

2017 FULL YEAR RESULTS

PRESS RELEASE

Paris, 6 February 2018



RISE IN REVENUES OF THE OPERATING DIVISIONS:

- GOOD BUSINESS DEVELOPMENT IN ALL THE BUSINESSES
- INTEREST RATE AND MARKET ENVIRONMENT STILL LACKLUSTRE

REVENUES OF THE OPERATING DIVISIONS: +1.5% vs. 2016

GOOD COST CONTAINMENT OF THE OPERATING DIVISIONS

OPERATING EXPENSES OF THE OPERATING DIVISIONS: +0.5% vs. 2016

ACTIVE IMPLEMENTATION OF THE 2020 TRANSFORMATION PLAN

TRANSFORMATION COSTS: €0.9bn

SIGNIFICANT DECREASE IN THE COST OF RISK

-10.9% vs. 2016 (39 bp*)

INCREASE IN NET INCOME GROUP SHARE

NET INCOME GROUP SHARE: €7.8bn
(+4.4% excluding exceptional items)

DIVIDEND PER SHARE

€3.02** (+11.9% vs. 2016)

CONTINUED INCREASE IN THE CET1 RATIO***

11.8% (+30bp vs. 31.12.16)



GOOD START OF THE 2020 PLAN

* COST OF RISK/CUSTOMER LOANS AT THE BEGINNING OF THE PERIOD (IN BP); ** SUBJECT TO THE APPROVAL OF THE ANNUAL GENERAL MEETING ON 24 MAY 2018;
*** AS AT 31 DECEMBER 2017, CRD4 ("FULLY LOADED" RATIO)



BNP PARIBAS

The bank
for a changing
world

The Board of Directors of BNP Paribas met on 5 February 2018. The meeting was chaired by Jean Lemierre and the Board examined the Group's results for the fourth quarter and endorsed the 2017 financial statements.

GOOD PERFORMANCE OF THE GROUP IN 2017 AND PROMISING START OF THE 2020 BUSINESS DEVELOPMENT PLAN

In 2017, BNP Paribas got off to a good start of its 2020 plan. In a lacklustre interest rate and market environment, the business activity of the Group developed vigorously sustained by a gradually stronger European growth.

Revenues totalled 43,161 million euros, down by 0.6% compared to 2016, which included an exceptional impact of +597 million euros in capital gains from the sale of Visa Europe shares while it only included this year +233 million euros in capital gains from the sale of Shinan and Euronext shares. Separately, the Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) totalled -175 million euros (compared to -59 million euros in 2016). Excluding these exceptional items, revenues were up by 0.5%.

Revenues were up by 1.5% in the operating divisions despite an unfavourable foreign exchange effect (+2.6% at constant scope and exchange rates): they were stable in Domestic Markets¹ (-0.6% at constant scope and exchange rates) due to the low interest rate environment, despite good business development; they were up by 2.7% at International Financial Services (+4.8% at constant scope and exchange rates), driven by the development of the businesses; they rose by 2.1% at CIB (+3.8% at constant scope and exchange rates) thanks to good business growth and despite the lacklustre market environment in the second half of the year.

The Group's operating expenses, which amounted to 29,944 million euros, were up by 1.9% compared to 2016. They included the exceptional impact of 101 million euros in the acquisitions' restructuring costs² (158 million euros in 2016) and 856 million euros in transformation costs (539 million euros in 2016). They included in 2016 a 52 million euro compulsory contribution to the resolution process of four Italian banks.

The operating expenses of the operating divisions rose by only 0.5% compared to 2016 thanks to the effects of the cost saving measures: they were down by 0.4% for CIB³ where the transformation plan was launched as early as 2016, declined by 0.1%⁴ for Domestic Markets¹ thanks in particular to the decrease in the retail banking networks and rose by 1.9%⁵ for International Financial Services as a result of increased business. The jaws effect was positive in all the operating divisions.

The Group's gross operating income was thus down by 5.8%, at 13,217 million euros. It was up by 3.8% for the operating divisions (+4.9% at constant scope and exchange rates).

The cost of risk was down again (-10.9%) at 2,907 million euros (3,262 million euros in 2016) or 39 basis points of outstanding customer loans. This low level is due in particular to the good control of risk at loan origination, the low interest rate environment and the continued improvement in Italy thanks to the repositioning on better corporate clients.

¹ Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)

² In particular, LaSer, Bank BGZ, DAB Bank and GE LLD

³ +1.8% at constant scope and exchange rates

⁴ -0.8% at constant scope and exchange rates

⁵ +3.7% at constant scope and exchange rates

The Group's operating income, which totalled 10,310 million euros (10,771 million euros in 2016), was thus down by 4.3% but up by 9.0% for the operating divisions.

Non-operating items totalled 1,000 million euros (439 million euros in 2016). They included this year, in addition to a higher income contribution from the associated companies, the exceptional impact of the +326 million euro capital gain resulting from the initial public offering of SBI Life¹ as well as the full impairment of TEB's goodwill for -172 million euros. They included in 2016 -127 million euros for BGZ's full goodwill impairment.

Pre-tax income, which came to 11,310 million (11,210 million euros in 2016), was thus up by 0.9%. It was up by 13.4% for the operating divisions: +4.7% at Domestic Markets², +18.2% at International Financial Services and at +14.6% at CIB.

Net income attributable to equity holders was 7,759 million euros, up by 0.7% compared to 2016. Excluding exceptional items³, it came to 8,149 million euros (+4.4%). The return on equity was 8.9% (9.4% excluding exceptional items). The return on tangible equity came to 10.5% (11.0% excluding exceptional items). The net earnings per share was at €6.05.

As at 31 December 2017, the fully loaded Basel 3 common equity Tier 1 ratio⁴ was 11.8% (11.5% as at 31 December 2017). The fully loaded Basel 3 leverage ratio⁵ came to 4.6%. The Liquidity Coverage Ratio was 121% as at 31 December 2017. Lastly, the Group's immediately available liquidity reserve was 285 billion euros, equivalent to over one year of room to manoeuvre in terms of wholesale funding.

The net book value per share reached 75.1 euros, equivalent to a compounded annual growth rate of 5.7% since 31 December 2008, illustrating the continuous value creation throughout the cycle.

The Board of Directors will propose at the Shareholders' Meeting the payment of a dividend of €3.02 per share (+11.9% compared to 2016) to be paid in cash, equivalent to a 50% pay-out ratio which is in line with the plan.

The Group is actively implementing the 2020 transformation plan, an ambitious programme of new customer experiences, digital transformation and operating efficiency.

The good overall performance of the operating divisions this year illustrates the promising start to the plan. The Group thus confirms its 2020 targets and aims at a return on equity above 10% at that time.

The Group continues to strengthen its internal control and compliance systems. It also pursues an ambitious corporate social and environmental responsibility policy designed to have a positive impact on society: it thus created this year a Company Engagement Department in order to reinforce its actions in this field.

*
* *

¹ Sale of a 4% stake in SBI Life at a price of 700 rupees per share

² Including 2/3 of Private Banking in the domestic networks (excluding PEL/CEL effects)

³ Effect of exceptional items after tax: -390 million euros (-100 million euros in 2016)

⁴ Ratio taking into account all the CRD4 rules with no transitory provisions

⁵ Ratio taking into account all the CRD4 rules at 2019 with no transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014

In the fourth quarter 2017, revenues totalled 10,532 million euros, down by 1.2% compared to the fourth quarter 2016 due to an unfavourable foreign exchange effect but up by 0.4% at constant scope and exchange rates. They included the exceptional impact of +11 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) (-18 million euros in the fourth quarter 2016).

