THIRD QUARTER 2018 RESULTS

PRESS RELEASE
Paris, 30 October 2018

BUSINESS INCREASE IN A CONTRASTED CONTEXT OF ECONOMIC GROWTH IN EUROPE

OUTSTANDING LOANS: +4.2% vs. 3Q17

GROWTH IN THE REVENUES OF THE OPERATING DIVISIONS*

REVENUES OF THE OPERATING DIVISIONS: +0.8% vs. 3Q17**

RISE IN COSTS OF THE GROWING SPECIALISED BUSINESSES, DECREASE OF COSTS IN THE RETAIL NETWORKS AND CIB

OPERATING EXPENSES OF THE OPERATING DIVISIONS: +1.4% vs. 3Q17**

COST OF RISK STILL AT A LOW LEVEL

34 bp***

RISE IN NET INCOME GROUP SHARE

NET INCOME GROUP SHARE: €2,124m (+4.0% vs. 3Q17)

VERY SOLID BALANCE SHEET

CET1**: 11.7% (+0.2 pt vs. 30.06.18)**

BUSINESS GROWTH
RISE IN INCOME

* DOMESTIC MARKETS, INTERNATIONAL FINANCIAL SERVICES, COPORATE AND INSTITUTIONAL BANKING; ** AT CONSTANT SCOPE AND EXCHANGE RATES; *** COST OF RISK/CUSTOMER LOANS AT THE BEGINNING OF THE PERIOD (IN ANNUALISED BPS); **** AS AT 30 SEPTEMBER 2018, CRD4 "FULLY LOADED"

BNP PARIBAS

The bank for a changing world

The Board of Directors of BNP Paribas met on 29 October 2018. The meeting was chaired by Jean Lemierre and the Board examined the Group's results for the third quarter 2018.

RISE IN INCOME

The business of BNP Paribas was up again this quarter in a contrasted context of economic growth in Europe with lacklustre capital markets, in particular on interest rates.

Revenues, at 10,352 million euros, were down by 0.4% compared to the third quarter 2017 which included the exceptional impact of +21 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA).

The revenues of the operating divisions were up by 0.3% (+0.8% at constant scope and exchange rates): they were slightly down at Domestic Markets[1] (-1.1%) due to the still low interest rate environment, partly offset by good business development, in particular in the specialised businesses, up significantly at International Financial Services (+4.3%), despite an unfavourable foreign exchange effect[2] but down at CIB due to a still lacklustre context in Europe (-3.5%).

At 7,277 million euros, the Group's operating expenses were up by 2.0% compared to the third quarter 2017. They included the exceptional 267 million euro impact of businesses' transformation costs and acquisitions' restructuring costs[3] (222 million euros in the third quarter 2017).

The operating expenses of the operating divisions rose by 2.1% compared to the third quarter 2017 (+1.4% at constant scope and exchange rates): they were up by 0.2% for Domestic Markets[1] with a rise in the specialised businesses related to business development but down in the domestic networks (France, Belgium, Italy, Luxembourg), up by 6.1% for International Financial Services as a result of business growth, but down by 0.7% for CIB due to cost saving measures.

The gross operating income of the Group thus totalled 3,075 million euros, down by 5.7%. It was down by 3.1% for the operating divisions (-0.3% at constant scope and exchange rates).

The cost of risk, at 686 million euros (668 million euros in the third quarter 2017), was up by 2.7% compared to the third quarter 2017. At 34 basis points of outstanding customer loans, it was still at a low level which reflects in particular the good control of risk at loan origination, the low interest rate environment and the continued improvement of the portfolio in Italy.

The Group's operating income, at 2,389 million euros (2,593 million euros in the third quarter 2017), was thus down by 7.9%. It was down by 5.0% for the operating divisions (-2.7% at constant scope and exchange rates).

Non-operating items totalled 427 million euros (380 million euros in the third quarter 2017). They reflected this quarter the exceptional impact of the 286 million euro capital gain from the sale of 30.3% of First Hawaiian Bank. They included in the third quarter 2017 the exceptional impact of the 326 million euro capital gain resulting from the initial public offering of SBI Life as well as the full impairment of TEB's goodwill for 172 million euros.

Pre-tax income, which came to 2,816 million euros (2,973 million euros in the third quarter 2017), was thus down by 5.3%. It was down by 11.5% for the operating divisions (-2.9% at constant scope and exchange rates).

---

[1] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)
[2] +7.0% at constant scope and exchange rates
[3] In particular, LaSer, Bank BGZ, DAB Bank and GE LLD

Corporate income taxes were down as a result of the low tax rate on the long term capital gain from the sale of 30.3% of First Hawaiian Bank and the decrease in the corporate tax rate in Belgium and the United States. Net income attributable to equity holders was thus 2,124 million euros, up by 4.0% compared to the third quarter 2017 (2,043 million euros). It was stable excluding exceptional items[1].

As at 30 September 2018, the fully loaded Basel 3 common equity Tier 1 ratio[2], taking into account the full implementation of IFRS 9, was 11.7% (+25 basis points compared to 30 June 2018). The fully loaded Basel 3 leverage ratio[3] came to 4.0% and the Liquidity Coverage Ratio to 110%. 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 73.3 euros, equivalent to a compounded annual growth rate of 5.0% since 31 December 2008, illustrating the continuous value creation throughout the cycle. It had recorded last quarter the payment of a 3.02 euro dividend per share.

The Group is actively implementing the 2020 transformation plan, an ambitious programme of new customer experiences, digital transformation and operating efficiency (173 million euros in cost savings this quarter, or 1,030 million euros since the launch of the programme at the beginning of 2017). It also continues to strengthen its internal control and compliance systems.

The BNP Paribas Group pursues an ambitious policy of engagement in society with significant initiatives to promote ethical responsibility, social and environmental innovation and a low carbon economy.

*

* *

For the first nine months of the year, revenues totalled 32,356 million euros, down by 0.8% compared to the first nine months of 2017 which included the exceptional impact of +233 million euros in capital gains from the sale of Shinhan and Euronext shares and -186 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA).

The revenues of the operating divisions were stable, reflecting an unfavourable foreign exchange effect (+0.3% at constant scope and exchange rates): they were down slightly at Domestic Markets[4] (-0.3%) due to the low interest rate environment partly offset by good business development, up at International Financial Services (+5.6%), despite an unfavourable foreign exchange effect[5], but down compared to a high base at CIB due to a lacklustre market context in Europe (-6.9% but -4.0% excluding the foreign exchange effect and capital gains realised in the second quarter 2017).

At 22,905 million euros, the Group's operating expenses were up by 2.6% compared to the first nine months of 2017. They included the exceptional 753 million euro impact of businesses' transformation costs and acquisitions' restructuring costs[6] (501 million euros in the first nine months of 2017). Excluding these exceptional items, they rose by only 1.5%.

The operating expenses of the operating divisions rose by 1.9% compared to the first nine months of 2017 (+2.0% at constant scope and exchange rates): they were up by 1.7% for Domestic

[1] Effect of exceptional items after tax: +78 million euros (-2 million euros in the third quarter 2017)
[2] Ratio taking into account all the CRD4 rules with no transitory provisions
[3] Ratio taking into account all the CRD4 rules at 2019 with no transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014
[4] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)
[5] +7.4% at constant scope and exchange rates
[6] In particular, LaSer, Bank BGZ, DAB Bank and GE LLD

Markets[1] with a rise in the specialised businesses due to business development but down in the domestic networks, up by 5.7% for International Financial Services as a result of business growth, but down by 2.3% for CIB due to cost saving measures.

The gross operating income of the Group thus totalled 9,451 million euros, down by 8.3%. It was down by 3.8% for the operating divisions (-3.1% at constant scope and exchange rates).

The cost of risk was down at 1,868 million euros (1,922 million euros in the first nine months of 2017) or 32 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 7,583 million euros (8,384 million euros in the first nine months of 2017), was thus down by 9.6%. It was down by 5.0% for the operating divisions (-5.1% at constant scope and exchange rates).

Non-operating items totalled 942 million euros (804 million euros in the first nine months of 2017). They included the exceptional +101 million euros impact of the capital gain from the sale of a building and the +286 million euro capital gain from the sale of a 30.3% stake in First Hawaiian Bank. For the same period 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.

Pre-tax income, which came to 8,525 million euros (9,188 million euros in the first nine months of 2017), was thus down by 7.2%. It was down by 7.6% for the operating divisions (-5.2% at constant scope and exchange rates).

The average tax rate was 25.5%, benefitting from a positive 2 point effect due to the decrease of the corporate income tax rate in Belgium and in the US and from the low tax rate on the long term capital gain from the sale of a 30.3% stake in First Hawaiian Bank.

Net income attributable to equity holders was 6,084 million euros, down by 3.9% compared to the first nine months of 2017 but by only 2.8% excluding exceptional items[2].

The return on equity excluding exceptional items was thus 9.5%. The return on tangible equity excluding exceptional items came to 11.0%.

