

# BNP PARIBAS

## THIRD QUARTER 2019 RESULTS

31 OCTOBER 2019



**BNP PARIBAS**



The bank for a changing world

# Disclaimer

*The figures included in this presentation are unaudited.*

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

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

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



# 3Q19 Key Messages

<b>Good business growth</b>	<b>Outstanding loans: +5.5% vs. 3Q18</b>
<b>Significant revenue growth</b>	<b>Revenues: +5.3% vs. 3Q18</b> (+4.0% at constant scope and exchange rates)
<b>Positive jaws effect in the three operating divisions</b>	<b>Operating expenses: +2.0% vs. 3Q18</b> (+0.4% at constant scope and exchange rates)
<b>Low cost of risk</b>	<b>41 bp*</b>
<b>Increase in net income excluding exceptional items</b> (reminder: capital gain on the sale of 30.3% of First Hawaiian Bank in 3Q18**)	<b>Net Income***: €1,938m</b> (-8.8% vs. 3Q18; +3.4% excluding exceptional items)
<b>Continued increase in CET1 ratio</b>	<b>CET 1 ratio: 12%</b> (+10 bp vs. 30.06.19)



**Positive jaws effect  
CET 1 ratio at 12%**

\* Cost of risk/Customer loans at the beginning of the period (in bp); \*\* €286m capital gain (see slide 5); \*\*\* Group share



# Group Results

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Division Results

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9M19 Detailed Results

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Appendix

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# Main Exceptional Items - 3Q19

## Exceptional items

### Operating expenses

- Transformation costs – 2020 Plan (*Corporate Centre*)
- Restructuring costs\* (*Corporate Centre*)
- Additional adaptation measures – departure plans\*\* (*Corporate Centre*)

*Total exceptional operating expenses*

### Other non operating items

- Capital gain on the sale of 30.3% of First Hawaiian Bank (*Corporate Centre*)

*Total exceptional other non operating items*

### Total exceptional items (pre-tax)

### Total exceptional items (after tax)\*\*\*

	3Q19	3Q18
	-€178m	-€248m
	-€48m	-€19m
	-€30m	
	<b>-€256m</b>	<b>-€267m</b>
		+€286m
		<b>+€286m</b>

**-€256m**

**+€19m**

**-€178m**

**+€79m**



**Unfavourable base effect due to a capital gain from a sale in 3Q18**

\* Restructuring costs related in particular to the integration of Raiffeisen Bank Polska; \*\* BNL bc and Asset Management; \*\*\* Group share



# Consolidated Group - 3Q19

	> 3Q19	> 3Q18	%	
			> At historical scope & exchange rates	At constant scope & exchange rates
<b>Revenues</b>	€10,896m	€10,352m	+5.3%	+4.0%
Operating expenses	-€7,421m	-€7,277m	+2.0%	+0.4%
<b>Gross operating income</b>	€3,475m	€3,075m	+13.0%	+12.4%
Cost of risk	-€847m	-€686m	+23.5%	+19.6%
<b>Operating income</b>	€2,628m	€2,389m	+10.0%	+10.3%
Non operating items	€177m	€427m	n.s.	n.s.
<b>Pre-tax income</b>	€2,805m	€2,816m	-0.4%	+10.7%
<b>Pre-tax income excluding exceptional items</b>	€3,061m	€2,797m	+9.4%	+8.7%
<b>Net income Group share</b>	€1,938m	€2,124m	-8.8%	
<b>Net income Group share excluding exceptional items*</b>	€2,116m	€2,046m	+3.4%	
<b>Return on tangible equity (ROTE)**:</b>	10.3%			

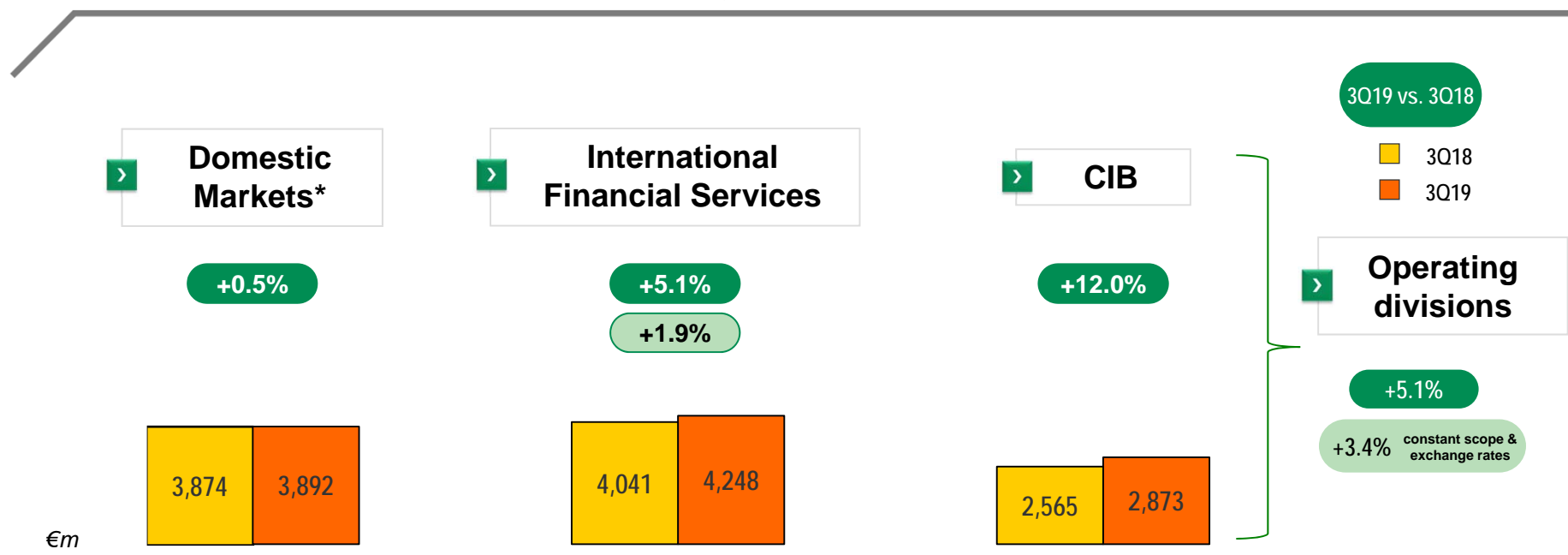


**Positive jaws effect**  
**Increase in net income excluding exceptional items**

\* See slide 5; \*\* Calculated on the basis of 9-month income; see slide 78



# Revenues of the Operating Divisions - 3Q19

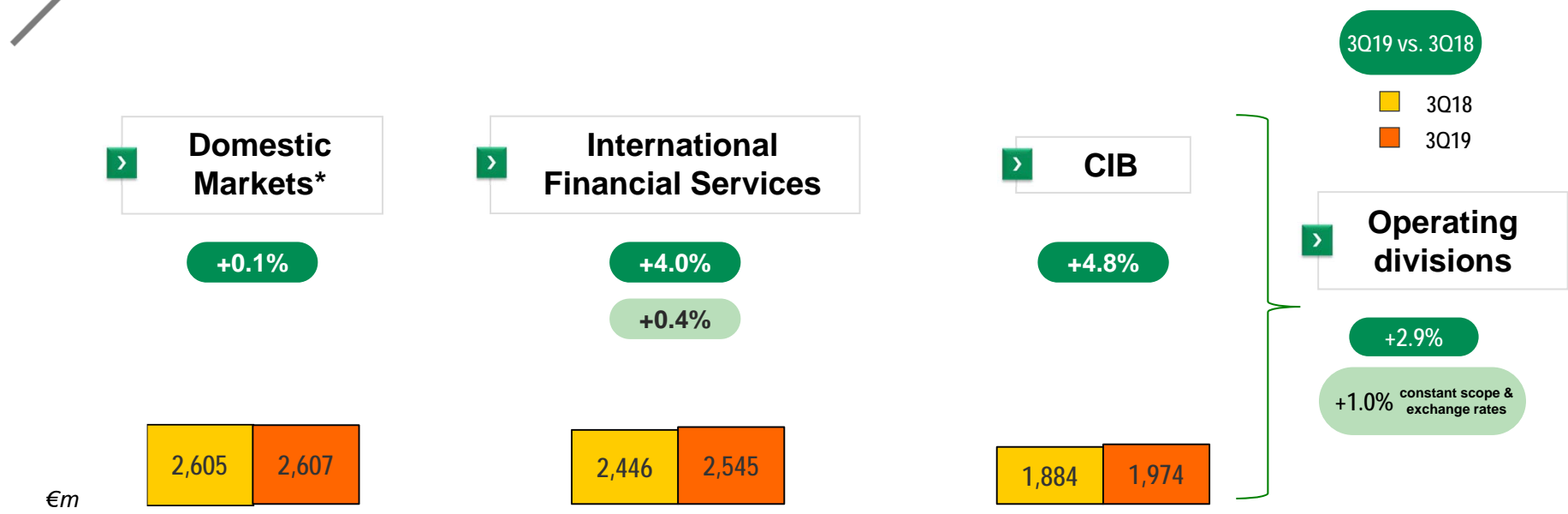


- Domestic Markets: continued growth in the specialised businesses but decrease in revenues of the networks due to low interest rates
- IFS: continued growth of the business and favourable foreign exchange effect this quarter
- CIB: strong performance; increase in revenues in all businesses

**> Revenue growth in all operating divisions**

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

# Operating expenses of the Operating Divisions - 3Q19



- Domestic Markets: decrease of costs in the networks (-0.9%\*\* ) and increase in the specialised businesses as a result of the development of the activity; positive jaws effect (+0.4 pt)
- IFS: cost containment, support of the increase in business and positive jaws effect (+1.1 pt)
- CIB: increase on the back of the growth of the activity, continued active implementation of cost saving programmes; positive jaws effect (+7.2 pts)

**Positive jaws effect in the 3 operating divisions**  
**Impact of the cost saving measures**

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



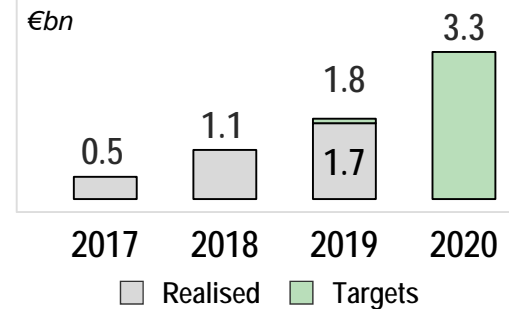
# 2020 Transformation Plan

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

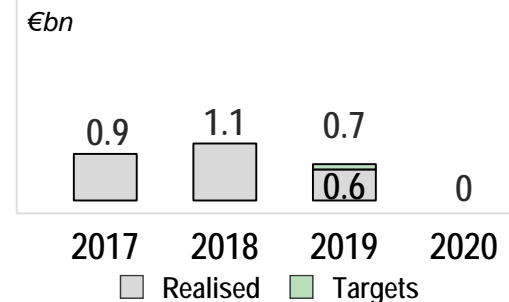
1. Implement new customer journeys
2. Upgrade the operational model
3. Adapt information systems
4. Make better use of data to serve clients
5. Work differently

- An ambitious programme of new customer experiences, digital transformation & savings
- Cost savings: €1.7bn since the launch of the project
  - Of which €166m booked in 3Q19
  - Breakdown of cost savings by operating division: 37% at CIB; 39% at Domestic Markets; 24% at IFS
  - Reminder: target of €1.8bn in savings this year
- Transformation costs: €178m in 3Q19\*
  - €568m in 9M19
  - €0.7bn in transformation costs expected in 2019; no transformation costs in 2020
  - Reminder: €2.7bn in transformation costs in the plan

## > Cumulated recurring cost savings



## > One-off transformation costs



**> Transformation costs in line with targets  
Ramping up of cost savings**

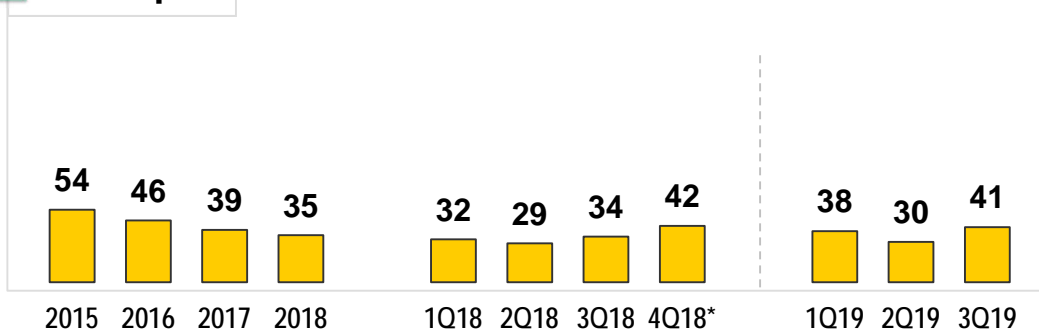
\* Breakdown of the transformation costs of the businesses presented in the Corporate Centre: slide 74



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

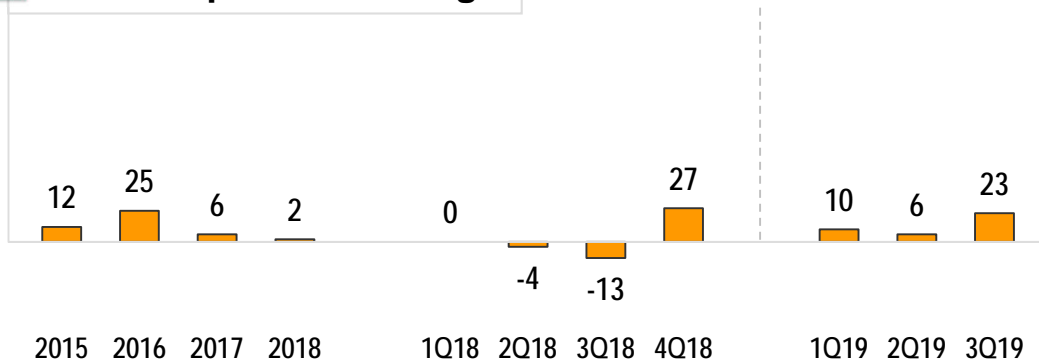
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

## > Group



- Cost of risk: €847m
  - +€226m vs. 2Q19
  - +€161m vs. 3Q18
- Reminders: provision write-backs at CIB in 3Q18 and at Personal Finance in 2Q19

## > CIB - Corporate Banking



- Cost of risk: €88m
  - +€67m vs. 2Q19
  - +€134m vs. 3Q18
- Cost of risk still low (impact of a significant file this quarter)
- Reminder: provisions more than offset by write-backs in 3Q18

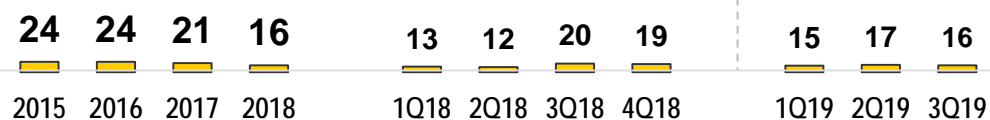
\* Excluding booking of the stage 1 provisions on the portfolio of non-doubtful loans of Raiffeisen Bank Polska



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

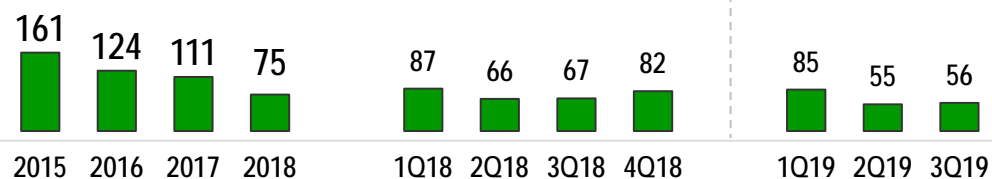
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

## FRB



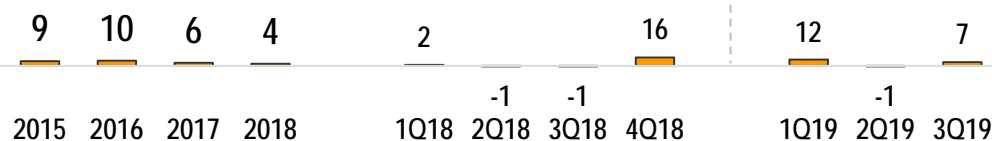
- Cost of risk: €75m
  - -€8m vs. 2Q19
  - -€15m vs. 3Q18
- Cost of risk still low

## BNL bc



- Cost of risk: €109m
  - +€2m vs. 2Q19
  - -€23m vs. 3Q18
- Confirmation of the decrease in the cost of risk

## BRB



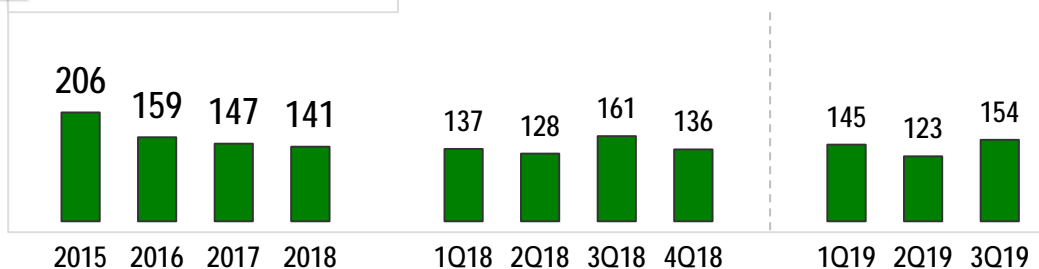
- Cost of risk: €20m
  - +€23m vs. 2Q19
  - +€24m vs. 3Q18
- Cost of risk still very low
- 3Q18 and 2Q19 reminders: provisions offset by write-backs



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

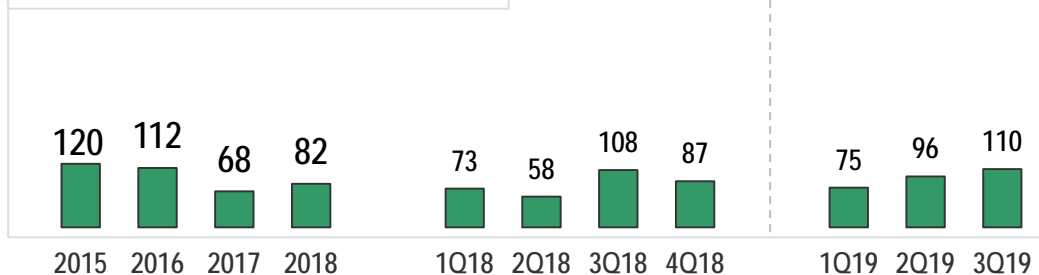
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