Revenues of the operating divisions were down by 0.6% (+1.0% at constant scope and exchange rates): they were up by 0.8% (-0.3% at constant scope and exchange rates) at Domestic Markets¹ with good business development but still a persistently low interest rate environment, rose by 2.5% (+5.7% at constant scope and exchange rates) in International Financial Services and were 6.9% lower at CIB (-3.7% at constant scope and exchange rates) in connection with an unfavourable market context this quarter.

Operating expenses, at 7,621 million euros, were up by 2.4% compared to the fourth quarter 2016 (+3.7% at constant scope and exchange rates). They included the exceptional 48 million euro impact (48 million euros in the fourth quarter 2016) of the acquisitions' restructuring costs² and 408 million euros in the transformation costs of the businesses (242 million euros in the fourth quarter 2016) above the average level of 250 million euros per quarter due to specific IT costs. Operating expenses included in 2016 a 52 million euro contribution to the resolution process of four Italian banks.

Operating expenses of the operating divisions were down by 1.8% compared to the fourth quarter 2016 (-0.6% at constant scope and exchange rates): -5.1% for Domestic Markets³ (-6.3% at constant scope and exchange rates), +1.5% for International Financial Services (+3.4% at constant scope and exchange rates) and -1.6% for CIB (+2.9% at constant scope and exchange rates).

The gross operating income of the Group thus decreased by 9.4%, to 2,911 million euros (-7.5% at constant scope and exchange rates) but was up by 1.9% for the operating divisions (+4.2% at constant scope and exchange rates) reflecting the good operating performance.

The cost of risk was still at a low level, at 985 million euros (950 million euros in the fourth quarter 2016), or 54 basis points of outstanding customer loans, thanks to the good control of risk at loan origination, the low interest rate environment and the continued improvement in Italy. It records however this quarter the impact of two specific files.

The operating income of the Group, at 1,926 million euros (2,262 million euros in the fourth quarter 2016), was down by 14.9% (-14.0% at constant scope and exchange rates). It was down 1.1% for the operating divisions (+0.3% at constant scope and exchange rates).

Non-operating items totalled 196 million euros (5 million euros in the fourth quarter 2016 which included the full impairment of BGZ's goodwill).

Pre-tax income thus came to 2,122 million euros compared to 2,267 million euros in the fourth quarter 2016, down thus by 6.4% (-8.4% at constant scope and exchange rates). It was up by 2.1% for operating divisions (+2.2% at constant scope and exchange rates).

BNP Paribas posted 1,426 million euros⁴ in net income attributable to equity holders, down by 1.1% compared to the fourth quarter 2016.

¹ Including 100% of Private Banking in the domestic networks (excluding PEL/CEL effects)

² In particular Laser, Bank BGZ, DAB Bank and GE LLD

³ Including 100% of Private Banking in the domestic networks

⁴ 1,720 million euros excluding the effect of exceptional items (-5.2%). Effect of exceptional items after tax: -294 million euros (-372 million euros in 2016)

RETAIL BANKING & SERVICES

DOMESTIC MARKETS

For the whole of 2017, Domestic Markets reported a good business drive. Outstanding loans rose by 5.9% compared to 2016 due to a good rise in loans in the retail banking network and the specialised businesses (Arval, Leasing Solutions). Deposits were up by 8.6% with strong growth across all countries. Private Banking reported a rise in its assets under management of 4.2% compared to its level as at 31 December 2016. *Hello bank!* continued its growth with 2.9 million clients at the end of 2017 and now accounts for 11.0% of revenues from individual clients¹.

The operating division is actively implementing the 2020 plan: it is adapting its offering to different banking uses with the acquisition this year of *Compte-Nickel*² in France which already has 800,000 accounts opened and completes the set up alongside *Hello bank!*, the integrated digital offering of retail banking and the branch network; it is reinventing customer journeys with, for example, the launch in France of *Welcome* (corporate onboarding) or *Finsy* (factoring); it is developing data use for the benefit of customers and of commercial performance; it is speeding up customer use of mobile banking services with the launch of new apps and expanding existing features, recording 51 million app visits in December 2017 (+38% compared to December 2016); it is launching innovative products to anticipate new needs such as *LyfPay*, a universal mobile payment solution or *Kintessia*, a Leasing Solutions' B-to-B marketplace; it is transforming the operating model to enhance efficiency by in particular simplifying and right-sizing the branch networks.

At 15,718 million euros, revenues³ were stable compared to 2016, the effect of the higher business being offset by the impact of low interest rates. The operating division reported higher fees in all its networks.

Operating expenses³ (10,620 million euros) were down slightly by 0.1% compared to 2016, the average 1.4% decrease for FRB, BNL bc and BRB being offset by the impact of the development of the specialised businesses.

Gross operating income³ thus rose by 0.2%, at 5,098 million euros, compared to last year.

The cost of risk was down by 10.5% compared to 2016, in particular due to the continued decrease at BNL bc.

Thus, after allocating one-third of Domestic Markets Private Banking's net income to the Wealth Management business (International Financial Services division), the division reported pre-tax income⁴ that was up 4.7% compared to 2016, at 3,541 million euros.

In the fourth quarter 2017, revenues³, which totalled 3,897 million euros, were up by 0.8% compared to the fourth quarter 2016, the effect of increased business being partly offset by the impact of low interest rates. The operating division reported a rise in fees in all its networks. Operating expenses³ (2,653 million euros) were down by 5.1% compared the same quarter last year. Excluding the impact of non-recurring items, they were up by 0.6%, reflecting good cost containment. Gross operating income³ rose by 16.0% compared to the fourth quarter 2016, to 1,244 million euros. The cost of risk was down significantly (-7.1% compared to the fourth quarter 2016). Thus, after allocating one-third of Domestic Markets Private Banking's net income to the

¹ FRB, BNL bc, BRB and Personal Investors, excluding private banking

² Transaction finalised on 12 July 2017

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

⁴ Excluding PEL/CEL effects (+19 million euros in 2016 vs -2 million euros in 2016)

Wealth Management business (International Financial Services division), the division reported sharply higher pre-tax income¹, up by 30.5% compared to the fourth quarter 2016 (+4.2% excluding non-recurring items), at 812 million euros.

French Retail Banking (FRB)

For the whole of 2017, FRB's reported a strong rebound in its business activity in the context of economic recovery in France. Outstanding loans rose by 8.0% compared to the low level in 2016 with sustained growth in loans to individual and corporate customers. Deposits rose by 12.0% compared to 2016, driven by strong growth in current account deposits. Life insurance reported good growth (rise of 4.2% in outstandings compared to 31 December 2016). The assets under management of Private Banking were up sharply (+7.6% compared to 31 December 2016) thanks to asset inflows drive.

The business pursued its digital transformation and the development of new customer journeys, launching this year the new apps *Mes Comptes* and *Hello bank!* with new services and *Welcome* for corporate onboarding. It actively developed new mobile uses with 23 million contacts via mobile apps in December 2017 (+34% compared to December 2016).

FRB is also preparing the delayering of the network organisation with the gradual move from four to three management levels in the branch network in 2018 in order to decrease costs and optimise decision-making processes and customer satisfaction.

Revenues² totalled 6,352 million euros, down by 0.8% compared to 2016. Net interest income² was down by 2.9%, the effect of persistently low interest rates being only partly offset by increased business. Fees² rose for their part by 2.1% with an increase in financial fees.

Operating expenses², at 4,657 million euros, were down by 0.3% compared to 2016, reflecting good cost containment.

Gross operating income² thus came to 1,695 million euros, down by 1.9% compared to last year.

The cost of risk² was still low, at 331 million euros (342 million euros in 2016). It was 21 basis points of outstanding customer loans.

Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 1,213 million euros in pre-tax income³, down by 3.1% compared to 2016.

In the fourth quarter 2017, revenues² totalled 1,541 million euros, down by 0.4% compared to the fourth quarter 2016. Net interest income² was down by 2.6% due to the impact of persistently low interest rates partly offset by increased business. Fees² rose for their part by 2.6% with a rise in financial fees as a result of a strong performance of private banking. Operating expenses², at 1,175 million euros, were down by 3.4% compared to the fourth quarter 2016. Gross operating income² thus totalled 366 million euros, up by 10.3% compared to the same period last year. The cost of risk² was still low at 107 million euros (124 million euros in the fourth quarter 2016 which recorded the impact of a specific file). It totalled 27 basis points of outstanding customer loans.

¹ Excluding PEL/CEL effects of +13 million euros compared to +8 million euros in the fourth quarter 2016

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

³ Excluding PEL/CEL effects of +19 million euros compared to -2 million euros in 2016



Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 221 million euros in pre-tax income¹, up 25.3% compared to the fourth quarter 2016.

BNL banca commerciale (BNL bc)

For the whole of 2017, BNL bc's business activity has been growing. Outstanding loans were up by 0.6% compared to 2016. Excluding the impact of the sale of a portfolio of non-performing loans in the first quarter 2017², they were up by 1.8%, driven by individual clients. Deposits rose by 9.5% with a sharp rise in current accounts. BNL bc delivered a good performance in off balance sheet savings: thanks in particular to good asset inflows, life insurance outstandings were up by 6.8% and mutual fund outstandings by 13.6% compared to 31 December 2016.

BNL bc also continued to develop new customer journeys and digital transformation, launching this year *MyAccounts@OneBank*, a new application for account opening of corporate clients' subsidiaries. The business is developing *chatbots*, automated services that respond to clients' frequent requests. BNL bc is also developing new mobile uses with already over 313,000 active users of its mobile apps.

Revenues³ were down by 2.2% compared to 2016, to 2,907 million euros. Net interest income³ was down by 5.9% due to the persistently low interest rate environment. Fees³ were up by 4.7% as a result of sustained growth in off balance sheet savings and private banking.

Operating expenses³, at 1,801 million euros, were down by 4.5%. Excluding the impact of non-recurring items in 2016⁴, they were up by 0.7%, reflecting good cost control.

Gross operating income³ thus totalled 1,106 million euros, up by 1.8% compared to last year.

The cost of risk³, at 111 basis points of outstanding customer loans, continued its downward move (-88 million euros compared to 2016) as a result of the improvement of the quality of the loan portfolio.

Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc confirmed the gradual recovery of its profitability and generated 192 million euros in pre-tax income, or a two-fold increase over the 2016 level (90 million euros).

In the fourth quarter 2017, revenues³ were down by 1.7% compared to the fourth quarter 2016, at 732 million euros. Net interest income³ was down by 6.2% due to the persistently low interest rate environment. Fees³ were up by 6.4% in connection with the development of off balance sheet savings and private banking. Operating expenses³, at 457 million euros, were down by 15.9% compared to the fourth quarter 2016 which had recorded non-recurring items⁴. Gross operating income³ thus totalled 275 million euros, up by 36.5% compared to the same period a year earlier. The cost of risk³, at 113 basis points of outstanding customer loans, was down by 10 million euros compared to the fourth quarter 2016. Thus, after allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial

¹ Excluding PEL/CEL effects of +13 million euros compared to +8 million euros in the fourth quarter 2016

² Sale of a portfolio of non-performing loans comprising corporates and mortgages loans for a total of 1 billion euros

³ With 100% of Private Banking in Italy

⁴ Restructuring costs (50 million euros) and compulsory contribution to the resolution process of 4 Italian banks (47 million euros)

Services division), BNL bc posted +46 million euros of pre-tax income (-36 million euros in the fourth quarter 2016).

Belgian Retail Banking (BRB)

For the whole of 2017, BRB reported sustained business activity. Loans were up by 6.1% compared to 2016 with good growth in loans to corporate customers and an increase in mortgages. Deposits rose by 3.2% thanks in particular to growth in current accounts. Off balance sheet savings outstandings grew by 3.4% compared to 31 December 2016.

The business also continued its digital transformation and to develop new customer journeys, launching this year *Itsme*¹, an app that gives customers a single digital ID which provides secure access to a very large number of mobile services. It also continued developing mobile uses with 1.3 million users of *Easy Banking* App and 24 million mobile app contacts in December 2017 (+49% compared to December 2016).

BRB's revenues² were up by 0.4% compared to 2016, at 3,677 million euros: net interest income² was down by 1.6%, the growing impact of the low interest rate environment being only partly offset by growing volumes. Fees² were up by 6.7% due in particular to an increase in financial fees.

Operating expenses² were down by 1.1% compared to 2016, to 2,554 million euros thanks to the effect of cost saving measures.

At 1,123 million euros, gross operating income² was up by 4.0% compared to last year.

The cost of risk² was again very low this year, at 6 basis points of outstanding customer loans (65 million euros). It was 98 million euros in 2016.

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 1,013 million euros in pre-tax income, up by 10.3% compared to 2016.

In the fourth quarter 2017, revenues² were down by 1.6% compared to the fourth quarter 2016, at 894 million euros: net interest income² was down by 4.8%, the impact of the persistently low interest rate environment being only partly offset by volume growth. Fees² were up by 8.4% as a result of the rise in financial fees. Operating expenses² were down by 9.2% compared to the fourth quarter 2016, at 601 million euros. They were stable excluding non-recurring items³ thanks to the effect of cost saving measures. Gross operating income², at 293 million euros, was up by 18.8% compared to the same period last year. The cost of risk² totalled 15 million euros (9 million euros in the fourth quarter 2016). After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB generated 262 million euros in pre-tax income, up by 17.8% compared to the fourth quarter 2016.

¹ Developed within the Belgian Mobile ID consortium which comprises several telecoms operators and banks

² With 100% of Private Banking in Belgium

³ Restructuring costs: 20 million euros in the 4th quarter 2017 (80 million euros in the 4th quarter 2016)

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

For the whole of 2017, the specialised businesses of Domestic Markets continued their business development: the growth of Arval was sustained and the financed fleet (1.1 million vehicles) increased sharply (+7.7% compared to 2016); the financing outstandings of Leasing Solutions showed solid growth (+5.8%¹ compared to 2016); Personal Investors saw a good level of new client acquisition (+3.2% in Germany compared to 2016) and, lastly, Compte-Nickel, the acquisition of which was finalised on 12 July 2017, recorded 323,500 accounts opened, up 29% compared to last year.

Luxembourg Retail Banking's outstanding loans rose by 7.4% compared to 2016, with robust growth in mortgages and corporate loans, and deposits were up by 15.4% with strong inflows in particular in the corporate segment.

Overall, revenues² of the five businesses were up by 3.8% compared to 2016, at 2,782 million euros, driven in particular by Personal Investors and Arval.

Operating expenses² rose by 8.1% compared to 2016, at 1,608 million euros, as a result of the development of these five growing businesses and the costs to launch new digital services, in particular at Leasing Solutions (*Kintessia*, a B-to-B marketplace; *So Easy*, online credit application) and Arval (*Integral Fleet*, online reporting; *Arval for me*, an online platform geared to individual customers).

The cost of risk² was down by 26 million euros compared to 2016, at 89 million euros.

Thus, the contribution of these five businesses units, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was 1,124 million euros (+0.1% compared to 2016).

