) policy and is committed to making a positive impact on society with concrete impacts.

It thus stopped in 2018 financing companies whose primary business is gas / oil from shale, oil from tar sands or gas / oil production in the Arctic as well as financing tobacco companies. It ranks number 3 for green bonds and was involved in 15.6 billion euros in financing renewable energies and 1.6 billion euros dedicated to social entrepreneurship.

The Group aims in particular to finance the economy in an ethical way, promote the development of its employees, support initiatives with a social impact and play a major role in the transition toward a low carbon economy. It thereby wants to be a major contributor to the UN Sustainable Development Goals and targets 185 billion euros in 2020 in financing to sectors that contribute to these goals (166 billion euros by the end of 2018).

This policy of engagement to make a positive impact on society is recognised through the bank’s very good rankings in major specialised indices (World’s Best Bank for sustainable finance at the Euromoney Awards for Excellence 2018).

The Group is also a very significant tax payer with a total amount of taxes and levies of 5.6 billion euros in 2018, of which 2.5 billion euros in France.

2020 Targets Updated

The Group is updating the plan's targets with revenue growth during the period 2016-2020 reviewed at 1.5% per year (2.5% per year in the initial plan) and a recurring cost savings target of 3.3 billion euros (2.7 billion euros in the initial plan) from 2020. It expects about 2.5%[1] growth of risk-weighted assets per year by 2020 with active management of the balance sheet (sales of non-core equity stakes or assets). The Group thus expects an organic capital generation of at least 30 basis points per year after dividend distribution.

On these bases, the return on equity is expected at 9.5% in 2020 (or a return on tangible equity above 10.5%) with a CET1 ratio equal or above 12%.

The Group thus expects more than 20% growth in the earnings per share between 2016 and 2020 leading to, with a 50% pay-out ratio, an increase of the dividend of 35% during the same period.

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

"Thanks to its diversified and integrated model, the Group delivered in 2018 7.5 billion euros in net income. The fully loaded Basel 3 common equity Tier 1 ratio is 11.8%, attesting the high robustness of the balance sheet.

BNP Paribas' digital transformation plan is being successfully implemented, illustrated by the roll out of numerous new customer experiences. The Group is actively executing its ambitious policy of engagement in society.

The Group is committed to its 2020 ambition and implements further savings to significantly improve operating efficiency in all the operating divisions as early as 2019."

[1] 2018-2020 Compound Annual Growth Rate

CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	4Q18	4Q17	4Q18 / 4Q17	3Q18	4Q18 / 3Q18	2018	2017	2018 / 2017
Revenues	**10,160**	**10,532**	**-3.5%**	**10,352**	**-1.9%**	**42,516**	**43,161**	**-1.5%**
Operating Expenses and Dep.	-7,678	-7,621	+0.7%	-7,277	+5.5%	-30,583	-29,944	+2.1%
Gross Operating Income	**2,482**	**2,911**	**-14.7%**	**3,075**	**-19.3%**	**11,933**	**13,217**	**-9.7%**
Cost of Risk	-896	-985	-9.0%	-686	+30.6%	-2,764	-2,907	-4.9%
Operating Income	**1,586**	**1,926**	**-17.7%**	**2,389**	**-33.6%**	**9,169**	**10,310**	**-11.1%**
Share of Earnings of Equity-Method Entities	195	175	+11.4%	139	+40.3%	628	713	-11.9%
Other Non Operating Items	-98	21	n.s.	288	n.s.	411	287	+43.2%
Non Operating Items	**97**	**196**	**-50.5%**	**427**	**-77.3%**	**1,039**	**1,000**	**+3.9%**
Pre-Tax Income	**1,683**	**2,122**	**-20.7%**	**2,816**	**-40.2%**	**10,208**	**11,310**	**-9.7%**
Corporate Income Tax	-144	-580	-75.2%	-583	-75.3%	-2,203	-3,103	-29.0%
Net Income Attributable to Minority Interests	-97	-116	-16.4%	-109	-11.0%	-479	-448	+6.9%
Net Income Attributable to Equity Holders	**1,442**	**1,426**	**+1.1%**	**2,124**	**-32.1%**	**7,526**	**7,759**	**-3.0%**
Cost/Income	**75.6%**	**72.4%**	**+3.2 pt**	**70.3%**	**+5.3 pt**	**71.9%**	**69.4%**	**+2.5 pt**

