

# THIRD QUARTER 2020 RESULTS

PRESS RELEASE  
Paris, 3 November 2020



## 3Q20: VERY GOOD RESILIENCE OF RESULTS

### STABLE REVENUES

REVENUES: STABLE vs. 3Q19

### SIGNIFICANT DECREASE IN OPERATING EXPENSES – POSITIVE JAWS EFFECT

OPERATING EXPENSES: -3.8% vs. 3Q19

### STRONG GROWTH IN GROSS OPERATING INCOME

GROSS OPERATING INCOME: +7.9% vs. 3Q19

### INCREASE IN THE COST OF RISK vs. 3Q19 DUE TO THE HEALTH CRISIS

57 bps<sup>1</sup>

### VERY GOOD RESILIENCE IN NET INCOME<sup>2</sup>

NET INCOME<sup>2</sup> 3Q20: €1,894m (-2.3% vs. 3Q19)

### INCREASE IN CET1 RATIO

CET1 RATIO: 12.6%

9M20 NET INCOME<sup>2</sup>: €5,475m (-13.4% vs. 9M19)  
AHEAD OF 2020 NET INCOME<sup>2</sup> OUTLOOK

1. Cost of risk / Customer loans at the beginning of the period (in bp); 2. Group share



**BNP PARIBAS**

The bank  
for a changing  
world

The Board of Directors of BNP Paribas met on 2 November 2020. The meeting was chaired by Jean Lemierre and the Board examined the Group's results for the third quarter 2020.

Commenting on these results, Chief Executive Officer Jean-Laurent Bonnafé stated at the end of the meeting:

*“In an economic context featuring different dynamics across regions and sectors, BNP Paribas demonstrates its high resilience thanks to its financial solidity, its diversification, and the power of execution of its platforms.*

*I would like to salute the tireless efforts of all our teams who have supported our clients since the beginning of the crisis, while helping the economy and the acceleration of its ecological transition. The Group continues to pursue its actions, commitments to solidarity and its contribution to mitigating the impact of this crisis as much as possible.*

*In these extraordinary times, as an essential service, BNP Paribas continues to adapt to its environment and organises its activities to support clients whilst protecting its employees and remains focused on the success of a solid and sustainable economy, across all geographies.”*

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## **MOBILISATION AT THE SERVICE OF THE ECONOMY AND VERY GOOD RESILIENCE OF RESULTS**

In responding to the economy's specific needs throughout the crisis, BNP Paribas' business lines have continued to mobilise at the service of the economy.

The economic recovery was gradual in the third quarter and occurring with differentiated momentum from one region, and one sector, to another. It is sustained by the extension of public support to the most affected sectors and by the implementation of plans and mechanisms to sustain the economy. Against this backdrop, BNP Paribas has benefited from its resilient model during various phases of the crisis and demonstrated a good sales and marketing drive, backed by its diversification in terms of business, region and sector, its positioning on the most resilient sectors and client segments and its continued adaptation to the health conditions.

All in all, revenues, at 10,885 million euros, were stable (-0.1%) compared to the third quarter 2019 at historical scope and exchange rates, and were up by 2.1% at constant scope and exchange rates.

Revenues of the operating divisions were up by 1.7%<sup>1</sup>. Domestic Markets were slightly down by 0.6%<sup>2</sup>, thanks to the strong performance of the specialised businesses and the resilience of the networks in an unfavourable low-interest-rate environment. Revenues at International Financial Services fell sharply, by 7.2%<sup>3</sup>, as the impact of the health crisis was only partly offset by the strong performances of BancWest and Asset Management. CIB's revenues rose strongly (+17.4%) in continuation of its strong first half 2020 performance, with revenues up in all business lines and regions.

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<sup>1</sup> +3.8% at constant scope and exchange rates

<sup>2</sup> Including 100% of Private Banking in the domestic networks (excluding the PEL/CEL effects)

<sup>3</sup> -3.9% at constant scope and exchange rates

The Group's operating expenses, at 7,137 million euros, were down by 3.8% compared to the third quarter 2019. They included the following exceptional items for a total of 106 million euros (compared to 256 million euros in the third quarter 2019): 44 million euros in restructuring<sup>1</sup> and adaptation<sup>2</sup> costs, 40 million euros in IT reinforcement costs, and 21 million euros in donations and staff security measures related to the health crisis. As announced in the 2020 plan, exceptional transformation costs were nil; they had amounted to 178 million euros in the third quarter 2019.

The operating expenses of the operating divisions were down by 1.2% compared to the third quarter 2019. They decreased by 2.4% at Domestic Markets, with a more pronounced decline in the networks<sup>3</sup> (-3.6%). The division thus achieved a positive jaws effect of 1.8 point. Operating expenses were down by 6.4%<sup>4</sup> at International Financial Services, thanks to cost-saving measures. At CIB, operating expenses rose by 7.2%, driven by the level of activity. CIB achieved a substantially positive jaws effect of 10.2 points.

The tight cost control allowed the Group to achieve a positive jaws effect of 3.8 points. The impact of the cost saving measures in the 2020 plan was reinforced by the effects related to the health crisis.

The Group's gross operating income thus came to 3,748 million euros, up by 7.9%.

The cost of risk, at 1,245 million euros, rose by 398 million euros compared to the third quarter 2019. It nonetheless improved by 202 million euros compared to the second quarter of 2020 and came to 57 basis points of outstanding customer loans, a level close to the cycle average.

The Group's operating income, at 2,503 million euros, was thus down by 4.8%.

Non-operating items totalled 168 million euros, down from 177 million euros in the third quarter 2019. They included +41 million euros in capital gains from the sale of two buildings.

Pre-tax income, at 2,671 million euros (2,805 million euros in the third quarter 2019), decreased by 4.8%.

Corporate income tax, at 692 million euros, was lower than in the same quarter of the previous year (767 million euros).

The Group's net income attributable to equity holders thus totalled 1,894 million euros, down 2.3% compared to the third quarter 2019. When excluding exceptional items, it came to 1,940 million euros, down by 8.3%.

As of 30 September 2020, the common equity Tier 1 ratio stood at 12.6%, up 20 basis points from 30 June 2020, due mainly to the placing into reserves of the quarter's net income after taking into account a 50% dividend pay-out ratio (+10 basis points) and the decrease in risk-weighted assets (at constant exchange rates) (+10 basis points). Other effects on the ratio were, on the whole, limited. The Group's immediately available liquidity reserve was 472 billion euros, equivalent to over one year of room for manoeuvre in terms of market resources. The leverage ratio<sup>5</sup> stood at 4.4%.

Tangible net book value per share<sup>6</sup> reached 72.2 euros, equivalent to a compound annual growth rate of 7.2% since 31 December 2008, illustrating the continuous value creation throughout the cycle.

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<sup>1</sup> Related in particular to the restructuring of certain businesses (amongst others CIB)

<sup>2</sup> Adaptation measures related in particular to BancWest and CIB

<sup>3</sup> FRB, BNL bc and BDDB

<sup>4</sup> -3.6% at constant scope and exchange rates

<sup>5</sup> Calculated in accordance to Regulation (EU) No. 2020/873, Article 500b

<sup>6</sup> Revaluated, including 2019 earnings placed into reserves

The Group continues its digital transformation while strengthening its internal control and compliance set-up. It continues to conduct an ambitious policy of engagement with society and has released its first report detailing the implementing of the PACTA methodology, developed on the initiative of five banks (including BNP Paribas) and applied to loan portfolios with a view to aligning them with Paris Agreement climate goals, in accordance with the commitment made in 2018 at COP24 in Katowice. The Group's actions in this area are well recognised. In 2020, *EcoAct* ranked it as the number one CAC 40 company for climate strategy and actions. BNP Paribas was also ranked the world's best bank in financial inclusion by *Euromoney* magazine, thanks to its support of microfinance and its inclusive products and services. Moreover, in July 2020, the Group signed a single agreement on diversity and inclusion, including diversity of origin, the fight against discrimination and in favour of gender equality in the workplace, and mechanisms for phased retirements.

The Group continuously adapts its operations to the health conditions in all its locations, according to local situations and regulations. The Group puts in place strict health measures and adapted set-up, for example by reinforcing the use of remote working for eligible activities, to safeguard the health of its employees and provide all the services that are essential to the continuous functioning of the economy.

For the first nine months of 2020, revenues, at 33,448 million euros, were up by 0.6% compared to the first nine months of 2019.

In the operating divisions, revenues rose by 1.3%<sup>1</sup>: -2.3% at Domestic Markets<sup>2</sup>, where, despite a resilient performance by the networks, the impact of low interest rates and the health crisis were only partly offset by higher volumes and further growth in the specialised businesses (in particular Consorsbank in Germany); -6.0%<sup>3</sup> at International Financial Services, as a result of the impact of low interest rates on the networks, lower business activity due to the health crisis, and the decline in the financial markets, in particular in Insurance; and +16.4% at CIB, where revenues were up in all three businesses.

The Group's operating expenses, at 22,632 million euros, were down by 2.9% compared to the first nine months of 2019. They included the following exceptional items for a total of 346 million euros (compared to 797 million euros in the first nine months of 2019): restructuring<sup>4</sup> and adaptation<sup>5</sup> costs (120 million euros), IT reinforcement costs (119 million euros) and donations and staff security measures related to the health crisis (107 million euros). As announced under the 2020 plan, transformation costs were nil; they had amounted to 568 million euros in the first nine months of 2019.

The operating expenses of the operating divisions were slightly down, by 0.4% compared to the first nine months of 2019. They were down by 1.8% at Domestic Markets, including a more pronounced decrease in the networks<sup>6</sup> (-2.8%) and a contained increase in the specialised businesses, in connection with business development. Operating expenses were down by 2.9%<sup>7</sup> at International Financial Services, due to the ongoing implementation of cost-saving plans, and were up by 4.6% at CIB in connection with business development.

The jaws effect was positive (3.5 points), thanks to the implementation and increase of cost-saving measures initiated particularly under the 2020 plan.

The Group's gross operating income thus came to 10,816 million euros, up by 8.6% (9,959 million euros in the first nine months of 2019). It rose by 4.5% in the operating divisions.

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<sup>1</sup> +2.5% at constant scope and exchange rates

<sup>2</sup> Including 100% of Private Banks in Domestic Markets (excluding PEL/CEL effects)

<sup>3</sup> -4.1% at constant scope and exchange rates

<sup>4</sup> Related in particular to the restructuring of certain businesses (amongst others CIB)

<sup>5</sup> Related in particular to BancWest and CIB

<sup>6</sup> FRB, BNL bc and BRB

<sup>7</sup> -1.7% at constant scope and exchange rates

The cost of risk, at 4,118 million euros, rose by 1,881 million euros compared to the first nine months of 2019. It reflected in particular the impact of ex-ante provisioning for expected losses related to the health crisis. It stood at 63 basis points of outstanding customer loans.

The Group's operating income, at 6,698 million euros (7,722 million euros in the first nine months of 2019), was thus down by 13.3%. It fell by 15.2% in the operating divisions.

Non-operating items totalled 894 million euros, down compared to the first nine months of 2019, when they came to 1,143 million euros. These included a +506 million euro capital gain from the sale of several buildings. In the first nine months of 2019, they had reflected the exceptional impact of the capital gain from the sale of 16.8% of SBI Life in India, followed by the deconsolidation of the residual stake (+1,450 million euros), as well as goodwill impairments (-818 million euros).

Pre-tax income, at 7,592 million euros was down by 14.4% (8,865 million euros in the first nine months of 2019).

The average corporate tax rate was 25.6%, compared to 24.2% in the first nine months of 2019, which benefited from the low tax rate on the long-term capital gain from the sale of SBI Life shares.

The Group's net income attributable to equity holders thus came to 5,475 million euros, down by 13.4% compared to the first nine months of 2019. Excluding exceptional items, it came to 5,377 million euros, down by 15.0%.

The annualised return on tangible equity not revalued<sup>1</sup> was 8.2% and reflected the good resilience of the results, thanks to the strength of the Group's diversified and integrated model in a context strongly marked by the health crisis.