In the fourth quarter 2017, revenues² were on the whole up by 9.7% compared to the fourth quarter 2016, at 730 million euros, due to scope effects and good business development. Operating expenses² rose by 12.5% compared to the fourth quarter 2016, at 420 million euros, as a result of scope effects, the development of businesses and the costs to launch new digital services at Arval and Leasing Solutions. The cost of risk² was down by 7 million euros compared to the fourth quarter 2016, at 30 million euros. Thus, the contribution of these five businesses, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was 283 million euros, up by 9.0% compared to the fourth quarter 2016.

*
* *

¹ At constant scope and exchange rate

² With 100% of Private Banking in Luxembourg

INTERNATIONAL FINANCIAL SERVICES

For the whole of 2017, the International Financial Services' businesses reported a good business development: Personal Finance maintained a strong business drive and acquired, together with PSA, General Motors Europe's financing activities¹; Europe-Mediterranean and BancWest continued their growth and the assets under management of the Wealth & Asset Management businesses were up by +4.0% compared to 31 December 2016, reaching 1,051 billion euros thanks to good asset inflows in all the businesses.

The operating division actively implemented the 2020 plan: it is developing new partnerships generating growth at Personal Finance (Hyundai and Masmovil in Spain, TUI in France, XXXLutz in Austria) and in Insurance (extension of the partnership with Volkswagen Financial Services); it is optimising the customer experience with new features for Wealth Management's customer app and roll-out of electronic signature at Personal Finance; it is continuing to develop new technologies and new businesses with the acquisition by Asset Management of Gambit, a provider of digital investment advisory solutions (robo-advisory) and the launch by Personal Finance of new digital banks in Europe (*Hello bank! by Cetelem*); it is industrialising and enhancing operating efficiency with, for example, the implementation at Asset Management of *Aladdin*, an IT outsourcing solution developed by BlackRock.

The operating division also made several growth-enhancing acquisitions this year. In addition to the financing activities of General Motors Europe¹ in partnership with PSA (Personal Finance), it acquired Sevenday Finans AB in Sweden (Personal Finance), the remaining 50% stake in Cargeas in Italy (Insurance) and Strutt & Parker in the United Kingdom (Real Estate Services). These acquisitions are expected to contribute to the Group over 700 million euros in revenues and roughly 280 million euros in additional pre-tax income by 2020.

At 15,899 million euros, revenues were up by 2.7% compared to 2016. At constant scope and exchange rates, they were up by 4.8% (unfavourable foreign exchange rate effects this year).

Operating expenses (9,722 million euros) were up by 1.9% compared to last year (+3.7% at constant scope and exchange rates) as a result of the development of businesses. The operating division thus generated a positive 1.1 point jaws effect².

Gross operating income thus totalled 6,177 million euros, up by 4.1% compared to 2016 (+6.7% at constant scope and exchange rates).

The cost of risk was at a low level, at 1,351 million euros, down by 145 million compared to 2016.

The other non-operating items totalled 433 million euros (8 million euros in 2016) and included the exceptional impact of the 326 million euros capital gain resulting from the initial public offering of SBI Life, a major life-insurance player in India³.

International Financial Services' pre-tax income thus increased significantly to 5,820 million euros: +18.2% compared to 2016 (+12.2% at constant scope and exchange rates), reflecting the operating division's strong growth.

¹ Acquisition finalised on 31 October 2017

² At constant scope and exchange rates

³ Sale of a 4% stake (IPO price of 700 rupees per share); 22% equity investment in SBI Life after the IPO



In the fourth quarter 2017, International Financial Services delivered an excellent performance. Revenues, at 4,126 million euros, were up by 2.5% compared to the fourth quarter 2016 despite an unfavourable foreign exchange effect. They were up by 5.7% at constant scope and exchange rates with growth in all the businesses. Operating expenses (2,519 million euros) were up by 1.5% compared to the same period last year (+3.4% at constant scope and exchange rates), generating a largely positive jaws effect. Gross operating income thus totalled 1,608 million euros, up by 4.1% compared to the same period last year (+9.5% at constant scope and exchange rates). The cost of risk was 353 million euros, down by 72 million compared to the fourth quarter 2016. International Financial Services' pre-tax income was thus up sharply, at 1,449 million euros (+17.2% compared to the fourth quarter 2016 and +17.4% at constant scope and exchange rates).

Personal Finance

For the whole of 2017, Personal Finance continued its strong growth. Outstanding loans grew by +12.2% compared to 2016, driven by a rise in demand in a favourable context in Europe and the effect of new partnerships. The business continued to develop partnerships, signing new agreements in the automotive sector with Kia and Hyundai in Spain, in new sectors (tourism with TUI in France, telecoms with Masmovil in Spain) and new countries (XXXLutz in Austria).

The business acquired in partnership with PSA the financing activities of General Motors Europe¹ which meet the financing needs of close to 1,800 dealers in 11 countries in Europe (outstandings of about 9.4 billion euros at the end of 2017). Pursuant to the partnership agreement, BNP Paribas fully consolidates the entity.

Personal Finance continued to develop digital banking with the launch of an online bank in the Czech Republic, *Hello bank! by Cetelem*, which leverages its brand recognition as well as its large client base. The business continued innovating with the roll-out in several countries of electronic signature and new credit card features with more flexible renewable accounts.

Personal Finance's revenues were up by 5.2% compared to 2016, at 4,923 million euros (+5.0% at constant scope and exchange rates), as a result of a rise in volumes and the positioning on products with a better risk profile. They were driven in particular by a strong drive in Italy, Spain and Belgium.

Operating expenses were up by 5.6% compared to 2016, at 2,427 million euros. They were up by 4.4% at constant scope and exchange rates, in connection with business development, producing a positive 0.6 point² jaws effect.

Gross operating income thus totalled 2,496 million euros, up by 4.8% compared to 2016 (+5.6% at constant scope and exchange rates).

At 1,009 million euros (979 million euros in 2016), the cost of risk was up by 30 million euros due to the rise in outstanding customer loans. As a proportion of the loan portfolio, it continued to decline, at 147 basis points of outstandings (159 basis points in 2016) due to the low interest rate environment and the growing positioning on products with a better risk profile.

Personal Finance's pre-tax income was thus 1,607 million euros, up by 11.4% compared to 2016 (+10.5% at constant scope and exchange rates), reflecting the strong growth of the business.

¹ Acquisition finalised on 31 October 2017

² At constant scope and exchange rates



In the fourth quarter 2017, revenues were up by 8.0% compared to the fourth quarter 2016, at 1,280 million euros. They included for November and December the revenues from the financing activities of General Motors Europe acquired in partnership with PSA on 31 October 2017. At constant scope and exchange rates, they were up by 6.3% as a result of the rise in volumes and the growing positioning on products with a better risk profile. Operating expenses were up by 6.8% compared to the fourth quarter 2016, at 639 million euros. At constant scope and exchange rates, they were up by 1.4%, generating a positive jaws effect. Gross operating income thus totalled 641 million euros, up by 9.2% compared to the same quarter a year earlier (+11.4% at constant scope and exchange rates). The cost of risk totalled 271 million euros (269 million euros in the fourth quarter 2016). At 157 basis points of outstanding customer loans, it was at a low level due to the low interest rate environment and the growing positioning on products with a better risk profile. Personal Finance's pre-tax income thus totalled 389 million euros, up by 16.4% compared to the fourth quarter 2016 (+16.3% at constant scope and exchange rates).

Europe-Mediterranean

For the whole of 2017, Europe-Mediterranean continued to grow. Outstanding loans rose by 5.2%¹ compared to 2016 with a rise in all regions and deposits grew by 7.2%¹. There was a good development of the digital offering with already over 475,000 clients for *Cepteteb* in Turkey and 210,000 clients for *BGZ OPTIMA* in Poland. The business also continued its innovations with the launch by BGZ BNP Paribas in Poland of contactless payment via mobile and of *Gomobile*, an app to manage accounts on mobile.