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

4Q18 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**3,783**	**3,999**	**2,379**	**10,161**	**-1**	**10,160**
	%Change/4Q17	+0.4%	-3.1%	-9.4%	-3.4%	n.s.	-3.5%
	%Change/3Q18	+1.2%	-2.4%	-7.3%	-2.3%	-98.1%	-1.9%
Operating Expenses and Dep.		-2,528	-2,626	-1,919	-7,073	-605	-7,678
	%Change/4Q17	-2.1%	+4.3%	+1.9%	+1.3%	-5.1%	+0.7%
	%Change/3Q18	-0.1%	+6.2%	+1.8%	+2.7%	+55.9%	+5.5%
Gross Operating Income		**1,255**	**1,373**	**460**	**3,088**	**-606**	**2,482**
	%Change/4Q17	+5.9%	-14.6%	-38.2%	-12.7%	-3.2%	-14.7%
	%Change/3Q18	+4.2%	-15.4%	-32.5%	-12.0%	+39.5%	-19.3%
Cost of Risk		-320	-401	-100	-822	-74	-896
	%Change/4Q17	-13.0%	+13.5%	-61.9%	-16.6%	n.s.	-9.0%
	%Change/3Q18	+27.9%	-17.5%	n.s.	+19.5%	n.s.	+30.6%
Operating Income		**935**	**972**	**359**	**2,266**	**-680**	**1,586**
	%Change/4Q17	+14.4%	-22.5%	-25.1%	-11.2%	+8.8%	-17.7%
	%Change/3Q18	-2.1%	-14.5%	-50.8%	-19.7%	+57.1%	-33.6%
Share of Earnings of Equity-Method Entities		0	132	39	171	24	195
Other Non Operating Items		-2	-3	-6	-11	-87	-98
Pre-Tax Income		**932**	**1,101**	**393**	**2,426**	**-743**	**1,683**
	%Change/4Q17	+13.0%	-24.0%	-20.0%	-12.2%	+15.7%	-20.7%
	%Change/3Q18	-2.9%	-21.4%	-46.5%	-21.6%	n.s.	-40.2%

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**3,783**	**3,999**	**2,379**	**10,161**	**-1**	**10,160**
	4Q17	3,768	4,126	2,626	10,520	12	10,532
	3Q18	3,737	4,097	2,565	10,398	-46	10,352
Operating Expenses and Dep.		-2,528	-2,626	-1,919	-7,073	-605	-7,678
	4Q17	-2,582	-2,519	-1,883	-6,984	-637	-7,621
	3Q18	-2,531	-2,473	-1,884	-6,889	-388	-7,277
Gross Operating Income		**1,255**	**1,373**	**460**	**3,088**	**-606**	**2,482**
	4Q17	1,185	1,608	744	3,536	-625	2,911
	3Q18	1,205	1,624	680	3,509	-434	3,075
Cost of Risk		-320	-401	-100	-822	-74	-896
	4Q17	-369	-353	-264	-986	1	-985
	3Q18	-251	-486	49	-688	2	-686
Operating Income		**935**	**972**	**359**	**2,266**	**-680**	**1,586**
	4Q17	817	1,254	480	2,551	-625	1,926
	3Q18	955	1,137	730	2,822	-433	2,389
Share of Earnings of Equity-Method Entities		0	132	39	171	24	195
	4Q17	7	141	13	160	15	175
	3Q18	5	111	4	120	19	139
Other Non Operating Items		-2	-3	-6	-11	-87	-98
	4Q17	1	54	-1	54	-33	21
	3Q18	0	153	0	154	134	288
Pre-Tax Income		**932**	**1,101**	**393**	**2,426**	**-743**	**1,683**
	4Q17	825	1,449	491	2,764	-642	2,122
	3Q18	960	1,401	734	3,095	-279	2,816
Corporate Income Tax							-144
Net Income Attributable to Minority Interests							-97
Net Income Attributable to Equity Holders							**1,442**

2018 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**15,132**	**16,434**	**10,829**	**42,396**	**120**	**42,516**
	%Change/2017	-0.2%	+3.4%	-7.5%	-0.9%	-69.5%	-1.5%
Operating Expenses and Dep.		-10,401	-10,242	-8,163	-28,807	-1,776	-30,583
	%Change/2017	+0.8%	+5.4%	-1.3%	+1.7%	+9.1%	+2.1%
Gross Operating Income		**4,731**	**6,192**	**2,666**	**13,589**	**-1,656**	**11,933**
	%Change/2017	-2.3%	+0.2%	-22.3%	-6.0%	+34.2%	-9.7%
Cost of Risk		-1,045	-1,579	-43	-2,667	-97	-2,764
	%Change/2017	-22.8%	+16.9%	-47.1%	-4.3%	-19.6%	-4.9%
Operating Income		**3,686**	**4,613**	**2,623**	**10,922**	**-1,753**	**9,169**
	%Change/2017	+5.7%	-4.4%	-21.7%	-6.4%	+29.4%	-11.1%
Share of Earnings of Equity-Method Entities		-3	489	59	544	84	628
Other Non Operating Items		0	208	0	207	204	411
Pre-Tax Income		**3,683**	**5,310**	**2,681**	**11,674**	**-1,466**	**10,208**
	%Change/2017	+3.5%	-8.8%	-21.0%	-8.6%	+0.1%	-9.7%
Corporate Income Tax							-2,203
Net Income Attributable to Minority Interests							-479
Net Income Attributable to Equity Holders							**7,526**