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<sup>1</sup> Including 2019 earnings placed into reserves

## **RETAIL BANKING & SERVICES**

### **DOMESTIC MARKETS**

Domestic Markets' activity showed its very good resilience, with commercial activity rebounding in the third quarter 2020. The division continues to mobilise in support of clients during the health crisis, for example in implementing state-guaranteed loans, in particular in France and Italy. Outstanding loans rose by 6.3% compared to the third quarter 2019, and were up in all business lines. Loan production saw good growth, particularly to individual customers, while Arval achieved a strong rebound. Deposits rose by 13.3% compared to the third quarter 2019, with an increase in all client segments. Private banking recorded a good level of net asset inflows of more than 2.2 billion euros with a very strong level of external inflows (+1.9 billion euros).

Lastly, the use of digital tools continued to accelerate, featuring a 22.2% increase in active customers on mobile apps<sup>1</sup> (5.8 million) in one year and a 35.8% increase compared to the third quarter 2019 in the number of daily connections (almost 4 million). The number of Hello Bank! customers rose by 8.1% to almost 2.9 million<sup>2</sup>.

Revenues<sup>3</sup>, at 3,867 million euros, were slightly down (-0.6%) compared to the third quarter 2019, reflecting a very good performance in the specialised businesses, particularly Personal Investors (+ 26.3% compared to the third quarter 2019, driven by robust growth at Consorsbank in Germany), along with good revenue resilience in the networks despite the low-interest-rate impact.

Operating expenses<sup>3</sup>, at 2,543 million euros, were down by 2.4% compared to the third quarter 2019, with a more pronounced decline in the networks<sup>4</sup> (-3.6%), mitigated by the 2.7% increase in the specialised businesses in connection with their growth. The division's jaws effect was positive (+1.8 point).

Gross operating income<sup>3</sup>, at 1,324 million euros, was up by 3.0% compared to the third quarter 2019.

The cost of risk<sup>3</sup> came to 353 million euros (245 million euros in the third quarter 2019), including the impact of a specific file in France.

Thus, after allocating one-third of Private Banking's net income to Wealth Management business (International Financial Services division), the division's pre-tax income<sup>5</sup> was 922 million euros, down by 5.4% compared to the third quarter 2019.

For the first nine months of 2020, revenues<sup>3</sup>, at 11,501 million euros, were down by 2.3% compared to the first nine months of 2019. The impact of the low-interest-rate environment and the effect of the health crisis were only partly offset by higher volumes and strong activity in the specialised businesses, particularly Consorsbank in Germany. Operating expenses<sup>3</sup>, at 7,958 million euros, were down (-1.8%) compared to the first nine months of 2019, with a more pronounced decrease in the networks<sup>4</sup> (-2.8%) and a moderate increase in the specialised businesses, driven by growth in activity. Gross operating income<sup>3</sup>, at 3,543 million euros, was thus down by 3.5% compared to the first nine months of 2019. The cost of risk<sup>3</sup> came to 998 million euros (767 million euros in the first nine months of 2019) and included in particular the impact of the ex-ante provisioning of expected losses. Thus, after allocating one-third of Private Banking's net income to Wealth Management business (International Financial Services division), the division's pre-tax income<sup>6</sup> came to 2,381 million euros, down by 12.0% compared to the first nine months of 2019.

<sup>1</sup> Customers with at least one connection to the mobile app per month (on average in 3Q20); scope: individual, corporate and private banking clients or digital banks of DM networks (including Germany, Austria and Nickel)

<sup>2</sup> Excluding Italy

<sup>3</sup> Including 100% of Private Banking in France (excluding the PEL/CEL effects), Italy, Belgium and Luxembourg

<sup>4</sup> FRB, BNL bc and BRB

<sup>5</sup> Excluding PEL/CEL effects of +1 million euros compared to -10 million euros in the third quarter 2019

<sup>6</sup> Excluding PEL/CEL effects of +3 million euros compared to +21 million euros in the first nine months of 2019

## **French Retail Banking (FRB)**

The business line maintained a good level of activity. Outstanding loans rose by 10.8% compared to the third quarter 2019, driven by an increase in mortgage loans and in corporate loans, even when excluding state-guaranteed loans. The back-to-payment levels on loans exiting moratoria were satisfactory and were as anticipated. Deposits rose by 20.6% compared to the third quarter 2019. Private banking assets under management rose by 2.6%, and responsible savings rose sharply, to 6.5 billion euros as of 30 September 2020 (+63% compared to 31 December 2019).

Meanwhile, the use of digital tools continued to expand robustly, with 2.6 million active customers on mobile apps<sup>1</sup> (+19% compared to 30 September 2019). Remote interactions with clients rose sharply and accounted for more than half of client appointments in Private Banking (+78% compared to 30 September 2019).

Revenues<sup>2</sup> totalled 1,496 million euros, down by 4.6% compared to the third quarter 2019. Net interest income<sup>2</sup> was down by 5.5%, due to the impact of the low-interest-rate environment and the smaller contribution from specialised subsidiaries partly offset by the effect of enhanced loan volumes and credit margins, particularly in mortgage loans. Fees<sup>2</sup> fell by 3.3%, due mainly to the impact of the health crisis.

Operating expenses<sup>2</sup>, at 1,125 million euros, were down by 3.2% compared to the third quarter 2019, on the back of ongoing cost-optimisation measures.

Gross operating income<sup>2</sup> thus came to 371 million euros, down by 8.4% compared to the third quarter 2019.

The cost of risk<sup>2</sup> came to 137 million euros, up by 61 million euros compared to the third quarter 2019, due mainly to the impact of a specific file during the quarter. It stood at 27 basis points of outstanding customer loans.

Thus, after allocating one-third of French Private Banking's net income to Wealth Management business (International Financial Services division), FRB posted 203 million euros in pre-tax income<sup>3</sup>, down by 29.9% compared to the third quarter 2019.

For the first nine months of 2020, revenues<sup>2</sup> totalled 4,428 million euros, down by 7.0% compared to the first nine months of 2019. Net interest income<sup>2</sup> was down by 9.4%, due to a smaller contribution from specialised subsidiaries and the impact of the low-interest-rate environment, which was only partly offset by increased volumes and improvement in the credit margin. Fees<sup>2</sup> were down by 3.7%. The strong increase in financial fees was offset by the steep decrease in cash management fees and payment means fees, due to the health crisis. Operating expenses<sup>2</sup>, at 3,365 million euros, fell by 2.5% compared to the first nine months of 2019 thanks to cost optimisation measures. Gross operating income<sup>2</sup> thus came to 1,064 million euros, down by 18.8% compared to the first nine months of 2019. The cost of risk<sup>2</sup> came to 327 million euros, up by 97 million euros compared to the first nine months of 2019. It was driven up mainly by the impact of ex-ante provisioning for expected losses due to the health crisis and a specific file in the third quarter. It stood at 22 basis points of outstanding customer loans. Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 637 million euros in pre-tax income<sup>4</sup>, down by 34.2% compared to the first nine months of 2019.

<sup>1</sup> Individual customers (including Hello Bank!), and corporates and private banking clients with at least one connection to the mobile app per month – on average in the third quarter 2020

<sup>2</sup> Including 100% of Private Banking in France (excluding PEL/CEL effects)

<sup>3</sup> Excluding PEL/CEL effects of +1 million euros compared to -10 million euros in the third quarter 2019

<sup>4</sup> Excluding PEL/CEL effects of +3 million euros compared to +21 million euros in the first nine months of 2019

## **BNL banca commerciale (BNL bc)**

During the third quarter of 2020, business activity at BNL bc continued to improve. Outstanding loans were up by 3.4%<sup>1</sup> compared to the third quarter 2019, and up by more than 6% excluding non-performing loans. Outstanding mortgage and corporate loans were up. Market share in corporate clients rose steadily (+0.8 point in three years to 6.2%<sup>2</sup>), while maintaining a prudent risk profile. Deposits were up by 15.6% compared to the third quarter 2019. The private bank achieved very strong net asset inflows of more than 1 billion euros. Off-balance sheet savings rose by 1.1% compared to 30 September 2019, in connection with an increase in life insurance outstandings (+2.3% compared to the third quarter 2019).

BNL bc continued to mobilise to assist almost 21,000 companies during the health crisis by implementing loans guaranteed by the State and SACE<sup>3</sup>, amounting to 2.6 billion euros in financing as at 30 September 2020.

Meanwhile, the use of digital tools continues to increase, with close to 800,000 active customers on mobile apps<sup>4</sup> (+34.2% compared to 30 September 2019).

Revenues<sup>5</sup> were up by 1.0% compared to the third quarter 2019, at 669 million euros. Net interest income<sup>5</sup> rose by 3.9%, driven by higher volumes, partly offset by the low-interest-rate environment. Fees<sup>5</sup> were down by 3.4% compared to the third quarter 2019, due to decrease in financial fees related to lower transaction volumes.

Operating expenses<sup>5</sup>, at 426 million euros, were down by 4.6% compared to the third quarter 2019. They reflected the effect of cost-saving and adaptation measures (“Quota 100” retirement plan). The jaws effect was very positive (+5.6 points).

Gross operating income<sup>5</sup> thus came to 244 million euros, up by 12.5% compared to the third quarter 2019.

The cost of risk<sup>5</sup>, at 122 million euros, rose by 11.8% compared to the third quarter 2019. It came to 63 basis points of outstanding customer loans.

Thus, after allocating one-third of Italian Private Banking’s net income to the Wealth Management business (International Financial Services division), BNL bc posted pre-tax income of 115 million euros, up by 16.7% compared to the third quarter 2019.

For the first nine months of 2020, revenues<sup>5</sup> were down by 2.2% compared to the first nine months of 2019, at 1,977 million euros. Net interest income<sup>5</sup> declined by 1.4%, due to the low-interest-rate environment and positioning on clients with a better risk profile, partly offset by the increase in volumes. Fees<sup>5</sup> were 3.5% lower than in the first nine months of 2019, due in particular to financial fees, with the decrease in transaction volumes. Operating expenses<sup>5</sup>, at 1,313 million euros, were down by 2.7% compared to the first nine months of 2019. They reflected the impact of cost-saving and adaptation measures (e.g., the “Quota 100” retirement plan). The jaws effect was positive (+0.5 point). Gross operating income<sup>5</sup> thus came to 665 million euros, down by 1.3% compared to the first nine months of 2019. The cost of risk<sup>5</sup>, at 364 million euros, improved compared to the first nine months of 2019 (-4.5%), despite the impact of the ex-ante provisioning for expected losses related to the health crisis. It came to 64 basis points of outstanding customer loans. Thus, after allocating one-third of Italian Private Banking’s net income to Wealth Management business (International Financial Services division), BNL bc posted 273 million euros in pre-tax income, up 4.5% compared to the first nine months of 2019.

<sup>1</sup> Loan volumes based on a daily average

<sup>2</sup> Source: Italian Banking Association

<sup>3</sup> SACE: Servizi Assicurativi del Commercio Estero, the Italian credit export agency

<sup>4</sup> Individual customers (including Hello Bank!), and corporates and private banking clients with at least one connection to the mobile app per month – on average in the third quarter 2020

<sup>5</sup> Including 100% of Private Banking in Italy



## **Belgian Retail Banking**

BRB performed well. Outstanding loans rose by 2.5%, driven mainly by good growth in mortgage loans compared to the third quarter 2019. Deposits rose by 4.5%, with a strong increase in individual customer deposits. Off-balance sheet savings were up by 1.6% compared to 30 September 2019, due in particular to very good net asset inflows into mutual funds (+1.6 billion euros). As a reflection of the rebound in activity, card payments were above their historical level.

Meanwhile, the use of digital tools continued to accelerate, with almost 1.5 million active customers on mobile apps<sup>1</sup> (+12.1% compared to the third quarter 2019) and an average of more than 40 million monthly mobile app connections in the third quarter 2020 (+29.4% compared to the third quarter 2019).

Revenues<sup>2</sup> were slightly down, by 0.3% compared to the third quarter 2019, at 851 million euros. Net interest income<sup>2</sup> was down by 2.8%, as the increase in loan volumes only partly offset the impact of the low-interest-rate environment. Fees<sup>2</sup> were up by 6.9% compared to the third quarter 2019, due to very good growth in financial fees.