At 2,337 million euros, revenues² were up by 2.3%¹ compared to 2016, up in all regions in connection with higher volumes. It includes however the impact in Turkey of the rise in deposit rates not yet offset by the gradual repricing of loans.

Operating expenses², at 1,661 million euros, rose by 4.6%¹ compared to last year, due to business development.

The cost of risk² totalled 259 million euros (437 million euros in 2016), or 68 basis points of outstanding customer loans. It benefited from the positive impact of provision write-backs and improved risk, in particular in Turkey.

After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean thus generated 616 million euros in pre-tax income, up by 23.6%³ compared to last year.

In the fourth quarter 2017, revenues², at 581 million euros, were up by 3.2%¹ compared to the fourth quarter 2016, as a result of higher volumes. It included the impact in Turkey of the rise in deposit rates not yet offset by the gradual repricing of loans. At 414 million euros, operating expenses² rose by 4.4%¹ compared to the same period last year, due to business development. The cost of risk² totalled 62 million euros, or 66 basis points of outstanding customer loans (127 million euros in the fourth quarter 2016 which had recorded an increase in the cost of risk in Turkey). After allocating one-third of Turkish Private Banking's net income to the Wealth Management business, Europe-Mediterranean thus generated 157 million euros, sharply higher (+57.0%⁴) compared to the same period last year.

¹ At constant scope and exchange rates

² With 100% of Private Banking in Turkey

³ At constant scope and exchange rates (+8.9% at historical scope and exchange rates given an unfavourable foreign exchange effect)

⁴ At constant scope and exchange rates (+31.2% at historical scope and exchange rates given an unfavourable foreign exchange effect)

BancWest

For the whole of 2017, BancWest continued its good business drive. Loans were up by 6.1%¹ compared to 2016, with sustained growth in individual and corporate loans. Deposits were up by 9.9%¹ with a sharp growth in current and savings accounts. The assets under management of private banking (13.1 billion U.S. dollars as at 31 December 2017) were up by 11.4%¹ compared to 31 December 2016.

BancWest also continued to develop new usages with already 415,000 users of its banking services on mobile. The business also expanded its cooperations with the Group through the implementation of the *One Bank for Corporates*' approach and the centralisation at BancWest of the Group's cash management operations in the United States.

The year was also marked by the successful placement of 20.6% in First Hawaiian Bank in the market. Now 61.9% owned, it will continue to be fully consolidated so long as the Group maintains its control.

Revenues², at 2,994 million euros, rose by 2.4%¹ compared to 2016. Excluding the effect of capital gains from the sale of securities and loans, which were significant in 2016, they rose by 5.1%¹ as a result of volume growth.

At 2,035 million euros, operating expenses² rose by 1.8%¹ compared to 2016, reflecting good cost containment and generating a positive 0.6 point jaws effect.

The cost of risk² (111 million euros) was still low, at 17 basis points of outstanding customer loans (85 million euros in 2016).

Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest generated 830 million euros in pre-tax income, down by 1.5%³ compared to 2016 but up by 8.5%⁴ excluding the effect of capital gains from sales, reflecting the business's solid operating performance.

In the fourth quarter 2017, revenues², totalling 738 million euros, were up by 1.5%¹ compared to the fourth quarter 2016. Operating expenses², at 483 million euros, rose by 1.2%¹ compared to the fourth quarter 2016, generating a positive 0.3 point jaws effect. The cost of risk² (20 million euros) was still low, at 13 basis points of outstanding customer loans (23 million euros in the fourth quarter 2016). Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest generated 230 million euros in pre-tax income (+0.6%⁵ compared to the fourth quarter 2016).

¹ At constant scope and exchange rates

² With 100% of Private Banking in the United States

³ At constant scope and exchange rates (-3.7% at historical scope and exchange rates)

⁴ At constant scope and exchange rates (+5.5% at historical scope and exchange rates)

⁵ At constant scope and exchange rates (-8.4% at historical scope and exchange rates given an unfavourable foreign exchange effect)

Insurance and Wealth and Asset Management

For the whole of 2017, the Insurance and Wealth & Asset Management businesses continued their growth. As at 31 December 2017, their assets under management¹ reached 1,051 billion euros (+4.0% compared to 31 December 2016). They rose by 41 billion euros compared to 31 December 2016 due in particular to 22.6 billion euros in net asset inflows (strong asset inflows at Wealth Management in particular in France and in Asia; positive net asset inflows in Asset Management, in particular into diversified and bond funds despite asset outflows from money market funds; good asset inflows in Insurance concentrated on unit-linked accounts) and a strong 44.7 billion euro performance effect due to the favourable evolution of the equity markets, partly offset by an unfavourable -25.6 billion euro foreign exchange effect.

As at 31 December 2017, assets under management¹ were split as follows: Asset Management (424 billion euros), Wealth Management (364 billion euros), Insurance (237 billion euros) and Real Estate Services (26 billion euros).

Insurance continued to develop its business, both in savings and protection insurance, with good growth in Europe and a strong drive in Asia and Latin America. The business developed and reinforced its partnerships by signing agreements with Sumitomo Mitsui in Japan, Volkswagen in Europe and Itau in Chile. It also carried out this year the initial public offering on excellent terms of SBI Life², a major player in life-insurance in India, thus valuing 2 billion euros³ the remaining 22% stake (which continues to be consolidated under the equity method).

Insurance's revenues, at 2,514 million euros, were up by 5.6% compared to 2016, due to business development and the favourable evolution of financial markets. Operating expenses, at 1,251 million euros, rose by 4.2%, as a result of business development. The other non-operating items totalled 375 million euros (negligible in 2016) due to the exceptional impact of the capital gain from the sale of 4% of SBI Life. After taking into account the good performance of the associated companies, pre-tax income was thus up by 36.4% compared to 2016, at 1,867 million euros (+9.0% at constant scope and exchange rates).

The business activity of Wealth and Asset Management was strong. The business continued to develop digital and new customer experiences with the purchase of Gambit, a provider of digital investment advisory solutions (robo-advisory) geared to retail banks and private banks in Europe. The quality of Wealth and Asset Management's offering was rewarded with the *Best Private Bank in Europe and in Asia*⁴ prize. For its part, the Asset Management business adopted the single BNP Paribas Asset Management brand and continued its transformation. The Real Estate Services business added the acquisition of Strutt and Parker to its sustained organic growth.

Wealth and Asset Management's revenues (3,193 million euros) grew by 7.3% compared to 2016 as a result of the development of the businesses and very good performances of Wealth Management and Real Estate Services. Operating expenses were under good control, at 2,387 million euros (+2.0% compared to 2016), generating a largely positive jaws effect. At 899 million euros, Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, was up by 31.2% compared to 2016, reflecting the very good overall performance of the Wealth and Asset Management businesses.

¹ Including distributed assets

² Sale of a 4% stake based on the IPO price of 700 rupees per share

³ Based on the IPO price.

⁴ *Wealth Briefing Awards 2017*



In the fourth quarter 2017, Insurance's revenues, at 636 million euros, were stable compared to the fourth quarter 2016, with good performance of the business but a less favourable evolution of the financial markets than in the fourth quarter 2016. Operating expenses, at 317 million euros, were under control and rose by only 0.5%. Non-operating items totalled 102 million euros (36 million in the fourth quarter 2016) due to the good performance of the associated companies and the booking of a capital gain related to the acquisition of full control of Cargeas in Italy. Pre-tax income was thus up by 19.6% compared to the same period last year, at 425 million euros (+6.5% at constant scope and exchange rates).