QUARTERLY SERIES

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
GROUP								
Revenues	**10,160**	**10,352**	**11,206**	**10,798**	**10,532**	**10,394**	**10,938**	**11,297**
Operating Expenses and Dep.	-7,678	-7,277	-7,368	-8,260	-7,621	-7,133	-7,071	-8,119
Gross Operating Income	**2,482**	**3,075**	**3,838**	**2,538**	**2,911**	**3,261**	**3,867**	**3,178**
Cost of Risk	-896	-686	-567	-615	-985	-668	-662	-592
Operating Income	**1,586**	**2,389**	**3,271**	**1,923**	**1,926**	**2,593**	**3,205**	**2,586**
Share of Earnings of Equity-Method Entities	195	139	132	162	175	150	223	165
Other Non Operating Items	-98	288	50	171	21	230	33	3
Pre-Tax Income	**1,683**	**2,816**	**3,453**	**2,256**	**2,122**	**2,973**	**3,461**	**2,754**
Corporate Income Tax	-144	-583	-918	-558	-580	-828	-943	-752
Net Income Attributable to Minority Interests	-97	-109	-142	-131	-116	-102	-122	-108
Net Income Attributable to Equity Holders	**1,442**	**2,124**	**2,393**	**1,567**	**1,426**	**2,043**	**2,396**	**1,894**
Cost/Income	**75.6%**	**70.3%**	**65.8%**	**76.5%**	**72.4%**	**68.6%**	**64.6%**	**71.9%**

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
RETAIL BANKING & SERVICES Excluding PEL/CEL Effects								
Revenues	**7,767**	**7,829**	**8,071**	**7,879**	**7,881**	**7,707**	**7,737**	**7,719**
Operating Expenses and Dep.	-5,154	-5,005	-4,988	-5,497	-5,101	-4,854	-4,784	-5,305
Gross Operating Income	**2,613**	**2,825**	**3,082**	**2,383**	**2,780**	**2,853**	**2,953**	**2,414**
Cost of Risk	-722	-737	-531	-634	-722	-662	-686	-634
Operating Income	**1,891**	**2,088**	**2,551**	**1,748**	**2,058**	**2,191**	**2,267**	**1,780**
Share of Earnings of Equity-Method Entities	132	116	107	132	147	162	174	139
Other Non Operating Items	-5	153	0	59	55	361	16	11
Pre-Tax Income	**2,018**	**2,357**	**2,658**	**1,939**	**2,261**	**2,714**	**2,457**	**1,930**
Allocated Equity (€bn, year to date)	53.3	53.2	53.0	52.8	51.4	50.9	50.7	50.6

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
RETAIL BANKING & SERVICES								
Revenues	**7,782**	**7,833**	**8,071**	**7,880**	**7,894**	**7,714**	**7,738**	**7,717**
Operating Expenses and Dep.	-5,154	-5,005	-4,988	-5,497	-5,101	-4,854	-4,784	-5,305
Gross Operating Income	**2,628**	**2,829**	**3,083**	**2,384**	**2,793**	**2,860**	**2,955**	**2,412**
Cost of Risk	-722	-737	-531	-634	-722	-662	-686	-634
Operating Income	**1,907**	**2,092**	**2,552**	**1,749**	**2,071**	**2,198**	**2,268**	**1,778**
Share of Earnings of Equity-Method Entities	132	116	107	132	147	162	174	139
Other Non Operating Items	-5	153	0	59	55	361	16	11
Pre-Tax Income	**2,033**	**2,361**	**2,659**	**1,940**	**2,273**	**2,721**	**2,458**	**1,927**
Allocated Equity (€bn, year to date)	53.3	53.2	53.0	52.8	51.4	50.9	50.7	50.6

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
DOMESTIC MARKETS (including 100% of Private Banking in France, Italy, Belgium and Luxembourg)* Excluding PEL/CEL Effects								
Revenues	**3,903**	**3,874**	**3,938**	**3,969**	**3,897**	**3,918**	**3,951**	**3,952**
Operating Expenses and Dep.	-2,603	-2,605	-2,528	-2,971	-2,653	-2,599	-2,488	-2,880
Gross Operating Income	**1,300**	**1,269**	**1,411**	**998**	**1,244**	**1,319**	**1,463**	**1,072**
Cost of Risk	-322	-251	-204	-270	-370	-311	-355	-319
Operating Income	**978**	**1,018**	**1,206**	**727**	**874**	**1,008**	**1,108**	**753**
Share of Earnings of Equity-Method Entities	0	5	-3	-6	7	23	21	11
Other Non Operating Items	-2	0	1	1	1	3	1	5
Pre-Tax Income	**975**	**1,024**	**1,205**	**723**	**882**	**1,034**	**1,130**	**769**
Income Attributable to Wealth and Asset Management	-59	-67	-73	-65	-70	-64	-78	-61
Pre-Tax Income of Domestic Markets	**917**	**956**	**1,132**	**658**	**812**	**970**	**1,052**	**707**
Allocated Equity (€bn, year to date)	25.2	25.0	24.7	24.4	24.6	24.3	24.1	23.8