*
*   *

[1] Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)
[2] Effect of exceptional items after tax: -169 million euros (-97 million euros in the first nine months of 2017)

RETAIL BANKING & SERVICES

DOMESTIC MARKETS

The business activity of Domestic Markets was up with outstanding loans increasing by 4.7% compared to the third quarter 2017 with good growth in loans both in the domestic networks and the specialised businesses (Arval, Leasing Solutions). Deposits rose by 4.7% compared to the third quarter 2017 and were up in all countries. Private Banking's assets under management were up by 1.3% compared to the level as at 30 September 2017.

Domestic Markets continued to develop new customer experiences and to implement the digital transformation. Hello bank! reached close to 3 million customers (+13.7% compared to the level as at 30 September 2017) and exceeded the threshold of 400,000 customers in France thanks to the good level of net client acquisition. The operating division accelerated individual customers' mobile uses and enhanced mobile app features available with, for example, the addition of facial recognition option for secure money transfers in Italy and the possibility to make all kinds of money transfers in France. The operating division is also developing corporate clients' digital uses with e.g. over 70% of corporate clients already using the *Ma Banque Entreprise* digital offer in France. 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 million downloads since it was launched in May 2017. Lastly, the operating division is streamlining and optimizing the local commercial network in order to enhance customer service and reduce costs: by the end of 2018, it will have removed a regional management level at FRB.

Revenues[1], at 3,874 million euros, were down by 1.1% compared to the third quarter 2017 due to the impact of low interest rates, partly offset by increased business and good growth in the specialised businesses.

Operating expenses[1] (2,605 million euros) were up by 0.2% compared to the third quarter 2017, the effect of the business development of the specialised businesses being almost offset by the average 1.3% decrease in the retail networks' costs.

Gross operating income[1], at 1,269 million euros, was down by 3.8%, compared to the same quarter last year.

The cost of risk[1] was down by 19.4% compared to the third quarter 2017, due in particular to the continued decrease at BNL bc.

Thus, after allocating one-third of Domestic Markets Private Banking's net income to the Wealth Management business (International Financial Services division), the division reported 956 million euros in pre-tax income[2], down by 1.4% compared to the third quarter 2017, showing a good overall resilience in a low interest rate environment thanks to increased activity.

For the first nine months of the year, revenues[1], at 11,781 million euros, were down by 0.3% compared to the first nine months of 2017, due to the impact of low interest rates being largely offset by the rise in business activity and growth in the specialised businesses. Operating expenses[1] (8,104 million euros) were up by 1.7% compared to the first nine months of 2017 (+1.4% excluding taxes and contributions subject to IFRIC 21), with an increase in the specialised businesses due to their development but an average 0.7%[3] decrease in the retail networks' costs.

[1] Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg
[2] Excluding PEL/CEL effects of +4 million euros compared to +7 million euros in the third quarter 2017
[3] Excluding taxes and contributions subject to IFRIC 21

Gross operating income[1] was down by 4.6%, at 3,677 million euros, compared to the same period last year. The cost of risk was down by 26.4% compared to the first nine months of 2017, due in particular to the continued decrease at BNL bc. Thus, after allocating one-third of Domestic Markets Private Banking's net income to the Wealth Management business (International Financial Services division), the division reported 2,746 million euros in pre-tax income[2], up by 0.6% compared to the first nine months of 2017.

French Retail Banking (FRB)

FRB continued its good business drive in the context of economic growth in France. Outstanding loans rose by 4.4% compared to the third quarter 2017 with sustained growth in loans to both individual and corporate clients. For mortgage loans, the sharp decline of renegotiations and early repayments observed since June 2017 was confirmed. Deposits were up by 4.8%, driven by strong growth in current accounts. FRB reported good performance in life insurance with a 3.6% increase in outstandings compared to 30 September 2017.

The new property and casualty offering launched in May as part of the partnership between BNP Paribas Cardif and Matmut is a success with already 75,000 contracts sold as at 30 September 2018. The goal is to multiply by three sales of property and casualty contracts and to grow the customer penetration rate from 8% to 12% by 2020.

Revenues[3] totalled 1,571 million euros, down by 0.8% compared to the third quarter 2017. Net interest income[3] was virtually flat, continuing the regular improvement of its trend in connection with the gradual normalisation of the level of renegotiations and early repayments. Fees[3] were down by 1.8% due in particular to a decrease in financial fees.

At 1,168 million euros, operating expenses[3] were down by 1.3% compared to the third quarter 2017, generating a positive jaws effect, as a result of the cost saving measures (optimisation of the network and streamlining of the management set-up).

Gross operating income[3] thus came to 403 million euros, up by 0.3% compared to the same quarter last year.

The cost of risk[3] was up this quarter, at 90 million euros (65 million euros in the third quarter 2017) due to the impact of a specific loan. It was still at a low level (20 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 276 million euros in pre-tax income[4], down by 8.5% compared to third quarter 2017.

For the first nine months of the year, revenues[3] totalled 4,758 million euros, down by 1.1% compared to the first nine months of 2017. Net interest income[3] was down by 1.2% as the volume growth was more than offset by an unfavourable base effect due to renegotiation and early repayment penalties which were high in the first nine months of 2017. Fees[3] were down by 0.9%. At 3,461 million euros, operating expenses[3] were down by 0.6% compared to the first nine months of 2017 and by 1.0% excluding taxes and contributions subject to IFRIC 21, as a result of cost saving measures. Gross operating income[3] thus came to 1,297 million euros, down by 2.4% compared to the same period last year. The cost of risk[3] was down, at 203 million euros (224 million euros in the first nine months of 2017) and amounts to 15 basis points of outstanding customer loans. Thus, after allocating one-third of French Private Banking's net income to the

[1] Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg
[2] Excluding PEL/CEL effects of +5 million euros compared to +6 million euros in the first nine months of 2017
[3] Including 100% of Private Banking in France (excluding PEL/CEL effects)
[4] Excluding PEL/CEL effects of +4 million euros compared to +7 million euros in the third quarter 2017

Wealth Management business (International Financial Services division), FRB posted 979 million euros in pre-tax income[1], up by 1.3% compared to the first nine months of 2017.

BNL banca commerciale (BNL bc)

The outstanding loans of BNL bc grew by 2.1% compared to the third quarter 2017. Deposits, for their part, grew by 2.7% with a sharp rise in current accounts. Life insurance outstandings rose by 9.7% and mutual fund outstandings were up by 1.4% compared to 30 September 2017.

BNL bc also continued to develop new digital uses with the launch in partnership with Arval and Telepass (electronic toll collection operator in Italy) of packaged offers for SMEs and individuals, which can combine a bank account, payment for tolls, car rental as well as a number of services related to mobility.

Revenues[2] were down by 8.3% compared to the third quarter 2017, at 660 million euros. Net interest income[2] was down by 12.2% due to the persistently low interest rate environment and the positioning on clients with a better risk profile as well as the negative impact this quarter of non-recurring items. Fees[2] were down by 1.6% as a result of a decrease in financial fees.

Operating expenses[2], at 439 million euros, were down by 1.5% thanks to cost saving measures.

Gross operating income[2] thus totalled 221 million euros, down by 19.5% compared to the same quarter last year.

The cost of risk[2] continued its decline (-72 million euros compared to the third quarter 2017) thanks to the improvement of the quality of the portfolio and came to 67 basis points of outstanding customer loans.

Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc confirmed the gradual recovery of its profitability and posted 80 million euros in pre-tax income, up by 17 million euros compared to the third quarter 2017.

For the first nine months of the year, revenues[2] were down 4.8% compared to the first nine months of 2017, at 2,070 million euros. Net interest income[2] was down by 7.7% due to the persistently low interest rate environment and the positioning on clients with a better risk profile. Fees[2] were stable for their part. Operating expenses[2], at 1,357 million euros, rose by 1.0%, but were down 0.1% excluding taxes and contributions subject to IFRIC 21 and the additional contribution to the Italian resolution fund[3]. Gross operating income[2] thus totalled 713 million euros, down by 14.2% compared to the same period last year. The cost of risk[2], at 73 basis points of outstanding customer loans, continued its decline (-225 million euros compared to the first nine months of 2017). Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc posted 251 million euros in pre-tax income or more than 1.7 times the level in the first nine months of 2017 (146 million euros).

[1] Excluding PEL/CEL effects of +5 million euros compared to +6 million euros in the first nine months of 2017
[2] Including 100% of Private Banking in Italy
[3] 11 million euros paid in the second quarter 2018

Belgian Retail Banking

BRB reported still sustained business activity. Loans were up by 4.6% compared to the third quarter 2017 with a sharp rise in corporate loans and growth in mortgage loans. Deposits rose by 3.8% with growth in current and savings accounts.

The business also successfully continued its digital development. Thanks to the continuous enhancement of features, the *Easy Banking* mobile app recorded a 23% increase in the number of users compared to 30 September 2017, at 1.4 million. The number of companies using *Easy Banking Business* was also up sharply (+20% since the end of 2017) with in particular the successful launch of the mobile version.