Wealth and Asset Management's revenues (907 million euros) were up by 14.3% compared to the fourth quarter 2016, driven by the very good performance of Wealth Management and Real Estate Services. Operating expenses were up by 7.9%, at 675 million euros as a result of the growth in activity, generating a largely positive jaws effect. After receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, Wealth and Asset Management's pre-tax income was up sharply (+40.8%) compared to the fourth quarter 2016.

*
* *

CORPORATE AND INSTITUTIONAL BANKING (CIB)

For the whole of 2017, CIB reported solid business growth. The operating division operated though in a challenging market environment in the second half of the year.

CIB actively implemented the 2020 plan. The operating division is developing its base of corporate clients (with good revenue growth in targeted countries, +5.6% in Germany compared to 2016, and a gain of over 125 new client groups this year in Europe) and institutional clients (through the bolstering of the coordinated offering of the businesses), leveraging on the Group's global presence. It is implementing targeted growth initiatives, signing new partnerships (GTS in the United States to enhance the Global Markets offering to clients and Symphony, a secure communication platform including workflow automation tools for institutional clients which already has over 200,000 users), strengthening the integrated model between the businesses (developing joint Securities Services and Global Markets offerings) and rolling out new offerings. It is accelerating digital transformation with 150 digital projects identified and the development of digital client interfaces like Centric, the online platform for businesses that is already used by close to 8,200 clients.

The operating division reduced its cost income ratio by 1.7 points on the back of the implementation of cost saving programmes launched since 2016 (0.6 billion euros in savings in 2 years) including the development of shared platforms, the implementation of new end-to-end processes and the automation of certain tasks (250 cases of robotics uses identified). It optimised its financial resources by right-sizing sub-profitable portfolios and actively managing its outstandings (allocated equity down by 4.9% compared to 2016), with a gradual reallocation into growth of the resources thereby freed up. CIB thus made significant progress in achieving its 2020 objectives and increased its return on equity by 2.8 points compared to last year, at 16.1%¹.

Revenues of the operating division, at 11,704 million euros, were up by 2.1% compared to 2016 despite an unfavourable foreign exchange effect (+3.8% at constant scope and exchange rates).

¹ Pre-tax Return on Notional Equity

At 5,584 million euros, Global Markets' revenues were down by 1.2% compared to 2016 but up by 0.8% at constant scope and exchange rates thanks to the continued strengthening of commercial positions partly offset by an unfavourable context for FICC¹ in the second half of the year. VaR, which measures market risks, was still very low (26 million euros). The revenues of FICC², at 3,450 million euros, were down by 8.6%² compared to 2016 with low volatility and limited client volumes in all segments. The business confirmed however its leading position in bond issues where it ranked number 1 for all bond issues in euros and number 9 for all international bond issues. At 2,135 million euros, Equity and Prime Services' revenues rose for their part sharply (+20.9%²), driven by good development of Prime Services and a pick-up in the equity derivatives business.

The success of Exane BNP Paribas³ was illustrated by its move into the number one position in Europe in the Extel 2017 ranking for equity research, brokerage and equity sales.

Securities Services' revenues, at 1,955 million euros, were up by 7.2% compared to 2016 (+8.3% at constant scope and exchange rates), due to the very good drive of the business and the positive effect of the new mandates. Assets under custody and under management were thus up by 11.0% compared to 31 December 2016 and the number of transactions by 6.4% compared to last year. The business also continued to gain new significant mandates and announced a major strategic partnership in the United States with Janus Henderson Investors (138 billion U.S. dollars of assets under custody)⁴.

Corporate Banking's revenues, at 4,165 million euros, were up by 4.3% compared to 2016. They rose by 6.1% at constant scope and exchange rates and were up in the three regions with good growth in Europe, strong rise in Asia Pacific and a good level of business in the Americas region. The business reported solid growth in the transaction businesses: it ranked number 1 for the third year in a row in Trade Finance in Europe and number 3 for the first time in Asia⁵. At 131 billion euros, loans were up by 1.3% compared to 2016. Deposits continued to grow, at 130 billion euros (+11.1% compared to 2016), as a result of the good development of cash management. The business ranked number 2 for syndicated loans and number 3 for equity linked issues in the EMEA region⁶. The good growth of the business and the strengthening of its commercial positions were thus illustrated this year by the *World Best Bank for Corporates* prize awarded by the Euromoney magazine.

At 8,273 million euros, CIB's operating expenses were down by 0.4% (+1.8% at constant scope and exchange rates) compared to 2016, generating a positive 2 point² jaws effect. The effect of increased business is largely offset by cost saving measures launched as early as the beginning of 2016.

CIB's gross operating income was thus up significantly by 8.6%, at 3,431 million euros (+9.2% at constant scope and exchange rates).

CIB's cost of risk was at a very low level, at 81 million euros, down by 136 million euros compared to 2016. Corporate Banking's cost of risk was 70 million euros (292 million euros in 2016), or only 6 basis points of outstanding customer loans due to provision write-backs. Global Markets' cost of risk was 15 million euros (72 million euros in net write-back in 2016).

¹ Fixed Income, Currencies, and Commodities

² At constant scope and exchange rates

³ Consolidated under the equity method

⁴ Closing of the transaction expected in the first quarter 2018

⁵ Greenwich Share Leader Survey

⁶ Europe, Middle East, Africa

CIB thus generated 3,395 million euros in pre-tax income, up sharply by 14.6% compared to 2016 (+15.7% at constant scope and exchange rates), reflecting solid business growth combined with cost saving measures.

In the fourth quarter 2017, CIB's revenues, at 2,626 million euros, were down by 6.9% compared to the fourth quarter 2016 but only 3.7% at constant scope and exchange rates given an unfavourable foreign exchange effect. Global Markets' revenues, at 1,073 million euros, were down by 13.7%¹ compared to the fourth quarter 2016: the revenues of FICC², at 592 million euros, were down by 27.4%¹ due to the very challenging environment this quarter for rates, forex and credit (low volatility and limited client activity) while Equity and Prime Services' revenues, at 482 million euros were up by 12.1%¹ driven by the rise in volumes at Prime Services. Securities Services' revenues, at 503 million euros, rose by 9.7%¹ compared to the fourth quarter 2016, as a result of increased volumes and the effect of new mandates. At 1,050 million euros, Corporate Banking's revenues were up by 2.5%¹ compared to the fourth quarter 2016 thanks to the solid performance of the regions and the rise in the transaction businesses in Europe.

At 1,883 million euros, CIB operating expenses were down by 1.6% compared to the fourth quarter 2016 (+2.9% at constant scope and exchange rates). They recorded this quarter the impact in Corporate Banking of a specific project for 25 million euros and of costs linked to targeted developments, in particular in Europe. CIB's gross operating income was thus down by 18.0%, at 744 million euros. CIB' cost of risk totalled 264 million euros, 194 million euros higher than in the fourth quarter 2016 due to the impact of two specific files this quarter but was still low excluding this impact. It was 209 million euros at Corporate Banking (115 million euros in the fourth quarter 2016), or 70 basis points of outstanding customer loans. It was 57 million euros at Global Markets (44 million euros in net write-back in the fourth quarter 2016). CIB thus posted 491 million euros in pre-tax income, down by 41.6% compared to the same period last year.

*
* *

CORPORATE CENTRE

For the whole of 2017, Corporate Centre revenues totalled 394 million euros compared to 1,294 million euros in 2016. They included the exceptional impact in 2016 of +597 million euros in capital gains from the sale of Visa Europe shares while it included this year only +233 million euros in capital gains from the sale of Shinhan and Euronext shares. The Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) totalled -175 million euros (compared to -59 million euros in 2016). As in 2016, Principal Investments made a very good contribution to revenues.