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
DOMESTIC MARKETS (including 2/3 of Private Banking in France, Italy, Belgium and Luxembourg)								
Revenues	**3,783**	**3,737**	**3,792**	**3,820**	**3,768**	**3,786**	**3,803**	**3,807**
Operating Expenses and Dep.	-2,528	-2,531	-2,454	-2,888	-2,582	-2,524	-2,417	-2,799
Gross Operating Income	**1,255**	**1,205**	**1,338**	**933**	**1,185**	**1,262**	**1,387**	**1,008**
Cost of Risk	-320	-251	-205	-269	-369	-310	-356	-319
Operating Income	**935**	**955**	**1,133**	**664**	**817**	**952**	**1,031**	**689**
Share of Earnings of Equity-Method Entities	0	5	-3	-6	7	22	21	11
Other Non Operating Items	-2	0	1	1	1	3	1	5
Pre-Tax Income	**932**	**960**	**1,132**	**659**	**825**	**977**	**1,053**	**705**
Allocated Equity (€bn, year to date)	25.2	25.0	24.7	24.4	24.6	24.3	24.1	23.8

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

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
FRENCH RETAIL BANKING (including 100% of Private Banking in France)*								
Revenues	**1,568**	**1,575**	**1,593**	**1,595**	**1,554**	**1,592**	**1,607**	**1,618**
Incl. Net Interest Income	*902*	*900*	*875*	*891*	*888*	*904*	*886*	*909*
Incl. Commissions	*666*	*676*	*718*	*704*	*665*	*688*	*721*	*708*
Operating Expenses and Dep.	-1,149	-1,168	-1,104	-1,189	-1,175	-1,183	-1,116	-1,184
Gross Operating Income	**419**	**407**	**489**	**406**	**379**	**409**	**492**	**434**
Cost of Risk	-85	-90	-54	-59	-107	-65	-80	-79
Operating Income	**334**	**317**	**435**	**347**	**272**	**344**	**412**	**355**
Non Operating Items	-3	0	1	0	0	1	0	0
Pre-Tax Income	**332**	**318**	**437**	**346**	**272**	**344**	**412**	**356**
Income Attributable to Wealth and Asset Management	-32	-38	-39	-39	-38	-36	-40	-39
Pre-Tax Income of French Retail Banking	**299**	**280**	**397**	**307**	**234**	**309**	**372**	**316**
Allocated Equity (€bn, year to date)	9.6	9.5	9.3	9.2	9.4	9.4	9.3	9.2

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
FRENCH RETAIL BANKING (including 100% of Private Banking in France)* Excluding PEL/CEL Effects								
Revenues	**1,553**	**1,571**	**1,593**	**1,594**	**1,541**	**1,585**	**1,606**	**1,620**
Incl. Net Interest Income	*887*	*896*	*875*	*890*	*876*	*897*	*885*	*912*
Incl. Commissions	*666*	*676*	*718*	*704*	*665*	*688*	*721*	*708*
Operating Expenses and Dep.	-1,149	-1,168	-1,104	-1,189	-1,175	-1,183	-1,116	-1,184
Gross Operating Income	**404**	**403**	**489**	**405**	**366**	**402**	**490**	**436**
Cost of Risk	-85	-90	-54	-59	-107	-65	-80	-79
Operating Income	**319**	**313**	**435**	**346**	**259**	**337**	**411**	**358**
Non Operating Items	-3	0	1	0	0	1	0	0
Pre-Tax Income	**317**	**314**	**436**	**345**	**259**	**337**	**411**	**358**
Income Attributable to Wealth and Asset Management	-32	-38	-39	-39	-38	-36	-40	-39
Pre-Tax Income of French Retail Banking	**284**	**276**	**397**	**306**	**221**	**302**	**371**	**319**
Allocated Equity (€bn, year to date)	9.6	9.5	9.3	9.2	9.4	9.4	9.3	9.2

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)								
Revenues	**1,498**	**1,502**	**1,517**	**1,517**	**1,481**	**1,518**	**1,531**	**1,541**
Operating Expenses and Dep.	-1,112	-1,133	-1,068	-1,151	-1,140	-1,145	-1,079	-1,146
Gross Operating Income	**386**	**369**	**449**	**367**	**341**	**374**	**452**	**395**
Cost of Risk	-84	-90	-53	-59	-107	-65	-80	-79
Operating Income	**302**	**280**	**396**	**307**	**234**	**308**	**372**	**316**
Non Operating Items	-3	0	1	0	0	0	0	0
Pre-Tax Income	**299**	**280**	**397**	**307**	**234**	**309**	**372**	**316**
Allocated Equity (€bn, year to date)	9.6	9.5	9.3	9.2	9.4	9.4	9.3	9.2

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

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

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
PEL/CEL effects	15	4	0	1	13	7	1	-2