## > Personal Finance



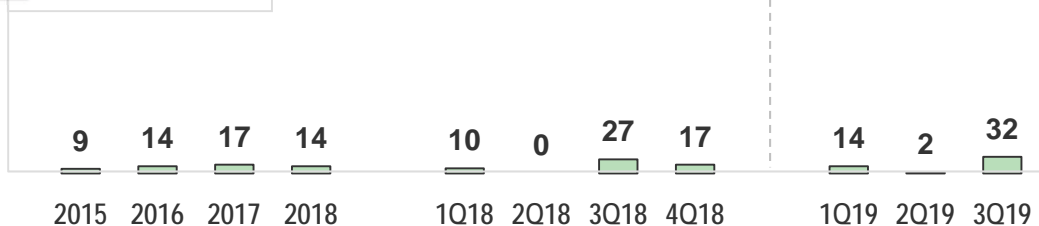
- Cost of risk: €366m
  - +€77m vs. 2Q19
  - +€21m vs. 3Q18
- 2Q19 reminder: cost of risk at a low level due to non recurring provision write-backs

## > Europe-Mediterranean



- Cost of risk: €112m
  - +€14m vs. 2Q19
  - +€6m vs. 3Q18
- Cost of risk at a moderate level (stable in Turkey vs. 2Q19)

## > BancWest

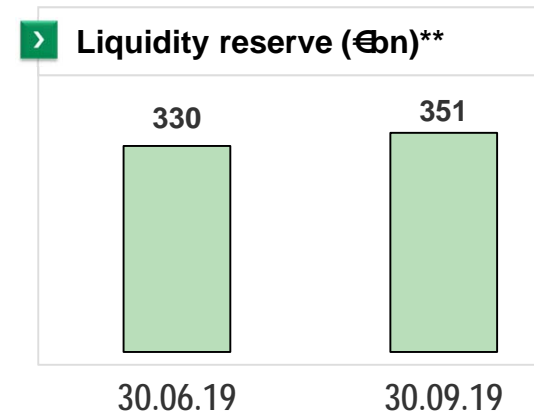
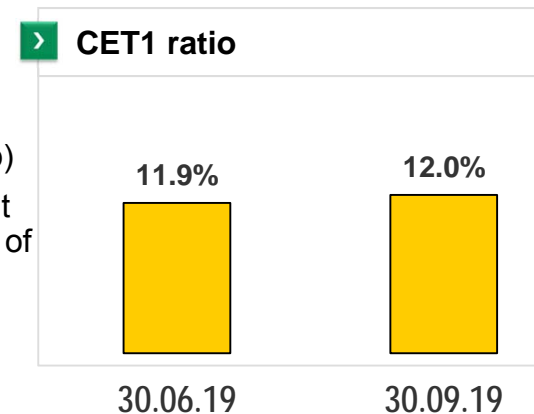


- Cost of risk: €43m
  - +€41m vs. 2Q19
  - +€9m vs. 3Q18
- Cost of risk still low
- 2Q19 reminder: provisions offset by write-backs



# Financial Structure

- CET1 ratio: 12.0% as at 30.09.19 (+10 bp vs. 30.06.19)
  - 3Q19 results after taking into account a 50% dividend pay-out ratio (+10 bp)
  - Stability at constant change of risk-weighted assets thanks to the significant effect of securitisations this quarter (reminder: deferral in the first semester of certain securitisations)
  - Overall limited impact of other effects, including change effect, on the ratio
  
- Leverage ratio\*: 4.0% as at 30.09.19
  
- Immediately available liquidity reserve: €351bn\*\* (€330bn as at 30.06.19): room to manoeuvre > 1 year in terms of wholesale funding

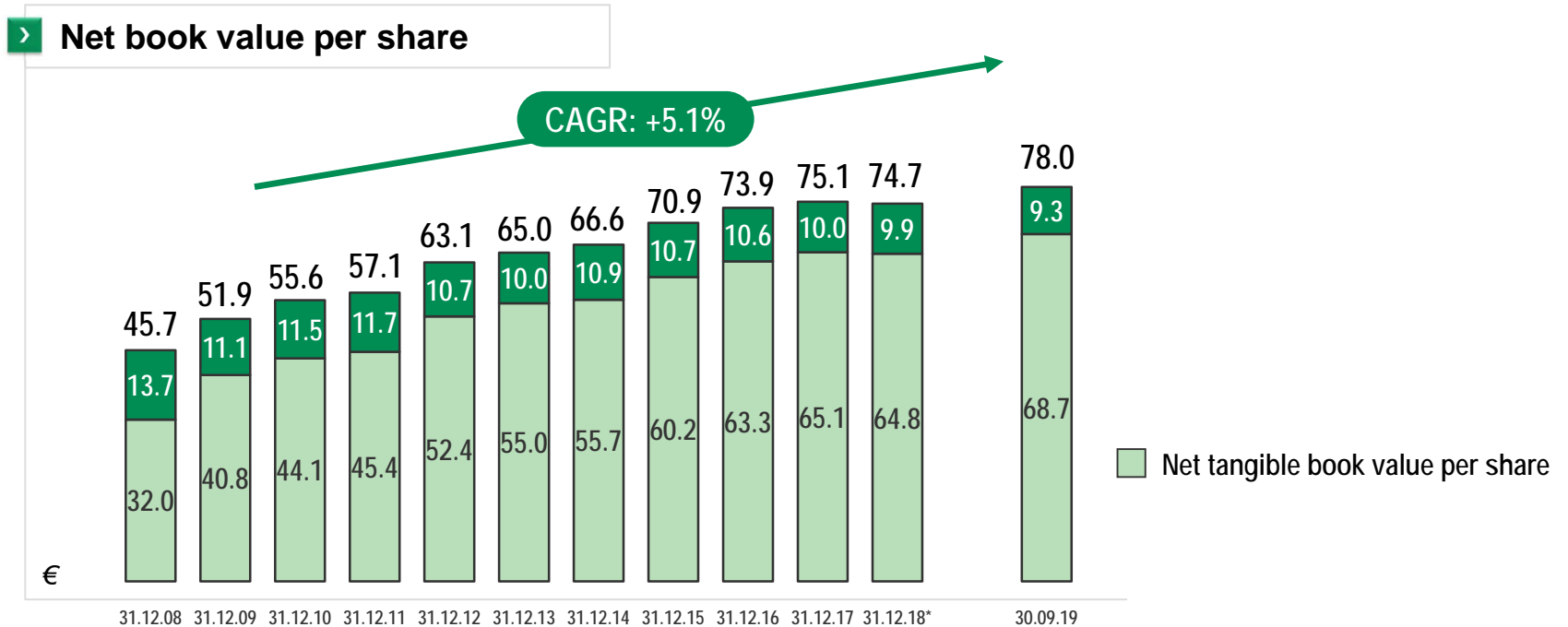


> **CET1 at 12.0%**

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



# Net book value per share



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

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



# An Ambitious Policy of Engagement in Society

## Concrete Impacts

A leader recognised for its CSR strategy

- 1<sup>st</sup> solicited rating from *Vigeo Eiris*: **A1+**; 4<sup>th</sup> company worldwide with a score of 70/100
- Most Innovative Investment Bank** for 2019 in particular given sustainable development innovations (The Banker)\*

vigeo eiris

The Banker  
Investment Banking  
Awards 2019

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

Examples of achievements in 3Q19

→ the UN Sustainable Development Goals (SDGs)

- Founding member of the Principles for Responsible Banking** pursuant to which over 130 banks commit to align their strategies with the SDGs and the Paris Agreement
- Joined the Collective Commitment to Climate Action:** commitment by banks to align with the Paris Agreement to finance a low-carbon economy
- Commitment to protect the ocean** (SDG 14, Life below water) with in particular €1bn by 2025 to finance the ecological transition of vessels
- Joint bookrunner for Enel** of its first 1<sup>st</sup> SDG linked bonds (\$1.5bn and €2.5bn)

UNEP FINANCE INITIATIVE | PRINCIPLES FOR RESPONSIBLE BANKING

CLIMATE ACTION

enel

→ society

- Member of the global Business for Inclusive Growth coalition** which has devoted 1 billion dollars to projects focusing on equal opportunity, promoting diversity and inclusion, and reducing territorial inequalities
- Top 100 worldwide for gender equality** according to the NGO Equileap\*\*

EQUILEAP  
MAKE A DIFFERENCE AND A RETURN

\* October 2019; \*\* 63/100 in October 2019



# Reinforced Internal Control System

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- Ever more solid compliance and control procedures
  - An ethics alert mechanism updated to provide stronger whistleblower protection
  - Continued implementation of measures to strengthen the compliance and control systems in foreign exchange activities
  - Continued convergence of tools to screen customer databases as well as filter and control transactions in order to strengthen and homogenise the financial security risk management
  - Finalisation of the roll-out of the Group's target operational model for combatting money laundering and terrorism financing for the main entities (harmonisation of processes and controls, convergence of tools and reinforcement of detections)
  - MiFID II: a reinforced set-up in the process of being finalised
  - Continued the missions of the General Inspection dedicated to ensuring Financial Security: entities whose USD flows are centralised at BNP Paribas New York are audited at least once every 18 months. The 3rd round of audits of these entities, which started in early 2018, was completed in July. The next cycle began in September.
  
- Continued operational implementation of a stronger compliance culture
  - Compulsory annual e-learning programmes on financial security for employees (Sanctions & Embargos, Combatting Money Laundering & Terrorism Financing) which now includes a module dedicated to combating corruption
  - Online training programme on professional Ethics made compulsory for all new employees
  
- Remediation plan agreed as part of the June 2014 comprehensive settlement with the U.S. authorities mostly completed





Group Results

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**Division Results**

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9M19 Detailed Results

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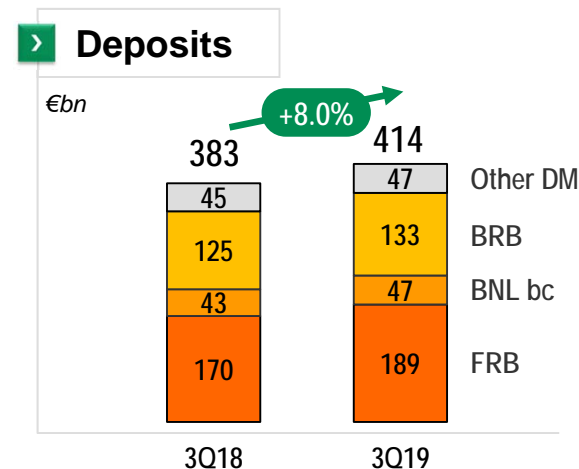
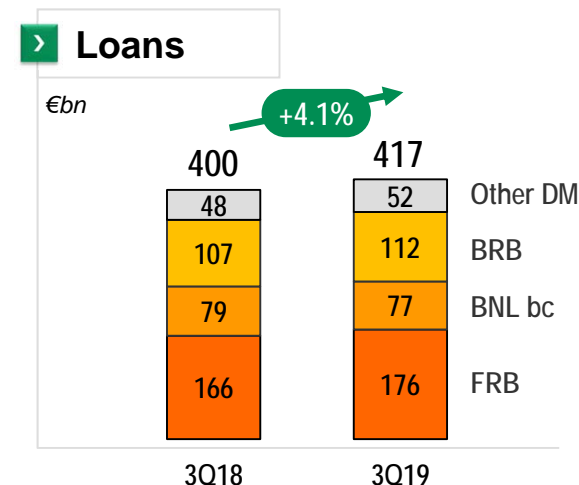
Appendix

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# Domestic Markets - 3Q19

- Growth in business activity
  - Loans: +4.1% vs. 3Q18, loan growth both in the retail networks and in the specialised businesses (Arval, Leasing Solutions)
  - Growth in particular in corporate loans: +4.4% vs. 3Q18
  - Deposits: +8.0% vs. 3Q18, growth in all countries
  - Private banking: good level of net asset inflows (+€1.6bn in 3Q19)
- Digital development
  - Acceleration of mobile usages of our customers: number of connections to apps > 78 million in 3Q19 (+35% vs. 3Q18)
- Revenues\*: €3,892m; +0.5% vs. 3Q18
  - Effect of increased activity offset by the impact of low interest rates
  - Continued growth of the specialised businesses
- Operating expenses\*: €2,607m; +0.1% vs. 3Q18
  - Decrease in the networks (-0.9%\*\* vs. 3Q18)
  - Rise in the specialised businesses on the back of the activity growth
  - Positive jaws effect (+0.4 pt)
- Pre-tax income\*\*\*: €975m (+2.0% vs. 3Q18)



>
**Continued business drive**  
**Positive jaws effect and rise in income**

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

# Domestic Markets - 3Q19

## New Customer Experiences and Digital Transformation

### Digitalise and simplify mortgage loan

#### ► Simplified and digitalised mortgage loan application processes

- End-to-end digital application: instant in principle approval, digital offering and e-signature
- Customer experience improvement: loan approval obtained in 2 days at FRB and firm loan offer delivered within 7 days at BRB

### Support new expectations of Private Banking customers

#### ► Facilitate interactions with customer

- Launch of *e-Private*, an innovative totally remote model that includes all Private Banking services for customers in France who want more autonomy
- Roll-out of *Privilege Connect* service centre accessible during extended time-slots via “click to call”

#### ► Digitalise expertise and services & provide more proactive advice by offering solutions:

- In financial advisory (ex: myImpact for responsible investments in France)
- In wealth management advisory (ex: PaxFamilia in Belgium)

### Continue adapting our offerings to new banking uses

#### ► Lyf Pay: sharp growth of the acceptance network\* and downloads

- 1,200 additional stores this quarter accept Lyf Pay thanks to new partnerships (ex: franprix, Etam Group)
- 4,000 downloads of the app each day on average (2.4 million in aggregate, +140% vs. 30.09.18)



#### ► Continued business development at Nickel

- > 1.4 million accounts opened: +35% vs. 30.09.18
- 3<sup>rd</sup> largest retail distribution network in France with 5,745 points of sale (*buralistes*): +49% vs. 30.09.18



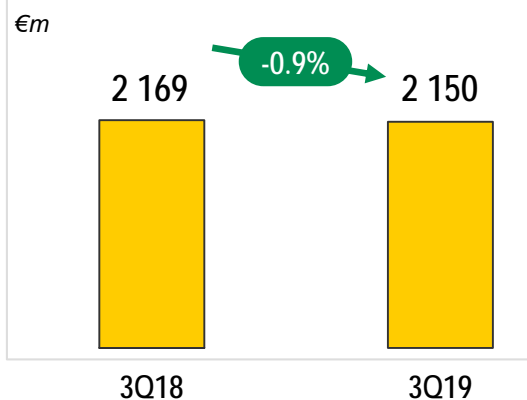
\* Points of sale and other payment points that accept LyfPay



# Domestic Markets - 3Q19

## Costs' Reduction in the Retail Networks

### Retail networks' operating costs\*

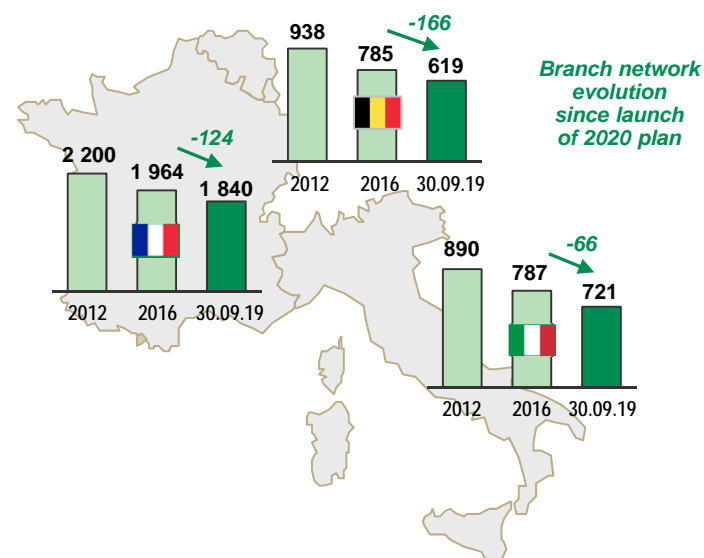


#### Actively deploying digital transformation and new operational models

- Continued cost reduction in the networks driven by the ongoing implementation of the 2020 plan

#### Continuing branch network optimisation

- 356 branches closed since 31.12.2016



#### Simplification and adaptation of the branch network management

- Implemented in the 3 networks

### Ongoing cost reduction in the networks

### Digital transformation & branch network optimisation

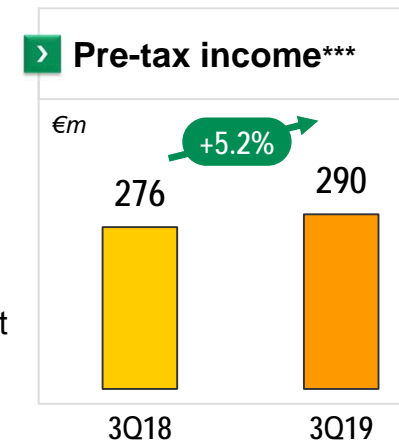
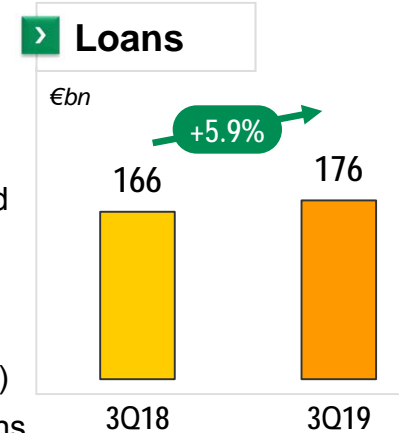
\* FRB, BNL bc and BRB, including 100% of Private Banking



# Domestic Markets

## French Retail Banking - 3Q19

- Good business drive in the context of economic growth
  - Loans: +5.9% vs. 3Q18, good growth; rise in particular in loans to corporates
  - Deposits: +10.6% vs. 3Q18, growth in current accounts
  - Success of Cardif IARD\* casualty and property insurance offering: 210,000 contracts sold since the launch in May 2018; application for car, home and school insurances now available online
- Digital development and acceleration of mobile usages
  - Hello bank!: strong increase in the number of clients (485,000 clients, +20% vs. 30.09.18)
  - Significant increase in the number of active mobile users (+29% vs. 3Q18); 14 connections on average per user and per month
- Revenues\*\*: -0.2% vs. 3Q18
  - Net interest income: +0.6%, effect of the rise in volumes largely offset by the low interest rate environment
  - Fees: -1.3%, decrease in particular in charges on fragile customers at the beginning of the year
- Operating expenses\*\*: -0.5% vs. 3Q18
  - Positive jaws effect (+0.3 pt) thanks to adapting costs to the low interest rate environment (optimisation of the network and streamlining of the management set-up)
- Pre-tax income\*\*\*: €290m (+5.2% vs. 3Q18)



**Continued business drive**  
**Positive jaws effect and rise in income**

\* BNP Paribas Cardif and Matmut partnership; \*\* Including 100% of Private Banking excluding PEL/CEL effects; \*\*\* Including 2/3 of Private Banking in France excluding PEL/CEL effects



# Domestic Markets

## BNL banca commerciale - 3Q19

- Business growth in a lacklustre context
  - Loans: -2.9% vs. 3Q18, -0.5% excluding the impact of the securitisations of non-performing loans\*, market share gains in the corporate segment
  - Deposits: +8.1% vs. 3Q18, rise in individual current accounts
  - Off balance sheet savings: +4.5% vs. 30.09.18, continued rise in life insurance outstandings
  - Success of services launched in 3Q18 with Telepass (electronic toll collection operator) and Arval which can combine among others payment for tolls, car rental, fuel payment: already > 54,000 clients, of which 78% new clients