Operating expenses<sup>2</sup>, at 523 million euros, were down (-3.4%) compared to the third quarter 2019, thanks to cost-reduction measures and the ongoing branch network optimisation. The jaws effect was positive (+3.1 points).

Gross operating income<sup>2</sup>, at 329 million euros, was up by 5.1% compared to the third quarter 2019.

The cost of risk<sup>2</sup> came to 29 million euros, or 10 basis points of outstanding customer loans, compared to 20 million euros in the third quarter 2019.

After allocating one-third of Belgian Private Banking's net income to Wealth Management business (International Financial Services division), BRB generated 293 million euros in pre-tax income, up 4.4% compared to the third quarter 2019.

For the first nine months of 2020, BRB's revenues<sup>2</sup> were down by 2.8% compared to the first nine months of 2019, at 2,571 million euros. Net interest income<sup>2</sup> was down by 6.5% compared to the first nine months of 2019, due to low interest rates, offset partly by increased volumes. Fees<sup>1</sup> rose by 7.7% compared to the first nine months of 2019, despite the health crisis impact. Operating expenses<sup>2</sup>, at 1,852 million euros, were down by 3.6% compared to the first nine months of 2019, thanks to ongoing cost-saving measures and the optimisation of the branch network. Gross operating income<sup>2</sup>, at 719 million euros, was down by 1.0% compared to the first nine months of 2019. The cost of risk<sup>2</sup> stood at 162 million euros compared to 51 million euros in the first nine months of 2019. It rose in particular due to the impact of the ex-ante provisioning of expected losses related to the health crisis and a specific file in the second quarter. After allocating one-third of Belgian Private Banking's net income to Wealth Management business (International Financial Services division), BRB generated 532 million euros in pre-tax income, down by 15.1% compared to the first nine months of 2019.

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<sup>1</sup> Individual customers (including Hello Bank!), and corporates and private banking clients with at least one connection to the mobile app per month – on average in the third quarter 2020

<sup>2</sup> Including 100% of Belgian Private Banking

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

Business activity performed very well in the specialised businesses of Domestic Markets. Momentum was very positive at Arval. The financed fleet expanded by 7.0% compared to the third quarter 2019, orders rose by 7.0% compared to the third quarter 2019, and used car prices held up very well. Leasing Solutions outstandings rose by 1.1%<sup>1</sup> compared to the third quarter 2019, with production far higher in September 2020 than in September 2019 (+15%). Led by strong activity in the market, Personal Investors was on a very strong pace, with a sharp increase in order numbers (+68.5% compared to the third quarter 2019) and an increase in assets under management (+10.3% compared to 30 September 2019). Nickel continued to expand, with almost 1.8 million accounts opened<sup>2</sup> (+27.2% compared to 30 September 2019), with a new record number of account openings in September 2020 (40,895). Luxembourg Retail Banking (LRB) returned to solid momentum in lending activities, to both individual and corporate clients. Outstanding loans rose by 6.5% compared to the third quarter 2019, with good growth in mortgage and corporate loans. Deposits rose by 3.4%, driven by inflows from individual customers.

Revenues<sup>3</sup> of the five businesses totalled 850 million euros, a 5.2% increase compared to the third quarter 2019, as a result of the good development in activity in all businesses, due, once again this quarter, to the very strong growth in Personal Investors revenues and particularly Consorsbank in Germany.

Operating expenses<sup>3</sup> rose by 2.7% compared to the third quarter 2019, to 469 million euros, driven by stronger activity and contained by cost-saving measures. The jaws effect was positive (2.5 points).

The cost of risk<sup>3</sup> totalled 66 million euros (41 million euros in the third quarter 2019).

Thus, pre-tax income of the five businesses, after allocating one-third of Luxembourg Private Banking's net income to Wealth Management business (International Financial Services division), came to 311 million euros, up by 1.7% compared to the third quarter 2019.

For the first nine months of 2020, revenues<sup>3</sup> of the five businesses, at 2,525 million euros, were up on the whole by 7.4% compared to the first nine months of 2019, with a very good level of activity in all business lines, especially the strong performances by Nickel and Personal Investors, particularly Consorsbank in Germany. Operating expenses<sup>3</sup> rose by 3.0% compared to the first nine months of 2019, at 1,429 million euros, due to business development, but remained contained by cost-saving measures. The jaws effect was positive by 4.4 points. The cost of risk<sup>3</sup> totalled 144 million euros (104 million euros in the first nine months of 2019). Thus, the pre-tax income of the five businesses, after allocating one-third of Luxembourg Private Banking's net income to Wealth Management business (International Financial Services division), rose by 10.7% compared to the first nine months of 2019, to 939 million euros.

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<sup>1</sup> At constant scope and exchange rate, excluding the internal transfer of a subsidiary

<sup>2</sup> Since inception

<sup>3</sup> Including 100% of Private Banking in Luxembourg

## **INTERNATIONAL FINANCIAL SERVICES**

The International Financial Services division has returned this quarter to good sales and marketing drive since the latter part of the second quarter 2020. Outstanding loans rose slightly, by 0.2%<sup>1</sup>, despite the health crisis impact in the first half of the year, particularly on Personal Finance outstandings, which turned up late in the quarter, due in particular to a strong rebound in auto loan production. Outstanding loans in international retail networks rose by 1.5%<sup>1</sup> compared to the third quarter 2019. Net asset inflows were strong at 19.6 billion euros compared to 30 September 2019. Real Estate Services, meanwhile, continues to be materially affected by the health crisis but is gradually recovering.

Back-to-payment levels of loans whose moratoria expired this quarter were satisfactory and were as anticipated.

The division continues to expand its digitalisation, with 4.4 million digital customers in international retail networks, more than 72% of loans signed electronically, and more than 30 million monthly electronic account statements at Personal Finance.

The division's revenues, at 3,943 million euros, were down by 7.2%<sup>2</sup> compared to the third quarter 2019, as performances at BancWest and Asset Management only partly offset the impact of low interest rates on Wealth Management and Europe-Mediterranean, and the prolonged impacts of the health crisis in the second quarter 2020 on other businesses.

Operating expenses, at 2,382 million euros, were down by 6.4%<sup>3</sup>, thanks to ongoing cost savings and gains in operating efficiency.

Gross operating income thus came to 1,561 million euros, down 8.4% compared to the third quarter 2019.

The cost of risk, at 592 million euros, was up by 74 million euros compared to the third quarter 2019.

International Financial Services' pre-tax income thus came to 1,067 million euros, down 18.2% compared to the third quarter 2019.

For the first nine months of 2020, the division's revenues, at 12,023 million euros, were down by 6.0% (-4.1% at constant scope and exchange rates) compared to the first nine months of 2019, with a good performance at BancWest; good resilience at Personal Finance, despite the health crisis impact; lower revenues at Europe-Mediterranean and Wealth Management, due to low interest rates and the impact of financial market declines on Asset Management and Insurance revenues; and the health crisis' material impact on Real Estate Services revenues. Operating expenses, at 7,562 million euros, were down by 2.9% (-1.7% at constant scope and exchange rates), with the development of cost-saving plans. Gross operating income thus came to 4,461 million euros, down by 10.8% compared to the first nine months of 2019 (-7.9% at constant scope and exchange rates). The cost of risk, at 2,097 million euros, was up by 760 million euros compared to the first nine months of 2019, due mainly to the ex-ante provisioning of expected losses. International Financial Services' pre-tax income thus came to 2,662 million euros, down by 33.9% compared to the first nine months of 2019 (-31.2% at constant scope and exchange rates).

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<sup>1</sup> At constant scope and exchange rates

<sup>2</sup> -3.9% at constant scope and exchange rates

<sup>3</sup> -3.6% at constant scope and exchange rates

## **Personal Finance**

Personal Finance activity confirmed its resilience, as loan production levels in August and September were close to those of 2019, driven by a strong rebound in auto loans. As a result, outstanding loans returned to growth late in the quarter. However, outstanding loans were still 2.5% lower than in the third quarter of 2019, due to lower production caused by the closing of points of sales during the health crisis in the first half of the year.

Personal Finance loans that had been under moratoria were processed efficiently through proactive support for customers and specific reinforcement of contacts to optimise the back-to-payment levels. The back-to-payment levels were satisfactory and were as anticipated.

Moreover, Personal Finance's risk profile benefits from a better product mix, which has evolved in recent years towards a less risky profile. Credit cards' portfolio share thus decreased from 18% in 2016 to 12% in the third quarter of 2020, while car loans' portfolio share rose from 20% to 37% over the same period. Personal Finance's portfolio is also concentrated in continental Europe. Its exposure has dropped to zero in the United States and to just 7% in the United Kingdom, and is mainly linked to car loans.

Personal Finance's revenues, at 1,343 million euros, were 7.0% lower than in the third quarter 2019, as a result of the reduction in outstandings, given lower loan production in the second quarter 2020.

Operating expenses, at 641 million euros, were down by 3.5% compared to the third quarter 2019, thanks to sustained cost adaptation efforts.

Gross operating income thus came to 703 million euros, down by 10.0% compared to the third quarter 2019.

The cost of risk came to 383 million euros, or 165 basis points. It was 17 million euros higher than in the third quarter 2019 but 67 million euros lower than in the second quarter 2020.

Personal Finance's pre-tax income thus came to 315 million euros, down by 27.4% compared to the third quarter 2019. It was up by 50.1% compared to the second quarter 2020.

For the first nine months of 2020, Personal Finance's revenues, at 4,120 million euros, were 4.4% lower (-1.7% at constant scope and exchange rates) than in the first nine months of 2019, due in particular to the health crisis impact on outstandings, with lower loan production in the first half of 2020. Operating expenses, at 2,069 million euros, were 3.1% lower (-1.1% at constant scope and exchange rates) than in the first nine months of 2019, thanks to sustained cost adaptation efforts. Gross operating income thus came to 2,051 million euros, down by 5.7% (-2.2% at constant scope and exchange rates) compared to the first nine months of 2019. The cost of risk was 1,415 million euros, up by 431 million euros compared to the first nine months of 2019, due mainly to the impact of ex-ante provisioning of expected losses. Pre-tax income at Personal Finance thus came to 639 million euros, down by 48.0% (-45.8% at constant scope and exchange rates) compared to the first nine months of 2019.

## Europe-Mediterranean

Europe-Mediterranean achieved good business drive in a lacklustre environment. Its outstanding loans were 3.4%<sup>1</sup> higher than in the third quarter 2019. Loan production continued to rebound, with, for example, a very sharp increase in loan production for individual customers in Poland (+33%<sup>1</sup> in September 2020 compared to September 2019). Deposits were up by 14.5%<sup>1</sup> compared to the third quarter 2019, and rose in all countries. Meanwhile, back-to-payment levels of loans whose moratoria expired this quarter were satisfactory and were as anticipated.

The business continues to promote the use of digital tools, with 3.5 million digital customers as of 30 September 2020 (+27% compared to 30 September 2019). The acceleration in automation is unlocking operational gains, with a 45% increase in the number of automated processes in the first six months of the year. This digital expertise was recognised by *Global Finance* in 2020, with the award as “Best Consumer Digital Bank in Turkey”.

Europe-Mediterranean’s revenues<sup>2</sup>, at 561 million euros, were down by 7.1%<sup>1</sup>, due to the impact of lower interest rates and to fee caps enacted in several countries. The exchange rate effect was unfavourable this quarter (material depreciation of the Turkish lira).

Operating expenses<sup>2</sup>, at 405 million euros, were 1.5%<sup>1</sup> lower than in the third quarter 2019, thanks to the implementation of cost synergies in Poland and the effect of crisis-related cost reductions. Wage drift remained high, particularly in Turkey.

Gross operating income<sup>2</sup> thus came to 156 million euros, 19.0%<sup>1</sup> lower than in the third quarter 2019.

The cost of risk<sup>2</sup> came to 113 million euros, stable compared to the third quarter 2019 and 30 million euros lower than in the second quarter 2020.

After allocating one-third of Turkish and Polish Private Banking’s net income to the Wealth Management business, Europe-Mediterranean generated 91 million euros in pre-tax income, down by 33.3% at constant scope and exchange rates and by 38.8% at historical scope and exchange rates, due to an unfavourable exchange rate.