BRB's revenues[1] were however down by 3.7%, compared to the third quarter 2017, at 887 million euros: net interest income[1] was down by 6.0% due to the impact of the low interest rate environment. Fees[1] were up by 3.6% with good growth in banking fees but a rise in retrocession fees to independent agents whose network has been expanded.

Operating expenses[1], at 563 million euros, were down by 1.3% compared to the third quarter 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 324 million euros, was down by 7.6% compared to the same quarter last year.

The cost of risk[1] reflected this quarter a net 4 million euros provision write-back, provisions being more than offset by write-backs. In the third quarter 2017, it recorded a net provision of 23 million euros.

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 317 million euros in pre-tax income, down by 3.6% compared to the third quarter 2017.

<u>For the first nine months of the year</u>, BRB's revenues[1] were down by 1.6%, compared to the first nine months of 2017, at 2,738 million euros: net interest income[1] were down by 1.0% due to the impact of the low interest rate environment partly offset by volume growth. Fees[1] were down by 3.2% compared to the first nine months of 2017 with a decrease in financial fees and a rise in retrocession fees to independent agents whose network has been expanded. Operating expenses[1], at 1,950 million euros, were down by 0.1% compared to the first nine months of 2017 and by 1.1% excluding taxes and contributions subject to IFRIC 21 thanks to the effect of cost saving measures. Gross operating income[1], at 788 million euros, was down by 5.1% compared to the same period last year. The cost of risk[1] stood at zero for the first nine months of 2018 (50 million euros for the same period last year). After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 741 million euros in pre-tax income, down by 1.2% (+0.7% excluding taxes and contributions subject to IFRIC 21) compared to the first nine months of 2017.

[1] Including 100% of Private Banking in Belgium

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

Domestic Markets' specialised businesses continued their good drive: the financed fleet of Arval grew by 8.0% and the financing outstandings of Leasing Solutions were up by 9.0%[1] compared to the third quarter 2017; the assets under management of Personal Investors were up by 7.8% compared to 30 September 2017 thanks to strong asset inflows and Nickel exceeded the threshold of one million accounts opened, confirming its great success in its customer segment (over 89,000 account openings this quarter). Nickel's target is to reach 2 million accounts opened by 2020. To do so, Nickel is growing its point of sales network (3,800 *buralistes* as at 30 September 2018, +500 compared to 30 June 2018) with a target of 10,000 by 2020.

The outstanding loans of Luxembourg Retail Banking (LRB) rose by 6.2% compared to the third quarter 2017, with good growth in mortgage loans. Deposits were up by 12.3% with very good inflows in particular in the corporate segment.

The digital development continued with the success of *Arval for me* (the first online platform for individuals allowing them to have access to the car repair garages under contract with Arval to service their cars) that already has 7,000 clients in Italy and Spain.

The revenues[2] of the five businesses, which totalled 755 million euros, were up on the whole by 9.1% compared to the third quarter 2017 due to good business development and scope effects.

Operating expenses[2] rose by 8.7% compared to the third quarter 2017, to 435 million euros as a result of scope effects and business development, generating a positive 0.4 point jaws effect.

The cost of risk[2] was up by 14 million euros compared to the third quarter 2017, at 33 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 283 million euros (+2.3% compared to the third quarter 2017).

<u>For the first nine months of the year</u>, the revenues[2] of the five businesses, which totalled 2,215 million euros, were up on the whole by 7.9% compared to the first nine months of 2017 due to scope effects and good business development. Operating expenses[2] rose by 12.5% compared to the first nine months of 2017, to 1,336 million euros, as a result of scope effects and development of the businesses as well as the costs to launch new digital services, in particular at Arval and Leasing Solutions. The cost of risk[2] was up by 35 million euros compared to the first nine months of 2017, at 94 million euros due in particular to a one-off 14 million euros provision linked to a change in method at Arval. Thus, the pre-tax income of these five business units, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was 775 million euros (-7.9% compared to the first nine months of 2017 and -6.3% excluding a one-off provision at Arval).

*

* *

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

INTERNATIONAL FINANCIAL SERVICES

International Financial Services continued its growth and reported a sustained business activity: loans were up by 4.1% compared to the third quarter 2017 (+7.3% at constant scope and exchange rates) and the assets under management of the savings and insurance businesses were up by 2.4% compared to 30 September 2017, at 1,066 billion euros.

The operating division actively implemented digital transformation and new technologies across all its businesses. It rolled out e-signature in the international retail network and at Personal Finance (1.1 million e-signatures of contracts at Personal Finance this quarter, or 48.2% of all contracts signed) and an online questionnaire in France enabling over 80% of clients to get immediate approval for creditor protection insurance (150,000 contracts as at 30 September 2018). At Wealth Management, *My Biopass* allows client identification and validation of transactions using biometrics (voice, facial or fingerprint recognition). The operating division is developing new technologies and innovative products with already 120 robots (automation of controls, reporting and data processing) and 17 chatbots already operational.

At 4,097 million euros, revenues were up by 4.3% compared to the third quarter 2017 despite an unfavourable foreign exchange effect (depreciation of the Turkish lira). They rose by 7.0% at constant scope and exchange rates, driven by Personal Finance, Insurance and International Retail Banking[1].

Operating expenses, which totalled 2,473 million euros, were up by 6.1% compared to the same quarter last year, as a result of strong development of businesses (+6.3% at constant scope and exchange rates).

Gross operating income came to 1,624 million euros, up by 1.6% compared to the third quarter 2017 (+8.2% at constant scope and exchange rates).

The cost of risk, at 486 million euros, was up by 134 million compared to a weak base in the third quarter 2017 due to increased outstandings at Personal Finance and a rise in the cost of risk at Europe-Mediterranean.

Other non-operating items totalled 153 million euros (358 million euros in the third quarter 2017). They reflected this quarter the exceptional impact of the 151 million euro capital gain[2] from the sale of a 30.3% stake in First Hawaiian Bank. They included in the third quarter 2017 a +326 million euro capital gain realised from the initial public offering of SBI Life.

International Financial Services' pre-tax income thus totalled 1,401 million euros, down by 19.7% compared to the third quarter 2017, but by only 4.4% at constant scope and exchange rates.

<u>For the first nine months of the year</u>, at 12,435 million euros, revenues were up by 5.6% compared to the first nine months of 2017 despite an unfavourable foreign exchange effect. They rose by 7.4% at constant scope and exchange rates, up in all the businesses due to the good business drive. Operating expenses, which totalled 7,616 million euros, were up by 5.7% compared to the same period last year, as a result of business development (+6.1% at constant scope and exchange rates). Gross operating income came to 4,819 million euros, up by 5.5% compared to the first nine months of 2017 (+9.4% at constant scope and exchange rates). The cost of risk, at 1,178 million euros, rose by 180 million compared to a weak base in the first nine months of 2017

[1] Europe-Mediterranean and BancWest
[2] In addition a +135 million euro exchange difference is booked in the Corporate Centre

when it recorded provision write-backs. Other non-operating items totalled 211 million euros (379 million euros in the third quarter 2017). They reflected this quarter the exceptional impact of the 151 million euro capital gain[1] from the sale of a 30.3% stake in First Hawaiian Bank. 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 4,209 million euros, down by 3.7% compared to the first nine months of 2017 but up by 2.7% at constant scope and exchange rates.

Personal Finance

In addition to the integration of General Motors Europe's financing activities[2], Personal Finance continued its strong organic growth drive: outstanding loans were up by +13.2%[3] compared to the third quarter 2017, driven by an increase in demand in a favourable context in Europe and the effect of new partnerships. The business signed this quarter a commercial agreement with Uber and started the partnership with Hyundai France. It continued to expand its digital footprint and new technologies with 89 robots already deployed (+19% compared to the second quarter 2018 for a total of 170,000 tasks performed each month).

The revenues of Personal Finance were up by 13.5% compared to the third quarter 2017, at 1,387 million euros (+9.9% at constant scope and exchange rates), in connection with increased volumes and the positioning on products with a better risk profile. They were driven in particular by a good drive in Italy, Spain and Germany.

Operating expenses were up by 11.1% compared to the third quarter 2017, at 639 million euros. They were up by 4.4% at constant scope and exchange rates, as a result of business development, generating a positive 5.5 point jaws effect[3].

Gross operating income thus came to 748 million euros, up by 15.5% compared to the third quarter 2017 (+14.9% at constant scope and exchange rates).

The cost of risk totalled 345 million euros (273 million euros in the third quarter 2017), up by 72 million euros primarily due to increased outstandings. It was 161 basis points of outstanding customer loans.

Given no other non-operating items this quarter (+24 million euros in the third quarter 2017), Personal Finance's pre-tax income thus came to 424 million euros, up by 1.1% compared to the third quarter 2017 (+0.2% at constant scope and exchange rates).