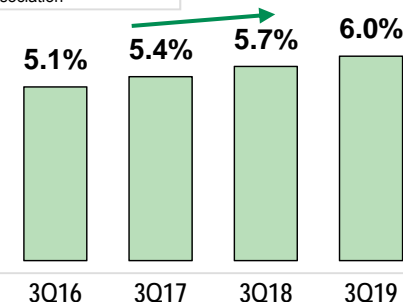
**TELEPASS**

**ARVAL**  
BNP PARIBAS GROUP

- Revenues\*\*: +0.5% vs. 3Q18
  - Net interest income: -0.7% vs. 3Q18, impact of the low interest rate environment and the positioning on clients with a better risk profile
  - Fees: +2.4% vs. 3Q18, rise in banking and financial fees (increase in fees on off balance sheet savings and flow activities\*\*\*)
- Operating expenses\*\*: +1.7% vs. 3Q18
  - Low base in 3Q18
  - Implementation of new cost saving measures (start of the early departure plan leveraging on the new *Quota 100* law facilitating early retirement)
- Pre-tax income\*\*\*\*: €98m (+23.7% vs. 3Q18)
  - Continued decrease in the cost of risk

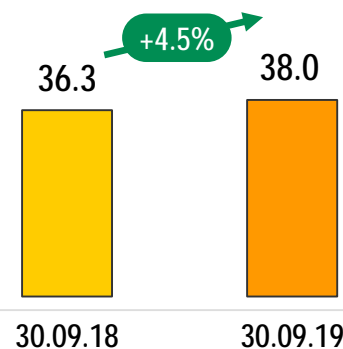
### Market share on the corporate segment (loans)

Source: Italian Banking Association



### Off balance sheet savings (Life insurance and mutual funds)

€bn



**Decrease in the cost of risk and rise in income**

\* Securitisation of non-performing loan portfolios for €1.0bn in 2Q19 and €1.0bn in 4Q18; \*\* Including 100% of Italian Private Banking; \*\*\* Cash management and trade finance; \*\*\*\* Including 2/3 of Italian Private Banking




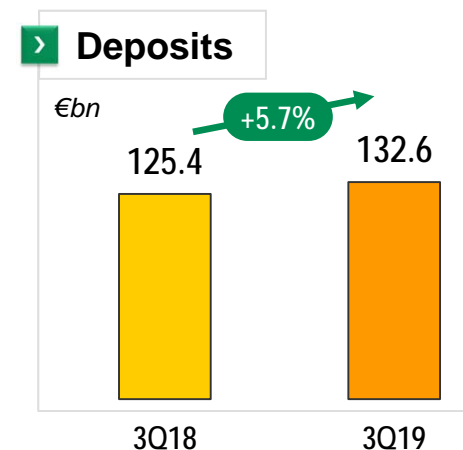
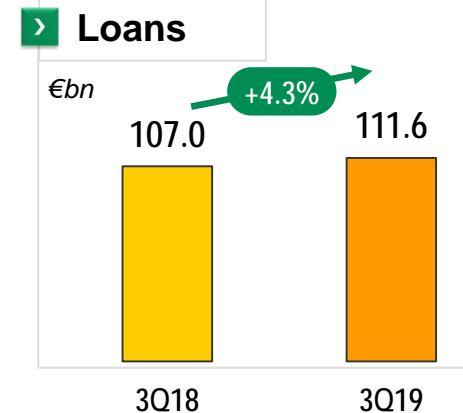
**BNP PARIBAS** The bank for a changing world.

Third quarter 2019 results | 22

# Domestic Markets

## Belgian Retail Banking - 3Q19

- Sustained business activity
    - Loans: +4.3% vs. 3Q18, good growth in corporate and mortgage loans
    - Deposits: +5.7% vs. 3Q18, growth in particular in current accounts
  - Digital development & customer experience improvement
    - *Easy Banking*: new features to apply online for consumer loans (already nearly 15% of direct digital sales\*)
    - *Easy Banking Business*: already >50% of corporate customers are active users\*\*
- 
- Revenues\*\*\*: -3.8% vs. 3Q18
    - Net interest income: -4.8% vs. 3Q18, impact of the low interest rate environment
    - Fees: -0.9% vs. 3Q18, decrease in financial fees but rise in banking fees due to good loan production
  - Operating expenses\*\*\*: -3.9% vs. 3Q18
    - Positive jaws effect thanks to cost saving measures
    - -78 branches vs. 30.09.18 (-11%)
  - Pre-tax income\*\*\*\*: €281m (-11.5% vs. 3Q18)
    - 3Q18 cost of risk reminder: provisions offset by write-backs




**Sustained business drive**  
**Cost adaptation to the impact of low interest rates**

\* August 2019; \*\* At least one use in the past 3 months; \*\*\* Including 100% of Belgian Private Banking; \*\*\*\* Including 2/3 of Belgian Private Banking

# Domestic Markets Other Activities - 3Q19

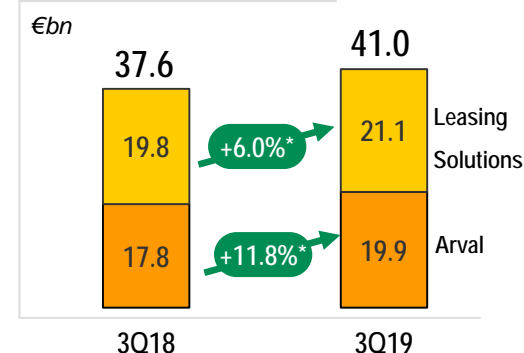
- Growth of the specialised businesses
  - Arval: +8.7% growth of the financed fleet vs. 3Q18\*
  - Leasing Solutions: rise in outstandings of +6.0% vs. 3Q18\*
  - Personal Investors (PI): rise in assets under management of +6.4% vs. 30.09.18
  - Nickel: 85,000 accounts opened this quarter; >1.4 million accounts opened as at 30.09.19
- Luxembourg Retail Banking (LRB)
  - Growth in mortgage and corporate loans, good deposit inflows
  - New customer experiences for mortgage loans: customer journey simplification and shortening of time required to receive loan approval
- Revenues\*\*: +6.9% vs. 3Q18
  - As a result of business growth in all the businesses, significant rise in revenues at Nickel
- Operating expenses\*\*: +5.0% vs. 3Q18
  - As a result of business development
  - Positive jaws effect (+1.9 pts)
- Pre-tax income\*\*\*: €306m (+8.0% vs. 3Q18)



## > Deposits



## > Loans



**Continued growth drive  
Positive jaws effect and rise in income**

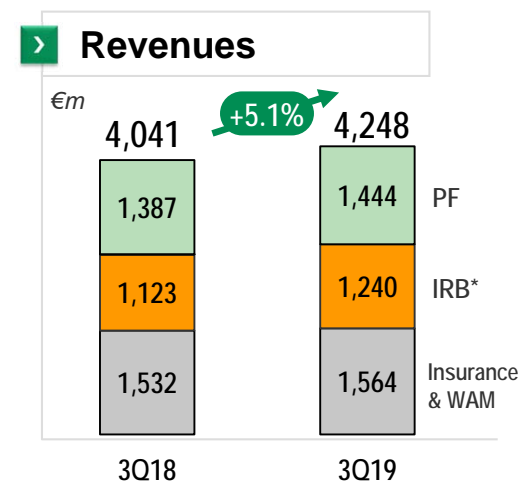
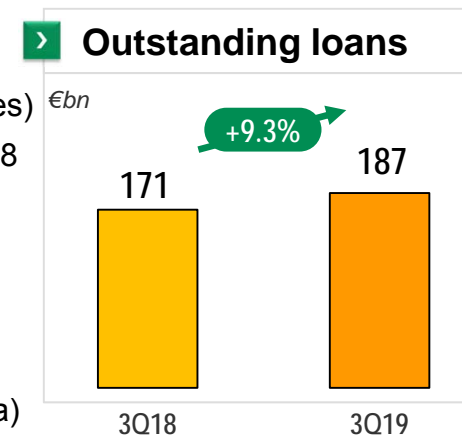
\* At constant scope and exchange rates; \*\* Including 100% of Private Banking in Luxembourg; \*\*\* Including 2/3 of Private Banking in Luxembourg





# International Financial Services - 3Q19

- Sustained business activity
  - Outstanding loans: +9.3% vs. 3Q18 (+4.5% at constant scope and exchange rates)
  - Net asset inflows: +€3.5bn; rise in assets under management: +4.1% vs. 30.09.18
  - Digital: active implementation of digital transformation and new technologies in all retail banking networks and specialised businesses
- Revenues: €4,248m; +5.1% vs. 3Q18
  - As a result of good business growth
  - Favourable foreign exchange effect (appreciation of the dollar and the Turkish lira)
  - +1.9% at constant scope and exchange rates
- Operating expenses: €2,545m; +4.0% vs. 3Q18
  - Positive jaws effect (+1.1 pt)
  - +0.4% at constant scope and exchange rates: support of growth largely offset by the implementation of cost saving measures
- Operating income: €1,186m (+6.9% vs. 3Q18)
  - +5.3% at constant scope and exchange rates
- Pre-tax income: €1,305m (+6.7% vs. 3Q18)
  - +5.7% at constant scope and exchange rates



**Continued growth**  
**Positive jaws effect and rise in income**

\* Europe Med and BancWest, including 2/3 of Private Banking in Turkey and in the United States



# International Financial Services - 3Q19

## New Customer Experiences and Digital Transformation

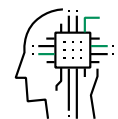
### Optimise client experience

- ▶ Development of new **remote interactions with clients**
  - BNP Paribas Bank Polska: launch of an online video, chat and co-browsing system\* accessible on the *Gomobile* app (306,000 users, +95% vs. 30.09.18)
  - Personal Finance: launch of the Digital Lab Chatbot Generator to make the process of developing chatbots easy in all the countries
- ▶ **Extensive roll-out of e-signature:** > 1.3 million contracts signed electronically and > 28 million monthly electronic account statements at Personal Finance
- ▶ Continued development of **new self care features** to provide easier access to mobile services
  - Wealth Management: rise in the penetration of digital tools with **>70% of clients** with access to *myWealth*, the online private banking of Wealth Management
  - Personal Finance: **> 62 million self care** transactions done by clients (86% of total)



### New technologies and innovative business models

- ▶ **Sustained development of robotics**
  - **> 300 robots** (controls, reportings, data processing) and **27 chatbots** operational
- ▶ **Acceleration of the number of artificial intelligence and data analysis projects**
  - **>140 projects** already operational or in development in various fields: natural language interactive voice response (IVR), decision support platforms, customer satisfaction tracking, etc.



\* Possibility for clients to interact with their advisors via video and co-browsing



# International Financial Services Personal Finance - 3Q19



- Continued sales and marketing drive

- Loan outstandings: +8.0% vs. 3Q18, effect mainly of new partnerships
- Sustained level of securitisations this quarter: 3 transactions\* achieved for €2.8bn
- Auto loans: extension of the partnership with BYmyCAR, France's leading independent automotive distribution group
- New partnership with Leroy Merlin in Brazil
- Promising start in Italy of the digital bank Findomestic launched in April, leveraging on a strong brand and a 2.5 million active client base: already 50,000 banking accounts opened with a good level of activity



- Digital development

- 180 robots operational (+85% vs. end 2018; target of 200 robots by end 2019)

- Revenues: +4.1% vs. 3Q18

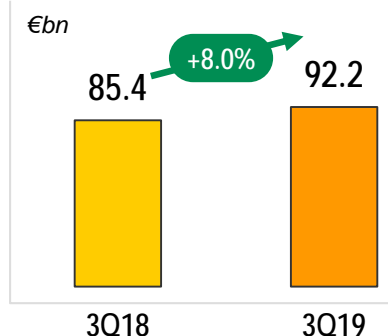
- In connection with the rise in volumes and the positioning on products with a better risk profile
- Good revenue growth in particular in Italy, Spain and Germany

- Operating expenses: +3.9% vs. 3Q18

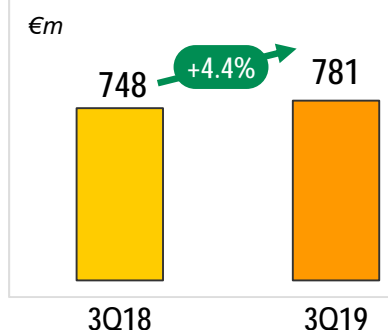
- Positive jaws effect (+0.3 point) on the back of cost saving measures
- Cost income ratio: 45.9%

- Pre-tax income: €434m (+2.4% vs. 3Q18)

## Consolidated outstandings



## Gross operating income



**Continued growth and rise in income**

\* Non-deconsolidating



# International Financial Services Europe-Mediterranean - 3Q19

## ● Business activity

- Loans: -0.2%\* vs. 3Q18, decrease in Turkey due to selective positioning but growth in particular in Poland and Morocco
- Deposits: -2.6%\* vs. 3Q18, optimisation in particular in Poland (decrease in most expensive deposits in the corporate client segment)
- Digital development: already 2.7 million digital clients\*\*

## ● Tunisia: sale of a 39% stake in UBCI announced (closing of the transaction expected in 2020)\*\*\*

## ● Revenues\*\*\*\*: +1.5%\* vs. 3Q18

- Effect of increased margins and good level of fees

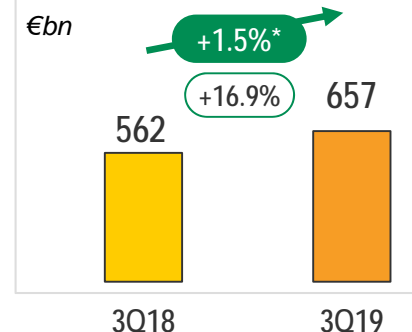
## ● Operating expenses\*\*\*\*\*: +0.2%\* vs. 3Q18

- Cost containment; positive jaws effect (+1.3 pts)
- Ongoing delivery of cost synergies in Poland following the integration of Raiffeisen Bank Polska (closure of 147 branches in 9M19) and effect of transformation measures in all regions

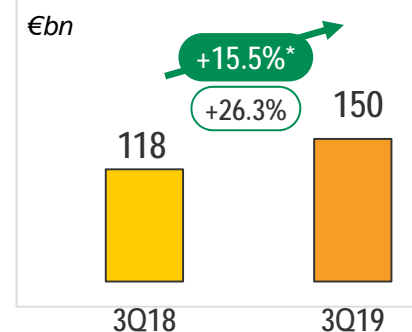
## ● Pre-tax income\*\*\*\*\*: €150m (+15.5%\*) vs. 3Q18

- Decrease in the cost of risk (-9.3%\* vs. 3Q18)
- Pre-tax income at historical scope and exchange rates: +26.3% (appreciation of the Turkish lira)

### > Revenues\*\*\*\*



### > Pre-tax income\*\*\*\*\*



**Positive jaws effect  
Strong rise in income**

\* At constant scope and exchange rates (see data at historical scope and exchange rates in the appendix); \*\* Customers of the digital bank or customers who use digital banking services at least once a month; \*\*\* Sale announced on 28.08.19, closing of the transaction expected in 2020 subject to regulatory approvals; \*\*\*\* Including 100% of Turkish Private Banking; \*\*\*\*\* Including 2/3 of Turkish Private Banking



# International Financial Services BancWest - 3Q19

## ● Business drive

- Loans: +2.4%\* vs. 3Q18, moderate growth in individual and corporate loans
- Deposits: +4.3%\* vs. 3Q18, good increase in customer deposits\*\* (+5.0%)
- Private Banking: \$15.3bn of assets under management as at 30.09.19 (+8.1%\* vs. 30.09.18)
- Cooperation with the rest of the Group: 46 deals made jointly with CIB in 9M19



## ● Digital development and client experience improvement

- > 16,700 new accounts opened online in 3Q19 (+23% vs. 3Q18)

## ● Revenues\*\*\*: -0.9%\* vs. 3Q18

- Decrease in net interest margin in a less favourable rate environment partially offset by increased business activity and fees

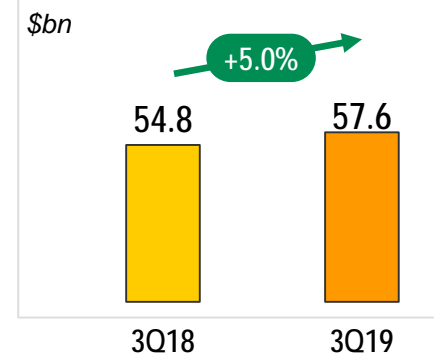
## ● Operating expenses\*\*\*: -4.2%\* vs. 3Q18

- Largely positive jaws effect
- Continued headcount reduction (-5.4% vs. 30.09.18)
- Effects of the transfer of support functions in a less costly area (Arizona); mutualisation of some functions with CIB

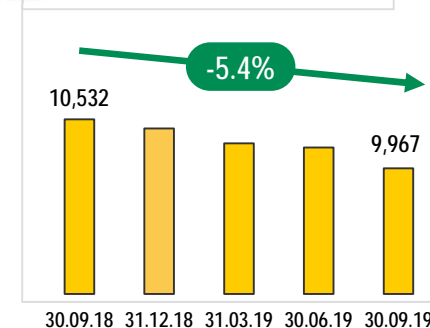
## ● Pre-tax income\*\*\*\*: €119m (+7.4%\* vs. 3Q18)

- +10.5% at historical scope and exchange rates (positive foreign exchange effect)

## > Customer deposits\*



## > Staff evolution\*\*\*\*\*



**Positive jaws effect**  
**Decrease in costs in a less favourable rate environment**

\* At constant scope and exchange rates (USD vs. EUR average rates: +4.6% vs. 30.09.18; figures at historical scope and exchange rates in the appendix);  
\*\* Deposits excluding treasury activities; \*\*\* Including 100% of Private Banking in the United States; \*\*\*\* Including 2/3 of Private Banking in the United States; \*\*\*\*\* Including external assistants

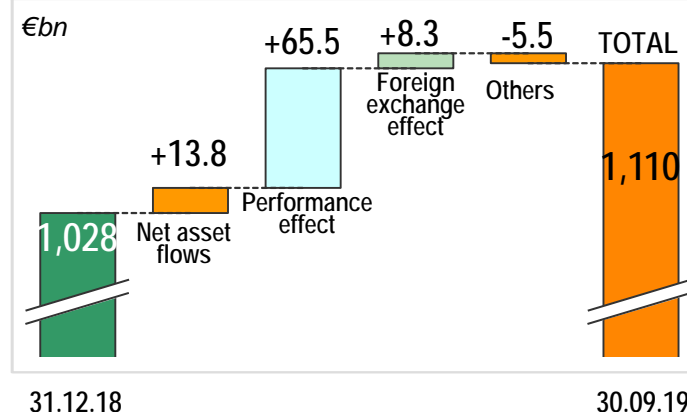


# International Financial Services Insurance & WAM - Asset Flows and AuM - 9M19

- Assets under management\*: €1,110bn as at 30.09.19

- +8.0% vs. 31.12.18 (+4.1% vs. 30.09.18)
- Net asset inflows: +€13.8bn
- Largely positive performance effect (+€65.5bn) on the back of the rebound of financial markets
- Favourable foreign exchange effect (+€8.3bn)
- Others: deconsolidation of SBI Life as at 30.06.19 (-€3.6bn)