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BNL banca commerciale (Including 100% of Private Banking in Italy)*								
Revenues	**722**	**660**	**698**	**713**	**732**	**719**	**729**	**727**
Operating Expenses and Dep.	-440	-439	-438	-480	-457	-445	-430	-469
Gross Operating Income	**282**	**221**	**259**	**233**	**275**	**274**	**299**	**258**
Cost of Risk	-164	-131	-127	-169	-218	-203	-222	-228
Operating Income	**117**	**90**	**132**	**63**	**57**	**71**	**77**	**30**
Non Operating Items	-2	0	-1	0	0	0	0	0
Pre-Tax Income	**116**	**89**	**130**	**63**	**57**	**71**	**77**	**30**
Income Attributable to Wealth and Asset Management	-11	-10	-10	-12	-11	-9	-12	-12
Pre-Tax Income of BNL bc	**105**	**80**	**120**	**51**	**46**	**63**	**65**	**18**
Allocated Equity (€bn, year to date)	5.5	5.5	5.5	5.4	5.8	5.8	5.7	5.7

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BNL banca commerciale (Including 2/3 of Private Banking in Italy)								
Revenues	**700**	**638**	**675**	**691**	**710**	**699**	**707**	**706**
Operating Expenses and Dep.	-429	-427	-427	-470	-447	-434	-420	-460
Gross Operating Income	**272**	**211**	**248**	**221**	**263**	**265**	**287**	**247**
Cost of Risk	-165	-131	-127	-170	-217	-203	-222	-228
Operating Income	**107**	**80**	**122**	**51**	**46**	**62**	**65**	**18**
Non Operating Items	-2	0	-1	0	0	0	0	0
Pre-Tax Income	**105**	**80**	**120**	**51**	**46**	**63**	**65**	**18**
Allocated Equity (€bn, year to date)	5.5	5.5	5.5	5.4	5.8	5.8	5.7	5.7

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium)*								
Revenues	**857**	**887**	**917**	**934**	**894**	**921**	**930**	**931**
Operating Expenses and Dep.	-571	-563	-552	-835	-601	-570	-560	-823
Gross Operating Income	**286**	**324**	**365**	**99**	**293**	**351**	**370**	**108**
Cost of Risk	-43	4	2	-6	-15	-23	-28	1
Operating Income	**243**	**328**	**367**	**93**	**278**	**328**	**343**	**109**
Share of Earnings of Equity-Method Entities	4	8	1	-3	2	17	6	-4
Other Non Operating Items	7	0	0	1	1	3	2	0
Pre-Tax Income	**253**	**336**	**368**	**92**	**281**	**347**	**351**	**106**
Income Attributable to Wealth and Asset Management	-15	-19	-23	-13	-19	-18	-25	-10
Pre-Tax Income of Belgian Retail Banking	**238**	**317**	**345**	**79**	**262**	**329**	**325**	**96**
Allocated Equity (€bn, year to date)	5.7	5.7	5.6	5.6	5.3	5.2	5.2	5.1

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)								
Revenues	**817**	**845**	**872**	**887**	**849**	**879**	**882**	**889**
Operating Expenses and Dep.	-547	-539	-529	-803	-577	-547	-537	-790
Gross Operating Income	**270**	**305**	**344**	**85**	**272**	**332**	**346**	**99**
Cost of Risk	-42	4	0	-4	-14	-23	-28	1
Operating Income	**228**	**309**	**344**	**80**	**259**	**309**	**317**	**99**
Share of Earnings of Equity-Method Entities	4	8	1	-3	2	17	6	-4
Other Non Operating Items	7	0	0	1	1	3	2	0
Pre-Tax Income	**238**	**317**	**345**	**79**	**262**	**329**	**325**	**96**
Allocated Equity (€bn, year to date)	5.7	5.7	5.6	5.6	5.3	5.2	5.2	5.1

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

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)*								
Revenues	**771**	**755**	**731**	**728**	**730**	**692**	**686**	**674**
Operating Expenses and Dep.	-443	-435	-433	-467	-420	-400	-382	-405
Gross Operating Income	**328**	**320**	**298**	**261**	**310**	**292**	**304**	**269**
Cost of Risk	-29	-33	-25	-36	-30	-19	-26	-14
Operating Income	**299**	**287**	**273**	**225**	**279**	**273**	**278**	**256**
Share of Earnings of Equity-Method Entities	-4	-3	-3	-2	5	5	14	14
Other Non Operating Items	-5	0	0	-1	0	0	0	5
Pre-Tax Income	**290**	**284**	**271**	**223**	**284**	**277**	**292**	**274**
Income Attributable to Wealth and Asset Management	-1	-1	-1	-1	-1	-1	-1	-1
Pre-Tax Income of Other Domestic Markets	**289**	**283**	**270**	**222**	**283**	**277**	**291**	**274**
Allocated Equity (€bn, year to date)	4.4	4.3	4.3	4.2	4.0	3.9	3.9	3.9

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)								
Revenues	**767**	**752**	**728**	**725**	**727**	**690**	**683**	**671**
Operating Expenses and Dep.	-440	-433	-431	-464	-419	-399	-381	-403
Gross Operating Income	**327**	**319**	**297**	**260**	**309**	**291**	**303**	**269**
Cost of Risk	-29	-33	-25	-36	-30	-19	-26	-14
Operating Income	**298**	**286**	**272**	**225**	**278**	**272**	**277**	**255**
Share of Earnings of Equity-Method Entities	-4	-3	-3	-2	5	5	14	14
Other Non Operating Items	-5	0	0	-1	0	0	0	5
Pre-Tax Income	**289**	**283**	**270**	**222**	**283**	**277**	**291**	**274**
Allocated Equity (€bn, year to date)	4.4	4.3	4.3	4.2	4.0	3.9	3.9	3.9