For the first nine months of the year, the revenues of Personal Finance were up by 13.1% compared to the first nine months of 2017, at 4,122 million euros. They were up by 9.0% 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 the first nine months of 2017, at 2,036 million euros. They were up by 6.7% at constant scope and exchange rates, as a result of business development. Gross operating income thus came to 2,086 million euros, up by 12.4% compared to the first nine months of 2017 (+11.2% at constant scope and exchange rates). The cost of risk came to 886 million euros (738 million euros in the first nine months of 2017). At 142 basis points of outstanding customer loans, it was at a low level. Personal Finance's pre-tax income thus came to 1,247 million euros, up by 2.3% compared to the first nine months of 2017.

---

[1] In addition, 135 million euro exchange difference booked in the P&L in the Corporate Centre
[2] Acquisition closed on 31 October 2017
[3] At constant scope and exchange rates

Europe-Mediterranean

Europe-Mediterranean delivered a good overall performance. Outstanding loans rose by 7.1%[1] compared to the third quarter 2017. Deposits grew by 12.5%[1], up in in particular in Turkey. The business continued to develop its digital banks with already 617,000 clients for *Cepteteb* in Turkey and 221,000 clients for *BGZ Optima* in Poland. It continued to develop new technologies with already 13 robots operational in different regions and rolled out e-signature in Poland, Turkey and Morocco for certain trade finance transactions or consumer loan applications.

At 562 million euros, Europe-Mediterranean's revenues[2] were up by 16.0%[1] compared to the third quarter 2017. They were up in all the regions, in particular in Turkey.

Operating expenses[2], at 381 million euros, were up by 8.2%[1] compared to the same quarter last year due to business development, and generated a largely positive jaws effect.

The cost of risk[2] totalled 105 million euros. It was up by 45 million euros compared to a weak base in the third quarter 2017, which benefited from a provision write-back, due to the rise in Turkey. It was thus 108 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 118 million euros in pre-tax income, down by 5.0% at constant scope and exchange and 25.2% at historical scope and exchange rates given the strong depreciation of the Turkish lira.

For the first nine months of the year, at 1,758 million euros, Europe-Mediterranean's revenues[2] were up by 13.6%[1] compared to the first nine months of 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[2], at 1,200 million euros, were up by 6.0%[1] due to business development with a largely positive jaws effect. The cost of risk[2], which totalled 230 million euros, was up by 33 million euros compared to a weak base in the first nine months of 2017, which benefited from provision write-backs. It was 80 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 508 million euros in pre-tax income, up sharply compared to the same period last year (+23.9% at constant scope and exchange rates and +10.7% at historical scope and exchange rates given the strong depreciation of the Turkish lira).

BancWest

BancWest's commercial activity continued to grow. Deposits were up by 1.5%[1] and loans were up by 0.3%[1] compared to the third quarter 2017 (+1.1%[1] excluding the impact of a securitisation in the fourth quarter 2017) with good growth in loans to individual and corporate customers. Private Banking's assets under management (14.1 billion U.S. dollars as at 30 September 2018) were up by 11.0%[1] compared to 30 September 2017 with very good asset inflows this quarter (0.7 billion U.S. dollars).

The business sold this quarter a 30.3% stake in First Hawaiian Bank[3], now 18.4% owned and consolidated under the equity method as of 1st August 2018.

[1] At constant scope and exchange rates
[2] Including 100% of Private Banking in Turkey
[3] Sale of 15.5% on 1 August 2018 and of 14.8% on 10 September 2018

BancWest continued its digital transformation with already over 30% account openings done online and the development of cooperation with CIB with three new products launched in cash management this quarter.

Revenues[1], at 634 million euros, were up by 0.8%[2] compared to the third quarter 2017, as a result of volume growth.

At 457 million euros, operating expenses[1] were up by 3.3%[2] compared to the third quarter 2017. Excluding non-recurring items, they were up by 2.0%.

Gross operating income[1], at 177 million euros, was thus down by 4.8%[2] compared to the third quarter 2017.

The cost of risk[1] (35 million euros) was still low and was 22 basis points of outstanding customer loans (32 million euros in the third quarter 2017).

Thus, after allocating one-third of U.S. Private Banking's net income to Wealth Management business, BancWest posted 286 million euros in pre-tax income, down by 9.4% at constant scope and exchange rates compared to the third quarter 2017 but up by 31.7% at historical scope and exchange rates due to the 151 million euro capital gain from the sale of a 30.3% stake in First Hawaiian Bank[3].

For the first nine months of the year, revenues[1], at 2,048 million euros, were up by 2.8%[2] compared to the first nine months of 2017, as a result of volume growth. At 1,440 million euros, operating expenses[1] were down by 2.5%[2] compared to the first nine months of 2017, producing a positive 0.3 point jaws effect[2]. The cost of risk[1] (60 million euros), or 13 basis points of outstanding customer loans, was 32 million euros lower compared to the first nine months of 2017. Thus, after allocating one-third of U.S. Private Banking's net income to Wealth Management business, BancWest posted 680 million euros in pre-tax income, up by 8.0% at constant scope and exchange rates compared to the first nine months of 2017 and 13.1% at historical scope and exchange rates due to the 151 million euro capital gain from the sale of a 30.3% stake in First Hawaiian Bank[3].

Insurance and Wealth and Asset Management

Insurance and Wealth and Asset Management's businesses continued their growth. Assets under management[4] reached 1,066 billion euros as at 30 September 2018 (+2.4% compared to 30 September 2017). They were up by 1.5% compared to 31 December 2017 with in particular a good level of net asset inflows, at 16.0 billion euros (very good asset inflows at Wealth Management in particular in Asia, France, Italy 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; strong asset inflows in Insurance in particular in unit-linked policies). The -11.2 billion euros performance effect related to the unfavourable markets evolution was offset by the +11.2 billion euro scope effect due in particular to the integration of ABN Amro's activities in Luxembourg[5].

[1] Including 100% of Private Banking in the United States
[2] At constant scope and exchange rates
[3] In addition, +135 million euro exchange difference booked in the Corporate Centre
[4] Including distributed assets
[5] 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)

As at 30 September 2018, assets under management[1] broke down as follows: Asset Management (416 billion euros), Wealth Management (377 billion euros), Insurance (245 billion euros) and Real Estate Services (29 billion euros).

Insurance continued its business development, in particular 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 75,000 contracts sold at the end of September.

In Insurance, revenues, at 741 million euros, rose by 11.9% compared to the third quarter 2017 (11.0% at constant scope and exchange rates) due to a good business drive, in particular in France. Operating expenses, at 351 million euros, rose by 12.8% (+7.8% at constant scope and exchange rates), as a result of business development. Other non-operating items were negligible this quarter but included in the third quarter of last year a 326 million euro capital gain from the sale of a 4.0% stake in SBI Life. Pre-tax income was thus down by 42.0% compared to the third quarter 2017 at 429 million euros but it was up by 7.3% at constant scope and exchange rates, reflecting the business' good performance.

Wealth and Asset Management continued its business development. Real Estate Services reported very good growth in its business, in particular in real estate fund management in Germany and in advisory business in France, Italy and Germany. The Asset Management business saw its approach rewarded with the highest rating for the 4th consecutive year given by the international investors network PRI (Principles for Responsible Investment). Wealth Management integrated ABN Amro's activities in Luxembourg[2] thereby strengthening its positioning on the large entrepreneur segment.

Wealth and Asset Management's revenues (791 million euros) rose by 5.1% compared to the third quarter 2017, with growth driven by Real Estate Services. Operating expenses totalled 654 million euros and rose by 15.0% compared to the third quarter 2017 due to business development, the impact of specific transformation projects at Asset Management and costs related to the acquisition of Strutt & Parker at Real Estate Services. At 143 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 31.2% compared to a high base in the third quarter 2017 which had recorded a very good performance.

<u>For the first nine months of the year</u>, revenues of Insurance, at 2,137 million euros, rose by 13.8% compared to the first nine months of 2017 due to a good business drive both in savings and protection insurance business (+11.5% at constant scope and exchange rates). Operating expenses, at 1,060 million euros, rose by 13.6%, as a result of good business development (+9.4% at constant scope and exchange rates). 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 the increased income of the associated companies, pre-tax income was thus down by 14.1% at historical scope and exchange rates compared to the first nine months of 2017, at 1,239 million euros, but up by 11.0% at constant scope and exchange rates, reflecting the business' good performance.

Wealth and Asset Management's revenues (2,420 million euros) rose on the whole by 5.9% compared to the first nine months of 2017. Operating expenses totalled 1,908 million euros, up by 11.4% compared to the first nine months of 2017. They were up by 9.7% excluding specific

[1] Including distributed assets

[2] 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)

transformation projects at Asset Management and costs related to the acquisition of Strutt & Parker at Real Estate Services. The cost of risk was negligible but it was a net write-back of 29 million euro in the first nine months of 2017. At 536 million euros, Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, was thus down by 17.7% compared to the first nine months of 2017 (-11.2% excluding non-recurring items[1]).