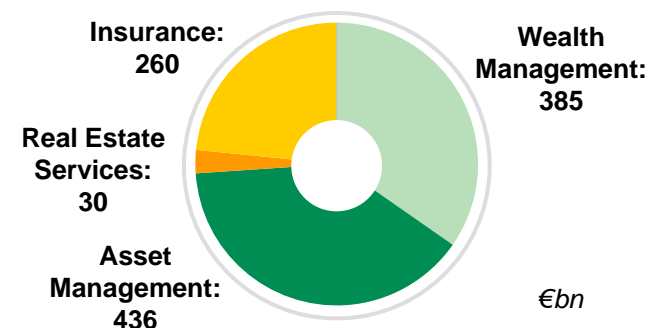
## > Evolution of assets under management\*



- Net asset inflows: +€13.8bn as at 9M19

- Wealth Management: good net asset inflows in particular in Belgium, Germany and Asia
- Asset Management: slight asset outflows (decrease of money market funds in 3Q19)
- Insurance: significant share of asset inflows in unit-linked policies, good growth in Asia

## > Assets under management\* as at 30.09.19



**Strong rise in assets under management**  
**Good level of net asset inflows**

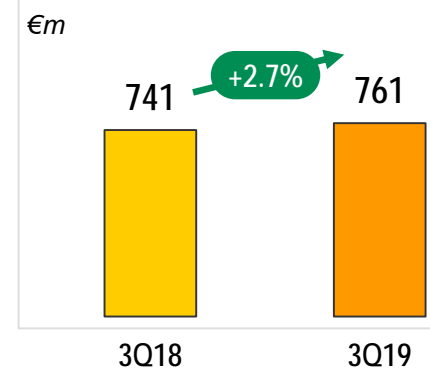
\* Including distributed assets



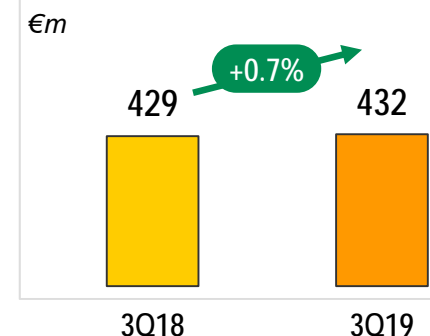
# International Financial Services Insurance - 3Q19

- Continued business development
  - Continued diversification of asset inflows in savings with a share in unit-linked policies on the rise in France and internationally
  - Growth of the international savings and protection insurance business
  - Continued development of property and casualty insurance offering in the FRB network via Cardif IARD
- Implementation of digital transformation and new technologies
  - Personal creditor protection insurance in France: launch of a fully digitalised application journey with 90% of immediate responses (*Cardif Libertés Emprunteur*)
- Revenues: €761m; +2.7% vs. 3Q18
  - Growth driven in particular by Italy, Asia and Latin America
- Operating expenses: €370m; +5.6% vs. 3Q18
  - As a result of business development
  - Positive jaws effect in 9M19
- Pre-tax income: €432m; +0.7% vs. 3Q18

## > Revenues



## > Pre-tax income



> **Continued growth**

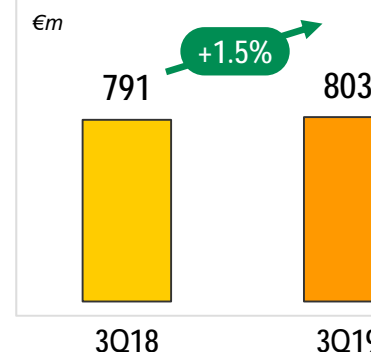


# International Financial Services Wealth and Asset Management\* - 3Q19

- Wealth Management: a recognised global player
  - *Best Private Bank in Hong Kong* (The Asset AAA Awards)
  - *Outstanding Global Private Bank in Europe* (Private Banker International)
- Asset Management: continued business adaptation
  - Amplification of the adaptation: launch of a plan to streamline the product offering, the regional organisation and entities
  - 3 awards at “*Corbeilles Mieux Vivre Votre Argent 2019*”: *Corbeille d’or* over one year\*\*, *Corbeille Long Terme* over 5 years\*\*, best range of diversified funds over 1 year
- Real Estate Services: strong level of activity, in particular in Germany
- Revenues: €803m; +1.5% vs. 3Q18
  - Rise in revenues driven by Real Estate Services and Wealth Management
- Operating expenses: €649m; -0.8% vs. 3Q18
  - Effect of the transformation plan, in particular in Asset Management (gradual decommissioning of 50 applications by early 2020 after the successful roll-out of the *Aladdin* IT outsourcing solution)
  - Positive jaws effect (+2.3 pts)
- Pre-tax income: €170m; +18.3% vs. 3Q18



## Revenues (WAM\*)



**Positive jaws effect and sharp rise in income**

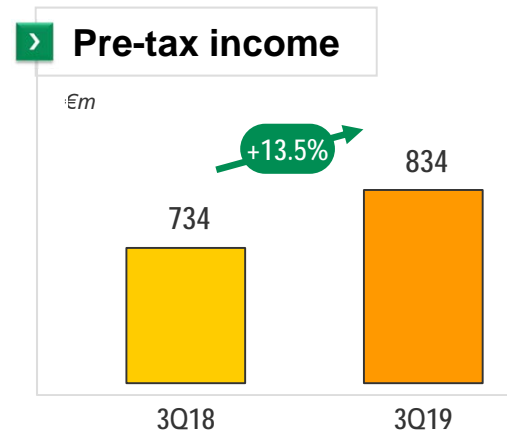
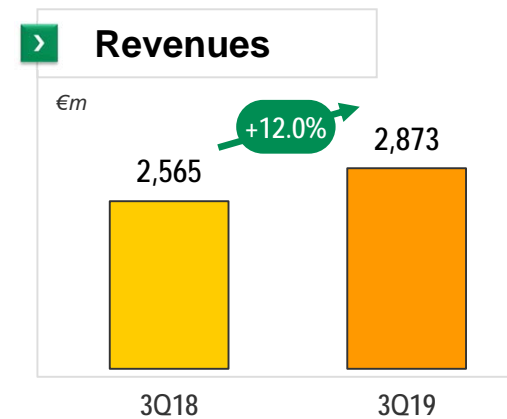
\* Asset Management, Wealth Management, Real Estate Services; \*\* Banking network category





# Corporate and Institutional Banking - 3Q19 Summary

- Continued implementation of the transformation
  - Intensification of industrialisation (€62m cost savings in 3Q19)
  - Selective growth on targeted clients (e.g. signing of the agreement with Deutsche Bank for prime brokerage and electronic execution \*)
  - Optimisation of some activities (e.g. transfer of businesses to the Allfunds fund distribution platform in exchange for a strategic stake\*)
- Revenues: €2,873m (+12.0% vs. 3Q18)
  - Sustained growth in the three businesses: Global Markets (+17.2%\*\*), Corporate Banking (+8.7%\*\* ) and Securities Services (+6.4%)
  - Continued strengthening of client positions
- Operating expenses: €1,974m (+4.8% vs. 3Q18)
  - Largely positive jaws effect (+7.2 pts) thanks to cost saving and transformation measures (automation, end-to-end processes, shared platforms, etc.)
- Pre-tax income: €834m (+13.5% vs. 3Q18)



**> Revenue growth and positive jaws effect  
Strong rise in income**

\* Subject to regulatory approvals and required authorisations; \*\* Excluding the effect of the creation of Capital Markets (transfer of €28m revenues from Global Markets FICC to Corporate Banking in 3Q19)

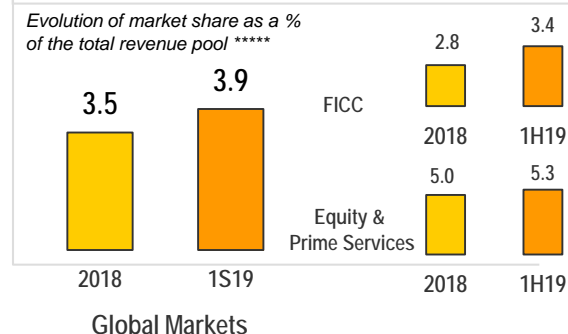


# Corporate and Institutional Banking - 3Q19

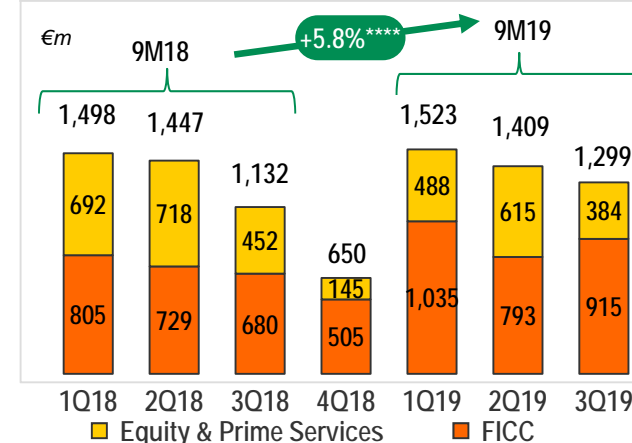
## Global Markets - Business Activity and Revenues

- Signing of the agreement with Deutsche Bank on prime brokerage and electronic execution\*
  - Provide service continuity to asset manager clients of Deutsche Bank via a transfer of necessary technology and staff
  - Very good drive in the preparation of the transition period
- Business Growth
  - Positive drive leveraging on market share gains
  - Bond issues: # 1 for bonds in Euros, # 1 in the EMEA region, # 8 for international bonds and # 2 worldwide for sustainable bonds\*\*
- Revenues: €1,299m (+14.7% vs. 3Q18)
  - +17.2% excluding the effect of the creation of the Capital Markets platform with Corporate Banking\*\*\*
  - FICC: +38.7%\*\*\*\* vs. unfavourable conditions in 3Q18, sharp rise in the primary markets and credit, rebound in forex and emerging markets, good performance of rates
  - Equity & Prime Services: -15.1% vs. 3Q18, lacklustre market on flows partly offset by structured products, slight increase of Prime Services

### Global Markets market share



### Global Markets revenues



## Sustained business and revenue growth

\* Subject to regulatory approvals; \*\* Source: Dealogic September 2019, ranking by volume; \*\*\* Transfer of €28m in revenues from Global Markets FICC to Corporate Banking in 3Q19 (€31m in 1Q19 and €22m in 2Q19); \*\*\*\* Excluding the effect of Capital Markets; \*\*\*\*\* Source: Coalition Proprietary Analytics, based on BNP Paribas products and at historical exchange rates



# Corporate and Institutional Banking - 3Q19

## Corporate Banking - Business Activity and Revenues

### Strengthening of client positions

- Good business drive: sustained level of business with a significant number of transactions this quarter
- Rise in loans (€150bn, +7.1%\* vs. 3Q18) and deposits (€146bn, +12.9%\* vs. 3Q18)
- Trade finance: #1 in Europe with strengthened positions for the 2<sup>nd</sup> year in a row and #2 for the 1<sup>st</sup> time in Asia (*Greenwich Share Leaders*)
- #1 for syndicated loans in the EMEA region\*\*
- Most Innovative Investment Bank (*The Banker*)



### Continued development of digital



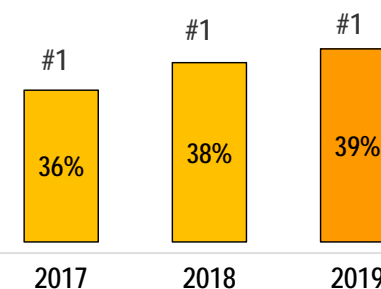
- 11,000 business clients amounting to over 106,000 users and 19,000 connections daily for the Centric platform at end September 2019

### Revenues: €1,039m (+11.7% vs. 3Q18)

- +8.7% excluding the effect of the creation of the Capital Markets platform with Global Markets\*\*\*
- Growth in all regions, strong development in Europe driven by the ramping up of the Capital Markets platform with clients

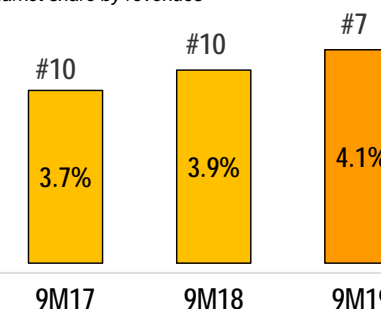
### Trade Finance in Europe

Evolution in the penetration rate in the large corporate segment\*\*\*\* in %



### Investment Banking (EMEA)

Evolution of the ranking and market share by revenues\*\*



**Strong business and revenue growth**

\* Average outstandings at constant scope and exchange rates; \*\* Source Dealogic Sept 19: financing rankings (bookrunner by volume), investment banking ranking (by revenues); EMEA: Europe, Middle East, Africa; \*\*\* €28m of revenues transferred from Global Markets FICC to Corporate Banking in 3Q19; \*\*\*\* Source Greenwich Share Leaders, 2017-2019



# Corporate and Institutional Banking - 3Q19

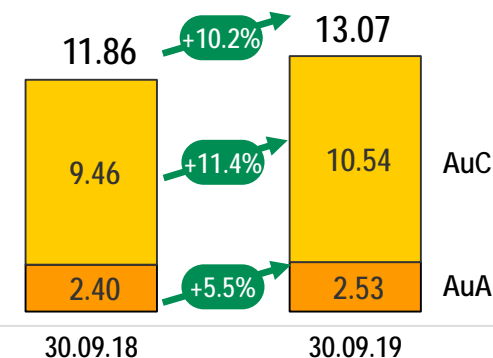
## Securities Services - Business Activity and Revenues

- A recognised global expertise
    - *Transaction Bank of the Year for securities services* (The Banker)\*
    - *Custodian of the Year in Asia* (Asia Risk Award)\*\*
  
  - Partnership agreement with Allfunds\*\*\*
    - Allfunds: one of the world's leading platforms in fund distribution services (wealthtech)
    - Transfer of certain activities to the Allfunds distribution platform in exchange for a strategic 22.5% equity stake
-  allfunds
- Good business and asset growth
    - Rise in assets under custody and under administration (+10.2% vs. 30.09.2018) with in particular the integration of the assets of Janus Henderson since the end of March 2019
    - Increase in the number of transactions (+9.5% 3Q18)
  
  - Revenues: €535m (+6.4% vs. 3Q18)



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

Outstandings at the end of the period in 000 €bn



## Growth in business and revenues

\* The Banker (Transaction Banking Awards 2019); \*\* AsiaRisk Awards 2019; \*\*\* Subject to regulatory approvals and required authorisations



# Conclusion

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**Success of the new digital customer experiences**



**Revenue growth and positive jaws effect  
in the 3 operating divisions**



**Return on tangible equity (ROTE): 10.3%**



**CET1 ratio at 12.0%**



Group Results

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Division Results

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**9M19 Detailed Results**

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Appendix

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# Main Exceptional Items - 9M19

## Exceptional items

### Operating expenses

- Transformation costs – 2020 Plan (*Corporate Centre*)
- Restructuring costs\* (*Corporate Centre*)
- Additional adaptation measures – departure plans\*\* (*Corporate Centre*)

*Total exceptional operating expenses*

### Other non operating items

- Goodwill impairments (*Corporate Centre*)
- Capital gain on the sale of 16.8% of SBI Life and deconsolidation of the residual stake\*\*\* (*Corporate Centre*)
- Capital gain on the sale of 30.3% of First Hawaiian Bank (*Corporate Centre*)
- Capital gain on the sale of a building (*Corporate Centre*)

*Total exceptional other non operating items*

### Total exceptional items (pre-tax)

### Total exceptional items (after tax)\*\*\*\*

	9M19	9M18
	-€568m	-€721m
	-€148m	-€32m
	-€81m	
	<b>-€797m</b>	<b>-€753m</b>
	-€818m	
	+€1,450m	
		+€286m
		+€101m
	<b>+€631m</b>	<b>+€387m</b>
	<b>-€166m</b>	<b>-€366m</b>
	<b>€0m</b>	<b>-€169m</b>

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



# Consolidated Group - 9M19

	> 9M19	> 9M18	%	
			> At historical scope & exchange rates	At constant scope & exchange rates
<b>Revenues</b>	€33,264m	€32,356m	+2.8%	+2.8%
Operating expenses	-€23,305m	-€22,905m	+1.7%	+0.6%
<b>Gross operating income</b>	€9,959m	€9,451m	+5.4%	+8.1%
Cost of risk	-€2,237m	-€1,868m	+19.8%	+18.6%
<b>Operating income</b>	€7,722m	€7,583m	+1.8%	+5.4%
Non operating items	€1,143m	€942m	n.s.	n.s.
<b>Pre-tax income</b>	€8,865m	€8,525m	+4.0%	-5.2%
<b>Net income Group share</b>	€6,324m	€6,084m	+3.9%	
<b>Net income Group share excluding exceptional items*</b>	€6,324m	€6,253m	+1.1%	

> **Positive jaws effect  
Rise in net income**

\* See slide 39





# BNP Paribas Group - 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19 / 2Q19	9M19	9M18	9M19 / 9M18
<i>€m</i>								
<b>Group</b>								
Revenues	10,896	10,352	+5.3%	11,224	-2.9%	33,264	32,356	+2.8%
Operating Expenses and Dep.	-7,421	-7,277	+2.0%	-7,435	-0.2%	-23,305	-22,905	+1.7%
Gross Operating Income	3,475	3,075	+13.0%	3,789	-8.3%	9,959	9,451	+5.4%
Cost of Risks	-847	-686	+23.5%	-621	+36.4%	-2,237	-1,868	+19.8%
Operating Income	2,628	2,389	+10.0%	3,168	-17.0%	7,722	7,583	+1.8%
Share of Earnings of Equity-Method Entities	143	139	+2.9%	180	-20.6%	457	433	+5.5%
Other Non Operating Items	34	288	-88.2%	29	+17.0%	686	509	+34.8%
Non Operating Items	177	427	-58.6%	209	-15.3%	1,143	942	+21.3%
Pre-Tax Income	2,805	2,816	-0.4%	3,377	-16.9%	8,865	8,525	+4.0%
Corporate Income Tax	-767	-583	+31.6%	-795	-3.5%	-2,229	-2,059	+8.3%
Net Income Attributable to Minority Interests	-100	-109	-8.3%	-114	-12.3%	-312	-382	-18.3%
Net Income Attributable to Equity Holders	1,938	2,124	-8.8%	2,468	-21.5%	6,324	6,084	+3.9%
Cost/income	68.1%	70.3%	-2.2 pt	66.2%	+1.9 pt	70.1%	70.8%	-0.7 pt

- Corporate income tax: average tax rate of 24.2% in 9M19 (positive effect of the lower tax rate on the capital gain from the sale of 16.8% of SBI Life)
- Operating divisions:

	(9M19/9M18)	At historical scope & exchange rates	At constant scope & exchange rates
Revenues	+4,0%		+2,8%
Operating expenses	+2,6%		+0,8%
Gross operating income	+6,9%		+6,9%
Cost of risk	+22,2%		+20,1%
Operating income	+3,6%		+4,0%
Pre-tax income	+2,4%		+3,9%



# Retail Banking and Services - 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
<i>€m</i>								
Revenues	8,006	7,774	+3.0%	8,045	-0.5%	24,147	23,421	+3.1%
Operating Expenses and Dep.	-5,084	-4,978	+2.1%	-5,002	+1.6%	-15,672	-15,301	+2.4%
Gross Operating Income	2,922	2,796	+4.5%	3,042	-3.9%	8,475	8,120	+4.4%
Cost of Risks	-765	-736	+3.8%	-604	+26.7%	-2,101	-1,889	+11.2%
Operating Income	2,158	2,060	+4.8%	2,439	-11.5%	6,374	6,230	+2.3%
Share of Earnings of Equity-Method Entities	119	117	+2.3%	151	-21.0%	378	355	+6.5%
Other Non Operating Items	3	3	+9.7%	-27	n.s.	-23	62	n.s.
Pre-Tax Income	2,280	2,179	+4.6%	2,563	-11.0%	6,730	6,647	+1.2%
Cost/Income	63.5%	64.0%	-0.5 pt	62.2%	+1.3 pt	64.9%	65.3%	-0.4 pt
Allocated Equity (€bn)						54.7	52.1	+5.0%

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



# Domestic Markets - 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
<i>€m</i>								
Revenues	3,892	3,874	+0.5%	3,925	-0.8%	11,778	11,781	-0.0%
Operating Expenses and Dep.	-2,607	-2,605	+0.1%	-2,516	+3.6%	-8,107	-8,104	+0.0%
Gross Operating Income	1,285	1,269	+1.3%	1,408	-8.8%	3,671	3,677	-0.2%
Cost of Risks	-245	-251	-2.1%	-214	+14.6%	-767	-725	+5.8%
Operating Income	1,040	1,018	+2.1%	1,194	-12.9%	2,905	2,952	-1.6%
Share of Earnings of Equity-Method Entities	1	5	-83.1%	2	-49.7%	-3	-3	+3.8%
Other Non Operating Items	2	0	n.s.	-6	n.s.	-3	2	n.s.
Pre-Tax Income	1,043	1,024	+1.9%	1,190	-12.4%	2,899	2,951	-1.8%
Income attributable to Wealth and Asset Management	-67	-67	-0.1%	-68	-1.6%	-194	-206	-5.6%
Pre-Tax Income of Domestic Markets	975	956	+2.0%	1,122	-13.0%	2,705	2,746	-1.5%
Cost/Income	67.0%	67.2%	-0.2 pt	64.1%	+2.9 pt	68.8%	68.8%	+0.0 pt
Allocated Equity (€bn)						25.7	25.0	+2.6%

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

- Revenues: stable vs. 9M18
  - Increased activity offset by the effect of low interest rates and decrease in financial fees at the beginning of the year due to the unfavourable market environment
  - Continued growth of the specialised businesses
- Operating expenses: stable vs. 9M18
  - Decrease in the networks (-0.7%\* on average)
  - Rise in the specialised businesses related to the development of the activity with a positive jaws effect in all businesses (Arval, Personal Investors, Leasing Solutions, Nickel)
- Pre-tax income: -1.5% vs. 9M18

\* FRB, BNL bc and BRB



# Domestic Markets

## French Retail Banking - 9M19 (excluding PEL/CEL effects)

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
€m								
Revenues	1,568	1,571	-0.2%	1,596	-1.8%	4,759	4,758	+0.0%
<i>Incl. Net Interest Income</i>	901	896	+0.6%	889	+1.4%	2,702	2,661	+1.6%
<i>Incl. Commissions</i>	667	676	-1.3%	708	-5.8%	2,057	2,097	-1.9%
Operating Expenses and Dep.	-1,163	-1,168	-0.5%	-1,102	+5.5%	-3,450	-3,461	-0.3%
<b>Gross Operating Income</b>	<b>405</b>	<b>403</b>	<b>+0.5%</b>	<b>495</b>	<b>-18.1%</b>	<b>1,309</b>	<b>1,297</b>	<b>+0.9%</b>
Cost of Risks	-75	-90	-16.2%	-83	-9.1%	-231	-203	+13.5%
<b>Operating Income</b>	<b>330</b>	<b>313</b>	<b>+5.3%</b>	<b>412</b>	<b>-19.9%</b>	<b>1,079</b>	<b>1,094</b>	<b>-1.4%</b>
Non Operating Items	0	0	-97.5%	0	-17.3%	1	1	-16.0%
<b>Pre-Tax Income</b>	<b>330</b>	<b>314</b>	<b>+5.2%</b>	<b>412</b>	<b>-19.9%</b>	<b>1,080</b>	<b>1,095</b>	<b>-1.4%</b>
Income attributable to Wealth and Asset Management	-40	-38	+4.9%	-37	+6.1%	-111	-116	-4.5%
<b>Pre-Tax Income</b>	<b>290</b>	<b>276</b>	<b>+5.2%</b>	<b>374</b>	<b>-22.5%</b>	<b>969</b>	<b>979</b>	<b>-1.0%</b>
Cost/Income	74.2%	74.3%	-0.1 pt	69.0%	+5.2 pt	72.5%	72.7%	-0.2 pt
Allocated Equity (€bn)						10.0	9.5	+5.8%

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

- Revenues: stable vs. 9M18
  - Net interest income: +1.6% vs. 9M18, rise in volumes but effect of the low interest rate environment
  - Fees: -1.9% vs. 9M18, decrease in particular in charges on fragile customers at the beginning of the year
- Operating expenses: -0.3% vs. 9M18
  - Effect of transformation plan measures (optimisation of the network and streamlining of the management set-up)
  - Positive jaws effect (+0.3 pt)

\* PEL/CEL effect: +€21m in 9M19 (+€5m in 9M18) and -€10m in 3Q19 (+€4m in 3Q18)



# Domestic Markets

## French Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 3Q19	%Var/3Q18	%Var/2Q19	Outstandings 9M19	%Var/9M18
<b>LOANS</b>	<b>175.5</b>	<b>+5.9%</b>	<b>+2.0%</b>	<b>172.4</b>	<b>+5.2%</b>
Individual Customers	95.9	+5.2%	+1.9%	94.3	+4.4%
Incl. Mortgages	84.8	+5.5%	+1.9%	83.4	+4.7%
Incl. Consumer Lending	11.1	+2.7%	+1.5%	10.9	+1.7%
Corporates	79.6	+6.8%	+2.2%	78.1	+6.2%
<b>DEPOSITS AND SAVINGS</b>	<b>188.5</b>	<b>+10.6%</b>	<b>+1.1%</b>	<b>183.9</b>	<b>+9.6%</b>
Current Accounts	119.1	+13.8%	+2.0%	115.1	+12.7%
Savings Accounts	61.9	+3.3%	+0.2%	61.5	+3.1%
Market Rate Deposits	7.5	+28.8%	-4.2%	7.4	+22.4%
	<b>30.09.19</b>	<b>%Var/ 30.09.18</b>	<b>%Var/ 30.06.19</b>		
€bn					
<b>OFF BALANCE SHEET SAVINGS</b>					
Life Insurance	95.2	+4.0%	+2.3%		
Mutual Funds	30.7	-20.3%	-4.2%		

- Loans: +5.9% vs. 3Q18, rise in loans to individual and corporate customers in a context of economic growth
- Deposits: +10.6% vs. 3Q18, strong growth in current accounts
- Off balance sheet savings: growth in life insurance outstandings; decrease in mutual fund outstandings vs. 30.09.18 concentrated on short-term mutual funds



# Domestic Markets

## BNL banca commerciale – 9M19

€m	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
Revenues	663	660	+0.5%	684	-3.1%	2,023	2,070	-2.3%
Operating Expenses and Dep.	-446	-439	+1.7%	-433	+3.1%	-1,349	-1,357	-0.6%
Gross Operating Income	217	221	-1.9%	251	-13.8%	673	713	-5.6%
Cost of Risks	-109	-131	-17.2%	-107	+1.5%	-381	-428	-11.0%
Operating Income	108	90	+20.6%	144	-25.2%	292	285	+2.6%
Non Operating Items	0	0	n.s.	0	n.s.	0	-1	n.s.
Pre-Tax Income	108	89	+20.6%	144	-25.2%	292	283	+3.0%
Income attributable to Wealth and Asset Management	-10	-10	-3.9%	-11	-13.8%	-31	-32	-5.3%
Pre-Tax Income of BNL bc	98	80	+23.7%	133	-26.2%	261	251	+4.1%
Cost/Income	67.3%	66.5%	+0.8 pt	63.3%	+4.0 pt	66.7%	65.6%	+1.1 pt
Allocated Equity (€bn)						5.3	5.5	-4.2%

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

- Revenues: -2.3% vs. 9M18
  - Net interest income: -3.0% vs. 9M18, impact of the low interest rate environment and the positioning on clients with a better risk profile
  - Fees: -1.2% vs. 9M18
- Operating expenses: -0.6% vs. 9M18
  - Effect of transformation plan measures
- Cost of risk: -11.0% vs. 9M18
  - Continued decrease in the cost of risk
- Pre-tax income: €261m (+4.1% vs. 9M18)



# Domestic Markets

## BNL banca commerciale - Volumes

Average outstandings (€bn)	Outstandings 3Q19	%Var/3Q18	%Var/2Q19	Outstandings 9M19	%Var/9M18
<b>LOANS</b>	<b>77.1</b>	<b>-2.9%</b>	<b>-0.7%</b>	<b>77.6</b>	<b>-1.3%</b>
Individual Customers	39.0	-3.5%	-0.9%	39.4	-2.2%
Incl. Mortgages	24.6	-1.7%	-0.6%	24.7	-1.0%
Incl. Consumer Lending	4.6	+3.5%	+1.3%	4.5	+4.1%
Corporates	38.1	-2.3%	-0.4%	38.3	-0.3%
<b>DEPOSITS AND SAVINGS</b>	<b>46.5</b>	<b>+8.1%</b>	<b>+2.8%</b>	<b>45.1</b>	<b>+3.7%</b>
Individual Deposits	31.0	+7.4%	+1.8%	30.4	+5.7%
Incl. Current Accounts	30.7	+7.6%	+1.8%	30.2	+5.8%
Corporate Deposits	15.5	+9.6%	+4.9%	14.7	-0.1%

€bn	30.09.19	%Var/ 30.09.18	%Var/ 30.06.19
<b>OFF BALANCE SHEET SAVINGS</b>			
Life Insurance	22.8	+8.9%	+3.5%
Mutual Funds	15.2	-1.4%	+1.6%

- Loans: -2.9% vs. 3Q18
  - -0.5% excluding the impact of the securitisations of non-performing loans\*: decrease in loans to individual customers but increase in corporate loans
- Deposits: +8.1% vs. 3Q18
  - Rise in individual and corporate current accounts
- Off balance sheet savings vs. 30.09.18:
  - Sharp rise in life insurance outstandings
  - Decrease of mutual funds but +4.1% rebound vs. 31.12.18 on the back of markets recovery

\* Securitisation of non-performing loan portfolios for €1.0bn of in 2Q19 and €1.0bn in 4Q18



# Domestic Markets

## Belgian Retail Banking - 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
<i>€m</i>								
Revenues	853	887	-3.8%	878	-2.7%	2,646	2,738	-3.4%
Operating Expenses and Dep.	-541	-563	-3.9%	-535	+1.1%	-1,920	-1,950	-1.5%
Gross Operating Income	312	324	-3.7%	342	-8.7%	726	788	-7.9%
Cost of Risks	-20	4	n.s.	3	n.s.	-51	0	n.s.
Operating Income	292	328	-11.0%	345	-15.4%	675	788	-14.3%
Non Operating Items	6	8	-25.4%	-1	n.s.	2	8	-69.3%
Pre-Tax Income	298	336	-11.3%	344	-13.5%	678	796	-14.9%
Income attributable to Wealth and Asset Management	-17	-19	-7.6%	-19	-10.2%	-51	-54	-6.9%
Pre-Tax Income of BDDB	281	317	-11.5%	325	-13.6%	627	741	-15.4%
Cost/Income	63.4%	63.4%	+0.0 pt	61.0%	+2.4 pt	72.6%	71.2%	+1.4 pt
Allocated Equity (€bn)						5.8	5.7	+1.3%

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

- Revenues: -3.4% vs. 9M18
  - Net interest income: -4.0% vs. 9M18, impact of the low interest rate environment
  - Fees: -1.6% vs. 9M18
- Operating expenses: -1.5% vs. 9M18
  - -2.5% excluding the impact of the rise in banking taxes and contributions
  - Effect of transformation plan measures
- Pre-tax income: -15.4% vs. 9M18
  - - 10.3% excluding the impact of the rise in banking taxes and contributions
  - Cost of risk still very low but unfavourable base effect vs. 9M18 when provisions were offset by write-backs





# Domestic Markets

## Belgian Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 3Q19	%Var/3Q18	%Var/2Q19	Outstandings 9M19	%Var/9M18
<b>LOANS</b>	<b>111.6</b>	<b>+4.3%</b>	<b>+1.1%</b>	<b>110.2</b>	<b>+4.4%</b>
Individual Customers	70.6	+3.7%	+0.9%	69.9	+3.3%
Incl. Mortgages	51.3	+4.2%	+1.3%	50.8	+3.9%
Incl. Consumer Lending	0.3	+8.2%	-20.8%	0.2	+10.6%
Incl. Small Businesses	19.0	+2.1%	+0.1%	18.9	+1.9%
Corporates and Local Governments	41.1	+5.5%	+1.6%	40.3	+6.3%
<b>DEPOSITS AND SAVINGS</b>	<b>132.6</b>	<b>+5.7%</b>	<b>+0.9%</b>	<b>130.4</b>	<b>+5.0%</b>
Current Accounts	55.6	+7.9%	+1.0%	54.2	+6.3%
Savings Accounts	74.1	+3.9%	+0.9%	73.3	+4.2%
Term Deposits	2.9	+10.8%	+1.4%	2.9	+3.7%
	<b>30.09.19</b>	<b>%Var/ 30.09.18</b>	<b>%Var/ 30.06.19</b>		
€bn					
<b>OFF BALANCE SHEET SAVINGS</b>					
Life Insurance	24.5	+1.1%	+0.4%		
Mutual Funds	32.0	-0.7%	+2.9%		

- Loans: +4.3% vs. 3Q18
  - Individuals: increase in particular in mortgage loans
  - Corporates: significant rise in corporate loans
- Deposits: +5.7% vs. 3Q18
  - Growth in current accounts and savings accounts of individuals
- Off balance sheet savings:
  - Increase of life insurance outstandings
  - Decrease in mutual fund outstandings vs. 30.09.18 (but 8.5% rebound vs. 31.12.18 on the back of the recovery of the markets)



# Domestic Markets: Other Activities - 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
<i>€m</i>								
Revenues	807	755	+6.9%	767	+5.3%	2,350	2,215	+6.1%
Operating Expenses and Dep.	-457	-435	+5.0%	-447	+2.3%	-1,387	-1,336	+3.8%
Gross Operating Income	351	320	+9.5%	320	+9.6%	963	879	+9.5%
Cost of Risks	-41	-33	+23.2%	-27	+52.0%	-104	-94	+11.4%
Operating Income	310	287	+7.9%	293	+5.7%	858	785	+9.3%
Share of Earnings of Equity-Method Entities	-4	-3	+60.2%	-4	+22.7%	-11	-8	+38.7%
Other Non Operating Items	1	0	n.s.	0	n.s.	2	0	n.s.
Pre-Tax Income	307	284	+7.9%	290	+5.9%	850	777	+9.3%
Income attributable to Wealth and Asset Management	-1	-1	-9.5%	-1	+23.8%	-2	-3	-27.1%
Pre-Tax Income of others DM	306	283	+8.0%	289	+5.9%	848	775	+9.4%
Cost/Income	56.6%	57.6%	-1.0 pt	58.3%	-1.7 pt	59.0%	60.3%	-1.3 pt
Allocated Equity (€bn)						4.6	4.3	+5.9%

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

- Revenues: +6.1% vs. 9M18
  - Good growth of the businesses, driven in particular by Arval and Leasing Solutions, significant rise in revenues at Nickel
- Operating expenses: +3.8% vs. 9M18
  - As a result of the good development of the businesses
  - Positive jaws effect (+2.3 pts)
- Pre-tax income: +9.4% vs. 9M18



# Domestic Markets

## LRB - Personal Investors

### > Luxembourg Retail Banking (LRB)

Average outstandings (€bn)	3Q19	%Var/3Q18	%Var/2Q19	9M19	%Var/9M18
<b>LOANS</b>	<b>10.7</b>	<b>+9.1%</b>	<b>+3.3%</b>	<b>10.4</b>	<b>+8.3%</b>
Individual Customers	7.4	+6.8%	+2.0%	7.2	+6.8%
Corporates and Local Governments	3.3	+14.7%	+6.2%	3.2	+11.9%
<b>DEPOSITS AND SAVINGS</b>	<b>23.3</b>	<b>+8.1%</b>	<b>-4.2%</b>	<b>23.2</b>	<b>+11.2%</b>
Current Accounts	11.7	+4.2%	-10.0%	12.0	+15.1%
Savings Accounts	10.0	+8.0%	+4.4%	9.6	+4.5%
Term Deposits	1.6	+45.8%	-7.8%	1.5	+26.4%
€bn	<b>30.09.19</b>	<b>%Var/ 30.09.18</b>	<b>%Var/ 30.06.19</b>		
<b>OFF BALANCE SHEET SAVINGS</b>					
Life Insurance	1.1	+6.7%	+2.0%		
Mutual Funds	1.7	-2.1%	+4.4%		

- Loans vs. 3Q18: good growth in mortgage and corporate loans
- Deposits vs. 3Q18: significant rise in sight deposits particularly in the corporate client segment

### > Personal Investors

Average outstandings (€bn)	3Q19	%Var/3Q18	%Var/2Q19	9M19	%Var/9M18
<b>LOANS</b>	<b>0.5</b>	<b>-13.1%</b>	<b>+2.0%</b>	<b>0.5</b>	<b>-8.6%</b>
<b>DEPOSITS</b>	<b>23.3</b>	<b>+0.9%</b>	<b>+2.1%</b>	<b>22.8</b>	<b>-0.9%</b>
€bn	<b>30.09.19</b>	<b>%Var/ 30.09.18</b>	<b>%Var/ 30.06.19</b>		
<b>ASSETS UNDER MANAGEMENT</b>	<b>104.6</b>	<b>+6.4%</b>	<b>+3.5%</b>		
European Customer Orders (millions)	5.1	+18.3%	+11.2%		

- Deposits vs. 3Q18: slight increase in deposits
- Assets under management vs. 30.09.18: growth as a result of very good asset inflows



# Domestic Markets

## Arval - Leasing Solutions - Nickel

### > Arval

Average outstandings (€bn)	3Q19	%Var*/3Q18	%Var*/2Q19	9M19	%Var*/9M18
Consolidated Outstandings	19.9	+11.8%	+3.1%	19.4	+11.1%
Financed vehicles ('000 of vehicles)	1,265	+8.7%	+1.9%	1,241	+11.0%