Operating expenses totalled 1,627 million euros compared to 1,189 million euros in 2016. They included the exceptional impact of 101 million euros in the acquisitions' restructuring costs³ (158 million euros in 2016) and 856 million euros in transformation costs (they included in 2016 395 million in CIB adaptation costs).

The cost of risk totalled 121 million euros (39 million euros in 2016).

¹ At constant scope and exchange rates

² Fixed Income, Currencies, and Commodities

³ In particular, LaSer, Bank BGZ, DAB Bank and GE LLD



Non-operating items totalled -177 million euros (-204 million euros in 2016). They included the exceptional impact of the impairment of the full amount of TEB's goodwill for -172 million euros (they included in 2016 -127 million euros in BGZ's goodwill impairment).

The Corporate Centre's pre-tax income was thus -1,464 million euros (-55 million euros in 2016).

In the fourth quarter 2017, Corporate Centre revenues were 12 million euros compared to 70 million euros in the fourth quarter 2016. They included in particular +11 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) (-18 million euros in the fourth quarter 2016). They included this quarter the impact of a specific item and a lesser contribution from Principal Investments than during the same period a year earlier. Operating expenses came to 637 million euros compared to 330 million euros in the fourth quarter 2016. They included the exceptional impact of 48 million euros in the acquisitions' restructuring costs¹ (48 million euros in the fourth quarter 2016) and 408 million euros in transformation costs (they included 98 million euros in CIB adaptation costs in the fourth quarter 2016). The cost of risk was negligible (56 million euros in the fourth quarter 2016). Non-operating items totalled -33 million euros (-136 million euros in the fourth quarter 2016 which included BGZ's full goodwill impairment). The Corporate Centre's pre-tax losses were thus -642 million euros compared to -440 million euros in the fourth quarter 2016.

*
* *

FINANCIAL STRUCTURE

The Group's balance sheet is very solid.

The fully loaded Basel 3 common equity Tier 1 ratio² was 11.8% as at 31 December 2017, up by 30 basis points compared to 31 December 2016, primarily due to the year's net income after taking into account the 50% dividend pay-out ratio (+60bp) and the rise in risk-weighted assets excluding the scope and foreign exchange effect (-30bp). The foreign exchange is, on the whole, limited on the ratio along with the effect of main acquisitions and sales, the effect in particular of the acquisition in the fourth quarter 2017 of the financing activities of General Motors Europe (-10 bp) offsetting the effect of the sale in the first quarter 2017 of First Hawaiian Bank (+10 bp).

The Basel 3 fully loaded leverage ratio³, calculated on total Tier 1 capital, totalled 4.6% as at 31 December 2017.

The Liquidity Coverage Ratio stood at 121% as at 31 December 2017.

The Group's liquid and asset reserve immediately available totalled 285 billion euros, which is equivalent to more than one year of room to manoeuvre in terms of wholesale funding.

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

¹ In particular, LaSer, Bank BGZ, DAB Bank and GE LLD

² Taking into account all the rules of the CRD4 directives with no transitory provisions. Subject to the provisions of Article 26.2 of Regulation (EU) No 575/2013

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

The estimated impact of the first-time application of the new IFRS 9 accounting standard on 1st January 2018 are expected to be limited for the Group: roughly -1.1 billion euros for shareholders' equity not revaluated¹ (-2.5 billion euros for shareholders' equity revaluated²) and -10bp roughly on the fully loaded Basel 3 common equity Tier 1 ratio³.

*
* *

GOOD START OF THE 2017-2020 PLAN

In the gradually more favourable macroeconomic context (robust economic growth forecasts in Europe and an improving interest rate environment starting next year), the Group is actively implementing the 2017-2020 business development plan.

Leveraging on the Group's integrated and diversified model, this plan is based on an ambitious transformation programme in all the operating divisions as well as differentiated business development strategies between Domestic Markets, IFS and CIB in compliance with a strict corporate social and environmental policy.

Good start of the ambitious programme of new customer experiences, digital transformation and savings

The Group is implementing in all the operating divisions an ambitious transformation programme that aims at the same time to implement new customer experiences, speed up digital transformation and improve the operating efficiency.

Five levers are thereby implemented throughout the Group to reinvent the customer experience and build a more effective and digital bank: (1) implement new customer journeys (new digitalised, value-added and personalised customer services and journeys that were illustrated in particular this year by the launch of *LyfPay*, a universal mobile payment solution, the acquisition of *Compte-Nickel* and the development of the online platform *Centric* at CIB); (2) upgrade the operational model by streamlining processes, simplifying organisations and developing shared platforms with, for example, the announcement this year of the roll-out of the BlackRock's *Aladdin* platform at Asset Management; (3) adapt information systems by incorporating in particular new technologies in order to speed up the digital transformation and by promoting agile work practices, which entails the development of Data Hubs to interface between banking and digital platforms; (4) make better use of data to serve clients all the whilst bolstering data storage and data analysis capacities: the acquisition this year of Gambit in the robo-advisory field will contribute to this objective; (5) develop more digital, collaborative and agile work practices, which translated this year in particular in an equity investment in Symphony, a secure and automated communication platform at Global Markets.

The Group plans to invest 3 billion euros between 2017 and 2019 in this programme that will generate 3.4 billion euros in savings during the same period and 2.7 billion euros in annual recurring savings starting from 2020 with a balanced contribution of all the divisions.

¹ Excluding valuation reserves (Group share)

² Including valuation reserves (Group share)

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

In 2017, transformation costs totalled 856 million euros (with a gradual ramping up) and savings generated amounted to 533 million euros, in line with the plan.

Differentiated business development strategies successfully implemented by the divisions

In an interest rate environment that is expected to improve only gradually and given new client expectations influenced by digital usages, Domestic Markets reinforces its sales and marketing drive with new customer experiences, enhanced attractiveness of the offering and new services.

As a growth engine for the Group, International Financial Services strengthens its leading positions in its specialised businesses, accelerates their development (new offerings, new partnerships, new regions) and continues the selective expansion of retail banks.

Lastly, CIB optimises the use of its resources and revenue growth by expanding its corporate and institutional client base, targeting particularly certain countries in Europe, and growing fee-generating businesses, all the while reducing its costs.

These differentiated strategies are successfully implemented in all three operating divisions. The sharp rise in their pre-tax income compared to 2016 illustrates the good evolution of their operating performance (Domestic Markets: +4.7%, IFS: +18.2%, CIB: +14.6%).

Commitment for a positive impact on society

The Group is pursuing an ambitious corporate social and environmental responsibility policy and is committed to making a positive impact on society. It thus created this year a Company Engagement Department, whose head is a member of the Group Executive Committee, in order to reinforce its action in this field. This new Department defines the Group's commitments to civil society, strengthens CSR practices and makes all the company's levers converge to meet key challenges in society.

The Group aims at financing the economy in an ethical way, promoting the development of its employees, supporting initiatives that have a social impact and playing a major role in the transition toward a low carbon economy. It announced that it will stop funding companies whose principal business activity is gas/oil from shale, oil from tar sands or oil/gas production located in the Arctic region. It also announced that it will stop the financings to tobacco companies. It originated and placed sustainable bonds for an equivalent of 6 billion U.S. dollars (+116% compared to 2016).

This policy committed for a positive impact on society is recognised by very good rankings in major specialised indices (named for example first bank in Europe in terms of CSR by *Global Banking & Finance Review*).