For the first nine months of 2020, Europe-Mediterranean’s revenues<sup>2</sup>, at 1,835 million euros, were 2.5%<sup>1</sup> lower than in the first nine months of 2019, due in particular to the impact of the low-interest-rate environment and to fee caps in several countries, offset partly by increased volumes. Operating expenses<sup>2</sup>, at 1,309 million euros, rose by 1.9% at constant scope and exchange rates compared to the first nine months of 2019 but fell by 2.3% at historical scope and exchange rates, thanks to the implementation of cost synergies in Poland, along with continued high wage drift in Turkey and the material depreciation in the Turkish lira. The cost of risk<sup>2</sup> came to 342 million euros, up by 19.8% compared to the first nine months of 2019, due mainly to the impact of ex-ante provisioning of expected losses. It came to 113 basis points of outstanding customer loans. After allocating one-third of Turkish and Polish Private Banking’s net income to Wealth Management business, Europe-Mediterranean generated 314 million euros in pre-tax income, down by 30.0% at constant scope and exchange rates and by 40.9% at historical scope and exchange rates.

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<sup>1</sup> At constant scope and exchange rates

<sup>2</sup> Including 100% of Private Banking in Turkey and in Poland



## **BancWest**

BancWest continued to achieve good sales and marketing drive this quarter. Outstanding loans rose slightly by 0.3%<sup>1</sup> compared to the third quarter 2019. The level of loan production was good in the third quarter 2020, particularly in collateralised equipment loans<sup>2</sup> (+54% compared to the third quarter 2019). BancWest is taking active part in the Paycheck Protection Program (PPP), the federal assistance program to SMEs. Almost 18,000 loans had been granted for a total of almost 3 billion dollars as of 30 September 2020. Deposits rose by 20.8%<sup>3</sup> and client deposits<sup>4</sup> rose sharply (+24.9%). At 16 billion dollars as of 30 September 2020, private banking assets under management were 5.0%<sup>1</sup> higher than at 30 September 2019. Lastly, the number of accounts opened online rose by 23.4% compared to the third quarter 2019 and cooperation with CIB continued with the creation of a shared treasury solutions platform and 52 deals made jointly as of 30 September 2020 (+13% compared to 30 September 2019).

Revenues<sup>5</sup>, at 627 million euros, were up by 9.6%<sup>3</sup> compared to the third quarter 2019, due mainly to increased volumes and a non-recurring positive item, partly offset by the low-interest-rate environment and a lower contribution from fees.

Operating expenses<sup>5</sup> decreased by 2.3%<sup>3</sup>, to 403 million euros, driven by cost-saving measures. BancWest thus achieved a very positive jaws effect of 11.9 points at constant scope and exchange rates.

Gross operating income<sup>5</sup>, at 224 million euros, was thus 40.3%<sup>3</sup> higher than in the third quarter 2019.

At 90 million euros, the cost of risk<sup>5</sup> was 47 million euros higher in the third quarter 2020 than in the third quarter 2019. It amounted to 63 basis points of outstanding customer loans. It was 77 million euros lower than in the second quarter 2020.

Thus, after allocating one-third of Private Banking's net income in the United States to Wealth Management business, BancWest posted 130 million euros in pre-tax income up by 15.2% at constant scope and exchange rates and by 9.0% at historical scope and exchange rates compared to the third quarter 2019.

For the first nine months of 2020, revenues<sup>5</sup>, at 1,866 million euros, were up by 5.3%<sup>3</sup> compared to the first nine months of 2019, due in particular to higher volumes, which were offset partly by the low-interest-rate environment and a lower contribution from fees. Operating expenses<sup>5</sup> were down by 1.0%<sup>3</sup> at 1,300 million euros, thanks to cost-saving measures. BancWest thus generated a very positive jaws effect of +6.3 points. Gross operating income<sup>5</sup>, at 567 million euros, rose by 23.3%<sup>3</sup> compared to the first nine months of 2019. At 319 million euros, the cost of risk<sup>5</sup> increased significantly compared to the first nine months of 2019 (+255 million euros), due mainly to ex-ante provisioning of expected losses. It amounted to 75 basis points of outstanding customer loans. Thus, after allocating one-third of Private Banking's net income in the United States to Wealth Management business, BancWest generated 230 million euros, a 37.3%<sup>3</sup> decrease compared to the first nine months of 2019.

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<sup>1</sup> At constant scope and exchange rates and including the internal transfer of a subsidiary

<sup>2</sup> Leisure vehicles and boats

<sup>3</sup> At constant scope and exchange rates

<sup>4</sup> Deposits excluding treasury activities

<sup>5</sup> With 100% of Private Banking in the United States

## **Insurance and Wealth and Asset Management**

Insurance and Wealth and Asset Management businesses achieved a positive business drive, led by very good net asset inflows. Assets under management<sup>1</sup> came to 1,110 billion euros as of 30 September 2020, 1.2% lower than at 31 December 2019, due to an unfavourable valuation impact of 25 billion euros caused by the strong fall in the financial markets in the first quarter 2020, mitigated partly by the rebound in the second and third quarters, but also to an unfavourable exchange rate impact of 17.4 billion euros. Net asset inflows were solid, at 30.4 billion euros in the first nine months of 2020, driven by Wealth Management's good asset inflows in Europe and Asia, Asset Management's very strong net asset inflows in both money-market and medium and long-term vehicles, and Insurance's slightly negative decline overall, but with a significant portion into unit-linked policies (more than 40%).

As at 30 September 2020, assets under management<sup>1</sup> broke down as follows: Asset Management (474 billion euros, including 29 billion euros from Real Estate Investment Management), Wealth Management (380 billion euros) and Insurance (256 billion euros).

Insurance showed a good resilience and continued its business development. Protection performed well in France and Asia, and the credit protection insurance business in France expanded further, thanks to the development of Cardif Libertés Emprunteur.

Insurance's revenues, at 697 million euros, were 8.4% lower than in the third quarter 2019 : financial result decreased mainly due to lower capital gains than in the third quarter 2020; claims increased due to the health crisis and to some specific files this quarter in France. Operating expenses, at 347 million euros, decreased by 6.4%, with ongoing business development and thanks to good cost containment. Pre-tax income was 11.0% lower than in the third quarter 2019, at 384 million euros.

Wealth and Asset Management continued their development plans. Wealth Management was awarded the *Private Banker International* "Outstanding Global Private Bank" prize for the ninth consecutive year. Net asset inflows were good, particularly in Asia and in Domestic Markets (especially in Italy). Asset Management achieved a very good recovery in activity, driven by total net asset inflows of 14 billion euros in the third quarter 2020, including 8 billion euros in money-market funds, particularly in Europe, and 6 billion euros in medium- and long-term vehicles, particularly in Latin America and Asia.

Real Estate Services, meanwhile, continued to be strongly affected by the effects of the health crisis, but recovered gradually, as Advisory transactions and construction work resumed, along with sales in Property Development.

Wealth and Asset Management's revenues (734 million euros) were 8.6% lower than in the third quarter 2019, due to the impact of the low-interest-rate environment on net interest income at Wealth Management and the health crisis impact on Real Estate Services, offset partly by the favourable market valuation impact on Asset Management revenues. Operating expenses came to 598 million euros, an 8.0% decline due to the sharp decrease in Real Estate Services costs, as well as to transformation plan measures, particularly in Asset Management. Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in domestic markets in Turkey, Poland and the United States, thus came to 146 million euros, down by 14.1% compared to the third quarter 2019.

For the first nine months of 2020, Insurance's revenues, at 2,104 million euros, were down by 12.8% compared to the first nine months of 2019, due to the overall unfavourable accounting impact related to market performances, as well as to the impact of claims related to the health crisis and some specific files in the third quarter in France. Operating expenses, at 1,078 million euros, were down by 3.7% with ongoing business development and thanks to good cost containment. Pre-tax income was down by 20.1% compared to the first nine months of 2019, at 1,129 million euros.

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<sup>1</sup> Including distributed assets



Wealth and Asset Management's revenues (2,155 million euros) were 8.8% lower than in the first nine months of 2019. Higher Wealth Management fees were more than offset by the impact of the low-interest-rate environment, the slightly unfavourable market impact on the whole on Asset Management revenues, and the health crisis' very significant impact on Real Estate Services revenues. Operating expenses came to 1,841 million euros, a 4.2% decrease thanks to the transformation plan, particularly in Asset Management, and lower Real Estate Services costs. Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in domestic markets in Turkey, Poland and the United States, thus came to 350 million euros, down by 26.9% compared to the first nine months of 2019.

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## **CORPORATE AND INSTITUTIONAL BANKING (CIB)**

CIB achieved very good performances this quarter in all client segments.

Sales and marketing activity was strong in all businesses. Since June, Financing has evolved from syndicated loans towards bond and equity issuance, in order to strengthen companies' balance sheets. Market activities normalized after the exceptional environment of the first half of 2020. They reflected a solid level of client activity in rates and forex and a good performance in equity derivatives. Lastly, Securities Services showed a good level of activity, with a still-robust number of transactions.

Consolidation of client positions continued in all regions, leveraging commercial set-ups, strengthened by the development plans in particular in Europe (Germany, the United Kingdom, the Netherlands, and the Nordic countries) and by cooperation between businesses.

The division's revenues, at 3,372 million euros, rose strongly (+17.4% compared to the third quarter 2019). Revenues rose in all three businesses.

Corporate Banking revenues, at 1,118 million euros, rose by 7.5% compared to the third quarter 2019. They were up in all geographical regions, but especially in the Americas and Europe. However, transaction activities were affected by weaker trade finance volumes.

CIB is no.1 in EMEA<sup>1</sup> syndicated loans and European corporate bond issuance<sup>2</sup>. It is also the no.1 European player in EMEA investment banking<sup>3</sup> and no.1 in trade finance in Europe<sup>4</sup>, thanks to its constantly rising penetration rate on large corporates. Activity rose at a sustained pace. Outstandings, at 158.9 billion euros<sup>5</sup> rose by 8.7%<sup>5</sup> compared to the third quarter 2019. Deposits, at 192.0 billion euros, were up by 34.2%<sup>5</sup> compared to the third quarter 2019.

Global Markets revenues, at 1,711 million euros, rose sharply, by 31.8% compared to the third quarter 2019, driven by very high client volumes. The quarter featured very strong growth at FICC<sup>6</sup> (+36.0% compared to the third quarter 2019), as well as Equity and Prime Services (+21.4%). VaR (1 day, 99%), which measures the level of market risks, came to 46 million euros on average. It was lower compared to its late March peak, when it exceeded 70 million euros, due to the volatility shock on the markets, but was still higher than its 2019 low point.

Global Markets showed strong activity in a normalising environment with a good level of client activity on the rate and forex markets, boosted by greater market shares, and in the equity markets, in both derivatives and prime brokerage. The prime brokerage business continued to implement the agreement with Deutsche Bank in line with the established schedule, and to develop strategic partnerships, for example with NatWest Markets for the provision of execution and clearing of listed derivatives.

FICC<sup>6</sup> revenues, at 1,245 million euros, were up sharply (+36.0%) compared to the third quarter 2019 and rose in all businesses, particularly in currencies and commodities, and in all regions, in particular emerging markets. On the primary market, FICC achieved a high level of bond issuance in the third quarter 2020, in line with the 2019 level, and was ranked no.1 for bonds in euros<sup>7</sup>.

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<sup>1</sup> EMEA: Europe, Middle East and Africa

<sup>2</sup> Source: Dealogic as at 30 September 2020, bookrunner ranking by volume – Global Corporate Investment Grade Bond, EMEA loans and EMEA Equity Capital Markets

<sup>3</sup> Source: Dealogic as at 30 September 2020, ranking by revenues

<sup>4</sup> Source: Greenwich Share Leaders 2020 European Large Corporates Trade Finance

<sup>5</sup> Average quarterly outstandings at constant scope and exchange rates

<sup>6</sup> Fixed Income, Currencies and Commodities

<sup>7</sup> Source: Dealogic as at 30 September 2020; bookrunner

Equity and Prime Services revenues, at 466 million euros, were up by 21.4% compared to the third quarter 2019, as a result of strong client activity in derivatives, in particular in the United States, and a steady increase in Prime Services.