- Consolidated outstandings: +11.8%\* vs. 3Q18, good growth in all regions
- Financed fleet: +8.7%\* vs. 3Q18, very good sales and marketing drive

### > Leasing Solutions

Average outstandings (€bn)	3Q19	%Var*/3Q18	%Var*/2Q19	9M19	%Var*/9M18
Consolidated Outstandings	21.1	+6.0%	+1.0%	20.9	+7.4%

- Consolidated outstandings: +6.0%\* vs. 3Q18, good business and marketing drive

### > Nickel

- 1.4 million accounts opened as at 30 September 2019 (+35% vs. 30 September 2018; +24% vs. 31 December 2018)



\* At constant scope and exchange rates



# International Financial Services - 9M19

€m	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
Revenues	4,248	4,041	+5.1%	4,262	-0.3%	12,792	12,077	+5.9%
Operating Expenses and Dep.	-2,545	-2,446	+4.0%	-2,559	-0.6%	-7,792	-7,428	+4.9%
Gross Operating Income	1,704	1,595	+6.8%	1,703	+0.0%	5,001	4,649	+7.6%
Cost of Risks	-518	-486	+6.6%	-390	+32.8%	-1,337	-1,165	+14.7%
Operating Income	1,186	1,109	+6.9%	1,313	-9.7%	3,664	3,484	+5.2%
Share of Earnings of Equity-Method Entities	118	111	+6.4%	149	-20.7%	381	358	+6.5%
Other Non Operating Items	1	3	-67.0%	-21	n.s.	-20	60	n.s.
Pre-Tax Income	1,305	1,223	+6.7%	1,442	-9.5%	4,025	3,901	+3.2%
Cost/Income	59.9%	60.5%	-0.6 pt	60.0%	-0.1 pt	60.9%	61.5%	-0.6 pt
Allocated Equity (€bn)						29.1	27.1	+7.2%

- Foreign exchange effects: appreciation of the dollar offset on 9 months by the depreciation of the Turkish lira
  - USD vs. EUR\*: +4.6% vs. 3Q18, +1.1% vs. 2Q19, +6.5% vs. 9M18
  - TRY vs. EUR\*: +4.3% vs. 3Q18, +4.6% vs. 2Q19, -13.3% vs. 9M18
- Scope effect related to the integration of Raiffeisen Bank Polska\*\*
- At constant scope and exchange rates vs. 9M18
  - Revenues: +3.6%
  - Operating expenses: +1.4%, positive jaws effect (+2.2 pts)
  - Operating income: +5.6%
  - Pre-tax income: +5.8%

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



# International Financial Services Personal Finance - 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
<i>€m</i>								
Revenues	1,444	1,387	+4.1%	1,440	+0.3%	4,311	4,122	+4.6%
Operating Expenses and Dep.	-664	-639	+3.9%	-702	-5.5%	-2,136	-2,036	+4.9%
Gross Operating Income	781	748	+4.4%	738	+5.8%	2,175	2,086	+4.3%
Cost of Risks	-366	-345	+6.0%	-289	+26.5%	-984	-886	+11.0%
Operating Income	415	403	+3.0%	449	-7.5%	1,191	1,200	-0.7%
Share of Earnings of Equity-Method Entities	19	21	-10.5%	17	+10.0%	50	44	+12.4%
Other Non Operating Items	0	0	n.s.	-13	n.s.	-13	2	n.s.
Pre-Tax Income	434	424	+2.4%	454	-4.3%	1,228	1,247	-1.5%
Cost/Income	45.9%	46.1%	-0.2 pt	48.7%	-2.8 pt	49.5%	49.4%	+0.1 pt
Allocated Equity (€bn)						8.0	7.2	+9.9%

- At constant scope and exchange rates vs. 9M18 (limited scope and exchange rates effect on 9M)
  - Revenues: +4.5%, in connection with the rise in volumes and the positioning on products with a better risk profile
  - Operating expenses: +4.7%, as a result of good business development; confirmation of the objective of a positive jaws effect this year (gradual effect of the transformation measures)
  - Gross operating income: +4.3%
  - Pre-tax income: -1.6% (unfavourable base effect on the cost of risk vs. 9M18 which recorded a high level of provision write-backs)



# International Financial Services Personal Finance - Volumes and Risks

Average outstandings (€bn)	Outstandings	%Var/3Q18		%Var/2Q19		Outstandings	%Var/9M18	
	3Q19	historical	at constant scope and exchange rates	historical	at constant scope and exchange rates	9M19	historical	at constant scope and exchange rates
<b>TOTAL CONSOLIDATED OUTSTANDINGS</b>	92.2	+8.0%	+8.1%	-0.2%	+0.9%	91.9	+10.2%	+10.1%
<b>TOTAL OUTSTANDINGS UNDER MANAGEMENT (1)</b>	106.2	+8.9%	+8.9%	-0.8%	+1.0%	106.2	+11.5%	+11.1%

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

## > Cost of risk vs. outstandings

Annualised cost of risk / outstandings as at beginning of period	3Q18	4Q18	1Q19	2Q19	3Q19
France	1.10%	0.84%	0.92%	0.52%	1.08%
Italy	1.76%	1.67%	1.73%	1.48%	1.75%
Spain	2.15%	1.19%	1.81%	2.09%	1.78%
Other Western Europe	1.23%	1.27%	1.13%	1.03%	1.15%
Eastern Europe	2.06%	1.96%	1.52%	1.50%	2.15%
Brazil	6.34%	2.53%	5.18%	3.44%	6.98%
Others	2.18%	2.33%	2.14%	1.94%	1.63%
<b>Personal Finance</b>	<b>1.61%</b>	<b>1.36%</b>	<b>1.45%</b>	<b>1.23%</b>	<b>1.54%</b>



# International Financial Services Europe-Mediterranean - 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
€m								
Revenues	657	562	+16.9%	674	-2.5%	1,997	1,758	+13.6%
Operating Expenses and Dep.	-439	-381	+15.1%	-445	-1.2%	-1,340	-1,200	+11.6%
Gross Operating Income	218	181	+20.7%	230	-4.9%	658	558	+17.8%
Cost of Risks	-112	-105	+6.0%	-97	+14.6%	-285	-230	+24.1%
Operating Income	107	76	+41.1%	132	-19.3%	372	328	+13.4%
Non Operating Items	44	44	+0.2%	65	-33.4%	162	182	-11.0%
Pre-Tax Income	150	119	+26.2%	198	-23.9%	534	510	+4.7%
Income attributable to Wealth and Asset Management	-1	-1	+15.2%	-1	-22.2%	-3	-2	+18.0%
Pre-Tax Income	150	118	+26.3%	197	-23.9%	532	508	+4.7%
Cost/Income	66.8%	67.8%	-1.0 pt	66.0%	+0.8 pt	67.1%	68.3%	-1.2 pt
Allocated Equity (€bn)						5.3	4.8	+11.0%

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

- Foreign exchange effect on 9 months due to the depreciation of the Turkish lira
  - TRY vs. EUR\*: +4.3% vs. 3Q18, +4.6% vs. 2Q19, -13.3% vs. 9M18
- Scope effect related to the integration of Raiffeisen Bank Polska\*\*
- At constant scope and exchange rates vs. 9M18
  - Revenues\*\*\*: +5.6%, up in all regions
  - Operating expenses\*\*\*: -0.4%, ongoing delivery of cost synergies in Poland following the integration of Raiffeisen Bank Polska and effect of transformation measures in all countries; positive jaws effect (+6 pts)
  - Cost of risk\*\*\*: +10.9%, increase in the cost of risk in Turkey
  - Pre-tax income\*\*\*\*: +28.3%

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

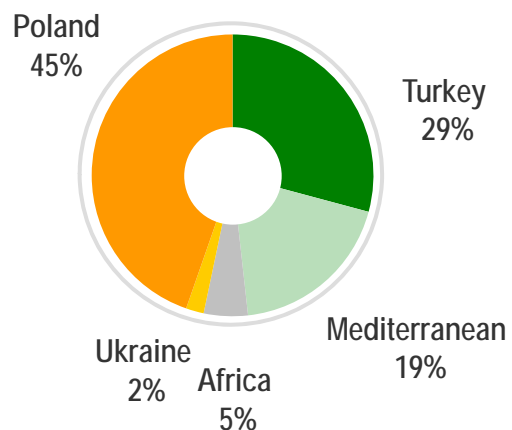




# International Financial Services Europe-Mediterranean - Volumes and Risks

Average outstandings (€bn)	Outstandings	%Var/3Q18 at constant historical scope and exchange rates		%Var/2Q19 at constant historical scope and exchange rates		Outstandings	%Var/9M18 at constant historical scope and exchange rates	
	3Q19					9M19		
<b>LOANS</b>	38.6	+14.4%	-0.2%	+1.6%	+0.3%	38.1	+7.9%	+1.2%
<b>DEPOSITS</b>	40.3	+23.1%	-2.6%	-0.1%	-1.3%	40.3	+19.8%	+1.1%

## Geographic distribution of 3Q19 outstanding loans



## Cost of risk / outstandings

Annualised cost of risk / outstandings as at beginning of period	3Q18	4Q18	1Q19	2Q19	3Q19
Turkey	1.91%	1.52%	1.78%	2.04%	2.11%
Ukraine	0.57%	-1.76%	-0.40%	-0.36%	0.68%
Poland	0.57%	0.70%	0.12%	0.47%	0.20%
Others	0.54%	0.58%	0.65%	0.50%	1.51%
<b>Europe Mediterranean</b>	<b>1.08%</b>	<b>0.87%</b>	<b>0.75%</b>	<b>0.96%</b>	<b>1.10%</b>

## TEB: a solid and well capitalised bank

- 16.5% solvency ratio\* as at 30.09.19
- Largely self financed
- Very limited exposure to Turkish government bonds
- 1.4% of the Group's outstanding loans as at 30.09.19

\* Capital Adequacy Ratio (CAR)



# International Financial Services BancWest – 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
<i>€m</i>								
Revenues	601	578	+4.0%	593	+1.4%	1,764	1,689	+4.4%
Operating Expenses and Dep.	-433	-430	+0.6%	-431	+0.5%	-1,306	-1,251	+4.4%
Gross Operating Income	168	148	+13.8%	162	+3.8%	458	438	+4.5%
Cost of Risks	-43	-35	+24.5%	-2	n.s.	-64	-47	+35.7%
Operating Income	125	113	+10.4%	160	-21.7%	394	391	+0.7%
Non Operating Items	1	2	-51.3%	1	+17.7%	2	2	-9.5%
Pre-Tax Income	126	116	+9.1%	161	-21.5%	396	393	+0.7%
Income attributable to Wealth and Asset Management	-7	-8	-9.8%	-7	-6.8%	-22	-20	+8.3%
Pre-Tax Income	119	108	+10.5%	153	-22.2%	374	373	+0.3%
Cost/Income	72.0%	74.4%	-2.4 pt	72.6%	-0.6 pt	74.0%	74.1%	-0.1 pt
Allocated Equity (€bn)						5.4	4.8	+12.2%

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

- Foreign exchange effect USD / EUR\*: +4,6% vs. 3Q18, +1.1% vs. 2Q19, +6.3% vs. 9M18
- At constant scope and exchange rates vs. 9M18
  - Revenues\*\*: -1.9%, decrease in net interest margin partially offset by increased fees
  - Operating expenses\*\*: -1.7%, effects of headcount reduction, transfer of support functions to a less costly area (Arizona) and mutualisation of some functions with CIB
  - Pre-tax income\*\*\*: -5.9%

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



# International Financial Services BancWest - Volumes

Average outstandings (€bn)	Outstandings	%Var/3Q18		%Var/2Q19		Outstandings	%Var/9M18	
	3Q19	historical	at constant scope and exchange rates	historical	at constant scope and exchange rates	9M19	historical	at constant scope and exchange rates
<b>LOANS</b>	<b>56.1</b>	<b>+8.1%</b>	<b>+2.4%</b>	<b>+3.3%</b>	<b>+0.7%</b>	<b>54.6</b>	<b>+8.0%</b>	<b>+1.2%</b>
Individual Customers	24.7	+11.1%	+3.9%	+5.5%	+0.8%	23.7	+9.4%	+2.1%
Incl. Mortgages	10.5	+14.7%	+9.7%	+3.0%	+1.9%	10.2	+16.1%	+9.2%
Incl. Consumer Lending	14.2	+8.5%	+0.0%	+7.5%	-0.0%	13.5	+4.9%	-2.6%
Commercial Real Estate	15.2	+2.8%	-1.7%	+2.3%	+1.2%	15.0	+3.1%	-3.1%
Corporate Loans	16.2	+8.9%	+4.1%	+1.1%	-0.0%	16.0	+10.9%	+4.3%
<b>DEPOSITS AND SAVINGS</b>	<b>57.5</b>	<b>+9.1%</b>	<b>+4.3%</b>	<b>+3.1%</b>	<b>+2.0%</b>	<b>55.6</b>	<b>+9.2%</b>	<b>+2.6%</b>
Customer Deposits*	51.8	+8.0%	+5.0%	+2.7%	+1.7%	50.3	+7.6%	+4.0%

- At constant scope and exchange rates vs. 3Q18
  - Loans: +2.4%; increase in mortgages and corporate loans
  - Deposits: +4.3%; +5.0% increase in deposits excluding treasury activities



# International Financial Services Insurance and WAM\* - Business

	30.09.19	30.09.18	%Var/ 30.09.18	30.06.19	%Var/ 30.06.19
<b>Assets under management (€bn)</b>	<b>1,110</b>	<b>1,066</b>	<b>+4.1%</b>	<b>1,089</b>	<b>+1.9%</b>
Asset Management	436	416	+4.8%	427	+1.9%
Wealth Management	385	377	+2.1%	380	+1.4%
Real Estate Services	30	29	+1.9%	29	+0.4%
Insurance	260	245	+6.1%	252	+3.0%
	<b>3Q19</b>	<b>3Q18</b>	<b>%Var/ 3Q18</b>	<b>2Q19</b>	<b>%Var/ 2Q19</b>
<b>Net asset flows (€bn)</b>	<b>3.5</b>	<b>2.7</b>	<b>+30.8%</b>	<b>7.3</b>	<b>-52.1%</b>
Asset Management	-2.5	-3.0	-15.7%	1.1	n.s.
Wealth Management	3.8	2.9	+27.8%	4.4	-14.0%
Real Estate Services	0.6	0.3	+87.9%	0.4	+44.5%
Insurance	1.6	2.4	-32.0%	1.3	+20.9%

- Assets under management: +€21bn vs. 30.06.19, including in particular
  - Net asset flows: +€3.5bn, good asset inflows in particular in Wealth Management
  - Performance effect: +€11.7bn, as a result of the favourable evolution of financial markets
  - Foreign exchange effect: +€6.5bn, in particular due to the appreciation of the dollar

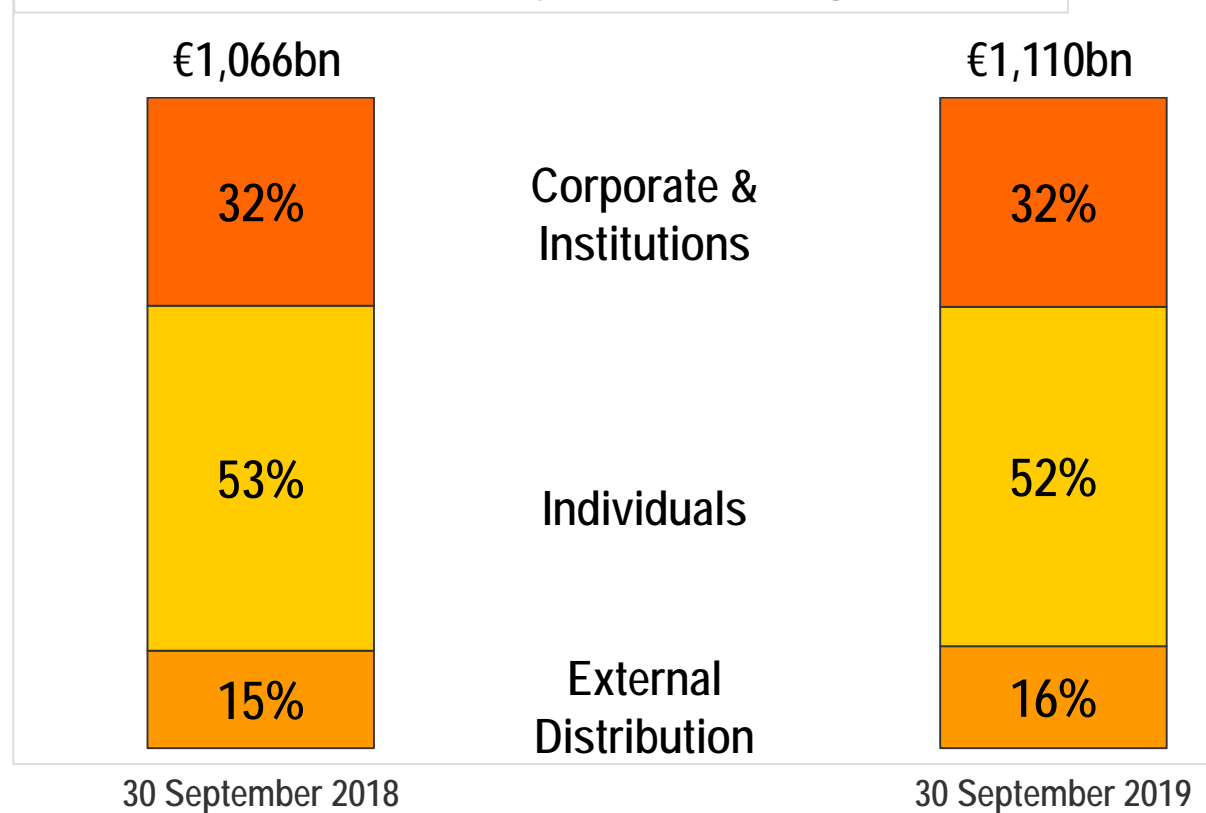
\* Wealth and Asset Management



# International Financial Services - Insurance & WAM

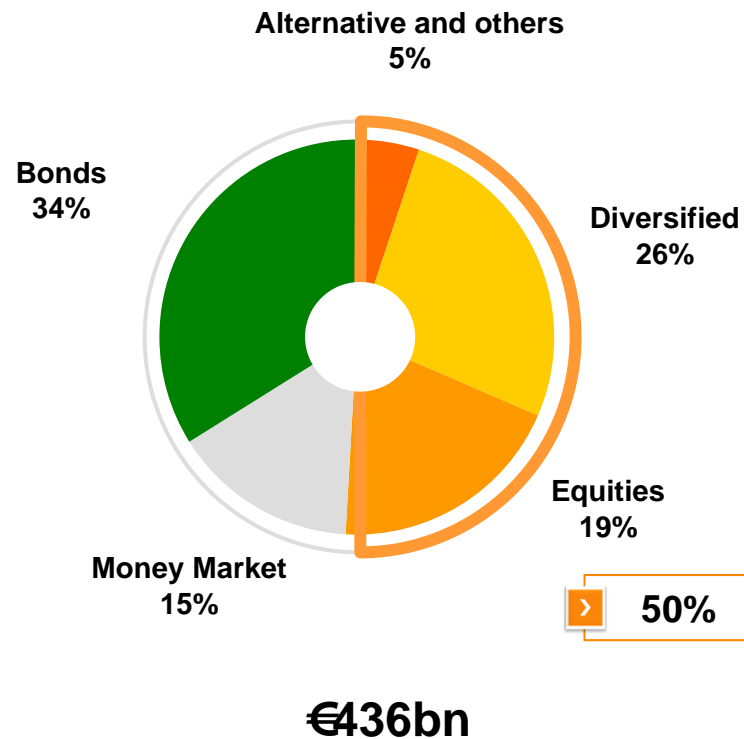
## Breakdown of Assets by Customer Segment