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

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
INTERNATIONAL FINANCIAL SERVICES								
Revenues	**3,999**	**4,097**	**4,279**	**4,060**	**4,126**	**3,928**	**3,935**	**3,909**
Operating Expenses and Dep.	-2,626	-2,473	-2,534	-2,609	-2,519	-2,330	-2,367	-2,506
Gross Operating Income	**1,373**	**1,624**	**1,745**	**1,451**	**1,608**	**1,598**	**1,568**	**1,404**
Cost of Risk	-401	-486	-326	-365	-353	-352	-331	-315
Operating Income	**972**	**1,137**	**1,418**	**1,086**	**1,254**	**1,246**	**1,237**	**1,089**
Share of Earnings of Equity-Method Entities	132	111	109	137	141	140	153	128
Other Non Operating Items	-3	153	-1	58	54	358	14	6
Pre-Tax Income	**1,101**	**1,401**	**1,526**	**1,281**	**1,449**	**1,744**	**1,405**	**1,222**
Allocated Equity (€bn, year to date)	28.1	28.2	28.3	28.3	26.8	26.5	26.6	26.7

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
PERSONAL FINANCE								
Revenues	**1,411**	**1,387**	**1,381**	**1,354**	**1,280**	**1,222**	**1,219**	**1,201**
Operating Expenses and Dep.	-728	-639	-672	-725	-639	-575	-579	-634
Gross Operating Income	**682**	**748**	**709**	**629**	**641**	**647**	**640**	**568**
Cost of Risk	-299	-345	-265	-276	-271	-273	-225	-240
Operating Income	**383**	**403**	**443**	**353**	**369**	**375**	**415**	**328**
Share of Earnings of Equity-Method Entities	17	21	8	15	19	21	30	20
Other Non Operating Items	-1	0	-2	4	0	24	0	5
Pre-Tax Income	**400**	**424**	**450**	**373**	**389**	**420**	**445**	**353**
Allocated Equity (€bn, year to date)	7.3	7.2	7.1	7.0	5.8	5.5	5.4	5.3

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey)*								
Revenues	**600**	**562**	**614**	**581**	**581**	**573**	**590**	**592**
Operating Expenses and Dep.	-405	-381	-402	-416	-414	-403	-420	-424
Gross Operating Income	**195**	**181**	**212**	**165**	**167**	**170**	**170**	**168**
Cost of Risk	-78	-105	-55	-70	-62	-60	-70	-67
Operating Income	**117**	**76**	**157**	**96**	**105**	**110**	**100**	**101**
Share of Earnings of Equity-Method Entities	60	43	43	41	49	47	53	48
Other Non Operating Items	-1	0	-1	54	3	1	-1	0
Pre-Tax Income	**176**	**119**	**199**	**191**	**158**	**159**	**152**	**150**
Income Attributable to Wealth and Asset Management	0	-1	-1	-1	-1	0	-1	-1
Pre-Tax Income of EUROPE-MEDITERRANEAN	**176**	**118**	**199**	**191**	**157**	**158**	**151**	**149**
Allocated Equity (€bn, year to date)	4.8	4.8	4.8	4.8	4.9	5.0	5.0	5.0

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey)								
Revenues	**599**	**561**	**612**	**579**	**579**	**571**	**588**	**590**
Operating Expenses and Dep.	-404	-380	-401	-415	-413	-401	-419	-423
Gross Operating Income	**195**	**180**	**211**	**164**	**167**	**170**	**169**	**167**
Cost of Risk	-78	-105	-55	-70	-62	-60	-70	-67
Operating Income	**117**	**75**	**156**	**95**	**105**	**110**	**99**	**100**
Share of Earnings of Equity-Method Entities	60	43	43	41	49	47	53	48
Other Non Operating Items	-1	0	-1	54	3	1	-1	0
Pre-Tax Income	**176**	**118**	**199**	**191**	**157**	**158**	**151**	**149**
Allocated Equity (€bn, year to date)	4.8	4.8	4.8	4.8	4.9	5.0	5.0	5.0

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

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BANCWEST (Including 100% of Private Banking in United States)*								
Revenues	**599**	**634**	**731**	**683**	**738**	**734**	**762**	**761**
Operating Expenses and Dep.	-431	-457	-488	-495	-483	-482	-513	-556
Gross Operating Income	**169**	**177**	**243**	**188**	**255**	**251**	**249**	**205**
Cost of Risk	-22	-35	-5	-20	-20	-32	-38	-22
Operating Income	**146**	**141**	**239**	**168**	**235**	**219**	**211**	**183**
Share of Earnings of Equity-Method Entities	1	-1	0	0	0	0	0	0
Other Non Operating Items	-1	153	0	0	1	3	1	-1
Pre-Tax Income	**146**	**294**	**239**	**168**	**236**	**222**	**212**	**182**
Income Attributable to Wealth and Asset Management	-7	-8	-7	-6	-6	-5	-5	-5
Pre-Tax Income of BANCWEST	**139**	**286**	**232**	**162**	**230**	**217**	**206**	**177**
Allocated Equity (€bn, year to date)	5.7	5.8	6.0	5.9	6.4	6.4	6.6	6.7