Securities Services revenues, at 544 million euros, were up by 1.6%, as the increase in fees outweighed the effect of the decrease in average assets. The level of average assets was indeed 1.4% lower than in the third quarter 2019, due to impact of the March 2020 drop in the markets, but continued to recover: as at 30 September 2020, assets were up strongly (+7.7%) compared to 31 March 2020. Securities Services maintained strong business drive, thanks to growth in private capital custodian services and the strengthening of business relationships within the integrated banking model, including cooperation in forex activities, collateral management and derivatives clearing, and continued to expand strongly in the Asia-Pacific region and Americas.

CIB's operating expenses, at 2,117 million euros, rose by 7.2% compared to the third quarter 2019, in connection with the high level of activity, this increase being contained by the ongoing effect of cost-saving measures. CIB thus achieved an overwhelmingly positive jaws effect (11.3 points at constant scope and exchange rate).

CIB's gross operating income thus rose sharply by 39.7%, at 1,255 million euros.

Corporate Banking's cost of risk came to 311 million euros, up by 223 million euros compared to the third quarter 2019, due in particular to the impact of two specific files this quarter.

CIB thus generated 955 million euros in pre-tax income in the third quarter 2020, up by 14.6% compared to the third quarter 2019.

For the first nine months of 2020, the division's revenues, at 10,448 million euros, rose by 16.4% compared to the first nine months of 2019, with increases in all three businesses: Global Markets (+25.8%), Corporate Banking (+11.1%) and Securities Services (+5.6%<sup>1</sup>). Volumes rose sharply, driven by meeting clients' specific, crisis-related needs (financing, interest-rate and currency hedges, reallocation of resources, etc.).

Corporate Banking's revenues, at 3,446 million euros, were 11.1% higher than in the first nine months of 2019, with strong growth in all regions, EMEA<sup>2</sup> in particular, due to exceptional mobilisation to serve clients and ongoing strengthening of franchises. Global Markets revenues, at 5,321 million euros, rose by 25.8% compared to the first nine months of 2019. FICC<sup>3</sup> revenues, at 4,650 million euros, rose very sharply, driven by clients' activity volumes arising from their specific needs during the crisis, with very sustained activity on the primary and credit markets, very strong growth in rates & forex and good growth in currencies and emerging markets. Equity and Prime Services revenues were down sharply to 669 million euros in the first nine months of 2020 from 1,487 million euros in the first nine months of 2019, in particular at the beginning of the year after the extreme market shocks and restrictions imposed by the European authorities on the payment of 2019 dividends. Securities Services revenues, at 1,681 million euros, rose by 2.1%<sup>4</sup> compared to the first nine months of 2019, in particular on the back of the sharp increase in transaction volumes, partly offset by the decline in assets caused by the health crisis' impact on market valuations in the first quarter.

Operating expenses at CIB, at 6,729 million euros, rose by 4.6% compared to the first nine months of 2019, as a result of business growth. The increase was contained by cost-saving measures. The jaws effect was overwhelmingly positive, at 11.8 points.

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<sup>1</sup> Excluding the positive impact of a specific transaction in the 2<sup>nd</sup> quarter

<sup>2</sup> EMEA: Europe, Middle East and Africa

<sup>3</sup> Fixed Income, Currencies, and Commodities

<sup>4</sup> +5.6% compared to the first nine months of 2019, excluding the positive impact of a specific transaction in the 2<sup>nd</sup> quarter 2019



CIB's gross operating income was thus up by 46.1%, at 3,719 million euros.

CIB's cost of risk came to 992 million euros, mainly due to the impact of ex-ante provisioning of expected losses and some specific files.

CIB thus generated 2,744 million euros in pre-tax income, up by 14.1% compared to the first nine months of 2019.

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## **CORPORATE CENTRE**

Corporate Centre revenues amounted to -165 million euros, compared to 27 million euros in the third quarter 2019, due to a decrease in Principal Investments' valuations arising from the crisis, the -74 million euro revaluation of proprietary credit risk included in derivatives (DVA) and the impact of a non-recurring negative item in the third quarter 2020.

Corporate Centre operating expenses totalled 165 million euros. They included the exceptional impact of donations and staff safety measures related to the health crisis (21 million euros), restructuring costs<sup>1</sup> and adaptation costs<sup>2</sup> amounting to 44 million euros (78 million euros in the third quarter 2019) and IT reinforcement costs (40 million euros). In accordance with the plan, no transformation costs were recognised in 2020 (they came to 178 million euros in the third quarter 2019).

The cost of risk recorded a net write-back of 3 million euros, compared to a net provision of 1 million euros in the third quarter 2019.

Other non-operating items came to 36 million euros in the third quarter 2020 compared to 20 million euros in the third quarter 2019. They included the capital gain on the sale of buildings for 41 million euros in the third quarter 2020.

Corporate Centre pre-tax income thus came to -275 million euros, compared to -299 million euros in the third quarter 2019.

For the first nine months of 2020, Corporate Centre revenues came to -117 million euros compared to 117 million euros in the first nine months of 2019, due in particular to the negative contribution of Principal Investments arising from the crisis and to the impact of a non-recurring negative item in the third quarter 2020. Corporate Centre operating expenses came to 607 million euros in the first nine months of 2020. They included the exceptional impact of donations and staff safety measures related to the health crisis (107 million euros), restructuring costs<sup>3</sup> and adaptation costs<sup>2</sup> (120 million euros compared to 229 million euros in the first nine months of 2019) and IT reinforcement costs (119 million euros). In accordance with the plan, no transformation costs were recognised in 2020 (they came to 568 million euros in the first nine months of 2019).

The cost of risk was 43 million euros, including the impact of ex-ante provisioning of expected losses, compared to a net write-back of 2 million euros in the first nine months of 2019. Other non-operating items came to 519 million euros in the first nine months of 2020, compared to 724 million euros in the first nine months of 2019. They included +506 million euros in capital gains on the sale of buildings. In the first nine months of 2019 they included the exceptional impact of the capital gain realised from the sale of 16.8% of SBI Life in India, followed by the deconsolidation of the residual stake<sup>4</sup> (+1,450 million euros) as well as goodwill impairments (-818 million euros). Corporate Centre's pre-tax income was thus -198 million euros, compared to -291 million euros in the first nine months of 2019.

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<sup>1</sup> Related in particular to the discontinuation or restructuring of certain businesses (amongst others CIB)

<sup>2</sup> Related in particular to Wealth Management, BancWest and CIB

<sup>3</sup> Restructuring costs incurred mainly from the acquisition of Raiffeisen Bank Polska and the discontinuation or restructuring of certain businesses (in particular BNP Paribas Suisse)

<sup>4</sup> 5.2% residual stake in SBI Life



## **FINANCIAL STRUCTURE**

The Group has a very solid balance sheet.

The common equity Tier 1 ratio stood at 12.6%<sup>1</sup> as at 30 September 2020, up by 20 basis points compared to 30 June 2020, due to:

- the placing into reserves of the quarter's net income after taking into account a 50% dividend pay-out ratio (+10 basis points)
- the decrease in risk-weighted assets (at constant exchange rates) (+10 basis points).

Other impacts on the ratio were, on the whole, limited.

The CET1<sup>1</sup> ratio was significantly higher than the European Central Bank's notified requests (9.22%<sup>2</sup> as at 30 September 2020) and above the 2020 plan objective (12.0%).

The leverage ratio<sup>3</sup> stood at 4.4% as at 30 September 2020.

Immediately available liquidity reserve totalled 472 billion euros, equivalent to more than one year of room to manoeuvre in terms of wholesale funding.

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<sup>1</sup> CRD4; including IFRS 9 transitional provisions

<sup>2</sup> After taking into account the removals of "countercyclical capital buffers" and in accordance with Article 104a of CRD5 ; excluding P2G

<sup>3</sup> Calculated in accordance with Regulation (EU) n°2020/873, Article 500b

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

€m	3Q20	3Q19	3Q20 / 3Q19	2Q20	3Q20 / 2Q20	9M20	9M19	9M20 / 9M19
<b>Group</b>								
<b>Revenues</b>	10,885	10,896	-0.1%	11,675	-6.8%	33,448	33,264	+0.6%
Operating Expenses and Dep.	-7,137	-7,421	-3.8%	-7,338	-2.7%	-22,632	-23,305	-2.9%
<b>Gross Operating Income</b>	3,748	3,475	+7.9%	4,337	-13.6%	10,816	9,959	+8.6%
Cost of Risk	-1,245	-847	+47.0%	-1,447	-14.0%	-4,118	-2,237	+84.1%
<b>Operating Income</b>	2,503	2,628	-4.8%	2,890	-13.4%	6,698	7,722	-13.3%
Share of Earnings of Equity-Method Entities	130	143	-9.1%	130	-0.0%	355	457	-22.3%
Other Non Operating Items	38	34	+11.8%	106	-64.2%	539	686	-21.4%
<b>Non Operating Items</b>	168	177	-5.1%	236	-28.8%	894	1,143	-21.8%
<b>Pre-Tax Income</b>	2,671	2,805	-4.8%	3,126	-14.6%	7,592	8,865	-14.4%
Corporate Income Tax	-692	-767	-9.8%	-746	-7.2%	-1,849	-2,229	-17.0%
Net Income Attributable to Minority Interests	-85	-100	-15.0%	-81	+4.9%	-268	-312	-14.1%
<b>Net Income Attributable to Equity Holders</b>	1,894	1,938	-2.3%	2,299	-17.6%	5,475	6,324	-13.4%
<b>Cost/income</b>	65.6%	68.1%	-2.5 pt	62.9%	+2.7 pt	67.7%	70.1%	-2.4 pt

BNP Paribas' financial disclosures for the third quarter 2020 is contained in this press release and in the presentation attached herewith.

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

**3Q20 – RESULTS BY CORE BUSINESSES**

		Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group
<i>€m</i>							
<b>Revenues</b>		<b>3,735</b>	<b>3,943</b>	<b>3,372</b>	<b>11,050</b>	<b>-165</b>	<b>10,885</b>
	%Change3Q19	-0.4%	-7.2%	+17.4%	+1.7%	n.s.	-0.1%
	%Change2Q20	+3.7%	-2.1%	-18.2%	-6.0%	n.s.	-6.8%
Operating Expenses and Dep.		-2,473	-2,382	-2,117	-6,972	-165	-7,137
	%Change3Q19	-2.6%	-6.4%	+7.2%	-1.2%	-54.5%	-3.8%
	%Change2Q20	+4.1%	-1.3%	-4.6%	-0.5%	-49.8%	-2.7%
<b>Gross Operating Income</b>		<b>1,262</b>	<b>1,561</b>	<b>1,255</b>	<b>4,078</b>	<b>-330</b>	<b>3,748</b>
	%Change3Q19	+4.4%	-8.4%	+39.7%	+7.0%	-1.7%	+7.9%
	%Change2Q20	+2.9%	-3.3%	-34.1%	-14.0%	-18.7%	-13.6%
Cost of Risk		-346	-592	-310	-1,248	3	-1,245
	%Change3Q19	+40.5%	+14.3%	n.s.	+47.5%	n.s.	+47.0%
	%Change2Q20	+5.1%	-22.7%	-2.9%	-11.7%	n.s.	-14.0%
<b>Operating Income</b>		<b>916</b>	<b>969</b>	<b>945</b>	<b>2,830</b>	<b>-327</b>	<b>2,503</b>
	%Change3Q19	-4.8%	-18.3%	+15.7%	-4.6%	-2.9%	-4.8%
	%Change2Q20	+2.1%	+14.3%	-40.3%	-15.0%	-25.5%	-13.4%
Share of Earnings of Equity-Method Entities		4	107	3	114	16	130
Other Non Operating Items		4	-9	7	2	36	38
<b>Pre-Tax Income</b>		<b>924</b>	<b>1,067</b>	<b>955</b>	<b>2,947</b>	<b>-276</b>	<b>2,671</b>
	%Change3Q19	-4.3%	-18.2%	+14.6%	-5.1%	-7.8%	-4.8%
	%Change2Q20	+2.8%	+11.1%	-39.8%	-14.5%	-14.0%	-14.6%

		Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group
<i>€m</i>							
<b>Revenues</b>		<b>3,735</b>	<b>3,943</b>	<b>3,372</b>	<b>11,050</b>	<b>-165</b>	<b>10,885</b>
	3Q19	3,748	4,248	2,873	10,869	27	10,896
	2Q20	3,602	4,027	4,123	11,753	-78	11,675
Operating Expenses and Dep.		-2,473	-2,382	-2,117	-6,972	-165	-7,137
	3Q19	-2,539	-2,545	-1,974	-7,058	-363	-7,421
	2Q20	-2,376	-2,414	-2,220	-7,009	-329	-7,338
<b>Gross Operating Income</b>		<b>1,262</b>	<b>1,561</b>	<b>1,255</b>	<b>4,078</b>	<b>-330</b>	<b>3,748</b>
	3Q19	1,209	1,704	898	3,811	-336	3,475
	2Q20	1,226	1,613	1,904	4,743	-406	4,337
Cost of Risk		-346	-592	-310	-1,248	3	-1,245
	3Q19	-246	-518	-81	-846	-1	-847
	2Q20	-329	-765	-319	-1,414	-33	-1,447
<b>Operating Income</b>		<b>916</b>	<b>969</b>	<b>945</b>	<b>2,830</b>	<b>-327</b>	<b>2,503</b>
	3Q19	963	1,186	817	2,965	-337	2,628
	2Q20	897	848	1,585	3,329	-439	2,890
Share of Earnings of Equity-Method Entities		4	107	3	114	16	130
	3Q19	1	118	5	125	19	143
	2Q20	1	116	-3	113	17	130
Other Non Operating Items		4	-9	7	2	36	38
	3Q19	2	1	11	14	20	34
	2Q20	1	-3	6	4	102	106
<b>Pre-Tax Income</b>		<b>924</b>	<b>1,067</b>	<b>955</b>	<b>2,947</b>	<b>-276</b>	<b>2,671</b>
	3Q19	966	1,305	834	3,104	-299	2,805
	2Q20	899	960	1,587	3,446	-320	3,126
Corporate Income Tax							-692
Net Income Attributable to Minority Interests							-85
<b>Net Income Attributable to Equity Holders</b>							<b>1,894</b>

**9M20 – RESULTS BY CORE BUSINESSES**

		Domestic Markets	International Financial Services	CIB	Operating Divisions	Others activities	Group
<i>€m</i>							
<b>Revenues</b>		<b>11,094</b>	<b>12,023</b>	<b>10,448</b>	<b>33,565</b>	<b>-117</b>	<b>33,448</b>
	%Change9M19	-2.5%	-6.0%	+16.4%	+1.3%	n.s.	+0.6%
Operating Expenses and Dep.		-7,733	-7,562	-6,729	-22,025	-607	-22,632
	%Change9M19	-1.9%	-2.9%	+4.6%	-0.4%	-49.4%	-2.9%
<b>Gross Operating Income</b>		<b>3,361</b>	<b>4,461</b>	<b>3,719</b>	<b>11,541</b>	<b>-725</b>	<b>10,816</b>
	%Change9M19	-3.8%	-10.8%	+46.1%	+4.5%	-33.1%	+8.6%
Cost of Risk		-987	-2,097	-992	-4,075	-43	-4,118
	%Change9M19	+29.1%	+56.8%	n.s.	+82.0%	n.s.	+84.1%
<b>Operating Income</b>		<b>2,374</b>	<b>2,364</b>	<b>2,727</b>	<b>7,465</b>	<b>-767</b>	<b>6,698</b>
	%Change9M19	-13.1%	-35.5%	+13.2%	-15.2%	-29.0%	-13.3%
Share of Earnings of Equity-Method Entities		4	297	3	304	51	355
Other Non Operating Items		5	0	15	20	519	539
<b>Pre-Tax Income</b>		<b>2,384</b>	<b>2,662</b>	<b>2,744</b>	<b>7,790</b>	<b>-198</b>	<b>7,592</b>
	%Change9M19	-12.5%	-33.9%	+14.1%	-14.9%	-31.9%	-14.4%
Corporate Income Tax							-1,849
Net Income Attributable to Minority Interests							-268
<b>Net Income Attributable to Equity Holders</b>							<b>5,475</b>



**QUARTERLY SERIES**

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



€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>RETAIL BANKING &amp; SERVICES Excl. PEL/CEL</b>							
Revenues	7,677	7,615	7,823	8,286	8,006	8,045	8,096
Operating Expenses and Dep.	-4,855	-4,790	-5,650	-5,274	-5,084	-5,002	-5,586
<b>Gross Operating Income</b>	<b>2,822</b>	<b>2,825</b>	<b>2,172</b>	<b>3,012</b>	<b>2,922</b>	<b>3,042</b>	<b>2,510</b>
Cost of Risk	-938	-1,095	-1,050	-826	-765	-604	-733
<b>Operating Income</b>	<b>1,883</b>	<b>1,730</b>	<b>1,122</b>	<b>2,187</b>	<b>2,158</b>	<b>2,439</b>	<b>1,777</b>
Share of Earnings of Equity-Method Entities	111	116	74	111	119	151	108
Other Non Operating Items	-5	-2	12	-4	3	-27	1
<b>Pre-Tax Income</b>	<b>1,990</b>	<b>1,845</b>	<b>1,208</b>	<b>2,294</b>	<b>2,280</b>	<b>2,563</b>	<b>1,886</b>
Allocated Equity (€bn, year to date)	55.6	55.8	55.8	54.9	54.7	54.6	54.3
<hr/>							
€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>RETAIL BANKING &amp; SERVICES</b>							
Revenues	7,678	7,630	7,810	8,278	7,997	8,072	8,099
Operating Expenses and Dep.	-4,855	-4,790	-5,650	-5,274	-5,084	-5,002	-5,586
<b>Gross Operating Income</b>	<b>2,823</b>	<b>2,840</b>	<b>2,159</b>	<b>3,004</b>	<b>2,913</b>	<b>3,070</b>	<b>2,513</b>
Cost of Risk	-938	-1,095	-1,050	-826	-765	-604	-733
<b>Operating Income</b>	<b>1,885</b>	<b>1,745</b>	<b>1,109</b>	<b>2,178</b>	<b>2,148</b>	<b>2,467</b>	<b>1,780</b>
Share of Earnings of Equity-Method Entities	111	116	74	111	119	151	108
Other Non Operating Items	-5	-2	12	-4	3	-27	1
<b>Pre-Tax Income</b>	<b>1,991</b>	<b>1,859</b>	<b>1,195</b>	<b>2,286</b>	<b>2,270</b>	<b>2,591</b>	<b>1,889</b>
Allocated Equity (€bn, year to date)	55.6	55.8	55.8	54.9	54.7	54.6	54.3
<hr/>							
€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>DOMESTIC MARKETS (including 100% of PB in France, Italy, Belgium and Luxembourg)<sup>1</sup> Excluding PEL/CEL Effects</b>							
Revenues	3,867	3,721	3,913	4,036	3,892	3,925	3,961
Operating Expenses and Dep.	-2,543	-2,446	-2,970	-2,635	-2,607	-2,516	-2,983
<b>Gross Operating Income</b>	<b>1,324</b>	<b>1,276</b>	<b>943</b>	<b>1,402</b>	<b>1,285</b>	<b>1,408</b>	<b>978</b>
Cost of Risk	-353	-331	-313	-254	-245	-214	-307
<b>Operating Income</b>	<b>971</b>	<b>944</b>	<b>630</b>	<b>1,147</b>	<b>1,040</b>	<b>1,194</b>	<b>671</b>
Share of Earnings of Equity-Method Entities	4	1	0	4	1	2	-6
Other Non Operating Items	4	1	1	4	2	-6	1
<b>Pre-Tax Income</b>	<b>978</b>	<b>946</b>	<b>630</b>	<b>1,156</b>	<b>1,043</b>	<b>1,190</b>	<b>666</b>
Income Attributable to Wealth and Asset Management	-56	-62	-56	-62	-67	-68	-58
<b>Pre-Tax Income of Domestic Markets</b>	<b>922</b>	<b>884</b>	<b>574</b>	<b>1,093</b>	<b>975</b>	<b>1,122</b>	<b>608</b>
Allocated Equity (€bn, year to date)	26.3	26.1	26.0	25.7	25.7	25.7	25.5
<hr/>							
€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>DOMESTIC MARKETS (including 2/3 of PB in France, Italy, Belgium and Luxembourg)</b>							
Revenues	3,735	3,602	3,757	3,887	3,748	3,810	3,816
Operating Expenses and Dep.	-2,473	-2,376	-2,885	-2,559	-2,539	-2,443	-2,897
<b>Gross Operating Income</b>	<b>1,262</b>	<b>1,226</b>	<b>872</b>	<b>1,328</b>	<b>1,209</b>	<b>1,367</b>	<b>919</b>
Cost of Risk	-346	-329	-311	-252	-246	-213	-305
<b>Operating Income</b>	<b>916</b>	<b>897</b>	<b>561</b>	<b>1,077</b>	<b>963</b>	<b>1,154</b>	<b>615</b>
Share of Earnings of Equity-Method Entities	4	1	0	4	1	2	-6
Other Non Operating Items	4	1	0	4	2	-6	1
<b>Pre-Tax Income</b>	<b>924</b>	<b>899</b>	<b>561</b>	<b>1,085</b>	<b>966</b>	<b>1,149</b>	<b>610</b>
Allocated Equity (€bn, year to date)	26.3	26.1	26.0	25.7	25.7	25.7	25.5

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



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

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

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

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

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

€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>PEL-CEL Effects</b>	<b>1</b>	<b>15</b>	<b>-13</b>	<b>-9</b>	<b>-10</b>	<b>28</b>	<b>2</b>