### > Breakdown of assets by customer segment



# International Financial Services - Asset Management Breakdown of Managed Assets

> 30.09.19



# International Financial Services Insurance - 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
<i>€m</i>								
Revenues	761	741	+2.7%	779	-2.4%	2,414	2,137	+12.9%
Operating Expenses and Dep.	-370	-351	+5.6%	-360	+2.8%	-1,120	-1,060	+5.6%
Gross Operating Income	390	390	+0.1%	419	-6.8%	1,294	1,077	+20.1%
Cost of Risks	-2	0	n.s.	1	n.s.	-2	1	n.s.
Operating Income	389	390	-0.2%	420	-7.4%	1,291	1,078	+19.8%
Share of Earnings of Equity-Method Entities	43	38	+13.0%	57	-23.9%	137	159	-14.2%
Other Non Operating Items	0	1	-92.2%	-16	n.s.	-16	1	n.s.
Pre-Tax Income	432	429	+0.7%	461	-6.2%	1,412	1,239	+14.0%
Cost/Income	48.7%	47.3%	+1.4 pt	46.2%	+2.5 pt	46.4%	49.6%	-3.2 pt
Allocated Equity (€bn)						8.4	8.4	-0.3%

- Technical reserves: +3.3% vs. 9M18
- Revenues: +12.9% vs. 9M18
  - Positive impact of the sharp rebound in the financial markets vs. 31.12.18 (reminder: booking of part of the assets at market value)
  - Good international business growth
- Operating expenses: +5.6% vs. 9M18
  - As a result of business development
- Pre-tax income: +14.0% vs. 9M18



# International Financial Services Wealth and Asset Management - 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
<i>€m</i>								
Revenues	803	791	+1.5%	795	+1.0%	2,364	2,420	-2.4%
Operating Expenses and Dep.	-649	-654	-0.8%	-632	+2.8%	-1,922	-1,908	+0.8%
Gross Operating Income	154	137	+12.4%	163	-5.8%	441	513	-13.9%
Cost of Risks	4	-1	n.s.	-2	n.s.	-1	-3	-80.2%
Operating Income	157	136	+15.8%	161	-2.0%	441	510	-13.6%
Share of Earnings of Equity-Method Entities	12	8	+42.2%	10	+24.0%	32	26	+22.9%
Other Non Operating Items	0	-1	n.s.	7	-99.1%	7	0	n.s.
Pre-Tax Income	170	143	+18.3%	177	-4.3%	479	536	-10.5%
Cost/Income	80.9%	82.7%	-1.8 pt	79.5%	+1.4 pt	81.3%	78.8%	+2.5 pt
Allocated Equity (€bn)						2.1	1.9	+7.3%

- Revenues: -2.4% vs. 9M18
  - High base of Real Estate Services in 9M18 (high level of property development and advisory businesses)
  - Impact in the 1st quarter this year of the sharp fall in the financial markets in 4Q18 with in particular less transaction activity from Asset Management and Wealth Management clients
- Operating expenses: +0.8% vs. 9M18
  - Related in particular to the development of Wealth Management in Germany and decreased costs at Asset Management; gradual effect of transformation plan measures
- Pre-tax income: -10.5% vs. 9M18





# Corporate and Institutional Banking - 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
<i>€m</i>								
Revenues	2,873	2,565	+12.0%	3,099	-7.3%	8,980	8,450	+6.3%
Operating Expenses and Dep.	-1,974	-1,884	+4.8%	-1,997	-1.1%	-6,434	-6,244	+3.0%
Gross Operating Income	898	680	+32.0%	1,102	-18.5%	2,546	2,206	+15.4%
Cost of Risks	-81	49	n.s.	-24	n.s.	-138	57	n.s.
Operating Income	817	730	+12.0%	1,078	-24.2%	2,408	2,264	+6.4%
Share of Earnings of Equity-Method Entities	5	4	+23.7%	5	+5.9%	12	19	-37.0%
Other Non Operating Items	11	0	n.s.	-25	n.s.	-15	5	n.s.
Pre-Tax Income	834	734	+13.5%	1,058	-21.2%	2,406	2,288	+5.1%
Cost/Income	68.7%	73.5%	-4.8 pt	64.4%	+4.3 pt	71.6%	73.9%	-2.3 pt
Allocated Equity (€bn)						21.6	20.7	+4.4%

- Revenues: +6.3% vs. 9M18
  - Growth in the three businesses
- Operating expenses: +3.0% vs. 9M18
  - In relation with the development of the business
  - Positive jaws effect (+3.3 pts) thanks to the effect of costs saving and transformation measures (€182m in 9M19)
- Cost of risk:
  - Reminder: provisions more than offset by write-backs in 9M18



# Corporate and Institutional Banking Global Markets - 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
<i>€m</i>								
Revenues	1,299	1,132	+14.7%	1,409	-7.8%	4,230	4,077	+3.8%
<i>incl. FICC</i>	915	680	+34.6%	793	+15.3%	2,743	2,214	+23.9%
<i>incl. Equity &amp; Prime Services</i>	384	452	-15.1%	615	-37.6%	1,487	1,863	-20.1%
Operating Expenses and Dep.	-926	-848	+9.2%	-913	+1.5%	-3,114	-3,078	+1.2%
Gross Operating Income	373	284	+31.1%	496	-24.9%	1,117	999	+11.8%
Cost of Risks	4	3	+46.2%	-6	n.s.	2	-6	n.s.
Operating Income	377	287	+31.3%	491	-23.2%	1,118	993	+12.7%
Share of Earnings of Equity-Method Entities	1	0	n.s.	1	-30.8%	2	2	-7.3%
Other Non Operating Items	9	0	n.s.	-25	n.s.	-15	1	n.s.
Pre-Tax Income	387	287	+34.7%	467	-17.1%	1,105	997	+10.9%
Cost/Income	71.3%	74.9%	-3.6 pt	64.8%	+6.5 pt	73.6%	75.5%	-1.9 pt
Allocated Equity (€bn)						8.1	7.7	+6.5%

- Revenues: +5.8% vs. 9M18 excluding the effect of the creation of the Capital Markets platform\*
  - FICC (+27.5%\*\*/ 9M18): good performance in all segments with in particular a rebound in forex
  - Equity & Prime Services (-20.1% vs. 9M18): very high base in 9M18 and gradual pick-up of business at the beginning of the year after a 4Q18 impacted by a very unfavourable market context
- Operating expenses: +3.4% vs. 9M18\*\*
  - As a result of increased business
  - Good containment due to transformation measures and the exit of Opera Trading Capital's proprietary business as well as of the commodity derivatives business in the United States
  - Positive jaws effect (+2.4 pts\*\*)

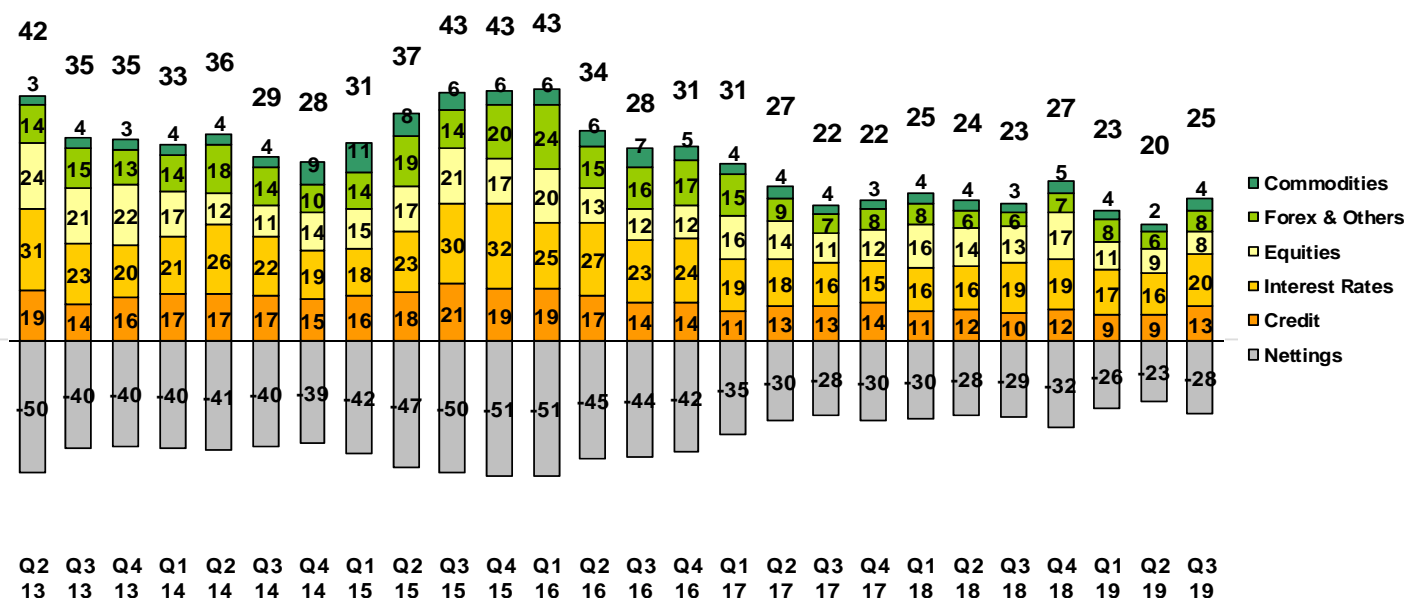
\* Transfer of €81m in revenues from Global Markets FICC to Corporate Banking in 9M19; \*\* Excluding the effect of Capital Markets



# Corporate and Institutional Banking Market Risks - 9M19

## > Average 99% 1-day interval Var

€m



- VaR still at a very low level\*
  - Slight increase on interest rates, credit and forex
  - One backtesting excess recorded this quarter\*\*
  - Only 22 backtesting excesses over VaR recorded since 01.01.2007, or less than 2 per year over a long period including the crisis, confirming the soundness of the internal VaR calculation model (1 day, 99%)

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



# Corporate and Institutional Banking

## Corporate Banking - 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
<i>€m</i>								
Revenues	1,039	930	+11.7%	1,094	-5.0%	3,102	2,822	+9.9%
Operating Expenses and Dep.	-600	-597	+0.4%	-607	-1.2%	-1,930	-1,871	+3.2%
Gross Operating Income	440	333	+32.1%	487	-9.7%	1,172	951	+23.3%
Cost of Risks	-88	46	n.s.	-21	n.s.	-143	60	n.s.
Operating Income	352	379	-7.2%	467	-24.6%	1,028	1,010	+1.8%
Non Operating Items	4	5	-18.2%	3	+20.2%	10	21	-52.5%
Pre-Tax Income	356	384	-7.3%	470	-24.2%	1,039	1,031	+0.7%
Cost/Income	57.7%	64.2%	-6.5 pt	55.5%	+2.2 pt	62.2%	66.3%	-4.1 pt
Allocated Equity (€bn)						12.5	12.1	+2.9%

- Revenues: +7.1% vs. 9M18 excluding the effect of the creation of the Capital Markets platform\*
  - Good business development in Europe with a good start of the Capital Markets platform
  - Good growth of the transaction businesses (cash management and trade finance) in all regions
- Operating expenses: -0.5%\*\* vs. 9M18
  - Largely positive jaws effect (+7.6 pts\*\*) due to transformation measures
- Cost of risk:
  - 9M18 reminder: provisions more than offset by write-backs

\* Transfer of €81m in revenues from Global Market FICC to Corporate Banking in 9M19; \*\* Excluding the effect of Capital Markets



# Corporate and Institutional Banking Securities Services - 9M19

	3Q19	3Q18	3Q19 / 3Q18	2Q19	3Q19/ 2Q19	9M19	9M18	9M19 / 9M18
<i>€m</i>								
Revenues	535	503	+6.4%	596	-10.3%	1,647	1,552	+6.1%
Operating Expenses and Dep.	-449	-439	+2.2%	-477	-5.9%	-1,389	-1,295	+7.3%
Gross Operating Income	86	63	+35.9%	119	-27.8%	258	257	+0.4%
Cost of Risks	2	0	n.s.	2	+15.2%	4	4	-4.8%
Operating Income	88	63	+39.0%	121	-27.1%	262	261	+0.3%
Non Operating Items	2	0	n.s.	0	n.s.	0	0	n.s.
Pre-Tax Income	91	63	+44.0%	121	-25.2%	262	260	+0.4%
Cost/Income	84.0%	87.4%	-3.4 pt	80.1%	+3.9 pt	84.4%	83.5%	+0.9 pt
Allocated Equity (€bn)						0.9	0.9	+6.8%













	30.09.19	30.09.18	%Var/ 30.09.18	30.06.19	%Var/ 30.06.19
<b>Securities Services</b>					
Assets under custody (€bn)	10,540	9,458	+11.4%	10,190	+3.4%
Assets under administration (€bn)	2,530	2,399	+5.5%	2,567	-1.4%
	3Q19	3Q18	3Q19/3Q18	2Q19	3Q19/2Q19
Number of transactions (in million)	24.6	22.5	+9.5%	22.9	+7.5%

- Revenues: +6.1% vs. 9M18
  - Effect of the increase in volumes and new mandates, positive impact of a specific transaction
- Operating expenses: +7.3% vs. 9M18
  - +5.4% vs. 9M18 excluding scope effects (Banco BPM, Janus Henderson) and a non-recurring item\*

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



# Corporate and Institutional Banking Transactions – 3Q19

	<p><b>United Arab Emirates – Emirate of Abu Dhabi</b> USD 10bn multi-tranche bond issuance reaffirming the Emirate of Abu Dhabi's position as a leading issuer Joint Lead Manager <i>September 2019</i></p>		<p><b>France – Saint-Nazaire</b> EUR 2.3bn financing of the 480MW greenfield offshore wind Saint-Nazaire project; Sole Financial Advisor, Underwriter, Bookrunner, Sole Hedge-execution Bank <i>September 2019</i></p>
	<p><b>United State – Disney</b> Active Bookrunner on Disney's \$7bn 6-tranche bond issuance, upsized from \$6bn originally. Co-Dealer Manager on Disney's successful \$4bn tender offer (upsized from \$1.75Bn). <i>September 2019</i></p>		<p><b>France – EssilorLuxottica</b> Deal value: EUR 7.9bn – Advisor to the board of Directors of EssilorLuxottica for the acquisition of Grandvision (Netherlands) <i>July 2019</i></p>
	<p><b>North America – Danaher</b> €6.25bn multi-tranche senior unsecured offering, across 6.5-yr, 8.5-yr, 12yr, 20yr, and 30yr tranches. Largest Danaher offering Active Joint Bookrunner <i>September 2019</i></p>		<p><b>US – U.S. Bank</b> USD 10bn – Appointed to provide global custody services in 11 European markets, as well as local custody services in the UK and Ireland. <i>September 2019</i></p>
	<p><b>Korea – Shinhan Financial Group</b> USD 500m 10.5NC5.5 3.34% Basel-III Compliant Tier 2 Sustainability Bond Issuance Joint Bookrunner <i>July 2019</i></p>		<p><b>Chile – Total Solar &amp; Total Eren</b> USD 199m project finance package to build a 190MWp greenfield solar farm in the north of Chile. First renewable project in this country, Mandated Lead Arranger. <i>August 2019</i></p>
	<p><b>Germany – Daimler</b> \$4bn Multi-Tranche Senior transaction - 2.5-year FRN, 3-year, short 5-year and 10-year multi-tranche transaction. Joint Bookrunner. <i>August 2019</i></p>		<p><b>Lenovo Group Limited</b> USD 3bn Trade Receivables Securitization Joint Lead Arranger <i>June 2019</i></p>
	<p><b>France – Edenred</b> EUR 500m – Convertible bond Joint Global Coordinator &amp; Joint Bookrunner <i>September 2019</i></p>		<p><b>Indonesia – Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara</b> USD 1.4bn Reg S Dual-Tranche Note Issuance Joint Lead Manager / Joint Bookrunner <i>July 2019</i></p>



# Corporate and Institutional Banking Ranking and « Awards » - 9M19

## ● Global Markets:

- N°1 All Bonds in EMEA and N°8 All International bonds by volume (*Dealogic – September 2019*)
- N°1 All Bonds in Euros by volume and number of deals (*Dealogic – September 2019*)
- N°2 All Sustainable Bonds by volume and number of deals (*Dealogic – September 2019*)
- Research & Strategy House of the Year (*Global Capital Derivatives Awards – May 2019*)
- Most Innovative Investment Bank, Bonds (*The Banker – September 2019*)
- Japan House of the Year (*AsiaRisk Awards 2019*)

## ● Securities Services:

- Best Transaction Bank for Securities Services (*The Banker – September 2019*)
- Custodian of the Year (*AsiaRisk Awards 2019*)

## ● Corporate Banking:

- N°1 Investment Grade Corporate Bonds by volume and number of deals (*Dealogic – September 2019*)
- N°1 EMEA Syndicated loans Bookrunner by volume and number of deals (*Dealogic – September 2019*)
- N°1 EMEA Equity-Linked by volume and number of deals (*Dealogic – September 2019*)
- N°1 European Large Corporate and N°3 for Asian Large Corporate Trade Finance (*Greenwich Share Leaders 2019*)
- Most Innovative Investment Bank, Western Europe (*The Banker – September 2019*)



# Corporate Centre - 3Q19

€m	3Q19	3Q18	2Q19	9M19	9M18
Revenues	27	9	53	117	480
Operating Expenses and Dep.	-363	-415	-436	-1,199	-1,360
Incl. Transformation, Restructuring and Adaptation Costs	-256	-267	-336	-798	-753
Gross Operating Income	-336	-405	-383	-1,083	-880
Cost of Risk	-1	1	7	2	-36
Operating Income	-337	-404	-377	-1,081	-916
Share of Earnings of Equity-Method Entities	19	18	24	67	59
Other Non Operating Items	20	285	81	724	441
Pre-Tax Income	-299	-101	-272	-291	-416

- Reminder: contribution of First Hawaiian Bank (FHB) to the income statement reallocated retroactively to the Corporate Centre effective from 1st January 2018\*
  - 3Q18 reminder: revenues (€55m), operating expenses (€27m) and cost of risk (€1m)
- Operating expenses
  - Transformation costs – 2020 plan: -€178m (-€248m in 3Q18)
  - Restructuring costs\*\*: -€48m (-€19m in 2Q18)
  - Additional adaptation costs – departure plans\*\*\*: -€30m (€0m in 3Q18)
- Other non operating items
  - 3Q18 reminder: booking of the capital gain from the sale of 30.3% of First Hawaiian Bank (+€286m)