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BANCWEST (Including 2/3 of Private Banking in United States)								
Revenues	**581**	**618**	**716**	**669**	**724**	**720**	**748**	**748**
Operating Expenses and Dep.	-420	-449	-480	-487	-475	-474	-505	-548
Gross Operating Income	**162**	**169**	**236**	**182**	**249**	**246**	**243**	**200**
Cost of Risk	-22	-35	-5	-20	-20	-32	-38	-22
Operating Income	**139**	**134**	**232**	**162**	**229**	**214**	**206**	**178**
Non Operating Items	0	152	0	0	1	3	1	-1
Pre-Tax Income	**139**	**286**	**232**	**162**	**230**	**217**	**206**	**177**
Allocated Equity (€bn, year to date)	5.7	5.8	6.0	5.9	6.4	6.4	6.6	6.7

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
INSURANCE								
Revenues	**542**	**741**	**735**	**661**	**636**	**662**	**619**	**597**
Operating Expenses and Dep.	-346	-351	-342	-367	-317	-311	-297	-326
Gross Operating Income	**196**	**390**	**393**	**294**	**319**	**351**	**322**	**271**
Cost of Risk	2	0	1	0	5	1	-1	-1
Operating Income	**198**	**390**	**394**	**294**	**324**	**352**	**321**	**271**
Share of Earnings of Equity-Method Entities	43	38	46	75	53	63	55	54
Other Non Operating Items	0	1	0	0	49	325	0	1
Pre-Tax Income	**241**	**429**	**440**	**369**	**425**	**740**	**376**	**326**
Allocated Equity (€bn, year to date)	8.4	8.4	8.5	8.7	7.8	7.7	7.7	7.8

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
WEALTH AND ASSET MANAGEMENT								
Revenues	**866**	**791**	**834**	**795**	**907**	**753**	**760**	**773**
Operating Expenses and Dep.	-728	-654	-639	-614	-675	-569	-567	-576
Gross Operating Income	**138**	**137**	**195**	**181**	**233**	**183**	**193**	**198**
Cost of Risk	-3	-1	-2	0	-5	12	4	14
Operating Income	**134**	**136**	**193**	**181**	**228**	**195**	**197**	**212**
Share of Earnings of Equity-Method Entities	11	8	12	5	19	8	15	5
Other Non Operating Items	0	-1	1	0	1	5	14	0
Pre-Tax Income	**146**	**143**	**206**	**187**	**248**	**208**	**226**	**217**
Allocated Equity (€bn, year to date)	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9

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

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
CORPORATE AND INSTITUTIONAL BANKING								
Revenues	**2,379**	**2,565**	**2,979**	**2,906**	**2,626**	**2,658**	**3,197**	**3,223**
Operating Expenses and Dep.	-1,919	-1,884	-1,970	-2,389	-1,883	-1,897	-1,988	-2,506
Gross Operating Income	**460**	**680**	**1,009**	**517**	**744**	**761**	**1,209**	**717**
Cost of Risk	-100	49	-23	31	-264	10	118	54
Operating Income	**359**	**730**	**986**	**548**	**480**	**772**	**1,328**	**770**
Share of Earnings of Equity-Method Entities	39	4	7	9	13	-2	5	8
Other Non Operating Items	-6	0	3	2	-1	8	15	0
Pre-Tax Income	**393**	**734**	**996**	**558**	**491**	**778**	**1,349**	**778**
Allocated Equity (€bn, year to date)	20.8	20.7	20.3	19.9	21.1	21.4	21.9	22.1

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
CORPORATE BANKING								
Revenues	**1,102**	**930**	**1,015**	**904**	**1,050**	**948**	**1,176**	**991**
Operating Expenses and Dep.	-623	-597	-596	-691	-603	-546	-590	-691
Gross Operating Income	**479**	**334**	**418**	**213**	**447**	**402**	**586**	**299**
Cost of Risk	-91	46	13	1	-209	4	78	57
Operating Income	**388**	**380**	**431**	**214**	**238**	**407**	**664**	**356**
Non Operating Items	36	5	7	9	5	6	19	7
Pre-Tax Income	**424**	**385**	**438**	**223**	**243**	**413**	**683**	**364**
Allocated Equity (€bn, year to date)	12.2	12.1	12.0	11.9	12.4	12.5	12.7	12.6