€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BNL banca commerciale (Including 100% of Private Banking in Italy) <sup>1</sup>							
<b>Revenues</b>	<b>669</b>	<b>649</b>	<b>659</b>	<b>755</b>	<b>663</b>	<b>684</b>	<b>675</b>
Operating Expenses and Dep.	-426	-422	-465	-450	-446	-433	-470
<b>Gross Operating Income</b>	<b>244</b>	<b>227</b>	<b>194</b>	<b>305</b>	<b>217</b>	<b>251</b>	<b>205</b>
Cost of Risk	-122	-122	-120	-109	-109	-107	-165
<b>Operating Income</b>	<b>122</b>	<b>105</b>	<b>74</b>	<b>196</b>	<b>108</b>	<b>144</b>	<b>40</b>
Non Operating Items	0	-2	0	-4	0	0	0
<b>Pre-Tax Income</b>	<b>122</b>	<b>104</b>	<b>73</b>	<b>191</b>	<b>108</b>	<b>144</b>	<b>40</b>
Income Attributable to Wealth and Asset Management	-7	-9	-10	-10	-10	-11	-10
<b>Pre-Tax Income of BNL bc</b>	<b>115</b>	<b>95</b>	<b>64</b>	<b>181</b>	<b>98</b>	<b>133</b>	<b>30</b>
Allocated Equity (€bn, year to date)	5.3	5.3	5.3	5.3	5.3	5.3	5.3
BNL banca commerciale (Including 2/3 of Private Banking in Italy)							
<b>Revenues</b>	<b>649</b>	<b>629</b>	<b>637</b>	<b>732</b>	<b>641</b>	<b>663</b>	<b>654</b>
Operating Expenses and Dep.	-413	-410	-453	-438	-434	-422	-460
<b>Gross Operating Income</b>	<b>236</b>	<b>218</b>	<b>184</b>	<b>295</b>	<b>207</b>	<b>241</b>	<b>195</b>
Cost of Risk	-121	-122	-120	-109	-109	-108	-164
<b>Operating Income</b>	<b>115</b>	<b>96</b>	<b>64</b>	<b>186</b>	<b>98</b>	<b>133</b>	<b>30</b>
Non Operating Items	0	-2	0	-4	0	0	0
<b>Pre-Tax Income</b>	<b>115</b>	<b>95</b>	<b>64</b>	<b>181</b>	<b>98</b>	<b>133</b>	<b>30</b>
Allocated Equity (€bn, year to date)	5.3	5.3	5.3	5.3	5.3	5.3	5.3
BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium) <sup>1</sup>							
<b>Revenues</b>	<b>851</b>	<b>835</b>	<b>885</b>	<b>878</b>	<b>853</b>	<b>878</b>	<b>915</b>
Operating Expenses and Dep.	-523	-499	-830	-560	-541	-535	-844
<b>Gross Operating Income</b>	<b>329</b>	<b>336</b>	<b>55</b>	<b>318</b>	<b>312</b>	<b>342</b>	<b>71</b>
Cost of Risk	-29	-80	-54	-5	-20	3	-34
<b>Operating Income</b>	<b>300</b>	<b>256</b>	<b>0</b>	<b>313</b>	<b>292</b>	<b>345</b>	<b>37</b>
Share of Earnings of Equity-Method Entities	7	4	4	6	5	5	-3
Other Non Operating Items	4	2	1	2	1	-6	0
<b>Pre-Tax Income</b>	<b>311</b>	<b>262</b>	<b>5</b>	<b>321</b>	<b>298</b>	<b>344</b>	<b>35</b>
Income Attributable to Wealth and Asset Management	-18	-19	-10	-19	-17	-19	-14
<b>Pre-Tax Income of Belgian Retail Banking</b>	<b>293</b>	<b>243</b>	<b>-4</b>	<b>302</b>	<b>281</b>	<b>325</b>	<b>21</b>
Allocated Equity (€bn, year to date)	5.5	5.6	5.7	5.8	5.8	5.9	5.8
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)							
<b>Revenues</b>	<b>811</b>	<b>794</b>	<b>842</b>	<b>836</b>	<b>813</b>	<b>836</b>	<b>868</b>
Operating Expenses and Dep.	-501	-477	-797	-536	-519	-512	-811
<b>Gross Operating Income</b>	<b>310</b>	<b>317</b>	<b>45</b>	<b>300</b>	<b>295</b>	<b>323</b>	<b>57</b>
Cost of Risk	-28	-79	-54	-5	-20	3	-33
<b>Operating Income</b>	<b>282</b>	<b>237</b>	<b>-9</b>	<b>294</b>	<b>275</b>	<b>326</b>	<b>24</b>
Share of Earnings of Equity-Method Entities	7	4	4	6	5	5	-3
Other Non Operating Items	4	2	1	2	1	-6	0
<b>Pre-Tax Income</b>	<b>293</b>	<b>243</b>	<b>-4</b>	<b>302</b>	<b>281</b>	<b>325</b>	<b>21</b>
Allocated Equity (€bn, year to date)	5.5	5.6	5.7	5.8	5.8	5.9	5.8

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



€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg) <sup>1</sup>							
<b>Revenues</b>	<b>850</b>	<b>829</b>	<b>845</b>	<b>834</b>	<b>807</b>	<b>767</b>	<b>776</b>
Operating Expenses and Dep.	-469	-451	-508	-473	-457	-447	-483
<b>Gross Operating Income</b>	<b>380</b>	<b>378</b>	<b>337</b>	<b>362</b>	<b>351</b>	<b>320</b>	<b>292</b>
Cost of Risk	-66	-40	-38	-42	-41	-27	-37
<b>Operating Income</b>	<b>314</b>	<b>339</b>	<b>299</b>	<b>320</b>	<b>310</b>	<b>293</b>	<b>256</b>
Share of Earnings of Equity-Method Entities	-2	-3	-4	-2	-4	-4	-3
Other Non Operating Items	0	0	0	0	1	0	0
<b>Pre-Tax Income</b>	<b>312</b>	<b>336</b>	<b>295</b>	<b>318</b>	<b>307</b>	<b>290</b>	<b>253</b>
Income Attributable to Wealth and Asset Management	-1	-1	-2	-1	-1	-1	0
<b>Pre-Tax Income of Other Domestic Markets</b>	<b>311</b>	<b>335</b>	<b>293</b>	<b>318</b>	<b>306</b>	<b>289</b>	<b>253</b>
Allocated Equity (€bn, year to date)	4.4	4.4	4.4	4.5	4.6	4.6	4.5
<hr/>							
€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)							
<b>Revenues</b>	<b>846</b>	<b>825</b>	<b>841</b>	<b>830</b>	<b>804</b>	<b>763</b>	<b>772</b>
Operating Expenses and Dep.	-466	-448	-505	-469	-454	-444	-480
<b>Gross Operating Income</b>	<b>379</b>	<b>377</b>	<b>335</b>	<b>361</b>	<b>350</b>	<b>319</b>	<b>292</b>
Cost of Risk	-66	-40	-38	-42	-41	-27	-37
<b>Operating Income</b>	<b>313</b>	<b>337</b>	<b>297</b>	<b>319</b>	<b>309</b>	<b>292</b>	<b>255</b>
Share of Earnings of Equity-Method Entities	-2	-3	-4	-2	-4	-4	-3
Other Non Operating Items	0	0	0	0	1	0	0
<b>Pre-Tax Income</b>	<b>311</b>	<b>335</b>	<b>293</b>	<b>318</b>	<b>306</b>	<b>289</b>	<b>253</b>
Allocated Equity (€bn, year to date)	4.4	4.4	4.4	4.5	4.6	4.6	4.5

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

€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>INTERNATIONAL FINANCIAL SERVICES</b>							
<b>Revenues</b>	<b>3,943</b>	<b>4,027</b>	<b>4,053</b>	<b>4,391</b>	<b>4,248</b>	<b>4,262</b>	<b>4,282</b>
Operating Expenses and Dep.	-2,382	-2,414	-2,766	-2,715	-2,545	-2,559	-2,688
<b>Gross Operating Income</b>	<b>1,561</b>	<b>1,613</b>	<b>1,287</b>	<b>1,675</b>	<b>1,704</b>	<b>1,703</b>	<b>1,594</b>
Cost of Risk	-592	-765	-739	-574	-518	-390	-428
<b>Operating Income</b>	<b>969</b>	<b>848</b>	<b>548</b>	<b>1,101</b>	<b>1,186</b>	<b>1,313</b>	<b>1,165</b>
Share of Earnings of Equity-Method Entities	107	116	75	107	118	149	113
Other Non Operating Items	-9	-3	12	-8	1	-21	0
<b>Pre-Tax Income</b>	<b>1,067</b>	<b>960</b>	<b>634</b>	<b>1,201</b>	<b>1,305</b>	<b>1,442</b>	<b>1,279</b>
Allocated Equity (€bn, year to date)	29.3	29.8	29.8	29.2	29.1	28.9	28.8
<hr/>							
€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>Personal Finance</b>							
<b>Revenues</b>	<b>1,343</b>	<b>1,302</b>	<b>1,475</b>	<b>1,485</b>	<b>1,444</b>	<b>1,440</b>	<b>1,427</b>
Operating Expenses and Dep.	-641	-641	-787	-721	-664	-702	-770
<b>Gross Operating Income</b>	<b>703</b>	<b>661</b>	<b>688</b>	<b>764</b>	<b>781</b>	<b>738</b>	<b>656</b>
Cost of Risk	-383	-450	-582	-370	-366	-289	-329
<b>Operating Income</b>	<b>320</b>	<b>211</b>	<b>105</b>	<b>394</b>	<b>415</b>	<b>449</b>	<b>327</b>
Share of Earnings of Equity-Method Entities	7	-5	8	-9	19	17	13
Other Non Operating Items	-11	4	0	-11	0	-13	0
<b>Pre-Tax Income</b>	<b>315</b>	<b>210</b>	<b>113</b>	<b>374</b>	<b>434</b>	<b>454</b>	<b>340</b>
Allocated Equity (€bn, year to date)	8.0	8.1	8.1	7.9	8.0	7.9	7.8
<hr/>							
€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey and in Poland)<sup>1</sup></b>							
<b>Revenues</b>	<b>561</b>	<b>609</b>	<b>665</b>	<b>702</b>	<b>657</b>	<b>674</b>	<b>665</b>
Operating Expenses and Dep.	-405	-414	-490	-459	-439	-445	-456
<b>Gross Operating Income</b>	<b>156</b>	<b>196</b>	<b>175</b>	<b>243</b>	<b>218</b>	<b>230</b>	<b>210</b>
Cost of Risk	-113	-143	-86	-113	-112	-97	-77
<b>Operating Income</b>	<b>43</b>	<b>53</b>	<b>89</b>	<b>129</b>	<b>107</b>	<b>132</b>	<b>133</b>
Share of Earnings of Equity-Method Entities	52	53	55	61	44	66	53
Other Non Operating Items	-1	-25	3	8	-1	0	0
<b>Pre-Tax Income</b>	<b>93</b>	<b>80</b>	<b>147</b>	<b>198</b>	<b>150</b>	<b>198</b>	<b>186</b>
Income Attributable to Wealth and Asset Management	-2	-1	-3	-1	-1	-1	-1
<b>Pre-Tax Income of EM</b>	<b>91</b>	<b>79</b>	<b>144</b>	<b>197</b>	<b>150</b>	<b>197</b>	<b>185</b>
Allocated Equity (€bn, year to date)	5.2	5.3	5.3	5.3	5.3	5.3	5.3
<hr/>							
€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey and in Poland)</b>							
<b>Revenues</b>	<b>557</b>	<b>606</b>	<b>660</b>	<b>699</b>	<b>655</b>	<b>672</b>	<b>663</b>
Operating Expenses and Dep.	-403	-411	-488	-458	-438	-444	-455
<b>Gross Operating Income</b>	<b>154</b>	<b>194</b>	<b>172</b>	<b>241</b>	<b>217</b>	<b>228</b>	<b>209</b>
Cost of Risk	-113	-143	-86	-113	-111	-97	-77
<b>Operating Income</b>	<b>41</b>	<b>51</b>	<b>86</b>	<b>128</b>	<b>106</b>	<b>131</b>	<b>132</b>
Share of Earnings of Equity-Method Entities	52	53	55	61	44	66	53
Other Non Operating Items	-1	-25	3	8	-1	0	0
<b>Pre-Tax Income</b>	<b>91</b>	<b>79</b>	<b>144</b>	<b>197</b>	<b>150</b>	<b>197</b>	<b>185</b>
Allocated Equity (€bn, year to date)	5.2	5.3	5.3	5.3	5.3	5.3	5.3

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



€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BANCWEST (Including 100% of Private Banking in United States) <sup>1</sup>							
<b>Revenues</b>	627	629	611	611	601	593	569
Operating Expenses and Dep.	-403	-432	-465	-406	-433	-431	-442
<b>Gross Operating Income</b>	224	197	146	205	168	162	127
Cost of Risk	-90	-167	-62	-84	-43	-2	-18
<b>Operating Income</b>	134	30	83	121	125	160	109
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0	0
Other Non Operating Items	2	-3	0	-5	1	1	0
<b>Pre-Tax Income</b>	136	27	83	116	126	161	109
Income Attributable to Wealth and Asset Management	-6	-5	-5	-6	-7	-7	-8
<b>NRBI</b>	130	22	78	110	119	153	101
Allocated Equity (€bn, year to date)	5.6	5.7	5.7	5.4	5.4	5.3	5.3
<hr/>							
€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
BANCWEST (Including 2/3 of Private Banking in United States)							
<b>Revenues</b>	612	614	596	595	585	576	553
Operating Expenses and Dep.	-394	-422	-455	-396	-423	-421	-433
<b>Gross Operating Income</b>	218	192	141	199	161	155	119
Cost of Risk	-90	-167	-62	-84	-43	-2	-18
<b>Operating Income</b>	128	25	78	115	118	152	101
Non Operating Items	2	-3	0	-5	1	1	0
<b>Pre-Tax Income</b>	130	22	78	110	119	153	101
Allocated Equity (€bn, year to date)	5.6	5.7	5.7	5.4	5.4	5.3	5.3
<hr/>							
€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
Insurance							
<b>Revenues</b>	697	828	579	654	761	779	874
Operating Expenses and Dep.	-347	-339	-393	-380	-370	-360	-389
<b>Gross Operating Income</b>	350	489	186	274	390	419	484
Cost of Risk	0	-2	1	-1	-2	1	-2
<b>Operating Income</b>	350	487	187	273	389	420	482
Share of Earnings of Equity-Method Entities	35	39	1	30	43	57	37
Other Non Operating Items	0	21	9	0	0	-16	0
<b>Pre-Tax Income</b>	384	548	197	304	432	461	520
Allocated Equity (€bn, year to date)	8.6	8.5	8.6	8.4	8.4	8.3	8.4
<hr/>							
€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
WEALTH AND ASSET MANAGEMENT							
<b>Revenues</b>	734	678	743	957	803	795	766
Operating Expenses and Dep.	-598	-601	-642	-760	-649	-632	-641
<b>Gross Operating Income</b>	136	77	101	197	154	163	125
Cost of Risk	-6	-4	-9	-6	4	-2	-2
<b>Operating Income</b>	130	74	92	191	157	161	123
Share of Earnings of Equity-Method Entities	14	28	11	25	12	10	10
Other Non Operating Items	1	0	0	-1	0	7	0
<b>Pre-Tax Income</b>	146	102	102	216	170	177	132
Allocated Equity (€bn, year to date)	2.0	2.1	2.1	2.1	2.1	2.1	2.0