\* See new quarterly series published on 29 March 2019, FHB no more fully consolidated from 1st August 2018;  
 \*\* Restructuring costs related in particular to the integration of Raiffeisen Bank Polska and Opel Bank SA; \*\*\* BNL bc and Asset Management





# Corporate Centre - 9M19

- Reminder: contribution of First Hawaiian Bank (FHB) to the income statement reallocated retroactively to the Corporate Centre effective from 1st January 2018\*
  - 9M18 reminder: revenues (€359m), operating expenses (€189m) and cost of risk (€13m)
- Operating expenses
  - Transformation costs – 2020 plan: -€568m (-€721m in 9M18)
  - Restructuring costs\*\*: -€148m (-€32m in 9M18)
  - Additional adaptation costs – departure plans\*\*\*: -€81m (€0m in 9M18)
- Other non operating items
  - Capital gain from the sale of 16.8% of SBI Life and deconsolidation of the residual stake\*\*\*\*: +€1,450m
  - Goodwill impairments: -€818m
  - 9M18 reminders: capital gain on the sale of a building (+€101m) and booking of the capital gain from the sale of 30.3% of First Hawaiian Bank (+€286m)

\* See new quarterly series published on 29 March 2019, FHB no more fully consolidated from 1st August 2018;  
\*\* Restructuring costs related in particular to the integration of Raiffeisen Bank Polska and Opel Bank SA; \*\*\* BNL bc and Asset Management; \*\*\*\* 5.2% residual stake in SBI Life



# Breakdown of the Transformation Costs of the Businesses Presented in the Corporate Centre - 3Q19

€m	3Q19	2Q19	1Q19	2018	4Q18	3Q18	2Q18	1Q18
<b>Retail Banking &amp; Services</b>	-100	-141	-88	-639	-209	-145	-161	-124
<b>Domestic Markets</b>	-59	-93	-41	-332	-117	-79	-76	-60
French Retail Banking	-40	-32	-26	-194	-69	-48	-45	-33
BNL bc	-2	-7	-2	-25	-12	-5	-4	-3
Belgian Retail Banking	-11	-50	-10	-84	-26	-21	-20	-18
Other Activities	-7	-4	-4	-29	-10	-6	-7	-7
<b>International Financial Services</b>	-41	-49	-47	-307	-92	-66	-85	-64
Personal Finance	-12	-14	-14	-80	-21	-15	-23	-22
International Retail Banking	-13	-16	-9	-97	-27	-22	-30	-19
Insurance	-5	-6	-4	-54	-18	-11	-14	-9
Wealth and Asset Management	-11	-13	-20	-76	-25	-18	-19	-14
<b>Corporate &amp; Institutional Banking</b>	-72	-72	-75	-449	-161	-101	-106	-81
Corporate Banking	-22	-18	-21	-122	-58	-7	-41	-15
Global Markets	-40	-42	-45	-261	-89	-75	-47	-50
Securities Services	-9	-12	-9	-66	-14	-19	-17	-16
<b>Corporate Centre</b>	-6	-8	-5	-18	-15	-1	-1	-0
<b>TOTAL</b>	<b>-178</b>	<b>-222</b>	<b>-168</b>	<b>-1,106</b>	<b>-385</b>	<b>-248</b>	<b>-267</b>	<b>-206</b>



Group Results

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Division Results

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9M19 Detailed Results

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**Appendix**

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# Number of Shares and Earnings per Share

## > Number of Shares

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

## > Earnings per Share

<i>in millions</i>	30-Sep-19	30-Sep-18
Average number of Shares outstanding excluding Treasury Shares	1,248	1,248
Net income attributable to equity holders	6,324	6,084
Remuneration net of tax of Undated Super Subordinated Notes	-314	-275
Exchange rate effect on reimbursed Undated Super Subordinated Notes	0	0
Net income attributable to equity holders, after remuneration and exchange rate effect on Undated Super Subordinated Notes	6,010	5,809
Net Earnings per Share (EPS) in euros	4.82	4.65



# Capital Ratios and Book Value Per Share

## > Capital Ratios

	30-Sep-19	1-Jan-19	31-Dec-18
Total Capital Ratio (a)	15.4%	14.9%	15.0%
Tier 1 Ratio (a)	13.3%	13.0%	13.1%
Common equity Tier 1 ratio (a)	12.0%	11.7%	11.8%

(a) CRD4, on risk-weighted assets of €677 bn as at 30.09.19 and €647 bn as at 31.12.18

## > Book value per Share

<i>in millions of euros</i>	30-Sep-19	31-Dec-18	
Shareholders' Equity Group share	107,157	101,467	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	2,525	510	
of which Undated Super Subordinated Notes	9,743	8,230	(2)
of which remuneration net of tax payable to holders of Undated Super Subordinated Notes	94	77	(3)
<b>Net Book Value (a)</b>	<b>97,320</b>	<b>93,160</b>	(1)-(2)-(3)
Goodwill and intangibles	11,549	12,270	
<b>Tangible Net Book Value (a)</b>	<b>85,771</b>	<b>80,890</b>	
Number of Shares excluding Treasury Shares (end of period) in millions	1,248	1,248	
Book Value per Share (euros)	78.0	74.7	
<i>of which book value per share excluding valuation reserve (euros)</i>	<i>75.9</i>	<i>74.3</i>	
<b>Net Tangible Book Value per Share (euros)</b>	<b>68.7</b>	<b>64.8</b>	

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



# Return on Equity and Permanent Shareholders' Equity

## Calculation of Return on Equity

<i>in millions of euros</i>	9M19	9M18	
Net income Group share	6,324	6,084	(1)
Exceptional items (after tax) (a)	0	-169	(2)
Contribution to the Single Resolution Fund (SRF) and levies after tax	-948	-971	(3)
<b>Annualised net income Group share (exceptional items, contribution to SRF and taxes not annualised) (b)</b>	<b>8,748</b>	<b>8,492</b>	<b>(4)</b>
Remuneration net of tax of Undated Super Subordinated Notes and exchange effect	-424	-365	
Impact of annualised transformation and restructuring costs	-171	-178	
<b>Annualised net income Group share used for the calculation of ROE/ROTE</b>	<b>8,153</b>	<b>7,949</b>	
Average permanent shareholders' equity, not revaluated (c)	90,928	87,588	
<b>Return on Equity (ROE)</b>	<b>9.0%</b>	<b>9.1%</b>	
Average tangible permanent shareholders' equity, not revaluated (d)	79,018	75,329	
<b>Return on Tangible Equity (ROTE)</b>	<b>10.3%</b>	<b>10.6%</b>	

(a) See slide 39 of the presentation; (b) As at 30.09.19, (4) =  $4/3 * [(1) - (2) - (3)] + (2) + (3)$

(c) Average Permanent shareholders' equity: average of beginning of the year and end of the period, including notably annualised net income with exceptional items, contribution to SRF and taxes not annualised (Permanent Shareholders' equity = Shareholders' equity attributable to shareholders - changes in assets and liabilities recognised directly in equity - Undated Super Subordinated Notes - remuneration net of tax payable to holders of Undated Super Subordinated Notes - dividend distribution assumption);

(d) Average Tangible permanent shareholders' equity: average of beginning of the year and end of the period, including notably annualised net income with exceptional items, contribution to SRF and taxes not annualised (Tangible permanent shareholders' equity = permanent shareholders' equity - intangible assets - goodwill)

## Permanent Shareholders' Equity Group share, not revaluated

<i>in millions of euros</i>	30-Sep-19	31-Dec-18	
Net Book Value	97,320	93,160	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	2,525	510	(2)
of which 2018 dividend		3,768	(3)
of which 2019 dividend distribution assumption	4,070		(4)
Annualisation of restated result (a)	2,253		(5)
Restatement of remuneration of Undated Super Subordinated Notes for the annualised calculation	-5		(6)
<b>Permanent shareholders' equity, not revaluated (b)</b>	<b>92,973</b>	<b>88,882</b>	<b>(1)-(2)-(3)-(4)+(5)+(6)</b>
Goodwill and intangibles	11,549	12,270	
<b>Tangible permanent shareholders' equity, not revaluated (b)</b>	<b>81,424</b>	<b>76,612</b>	

(a) 1/3 of 9M19 Net Income Group Share excluding exceptional items but including restructuring and transformation costs, and excluding contribution to the SRF and levies after tax; (b) Excluding Undated Super Subordinated Notes, remuneration net of tax payable to holders of Undated Super Subordinated Notes and after dividend distribution assumption



# A Solid Financial Structure

## > Doubtful loans/gross outstandings

	30-Sep-19	31-Dec-18
Doubtful loans (a) / Loans (b)	2.4%	2.6%

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

## > Coverage ratio

€bn	30-Sep-19	31-Dec-18
Allowance for loan losses (a)	19.4	19.9
Doubtful loans (b)	25.8	26.2
Stage 3 coverage ratio	75.2%	76.2%

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

## > Immediately available liquidity reserve and Liquidity Coverage Ratio

€bn	30-Sep-19	31-Dec-18
Liquidity Coverage Ratio	121%	132%
Immediately available liquidity reserve (a)	351	308

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

## > Ratio TLAC

	30-Sep-19	30-Jun-19
TLAC ratio (a)	21.3%	20.4%
Effect of preferred senior debt eligible at issuer's discretion (b)	2.5%	2.5%
TLAC ratio after effect of preferred senior debt eligible at issuer's discretion	23.8%	22.9%

As at 30 September 2019, TLAC ratio for the Group stood at 21.3%, without taking into account the preferred senior debt eligible within the limit of 2.5% of the risk-weighted assets. TLAC ratio would be 23.8% if the Group had used this option.

- (a) As at 30 September 2019, TLAC ratio stood at 6.4% of leverage ratio exposure
- (b) In accordance with Regulation (EU) No. 2019/876, article 72ter paragraphs 3 and 4, some preferred senior debt instruments (amounting to EUR 22,228 million as at 30 September 2019) are eligible within the limit of 2.5% of risk-weighted assets.



# Common equity Tier 1 Ratio

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

<i>€bn</i>	30-Sep-19	30-Jun-19
<b>Consolidated Equity</b>	<b>111.6</b>	<b>108.5</b>
Undated super subordinated notes	-9.7	-9.5
2019 project of dividend distribution	-3.0	-2.1
Regulatory adjustments on equity**	-2.1	-1.7
Regulatory adjustments on minority interests	-2.6	-2.5
Goodwill and intangible assets	-11.3	-11.2
Deferred tax assets related to tax loss carry forwards	-0.4	-0.5
Other regulatory adjustments	-0.8	-0.7
Deduction of Irrevocable payments commitments***	-0.6	-0.6
<b>Common Equity Tier One capital</b>	<b>81.1</b>	<b>79.7</b>
<b>Risk-weighted assets</b>	<b>677</b>	<b>669</b>
<b>Common Equity Tier 1 Ratio</b>	<b>12.0%</b>	<b>11.9%</b>

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





# Medium/Long Term Wholesale Funding 2019 Programme

## 2019 MLT funding plan\*: €36bn

- Of which capital instruments: €3bn
  - Target of 3% of RWA
  - Additional Tier 1: 1.3% and Tier 2: 2.1% as at 30.09.19
  - AT1: \$1.5bn issued on 18.03.19, Perp Non Call 5, 6.625% coupon, equiv. mid-swap€ + 360bp
  - AT1: AUD 300m (€187m equiv.) issued on 03.07.19 Perp Non Call 5.5, 4.5% coupon, equiv. mid-swap€ + 264bp
  - Tier 2\*\*: ~€1.8bn equiv., issued under various formats, average maturity of 11 years, mid-swap€ + 147bp (€1bn, 12Y Tier 2 issued on 25.06.19, mid-swap +130bp)
  
- Of which senior debt: €33bn
  - Of which Non Preferred Senior (NPS) debt: €14bn
  
- Non Preferred Senior (NPS) debt already issued\*\*: €13.4bn average maturity of 6.8Y, mid-swap + 149bp
  - €750m, 5.5Y Green NPS Bond issued on 21.02.19, mid-swap +100bp
  - €1bn, 6Y Non Call 5 NPS issued on 10.07.19, 6, mid-swap +75bp
  - €1bn, 7Y NPS issued on 28.08.19, mid-swap +70bp

## Evolution of existing Tier 1 and Tier 2 debt as at 1.10.2019 (eligible or admitted to grandfathering)\*\*

€bn	01.10.2019	01.01.2020	01.01.2021
AT1	9	9	8
T2	17	17	16

**Over 95% of Non Preferred Senior debt programme already completed**

\* Subject to market conditions, indicative amounts at this stage; \*\* As at 17.10.19; \*\*\* Maturity schedule taking into account prudential amortisation of existing instruments as at 01.10.19, excluding future issuances, assuming callable institutional instruments are called at the first call date, and taking into account the grandfathering phasing out



# Cost of Risk on Outstandings (1/2)

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

	2016	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19
<b>Domestic Markets*</b>										
Loan outstandings as of the beg. of the quarter (€bn)	344.4	362.3	397.2	398.4	404.1	405.7	401.3	411.0	412.6	416.4
Cost of risk (€m)	1,515	1,356	270	204	251	322	1,046	307	214	245
Cost of risk (in annualised bp)	44	37	27	20	25	32	26	30	21	24
<b>FRB*</b>										
Loan outstandings as of the beg. of the quarter (€bn)	144.3	155.9	187.5	185.4	184.2	183.9	185.2	189.2	189.8	191.2
Cost of risk (€m)	342	331	59	54	90	85	288	72	83	75
Cost of risk (in annualised bp)	24	21	13	12	20	19	16	15	17	16
<b>BNL bc*</b>										
Loan outstandings as of the beg. of the quarter (€bn)	77.4	78.3	78.1	77.6	78.8	79.7	78.6	78.0	77.6	77.1
Cost of risk (€m)	959	871	169	127	131	164	592	165	107	109
Cost of risk (in annualised bp)	124	111	87	66	67	82	75	85	55	56
<b>BRB*</b>										
Loan outstandings as of the beg. of the quarter (€bn)	96.4	100.4	102.0	104.3	109.4	109.9	106.4	111.0	111.9	114.5
Cost of risk (€m)	98	65	6	-2	-4	43	43	34	-3	20
Cost of risk (in annualised bp)	10	6	2	-1	-1	16	4	12	-1	7

\*With Private Banking at 100%



# Cost of Risk on Outstandings (2/2)

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

	2016	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19
<b>BancWest*</b>										
Loan outstandings as of the beg. of the quarter (€bn)	60.3	64.9	51.1	49.4	52.1	52.8	51.3	53.7	54.5	54.7
Cost of risk (€m)	85	111	12	0	35	22	70	18	2	43
Cost of risk (in annualised bp)	14	17	10	0	27	17	14	14	2	32
<b>Europe-Mediterranean*</b>										
Loan outstandings as of the beg. of the quarter (€bn)	39.1	38.2	38.2	38.2	39.0	35.7	37.7	40.6	40.7	40.4
Cost of risk (€m)	437	259	70	55	105	78	308	77	97	112
Cost of risk (in annualised bp)	112	68	73	58	108	87	82	75	96	110
<b>Personal Finance</b>										
Loan outstandings as of the beg. of the quarter (€bn)	61.4	68.7	80.6	82.9	85.9	87.8	84.3	90.9	93.7	94.7
Cost of risk (€m)	979	1,009	276	265	345	299	1,186	329	289	366
Cost of risk (in annualised bp)	159	147	137	128	161	136	141	145	123	154
<b>CIB - Corporate Banking</b>										
Loan outstandings as of the beg. of the quarter (€bn)	118.7	123.5	131.1	127.0	139.3	135.5	132.6	138.0	146.0	150.2
Cost of risk (€m)	292	70	-1	-13	-46	91	31	35	21	88
Cost of risk (in annualised bp)	25	6	0	-4	-13	27	2	10	6	23
<b>Group**</b>										
Loan outstandings as of the beg. of the quarter (€bn)	709.8	738.6	776.9	780.8	804.2	791.7	788.4	807.9	826.3	836.4
Cost of risk (€m)	3,262	2,907	615	567	686	896	2,764	769	621	847
Cost of risk (in annualised bp)	46	39	32	29	34	45	35	38	30	41

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



# Risk-Weighted Assets

- Risk-Weighted Assets\*: €677bn au 30.09.19 (€669bn as at 30.06.19)
  - Increase in risk-weighted assets related to credit risk as a result of foreign exchange effect (dollar appreciation)
  - Stability excluding this effect thanks to the significant effect this quarter of securitisations (reminder: deferral in the first semester of certain securitisations)

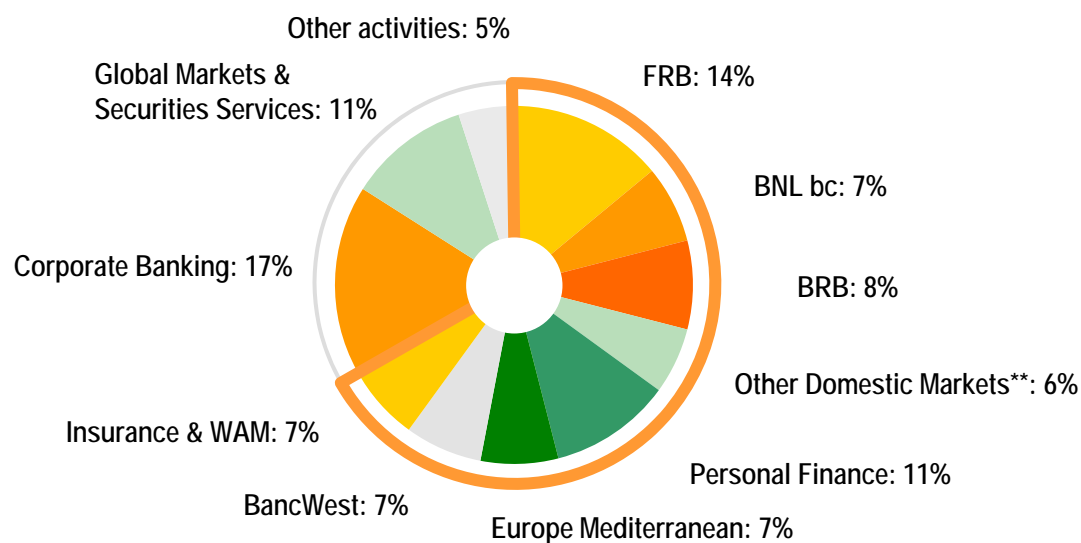
<i>€bn</i>	<b>30.09.19</b>	<b>30.06.19</b>
Credit Risk	527	521
Operational Risk	70	73
Counterparty Risk	34	33
Market / Foreign exchange Risk	20	20
Securitisation positions in the banking book	10	8
Others**	16	15
<b>Total RWA*</b>	<b>677</b>	<b>669</b>

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



# Risk-Weighted Assets by Business\*

> **Risk-weighted assets\* by business as at 30.09.2019**



> **Retail Banking and Services: 67%**

\*CRD4; \*\* Including Luxembourg