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
GLOBAL MARKETS								
Revenues	**650**	**1,132**	**1,447**	**1,498**	**1,073**	**1,234**	**1,523**	**1,754**
incl. FICC	*505*	*680*	*729*	*805*	*592*	*801*	*883*	*1,174*
incl. Equity & Prime Services	*145*	*452*	*718*	*692*	*482*	*433*	*640*	*580*
Operating Expenses and Dep.	-859	-848	-955	-1,275	-875	-958	-997	-1,424
Gross Operating Income	**-209**	**284**	**492**	**223**	**198**	**276**	**526**	**330**
Cost of Risk	-13	3	-37	28	-57	6	39	-3
Operating Income	**-222**	**287**	**455**	**251**	**142**	**281**	**565**	**327**
Share of Earnings of Equity-Method Entities	1	0	1	1	5	-6	-1	0
Other Non Operating Items	-3	0	1	0	1	6	3	0
Pre-Tax Income	**-225**	**287**	**457**	**252**	**147**	**281**	**567**	**326**
Allocated Equity (€bn, year to date)	7.8	7.7	7.4	7.1	7.8	8.0	8.4	8.7

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
SECURITIES SERVICES								
Revenues	**627**	**503**	**517**	**505**	**503**	**476**	**498**	**478**
Operating Expenses and Dep.	-437	-440	-419	-423	-405	-392	-400	-390
Gross Operating Income	**190**	**63**	**98**	**82**	**98**	**84**	**97**	**87**
Cost of Risk	4	0	2	1	2	0	1	0
Operating Income	**193**	**63**	**100**	**83**	**100**	**84**	**99**	**87**
Non Operating Items	0	0	1	0	0	0	0	0
Pre-Tax Income	**194**	**62**	**101**	**83**	**100**	**84**	**99**	**88**
Allocated Equity (€bn, year to date)	0.9	0.9	0.9	0.8	0.9	0.9	0.9	0.8

€m	4Q18	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
CORPORATE CENTRE								
Revenues	**-1**	**-46**	**156**	**11**	**12**	**22**	**3**	**358**
Operating Expenses and Dep.	-605	-388	-409	-374	-637	-382	-300	-308
Incl. Restructuring and Transformation Costs	*-481*	*-267*	*-275*	*-211*	*-456*	*-222*	*-168*	*-110*
Gross Operating Income	**-606**	**-434**	**-253**	**-363**	**-625**	**-361**	**-297**	**49**
Cost of Risk	-74	2	-13	-11	1	-16	-94	-11
Operating Income	**-680**	**-433**	**-267**	**-374**	**-625**	**-377**	**-391**	**38**
Share of Earnings of Equity-Method Entities	24	19	19	22	15	-10	44	19
Other Non Operating Items	-87	134	46	110	-33	-139	2	-8
Pre-Tax Income	**-743**	**-279**	**-201**	**-242**	**-642**	**-525**	**-346**	**49**

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

Alternative Performance Measures	Definition	Reason for use
Profit & Loss (P&L) aggregates of the operating divisions (revenues, operating expenses, gross operating income, operating income, pre-tax income)	Sum of the P&L aggregates of Domestic Markets (with P&L aggregates of Domestic Markets including 2/3 of Private Banking in France, Italy, Belgium, Luxembourg), IFS and CIB P&L aggregates for BNP Paribas Group = P&L aggregates of the operating divisions + P&L aggregate of Corporate Centre Reconciliation with the P&L aggregates of the Group is provided in the table "Results by core businesses"	Representative measure of the BNP Paribas Group's operating performance
Profit & Loss (P&L) aggregates excluding PEL/CEL effects (revenues, gross operating income, operating income, pre-tax income)	P&L aggregates excluding PEL/CEL effects Reconciliation with the P&L aggregates of the Group is provided in the table "Quarterly series"	Representative measure of the P&L aggregates of the period excluding changes in the provision that accounts for the risk generated by PEL and CEL accounts during their lifetime
Profit & Loss account (P&L) aggregates of a retail banking activity with 100% of Private Banking	Profit & Loss account aggregates of a retail banking activity including the whole Profit & Loss account of private banking Reconciliation with the P&L aggregates of the Group is provided in the table "Quarterly series"	Representative measure of the performance of retail banking activity including the total performance of private banking (before sharing the profit & loss account with the Wealth Management business, private banking being under a joint responsibility of retail banking (2/3) and Wealth Management business (1/3))
Cost of risk/Customer loans at the beginning of the period (in basis points)	Cost of risk (in €m) divided by customer loans at the beginning of the period. Details of the calculation are disclosed in the Appendix "Cost of risk on Outstandings" of the results' presentation	Measure of the risk level by business in percentage of the volume of outstanding loans
Net income Group share excluding exceptional items	Net income attributable to equity holders excluding exceptional items Details of exceptional items are disclosed in the slide "Main Exceptional Items" of the results' presentation	Measure of BNP Paribas Group's net income excluding non-recurring items of a significant amount or items that do not reflect the underlying operating performance, notably transformation and restructuring costs
Return on Equity (ROE)	Details of the calculation of ROE are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation	Measure of the BNP Paribas Group's return on equity
Return on Tangible Equity (ROTE)	Details of the calculation of ROTE are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation	Measure of the BNP Paribas Group's return on tangible equity

Methodology – Comparative analysis at constant scope and exchange rates

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

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

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

Reminder

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

Operating divisions: they consist of 3 divisions:

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

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

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