*

* *

CORPORATE AND INSTITUTIONAL BANKING (CIB)

CIB operated this quarter in a lacklustre financial market environment in Europe, in particular for the FICC[2] business.

The operating division's revenues, at 2,565 million euros, were down by 3.5% compared to the third quarter 2017.

At 1,132 million euros, Global Markets' revenues were down by 8.3% compared to the third quarter 2017 as a result, like in the first half of the year, of a less favourable market context for FICC[2] in Europe partly offset by the performance of Equity and Prime Services. The VaR, which measures the level of market risks, was still very low (23 million euros).

The revenues of FICC[2], at 680 million euros, were down by 15.1% compared to the third quarter 2017. Client business in rates was still weak in Europe and the market context was unfavourable in forex and, to a lesser extent, in credit. The business however confirmed its strong positions on bond issues where it ranked number 1 since the beginning of the year for all bond issues in euros and number 9 for all international bond issues. It continued its digital transformation with good development on multi-dealer platforms where it ranked number 2 by volume for interest rate swaps in euros and number 5 for foreign exchange, sovereign securities and corporate bonds in euros.

Equity and Prime Services' revenues, at 452 million euros, rose by 4.5% driven by growth in equity derivatives and a slight increase in business at Prime Services.

Securities Services' revenues, at 503 million euros, rose by 5.6% compared to the third quarter 2017. Excluding the effect of the transfer this quarter of the correspondent banking business from Corporate Banking, they were up by 2.7% as a result of business growth and the positive effect of new mandates. Assets under custody and under administration were up by 2.1% compared to 30 September 2017 and the number of transactions rose by 2.5% compared to the same quarter last year. This quarter, the business closed on the acquisition of Banco BPM's depositary banking business[3]. It implemented its digital transformation with already 40 automated processes operational and 35 in development. Its innovative capacity was recognised with the Innovation of the Year Award at the 2018 Global Investor Investment Excellence Awards for *PlanetFunds*, a new platform based on blockchain technology developed in partnership with asset managers to facilitate their fund distribution.

Corporate Banking's revenues, at 930 million euros, were down this quarter by 1.9% compared to the third quarter 2017 but by only 0.4% excluding the transfer this quarter of the correspondent banking business to Securities Services. The business' revenues held up well in a downward market this quarter for syndicated loans where it confirmed its leading positions (ranked number 1

[1] Capital gain from the sale of a building in 2Q17, specific transformation projects in Asset Management and costs related to the acquisition of Strutt & Parker in Real Estate Services

[2] Fixed Income, Currencies and Commodities

[3] Transaction announced in the first quarter 2018, closing of the acquisition on 28 September 2018

in the EMEA region[1]). It continued its good development in the transaction businesses (cash management, trade finance) and strengthened its position as number 1 in trade finance in Europe. Loans, at 135 billion euros, were up by 5.1% compared to the third quarter 2017 and deposits, at 126 billion euros, were down by 1.9%. The business continued to implement its digital transformation. Centric, the digital platform for corporates, now has 9,400 clients as at 30 September 2018.

At 1,884 million euros, CIB's operating expenses were down by 0.7% compared to the third quarter 2017. They benefited from cost saving measures, which have already generated 413 million euros in cumulated savings since the end of 2016. The operating division continued its initiatives in this area with the automation of already over 120 processes out of 200 identified and the gradual implementation of end-to-end projects (release this quarter of the first features for Credit process and Client onboarding).

The gross operating income of CIB was thus down by 10.6%, at 680 million euros.

CIB reported a net 49 million euro provision write-back, provisions being more than offset by write-backs (net write-back of 10 million euros in the third quarter 2017). The cost of risk reflected a net provision write-back of 3 million euros for Global Markets (net write-back of 6 million euros in the third quarter 2017) and a net write-back of 46 million euros at Corporate Banking (net write-back of 4 million euros in the third quarter 2017).

CIB thus generated 734 million euros in pre-tax income, down by 5.6% compared to the third quarter 2017, confirming that it held up well in a context still lacklustre in Europe this quarter.

For the first nine months of the year, CIB's revenues, at 8,450 million euros, were down by 6.9% compared to the first nine months of 2017 but by only 4.0% excluding the unfavourable foreign exchange effect and capital gains realised in the second quarter 2017 at Corporate Banking. At 4,077 million euros, Global Markets' revenues were down by 9.6% compared to a high base in the first nine months of 2017 given the lacklustre context for FICC[2] in Europe. The revenues of FICC[2], at 2,214 million euros, were thus down by 22.5% compared to a very high base in the first nine months of 2017 which had recorded significant volumes. Revenues of Equity and Prime Services, at 1,863 million euros, were up sharply (+12.7%) driven in particular by a rebound in client volumes in equity derivatives and good development of prime brokerage. Securities Services' revenues, at 1,524 million euros, rose by 5.0% compared to the first nine months of 2017. Excluding the transfer this quarter of the correspondent banking business from Corporate Banking, they were up by 4.0% as a result of the good business drive and the positive effect of new mandates. Corporate Banking's revenues, at 2,849 million euros, were down by 8.5% compared to the first nine months of 2017 but by only 1.6% excluding the unfavourable foreign exchange effect, capital gains realised in the second quarter 2017 and the transfer this quarter of the correspondent banking business to Securities Services. The business saw a decrease in the number of significant transactions in Europe due in particular to delayed initial public offerings but reported good performances in the Americas and Asia Pacific regions. It continued the development of the transaction businesses (cash management and trade finance).

At 6,244 million euros, CIB's operating expenses were down by 2.3 % compared to the first nine months of 2017 (-3.0% excluding taxes and contributions subject to IFRIC 21), thanks to cost saving measures.

The gross operating income of CIB was thus down by 17.9%, at 2,206 million euros. The cost of risk was a net write-back of 57 million euros, as the provisions were more than offset by write-backs. It was however less favourable than last year where, in the first nine months of 2017, a significant 182 million euros in net write-backs had been recorded. This cost of risk reflected a net

[1] Europe, Middle East and Africa
[2] Fixed Income, Currencies and Commodities

provision of 6 million euros for Global Markets (net write-back of 42 million euros in the first nine months of 2017) and a net write-back of 60 million euros at Corporate Banking (net write-back of 139 million euros in the first nine months of 2017). CIB thus generated 2,288 million euros in pre-tax income, down by 21.2% compared to a high base in the first nine months of 2017 which had benefited from capital gains and significant provision write-backs. The operating division generated a pre-tax return on notional equity of 16%[1] which held up well despite the lacklustre context in Europe thanks to cost saving measures and the tight management of financial resources.

*

* *

CORPORATE CENTRE

Corporate Centre revenues totalled -46 million euros compared to 22 million euros in the third quarter 2017 which included the exceptional impact of a +21 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA).

Operating expenses totalled 388 million euros compared to 382 million euros in the third quarter 2017. They included the exceptional impact of 248 million euros in the transformation costs (205 million euros in the third quarter 2017) and 19 million euros in acquisitions' restructuring costs[2] (17 million euros in the third quarter 2017).

The cost of risk was negligible (net provision of 16 million euros in the third quarter 2017).

Non-operating items totalled 134 million euros (-139 million euros in the third quarter 2017). They included this quarter the exchange difference from the sale of a 30.3% stake in First Hawaiian Bank[3] (exceptional impact of +135 million euros). They included in the third quarter of 2017 the exceptional impact of the full impairment of TEB's goodwill for 172 million euros.

The Corporate Centre's pre-tax income was thus -279 million euros compared to -525 million euros in the third quarter 2017.

For the first nine months of the year, Corporate Centre revenues totalled 121 million euros compared to 382 million euros in the first nine months of 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 -186 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 the first nine months of 2017. Operating expenses totalled 1,171 million euros compared to 990 million euros in the first nine months of 2017. They included the exceptional impact of 721 million euros in transformation costs (448 million euros in the first nine months of 2017) and 32 million euros in acquisitions' restructuring costs[2] (53 million euros in the first nine months of 2017). The cost of risk totalled 23 million euros (122 million euros in the first nine months of 2017). Non-operating items totalled 291 million euros (-145 million euros in the first nine months of 2017). They included the exceptional impact of a +101 million euro capital gain on the sale of a building and a +135 million euro exchange difference from the sale of 30.3% of First Hawaiian Bank[3]. They included during the same period 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 -723 million euros compared to -822 million euros in the first nine months of 2017.

[1] Based on annualised nine months income
[2] In particular, LaSer, Bank BGZ, DAB Bank and GE LLD
[3] In addition, +151 million euro capital gain booked in BancWest

*

* *

FINANCIAL STRUCTURE

The Group's balance sheet is very solid.