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



€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>CORPORATE AND INSTITUTIONAL BANKING</b>							
<b>Revenues</b>	3,372	4,123	2,953	3,101	2,873	3,099	3,008
Operating Expenses and Dep.	-2,117	-2,220	-2,393	-2,229	-1,974	-1,997	-2,463
<b>Gross Operating Income</b>	1,255	1,904	560	871	898	1,102	545
Cost of Risk	-310	-319	-363	-80	-81	-24	-32
<b>Operating Income</b>	945	1,585	197	791	817	1,078	513
Share of Earnings of Equity-Method Entities	3	-3	3	4	5	5	2
Other Non Operating Items	7	6	2	6	11	-25	-2
<b>Pre-Tax Income</b>	955	1,587	202	801	834	1,058	514
Allocated Equity (€bn, year to date)	24.7	24.3	22.3	21.7	21.6	21.3	20.7
<b>CORPORATE BANKING</b>							
<b>Revenues</b>	1,118	1,258	1,070	1,210	1,039	1,094	969
Operating Expenses and Dep.	-598	-632	-748	-668	-600	-607	-724
<b>Gross Operating Income</b>	520	627	321	541	440	487	245
Cost of Risk	-311	-366	-201	-80	-88	-21	-35
<b>Operating Income</b>	209	261	121	461	352	467	210
Non Operating Items	2	-2	3	3	4	3	3
<b>Pre-Tax Income</b>	211	259	124	464	356	470	213
Allocated Equity (€bn, year to date)	13.6	13.6	13.0	12.5	12.5	12.4	12.2
<b>GLOBAL MARKETS</b>							
<b>Revenues</b>	1,711	2,304	1,306	1,340	1,299	1,409	1,523
<i>incl. FICC</i>	1,245	2,013	1,392	820	915	793	1,035
<i>incl. Equity &amp; Prime Services</i>	466	290	-87	520	384	615	488
Operating Expenses and Dep.	-1,065	-1,137	-1,162	-1,117	-926	-913	-1,276
<b>Gross Operating Income</b>	646	1,167	143	223	373	496	248
Cost of Risk	1	45	-161	0	4	-6	3
<b>Operating Income</b>	647	1,212	-17	222	377	491	251
Share of Earnings of Equity-Method Entities	0	-2	1	0	1	1	0
Other Non Operating Items	0	3	0	6	9	-25	1
<b>Pre-Tax Income</b>	648	1,214	-17	229	387	467	252
Allocated Equity (€bn, year to date)	10.1	9.8	8.4	8.3	8.1	8.0	7.7
<b>SECURITIES SERVICES</b>							
<b>Revenues</b>	544	561	577	551	535	596	516
Operating Expenses and Dep.	-454	-451	-482	-444	-449	-477	-463
<b>Gross Operating Income</b>	89	109	95	107	86	119	53
Cost of Risk	0	2	-2	0	2	2	-1
<b>Operating Income</b>	89	111	93	108	88	121	52
Non Operating Items	7	3	2	0	2	0	-3
<b>Pre-Tax Income</b>	96	114	95	108	91	121	50
Allocated Equity (€bn, year to date)	1.0	1.0	0.9	0.9	0.9	0.9	0.8





€m	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>CORPORATE CENTRE</b>							
<b>Revenues</b>	<b>-165</b>	<b>-78</b>	<b>126</b>	<b>-45</b>	<b>27</b>	<b>53</b>	<b>37</b>
<i>Operating Expenses and Dep.</i>	-165	-329	-114	-529	-363	-436	-400
<i>Incl. Transformation, Restructuring and Adaptation Costs</i>	-84	-75	-79	-420	-256	-335	-206
<b>Gross Operating Income</b>	<b>-330</b>	<b>-406</b>	<b>12</b>	<b>-574</b>	<b>-336</b>	<b>-383</b>	<b>-363</b>
Cost of Risk	3	-33	-13	-60	-1	7	-4
<b>Operating Income</b>	<b>-327</b>	<b>-439</b>	<b>-1</b>	<b>-634</b>	<b>-337</b>	<b>-377</b>	<b>-367</b>
Share of Earnings of Equity-Method Entities	16	17	18	14	19	24	24
Other Non Operating Items	36	102	381	62	20	81	623
<b>Pre-Tax Income</b>	<b>-275</b>	<b>-320</b>	<b>398</b>	<b>-558</b>	<b>-299</b>	<b>-272</b>	<b>280</b>

**BALANCE SHEET AS AT 30.09.20**

In millions of euros	30/09/2020	31/12/2019
<b>ASSETS</b>		
Cash and balances at central banks	315,855	155,135
Financial instruments at fair value through profit or loss		
Securities	219,709	131,935
Loans and repurchase agreements	288,343	196,927
Derivative financial Instruments	272,013	247,287
Derivatives used for hedging purposes	17,192	12,452
Financial assets at fair value through equity		
Debt securities	55,412	50,403
Equity securities	2,144	2,266
Financial assets at amortised cost		
Loans and advances to credit institutions	37,896	21,692
Loans and advances to customers	811,409	805,777
Debt securities	119,594	108,454
Remeasurement adjustment on interest-rate risk hedged portfolios	6,129	4,303
Financial investments of insurance activities	255,602	257,818
Current and deferred tax assets	6,498	6,813
Accrued income and other assets	138,104	113,535
Equity-method investments	5,999	5,952
Property, plant and equipment and investment property	32,259	32,295
Intangible assets	3,756	3,852
Goodwill	7,584	7,817
<b>TOTAL ASSETS</b>	<b>2,595,498</b>	<b>2,164,713</b>
<b>LIABILITIES</b>		
Deposits from central banks	4,877	2,985
Financial instruments at fair value through profit or loss		
Securities	99,995	65,490
Deposits and repurchase agreements	329,080	215,093
Issued debt securities	61,910	63,758
Derivative financial instruments	274,904	237,885
Derivatives used for hedging purposes	14,611	14,116
Financial liabilities at amortised cost		
Deposits from credit institutions	177,865	84,566
Deposits from customers	966,257	834,667
Debt securities	162,875	157,578
Subordinated debt	23,036	20,003
Remeasurement adjustment on interest-rate risk hedged portfolios	7,001	3,989
Current and deferred tax liabilities	3,334	3,566
Accrued expenses and other liabilities	112,349	102,749
Technical reserves and other insurance liabilities	231,918	236,937
Provisions for contingencies and charges	9,037	9,486
<b>TOTAL LIABILITIES</b>	<b>2,479,049</b>	<b>2,052,868</b>
<b>EQUITY</b>		
Share capital, additional paid-in capital and retained earnings	106,613	97,135
Net income for the period attributable to shareholders	5,475	8,173
<b>Total capital, retained earnings and net income for the period attributable to shareholders</b>	<b>112,088</b>	<b>105,308</b>
Changes in assets and liabilities recognised directly in equity	-302	2,145
<b>Shareholders' equity</b>	<b>111,786</b>	<b>107,453</b>
<b>Total minority interests</b>	<b>4,663</b>	<b>4,392</b>
<b>TOTAL EQUITY</b>	<b>116,449</b>	<b>111,845</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,595,498</b>	<b>2,164,713</b>

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

Alternative Performance Measures	Definition	Reason for use
<b>Operating division profit and loss account aggregates (revenues, operating expenses, gross operating income, operating income, pre-tax income)</b>	Sum of Domestic Markets' profit and loss account aggregates (with Domestic Markets' profit and loss account aggregates, including 2/3 of private banking in France, Italy, Belgium and Luxembourg), IFS and CIB  BNP Paribas Group profit and loss account aggregates = Operating division profit and loss account aggregates + Corporate Centre profit and loss account aggregates Reconciliation with Group profit and loss account aggregates is provided in the tables "Results by Core businesses"	Representative measure of the BNP Paribas Group's operating performance
<b>Profit and loss account aggregates, excluding PEL/CEL effect (revenues, gross operating income, operating income, pre-tax income)</b>	Profit and loss account aggregates, excluding PEL/CEL effect  Reconciliation with Group profit and loss account aggregates is provided in the tables "Quarterly series"	Representative measure of the aggregates of the period excluding changes in the provision that accounts for the risk generated by PEL and CEL accounts during their lifetime
<b>Profit and loss account aggregates of Retail Banking activity with 100% of Private Banking</b>	Profit and loss account aggregate of a Retail Banking activity including the whole profit and loss account of Private Banking  Reconciliation with Group profit and loss account aggregates is provided in the tables "Quarterly series"	Representative measure of the performance of Retail Banking activity including the total performance of Private Banking (before sharing the profit & loss account with the Wealth Management business, Private Banking being under a joint responsibility of Retail Banking (2/3) and Wealth Management business (1/3))
<b>Evolution of operating expenses excluding IFRIC 21</b>	Change in operating expenses excluding taxes and contributions subject to IFRIC 21.	Representative measure of the change in operating expenses' evolution in the 9 months excluding taxes and contributions subject to IFRIC 21 booked almost entirely for the whole year in the 1 <sup>st</sup> semester
<b>Cost/income ratio</b>	Costs to income ratio	Measure of operational efficiency in the banking sector
<b>Cost of risk/Customer loans at the beginning of the period (in basis points)</b>	Cost of risk (in €m) divided by customer loans at the beginning of the period  Details of the calculation are disclosed in the Appendix "Cost of risk on Outstandings" of the Results' presentation	Measure of the risk level by business in percentage of the volume of outstanding loans
<b>Doubtful loans' coverage ratio</b>	Relationship between stage 3 provisions and impaired outstandings (stage 3), balance sheet and off-balance sheet, netted for collateral received, for customers and credit institutions, including liabilities at amortised cost and debt securities at fair value through equity (excluding insurance business)	Measure of provisioning for doubtful loans
<b>Net income Group share excluding exceptional items</b>	Net income attributable to equity holders excluding exceptional items  Details of exceptional items are disclosed in the slide "Main Exceptional Items" of the results' presentation	Measure of BNP Paribas Group's net income excluding non-recurring items of a significant amount or items that do not reflect the underlying operating performance, notably restructuring, adaptation, IT reinforcement and transformation costs.
<b>Return on Equity (ROE)</b>	Details of the ROE calculation are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation	Measure of the BNP Paribas Group's return on equity
<b>Return on Tangible Equity (ROTE)</b>	Details of the ROTE calculation are disclosed in the Appendix "Return on Equity and Permanent Shareholders' Equity" of the results' presentation	Measure of the BNP Paribas Group's return on tangible equity

**Methodology – Comparative analysis at constant scope and exchange rates**

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

In case of acquired or created entity, the results of the new entity are eliminated from the constant scope results of current-year periods corresponding to the periods when the entity was not owned in the prior-year.

In case of divested entities, the entity's results are excluded symmetrically for the prior year for quarters when the entity was not owned.

In case of change of consolidation method, the policy is to use the lowest consolidation percentage over the two years (current and prior) for results of quarters adjusted on a like-for-like basis.

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

**Reminder**

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

**Operating divisions:** they consist of 3 divisions:

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



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*The figures included in this presentation are unaudited.*

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

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