The fully loaded Basel 3 common equity Tier 1 ratio[1] was 11.7% as at 30 September 2018, up by 25 basis points compared to 30 June 2018 due to (i) the net impact of the sale of a 30.3% stake in First Hawaiian Bank and two minor acquisitions[2] (+15 bp) and (ii) the quarter's net income (excluding gains from the sale of 30.3% of First Hawaiian Bank) after taking into account a 50% dividend pay-out ratio (+10 bp). The risk-weighted assets excluding foreign exchange effect are stable. The foreign exchange effect and other effects have overall a limited impact on the ratio.

The Basel 3 fully loaded leverage ratio[3], calculated on total Tier 1 capital, totalled 4.0% as at 30 September 2018.

The Liquidity Coverage Ratio stood at 110% as at 30 September 2018.

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

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

*

* *

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

"BNP Paribas delivered this quarter a good level of income, at 2.1 billion euros.

The Group's business continues to grow in a contrasted context of economic growth in Europe. Despite a still unfavourable market context in Europe, the revenues of the operating divisions increase slightly, driven by the specialised businesses.

The Group's balance sheet is very solid as attested by the increase of the fully loaded Basel 3 common equity Tier 1 ratio to 11.7%.

The Group is actively implementing its policy of engagement in society and its digital transformation plan to provide enhanced services to customers.

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

1 Taking into account all the rules of the CRD4 directives with no transitory provisions. Subject to the provisions of Article 26.2 of Regulation (EU) No 575/2013. First time application impacts of IFRS 9 are fully taken into account

2 ABN Amro Luxembourg and Banco BPM Spa's depositary banking business

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

CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	3Q18	3Q17	3Q18 / 3Q17	2Q18	3Q18 / 2Q18	9M18	9M17	9M18 / 9M17
Revenues	**10,352**	**10,394**	**-0.4%**	**11,206**	**-7.6%**	**32,356**	**32,629**	**-0.8%**
Operating Expenses and Dep.	-7,277	-7,133	+2.0%	-7,368	-1.2%	-22,905	-22,323	+2.6%
Gross Operating Income	**3,075**	**3,261**	**-5.7%**	**3,838**	**-19.9%**	**9,451**	**10,306**	**-8.3%**
Cost of Risk	-686	-668	+2.7%	-567	+21.0%	-1,868	-1,922	-2.8%
Operating Income	**2,389**	**2,593**	**-7.9%**	**3,271**	**-27.0%**	**7,583**	**8,384**	**-9.6%**
Share of Earnings of Equity-Method Entities	139	150	-7.3%	132	+5.3%	433	538	-19.5%
Other Non Operating Items	288	230	+25.2%	50	n.s.	509	266	+91.4%
Non Operating Items	**427**	**380**	**+12.4%**	**182**	**n.s.**	**942**	**804**	**+17.2%**
Pre-Tax Income	**2,816**	**2,973**	**-5.3%**	**3,453**	**-18.4%**	**8,525**	**9,188**	**-7.2%**
Corporate Income Tax	-583	-828	-29.6%	-918	-36.5%	-2,059	-2,523	-18.4%
Net Income Attributable to Minority Interests	-109	-102	+6.9%	-142	-23.2%	-382	-332	+15.1%
Net Income Attributable to Equity Holders	**2,124**	**2,043**	**+4.0%**	**2,393**	**-11.2%**	**6,084**	**6,333**	**-3.9%**
Cost/Income	**70.3%**	**68.6%**	**+1.7 pt**	**65.8%**	**+4.5 pt**	**70.8%**	**68.4%**	**+2.4 pt**

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

BNP PARIBAS

The bank for a changing world

3Q18 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**3,737**	**4,097**	**2,565**	**10,398**	**-46**	**10,352**
	%Change/3Q17	-1.3%	+4.3%	-3.5%	+0.3%	n.s.	-0.4%
	%Change/2Q18	-1.5%	-4.3%	-13.9%	-5.9%	n.s.	-7.6%
Operating Expenses and Dep.		-2,531	-2,473	-1,884	-6,889	-388	-7,277
	%Change/3Q17	+0.3%	+6.1%	-0.7%	+2.1%	+1.5%	+2.0%
	%Change/2Q18	+3.2%	-2.4%	-4.4%	-1.0%	-5.3%	-1.2%
Gross Operating Income		**1,205**	**1,624**	**680**	**3,509**	**-434**	**3,075**
	%Change/3Q17	-4.5%	+1.6%	-10.6%	-3.1%	+20.4%	-5.7%
	%Change/2Q18	-9.9%	-6.9%	-32.5%	-14.2%	+71.4%	-19.9%
Cost of Risk		-251	-486	49	-688	2	-686
	%Change/3Q17	-19.2%	+38.1%	n.s.	+5.5%	n.s.	+2.7%
	%Change/2Q18	+22.4%	+49.0%	n.s.	+24.2%	n.s.	+21.0%
Operating Income		**955**	**1,137**	**730**	**2,822**	**-433**	**2,389**
	%Change/3Q17	+0.3%	-8.7%	-5.4%	-5.0%	+14.9%	-7.9%
	%Change/2Q18	-15.8%	-19.8%	-26.0%	-20.2%	+62.3%	-27.0%
Share of Earnings of Equity-Method Entities		5	111	4	120	19	139
Other Non Operating Items		0	153	0	154	134	288
Pre-Tax Income		**960**	**1,401**	**734**	**3,095**	**-279**	**2,816**
	%Change/3Q17	-1.8%	-19.7%	-5.6%	-11.5%	-46.9%	-5.3%
	%Change/2Q18	-15.2%	-8.2%	-26.3%	-15.3%	+38.7%	-18.4%

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**3,737**	**4,097**	**2,565**	**10,398**	**-46**	**10,352**
	3Q17	3,786	3,928	2,658	10,372	22	10,394
	2Q18	3,792	4,279	2,979	11,050	156	11,206
Operating Expenses and Dep.		-2,531	-2,473	-1,884	-6,889	-388	-7,277
	3Q17	-2,524	-2,330	-1,897	-6,751	-382	-7,133
	2Q18	-2,454	-2,534	-1,970	-6,959	-409	-7,368
Gross Operating Income		**1,205**	**1,624**	**680**	**3,509**	**-434**	**3,075**
	3Q17	1,262	1,598	761	3,622	-361	3,261
	2Q18	1,338	1,745	1,009	4,091	-253	3,838
Cost of Risk		-251	-486	49	-688	2	-686
	3Q17	-310	-352	10	-652	-16	-668
	2Q18	-205	-326	-23	-554	-13	-567
Costs related to the comprehensive settlement with US authorities		0	0	0	0	0	0
	3Q17	0	0	0	0	0	0
	2Q18	0	0	0	0	0	0
Operating Income		**955**	**1,137**	**730**	**2,822**	**-433**	**2,389**
	3Q17	952	1,246	772	2,970	-377	2,593
	2Q18	1,133	1,418	986	3,538	-267	3,271
Share of Earnings of Equity-Method Entities		5	111	4	120	19	139
	3Q17	22	140	-2	160	-10	150
	2Q18	-3	109	7	113	19	132
Other Non Operating Items		0	153	0	154	134	288
	3Q17	3	358	8	369	-139	230
	2Q18	1	-1	3	4	46	50
Pre-Tax Income		**960**	**1,401**	**734**	**3,095**	**-279**	**2,816**
	3Q17	977	1,744	778	3,498	-525	2,973
	2Q18	1,132	1,526	996	3,654	-201	3,453
Corporate Income Tax							-583
Net Income Attributable to Minority Interests							-109
Net Income Attributable to Equity Holders							**2,124**

9M18 – RESULTS BY CORE BUSINESSES

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
Revenues		**11,349**	**12,435**	**8,450**	**32,235**	**121**	**32,356**
	%Change/9M17	-0.4%	+5.6%	-6.9%	-0.0%	-68.3%	-0.8%
Operating Expenses and Dep.		-7,873	-7,616	-6,244	-21,734	-1,171	-22,905
	%Change/9M17	+1.7%	+5.7%	-2.3%	+1.9%	+18.3%	+2.6%
Gross Operating Income		**3,476**	**4,819**	**2,206**	**10,501**	**-1,050**	**9,451**
	%Change/9M17	-5.0%	+5.5%	-17.9%	-3.8%	+72.6%	-8.3%
Cost of Risk		-724	-1,178	57	-1,845	-23	-1,868
	%Change/9M17	-26.5%	+18.1%	-68.6%	+2.5%	-81.1%	-2.8%
Operating Income		**2,752**	**3,641**	**2,264**	**8,656**	**-1,073**	**7,583**
	%Change/9M17	+3.0%	+1.9%	-21.1%	-5.0%	+47.0%	-9.6%
Share of Earnings of Equity-Method Entities		-3	357	19	373	60	433
Other Non Operating Items		2	211	5	218	291	509
Pre-Tax Income		**2,751**	**4,209**	**2,288**	**9,248**	**-723**	**8,525**
	%Change/9M17	+0.6%	-3.7%	-21.2%	-7.6%	-12.0%	-7.2%
Corporate Income Tax							-2,059
Net Income Attributable to Minority Interests							-382
Net Income Attributable to Equity Holders							**6,084**

QUARTERLY SERIES

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

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

€m	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
RETAIL BANKING & SERVICES							
Revenues	**7,833**	**8,071**	**7,880**	**7,894**	**7,714**	**7,738**	**7,717**
Operating Expenses and Dep.	-5,005	-4,988	-5,497	-5,101	-4,854	-4,784	-5,305
Gross Operating Income	**2,829**	**3,083**	**2,384**	**2,793**	**2,860**	**2,955**	**2,412**
Cost of Risk	-737	-531	-634	-722	-662	-686	-634
Operating Income	**2,092**	**2,552**	**1,749**	**2,071**	**2,198**	**2,269**	**1,778**
Share of Earnings of Equity-Method Entities	116	107	132	147	162	174	139
Other Non Operating Items	153	0	59	55	361	16	11
Pre-Tax Income	**2,361**	**2,659**	**1,940**	**2,273**	**2,721**	**2,458**	**1,927**
Allocated Equity (€bn, year to date)	53.2	53.0	52.8	51.4	50.9	50.7	50.6

€m	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	**3,874**	**3,938**	**3,969**	**3,897**	**3,918**	**3,951**	**3,952**
Operating Expenses and Dep.	-2,605	-2,528	-2,971	-2,653	-2,599	-2,488	-2,880
Gross Operating Income	**1,269**	**1,411**	**998**	**1,244**	**1,319**	**1,463**	**1,072**
Cost of Risk	-251	-204	-270	-370	-311	-355	-319
Operating Income	**1,018**	**1,206**	**727**	**874**	**1,008**	**1,108**	**753**
Share of Earnings of Equity-Method Entities	5	-3	-6	7	23	21	11
Other Non Operating Items	0	1	1	1	3	1	5
Pre-Tax Income	**1,024**	**1,205**	**723**	**882**	**1,034**	**1,130**	**769**
Income Attributable to Wealth and Asset Management	-67	-73	-65	-70	-64	-78	-61
Pre-Tax Income of Domestic Markets	**956**	**1,132**	**658**	**812**	**970**	**1,052**	**707**
Allocated Equity (€bn, year to date)	25.0	24.7	24.4	24.6	24.3	24.1	23.8

€m	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
DOMESTIC MARKETS (including 2/3 of Private Banking in France, Italy, Belgium and Luxembourg)							
Revenues	**3,737**	**3,792**	**3,820**	**3,768**	**3,786**	**3,803**	**3,807**
Operating Expenses and Dep.	-2,531	-2,454	-2,888	-2,582	-2,524	-2,417	-2,799
Gross Operating Income	**1,205**	**1,338**	**933**	**1,185**	**1,262**	**1,387**	**1,008**
Cost of Risk	-251	-205	-269	-369	-310	-356	-319
Operating Income	**955**	**1,133**	**664**	**817**	**952**	**1,031**	**689**
Share of Earnings of Equity-Method Entities	5	-3	-6	7	22	21	11
Other Non Operating Items	0	1	1	1	3	1	5
Pre-Tax Income	**960**	**1,132**	**659**	**825**	**977**	**1,053**	**705**
Allocated Equity (€bn, year to date)	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	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
FRENCH RETAIL BANKING (including 100% of Private Banking in France)*							
Revenues	**1,575**	**1,593**	**1,595**	**1,554**	**1,592**	**1,607**	**1,618**
Incl. Net Interest Income	*900*	*875*	*891*	*888*	*904*	*886*	*909*
Incl. Commissions	*676*	*718*	*704*	*665*	*688*	*721*	*708*
Operating Expenses and Dep.	-1,168	-1,104	-1,189	-1,175	-1,183	-1,116	-1,184
Gross Operating Income	**407**	**489**	**406**	**379**	**409**	**492**	**434**
Cost of Risk	-90	-54	-59	-107	-65	-80	-79
Operating Income	**317**	**435**	**347**	**272**	**344**	**412**	**355**
Non Operating Items	0	1	0	0	1	0	0
Pre-Tax Income	**318**	**437**	**346**	**272**	**344**	**412**	**356**
Income Attributable to Wealth and Asset Management	-38	-39	-39	-38	-36	-40	-39
Pre-Tax Income of French Retail Banking	**280**	**397**	**307**	**234**	**309**	**372**	**316**
Allocated Equity (€bn, year to date)	9.5	9.3	9.2	9.4	9.4	9.3	9.2

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

€m	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)							
Revenues	**1,502**	**1,517**	**1,517**	**1,481**	**1,518**	**1,531**	**1,541**
Operating Expenses and Dep.	-1,133	-1,068	-1,151	-1,140	-1,145	-1,079	-1,146
Gross Operating Income	**369**	**449**	**367**	**341**	**374**	**452**	**395**
Cost of Risk	-90	-53	-59	-107	-65	-80	-79
Operating Income	**280**	**396**	**307**	**234**	**308**	**372**	**316**
Non Operating Items	0	1	0	0	0	0	0
Pre-Tax Income	**280**	**397**	**307**	**234**	**309**	**372**	**316**
Allocated Equity (€bn, year to date)	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	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
PEL/CEL effects	4	0	1	13	7	1	-2

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

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

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

€m	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)							
Revenues	**845**	**872**	**887**	**849**	**879**	**882**	**889**
Operating Expenses and Dep.	-539	-529	-803	-577	-547	-537	-790
Gross Operating Income	**305**	**344**	**85**	**272**	**332**	**346**	**99**
Cost of Risk	4	0	-4	-14	-23	-28	1
Operating Income	**309**	**344**	**80**	**259**	**309**	**317**	**99**
Share of Earnings of Equity-Method Entities	8	1	-3	2	17	6	-4
Other Non Operating Items	0	0	1	1	3	2	0
Pre-Tax Income	**317**	**345**	**79**	**262**	**329**	**325**	**96**
Allocated Equity (€bn, year to date)	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	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)*							
Revenues	**755**	**731**	**728**	**730**	**692**	**686**	**674**
Operating Expenses and Dep.	-435	-433	-467	-420	-400	-382	-405
Gross Operating Income	**320**	**298**	**261**	**310**	**292**	**304**	**269**
Cost of Risk	-33	-25	-36	-30	-19	-26	-14
Operating Income	**287**	**273**	**225**	**279**	**273**	**278**	**256**
Share of Earnings of Equity-Method Entities	-3	-3	-2	5	5	14	14
Other Non Operating Items	0	0	-1	0	0	0	5
Pre-Tax Income	**284**	**271**	**223**	**284**	**277**	**292**	**274**
Income Attributable to Wealth and Asset Management	-1	-1	-1	-1	-1	-1	-1
Pre-Tax Income of Other Domestic Markets	**283**	**270**	**222**	**283**	**277**	**291**	**274**
Allocated Equity (€bn, year to date)	4.3	4.3	4.2	4.0	3.9	3.9	3.9

€m	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)							
Revenues	**752**	**728**	**725**	**727**	**690**	**683**	**671**
Operating Expenses and Dep.	-433	-431	-464	-419	-399	-381	-403
Gross Operating Income	**319**	**297**	**260**	**309**	**291**	**303**	**269**
Cost of Risk	-33	-25	-36	-30	-19	-26	-14
Operating Income	**286**	**272**	**225**	**278**	**272**	**277**	**255**
Share of Earnings of Equity-Method Entities	-3	-3	-2	5	5	14	14
Other Non Operating Items	0	0	-1	0	0	0	5
Pre-Tax Income	**283**	**270**	**222**	**283**	**277**	**291**	**274**
Allocated Equity (€bn, year to date)	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	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
INTERNATIONAL FINANCIAL SERVICES							
Revenues	**4,097**	**4,279**	**4,060**	**4,126**	**3,928**	**3,935**	**3,909**
Operating Expenses and Dep.	-2,473	-2,534	-2,609	-2,519	-2,330	-2,367	-2,506
Gross Operating Income	**1,624**	**1,745**	**1,451**	**1,608**	**1,598**	**1,568**	**1,404**
Cost of Risk	-486	-326	-365	-353	-352	-331	-315
Operating Income	**1,137**	**1,418**	**1,086**	**1,254**	**1,246**	**1,237**	**1,089**
Share of Earnings of Equity-Method Entities	111	109	137	141	140	153	128
Other Non Operating Items	153	-1	58	54	358	14	6
Pre-Tax Income	**1,401**	**1,526**	**1,281**	**1,449**	**1,744**	**1,405**	**1,222**
Allocated Equity (€bn, year to date)	28.2	28.3	28.3	26.8	26.5	26.6	26.7

€m	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
PERSONAL FINANCE							
Revenues	**1,387**	**1,381**	**1,354**	**1,280**	**1,222**	**1,220**	**1,201**
Operating Expenses and Dep.	-639	-672	-725	-639	-575	-579	-634
Gross Operating Income	**748**	**709**	**629**	**641**	**647**	**641**	**568**
Cost of Risk	-345	-265	-276	-271	-273	-225	-240
Operating Income	**403**	**443**	**353**	**369**	**375**	**415**	**328**
Share of Earnings of Equity-Method Entities	21	8	15	19	21	30	20
Other Non Operating Items	0	-2	4	0	24	0	5
Pre-Tax Income	**424**	**450**	**373**	**389**	**420**	**445**	**353**
Allocated Equity (€bn, year to date)	7.2	7.1	7.0	5.8	5.5	5.4	5.3

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

€m	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey)							
Revenues	**561**	**612**	**579**	**579**	**571**	**588**	**590**
Operating Expenses and Dep.	-380	-401	-415	-413	-401	-419	-423
Gross Operating Income	**180**	**211**	**164**	**167**	**170**	**169**	**167**
Cost of Risk	-105	-55	-70	-62	-60	-70	-67
Operating Income	**75**	**156**	**95**	**105**	**110**	**99**	**100**
Share of Earnings of Equity-Method Entities	43	43	41	49	47	53	48
Other Non Operating Items	0	-1	54	3	1	-1	0
Pre-Tax Income	**118**	**199**	**191**	**157**	**158**	**151**	**149**
Allocated Equity (€bn, year to date)	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	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
BANCWEST (Including 100% of Private Banking in United States)*							
Revenues	**634**	**731**	**683**	**738**	**734**	**762**	**761**
Operating Expenses and Dep.	-457	-488	-495	-483	-482	-513	-556
Gross Operating Income	**177**	**243**	**188**	**255**	**251**	**249**	**205**
Cost of Risk	-35	-5	-20	-20	-32	-38	-22
Operating Income	**141**	**239**	**168**	**235**	**219**	**211**	**183**
Share of Earnings of Equity-Method Entities	-1	0	0	0	0	0	0
Other Non Operating Items	153	0	0	1	3	1	-1
Pre-Tax Income	**294**	**239**	**168**	**236**	**222**	**212**	**182**
Income Attributable to Wealth and Asset Management	-8	-7	-6	-6	-5	-5	-5
Pre-Tax Income of BANCWEST	**286**	**232**	**162**	**230**	**217**	**206**	**177**
Allocated Equity (€bn, year to date)	5.8	6.0	5.9	6.4	6.4	6.6	6.7

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

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

€m	3Q18	2Q18	1Q18	4Q17	3Q17	2Q17	1Q17
WEALTH AND ASSET MANAGEMENT							
Revenues	**791**	**834**	**795**	**907**	**753**	**760**	**773**
Operating Expenses and Dep.	-654	-639	-614	-675	-569	-567	-576
Gross Operating Income	**137**	**195**	**181**	**233**	**183**	**193**	**198**
Cost of Risk	-1	-2	0	-5	12	4	14
Operating Income	**136**	**193**	**181**	**228**	**195**	**197**	**212**
Share of Earnings of Equity-Method Entities	8	12	5	19	8	15	5
Other Non Operating Items	-1	1	0	1	5	14	0
Pre-Tax Income	**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

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

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

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

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

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

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

BALANCE SHEET AS AT 30.09.18

In millions of euros	30 September 2018	1 January 2018[1]
ASSETS		
Cash and balances at central banks	206,738	178,433
Financial instruments at fair value through profit or loss		
Securities	193,411	130,326
Loans and repurchase agreements	296,062	144,948
Derivative financial Instruments	241,176	229,896
Derivatives used for hedging purposes	10,962	13,721
Financial assets at fair value through equity		
Debt securities	50,702	53,942
Equity securities	2,341	2,330
Financial assets at amortised cost		
Loans and advances to credit institutions	25,708	20,356
Loans and advances to customers	744,632	731,176
Debt securities	70,744	69,426
Remeasurement adjustment on interest-rate risk hedged portfolios	2,379	3,064
Financial investments of insurance activities	238,197	227,712
Current and deferred tax assets	6,900	7,368
Accrued income and other assets	99,834	92,961
Equity-method investments	5,759	6,221
Property, plant and equipment and investment property	26,051	25,000
Intangible assets	3,615	3,327
Goodwill	8,458	9,571
Non-current assets held for sale	557	
TOTAL ASSETS	**2,234,226**	**1,949,778**
LIABILITIES		
Deposits from central banks	5,698	1,471
Financial instruments at fair value through profit or loss		
Securities	106,407	67,087
Deposits and repurchase agreements	323,782	174,645
Issued debt securities	57,240	50,490
Derivative financial Instruments	232,925	227,644
Derivatives used for hedging purposes	13,086	15,682
Financial liabilities at amortised cost		
Deposits from credit institutions	103,333	76,503
Deposits from customers	792,655	760,941
Debt securities	156,319	148,156
Subordinated debt	16,572	15,951
Remeasurement adjustment on interest-rate risk hedged portfolios	1,790	2,372
Current and deferred tax liabilities	2,427	2,234
Accrued expenses and other liabilities	88,836	80,472
Technical reserves and other insurance liabilities	219,292	210,494
Provisions for contingencies and charges	9,717	11,084
TOTAL LIABILITIES	**2,130,079**	**1,845,226**
EQUITY		
Share capital, additional paid-in capital and retained earnings	*93,668*	*89,880*
Net income for the period attributable to shareholders	*6,084*	*7,759*
Total capital, retained earnings and net income for the period attributable to shareholders	**99,752**	**97,639**
Changes in assets and liabilities recognised directly in equity	124	1,787
Shareholders' equity	**99,876**	**99,426**
Minority interests	**4,271**	**5,126**
TOTAL EQUITY	**104,147**	**104,552**
TOTAL LIABILITIES AND EQUITY	**2,234,226**	**1,949,778**

[1] As of 1 January 2018 after implementation of IFRS 9 and IFRS 15.

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

Alternative Performance Measures	Definition	Reason for use
Revenues of the operating divisions	Sum of the revenues of Domestic Markets (with Revenues of Domestic Markets including 2/3 of Private Banking in France, Italy, Belgium and Luxembourg), IFS and CIB Revenues for BNP Paribas Group = Revenues of the operating divisions + Revenues of Corporate Centre Reconciliation with the revenues of the Group is provided in the table "Results by core businesses".	Representative measure of the BNP Paribas Group's operating performance
Revenues excluding PEL/CEL effects	Revenues excluding PEL/CEL effects Reconciliation with the revenues of the Group is provided in the table "Quarterly series".	Representative measure of the revenues of the period excluding changes in the provision that accounts for the risk generated by PEL and CEL accounts during their lifetime
Profit & Loss account of retail banking activity with 100% of Private Banking	Profit & Loss account of a retail banking activity including the whole Profit & Loss account of private banking Reconciliation with the revenues of the Group is provided in the table "Quarterly series".	Representative measure of the performance of retail banking activity including the total performance of private banking (before sharing the profit & loss account with the Wealth Management business, private banking being under a joint responsibility of retail banking (2/3) and Wealth Management business (1/3))
Evolution of operating expenses excluding IFRIC 21	Evolution of operating expenses excluding taxes and contributions subject to IFRIC 21 Details of the impact of IFRIC 21 is provided in the slide "Breakdown of taxes and contributions subject to IFRIC 21" of the results' presentation	Representative measure of the operating expenses' evolution on nine months excluding taxes and contributions subject to IFRIC 21 booked almost entirely for the whole year in the 1st quarter.
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) excluding exceptional items	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 excluding exceptional items
Return on Tangible Equity (ROTE) excluding exceptional items	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 excluding exceptional items

Methodology – Comparative analysis at constant scope and exchange rates

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

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

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

Reminder

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

Operating divisions: they consist of 3 divisions:

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

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

This presentation includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future events, operations, products and services, and statements regarding future performance and synergies. Forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about BNP Paribas and its subsidiaries and investments, developments of BNP Paribas and its subsidiaries, banking industry trends, future capital expenditures and acquisitions, changes in economic conditions globally or in BNP Paribas' principal local markets, the competitive market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward looking statements. Any forward-looking statement contained in this presentation speaks as of the date of this presentation. BNP Paribas undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events. It should be recalled in this regard that the Supervisory Review and Evaluation Process is carried out each year by the European Central Bank, which can modify each year its capital adequacy ratio requirements for BNP Paribas.
The information contained in this presentation as it relates to parties other than BNP Paribas or derived from external sources has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of, the information or opinions contained herein. None of BNP Paribas or its representatives shall have any liability whatsoever in negligence or otherwise for any loss however arising from any use of this presentation or its contents or otherwise arising in connection with this presentation or any other information or material discussed.
The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding.

Investor Relations & Financial Information

Stéphane de Marnhac +33 (0)1 42 98 46 45
Lisa Bugat +33 (0)1 42 98 23 40
Livio Capece Galeota +33 (0)1 42 98 43 13
Philippe Regli +33 (0)1 43 16 94 89
Claire Sineux +33 (0)1 42 98 31 99

E-mail: investor.relations@bnpparibas.com

https://invest.bnpparibas.com

BNP PARIBAS

The bank
for a changing
world