The Group is moreover a very significant tax payer, with a total amount of taxes and levies of 5.3 billion euros in 2017.

Confirmed 2020 objectives

Based on conservative macroeconomic assumptions, the plan takes into account regulatory constraints expected by 2020.

The Group confirms its 2020 targets with revenue growth above or equal to 2.5% per year and 2.7 billion euros in recurring cost savings starting in 2020, bringing the cost income ratio down to 63%.

It aims at a return on equity above 10% in 2020 with a 12%¹ CET1 ratio. The dividend pay-out ratio was increased this year to 50%, in line with the plan.

*
* *

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

“With 7.8 billion euros in net income, BNP Paribas delivered a good performance in 2017, thanks to its integrated and diversified model in service of clients. There was sustained development in the business activities of the operating divisions supported by a stronger economic growth in Europe, costs are under control and the cost of risk is significantly lower.

The start of the 2020 plan is promising with businesses strengthening their commercial positions, an acceleration of digital transformation and the Group’s commitment for a positive impact on society.

I would like to thank all BNP Paribas’s employees whose hard work made this good start of the 2020 plan possible.”

¹ At a constant regulatory framework

CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	10,532	10,656	-1.2%	10,394	+1.3%	43,161	43,411	-0.6%
Operating Expenses and Dep.	-7,621	-7,444	+2.4%	-7,133	+6.8%	-29,944	-29,378	+1.9%
Gross Operating Income	2,911	3,212	-9.4%	3,261	-10.7%	13,217	14,033	-5.8%
Cost of Risk	-985	-950	+3.7%	-668	+47.5%	-2,907	-3,262	-10.9%
Operating Income	1,926	2,262	-14.9%	2,593	-25.7%	10,310	10,771	-4.3%
Share of Earnings of Equity-Method Entities	175	151	+15.9%	150	+16.7%	713	633	+12.6%
Other Non Operating Items	21	-146	n.s.	230	-90.9%	287	-194	n.s.
Non Operating Items	196	5	n.s.	380	-48.4%	1,000	439	n.s.
Pre-Tax Income	2,122	2,267	-6.4%	2,973	-28.6%	11,310	11,210	+0.9%
Corporate Income Tax	-580	-721	-19.6%	-828	-30.0%	-3,103	-3,095	+0.3%
Net Income Attributable to Minority Interests	-116	-104	+11.5%	-102	+13.7%	-448	-413	+8.5%
Net Income Attributable to Equity Holders	1,426	1,442	-1.1%	2,043	-30.2%	7,759	7,702	+0.7%
Cost/Income	72.4%	69.9%	+2.5 pt	68.6%	+3.8 pt	69.4%	67.7%	+1.7 pt

BNP Paribas' financial disclosures for the fourth quarter 2017 and for the year 2017 are contained in this press release and in the presentation attached herewith.

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

4Q17 – RESULTS BY CORE BUSINESSES

	Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
€m						
Revenues	3,768	4,126	2,626	10,520	12	10,532
%Change/4Q16	+0.7%	+2.5%	-6.9%	-0.6%	-83.4%	-1.2%
%Change/3Q17	-0.5%	+5.0%	-1.2%	+1.4%	-46.3%	+1.3%
Operating Expenses and Dep.	-2,582	-2,519	-1,883	-6,984	-637	-7,621
%Change/4Q16	-5.0%	+1.5%	-1.6%	-1.8%	+92.8%	+2.4%
%Change/3Q17	+2.3%	+8.1%	-0.7%	+3.5%	+66.6%	+6.8%
Gross Operating Income	1,185	1,608	744	3,536	-625	2,911
%Change/4Q16	+16.0%	+4.1%	-18.0%	+1.9%	n.s.	-9.4%
%Change/3Q17	-6.1%	+0.6%	-2.3%	-2.4%	+73.4%	-10.7%
Cost of Risk	-369	-353	-264	-986	1	-985
%Change/4Q16	-7.6%	-16.9%	n.s.	+10.3%	n.s.	+3.7%
%Change/3Q17	+18.8%	+0.3%	n.s.	+5.12%	n.s.	+47.5%
Operating Income	817	1,254	480	2,551	-625	1,926
%Change/4Q16	+31.2%	+12.1%	-42.7%	-1.1%	+97.5%	-14.9%
%Change/3Q17	-14.2%	+0.7%	-37.8%	-14.1%	+65.8%	-25.7%
Share of Earnings of Equity-Method Entities	7	141	13	160	15	175
Other Non Operating Items	1	54	-1	54	-33	21
Pre-Tax Income	825	1,449	491	2,764	-642	2,122
%Change/4Q16	+31.0%	+17.2%	-41.6%	+2.1%	+46.1%	-6.4%
%Change/3Q17	-15.6%	-16.9%	-36.9%	-21.0%	+22.2%	-28.6%

	Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
€m						
Revenues	3,768	4,126	2,626	10,520	12	10,532
4Q16	3,740	4,025	2,821	10,586	70	10,656
3Q17	3,786	3,928	2,658	10,372	22	10,394
Operating Expenses and Dep.	-2,582	-2,519	-1,883	-6,984	-637	-7,621
4Q16	-2,719	-2,481	-1,914	-7,114	-330	-7,444
3Q17	-2,524	-2,330	-1,897	-6,751	-382	-7,133
Gross Operating Income	1,185	1,608	744	3,536	-625	2,911
4Q16	1,022	1,544	907	3,472	-260	3,212
3Q17	1,262	1,598	761	3,622	-361	3,261
Cost of Risk	-369	-353	-264	-986	1	-985
4Q16	-399	-425	-70	-894	-56	-950
3Q17	-310	-352	10	-652	-16	-668
Operating Income	817	1,254	480	2,551	-625	1,926
4Q16	623	1,118	837	2,578	-316	2,262
3Q17	952	1,246	772	2,970	-377	2,593
Share of Earnings of Equity-Method Entities	7	141	13	160	15	175
4Q16	13	116	9	138	13	151
3Q17	22	140	-2	160	-10	150
Other Non Operating Items	1	54	-1	54	-33	21
4Q16	-6	1	-5	-10	-136	-146
3Q17	3	358	8	369	-139	230
Pre-Tax Income	825	1,449	491	2,764	-642	2,122
4Q16	630	1,236	841	2,707	-440	2,267
3Q17	977	1,744	778	3,498	-525	2,973
Corporate Income Tax						-580
Net Income Attributable to Minority Interests						-116
Net Income Attributable to Equity Holders						1,426

2017 – RESULTS BY CORE BUSINESSES

		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
€m							
Revenues		15,164	15,899	11,704	42,767	394	43,161
	%Change/2016	-0.0%	+2.7%	+2.1%	+1.5%	-69.6%	-0.6%
Operating Expenses and Dep.		-10,322	-9,722	-8,273	-28,317	-1,627	-29,944
	%Change/2016	-0.1%	+1.9%	-0.4%	+0.5%	+36.9%	+1.9%
Gross Operating Income		4,842	6,177	3,431	14,451	-1,234	13,217
	%Change/2016	+0.2%	+4.1%	+8.6%	+3.8%	n.s.	-5.8%
Cost of Risk		-1,353	-1,351	-81	-2,786	-121	-2,907
	%Change/2016	-10.3%	-9.7%	-62.5%	-13.5%	n.s.	-10.9%
Operating Income		3,489	4,826	3,350	11,665	-1,355	10,310
	%Change/2016	+5.0%	+8.7%	+13.8%	+9.0%	n.s.	-4.3%
Share of Earnings of Equity-Method Entities		61	561	24	645	68	713
Other Non Operating Items		10	433	22	464	-177	287
Pre-Tax Income		3,560	5,820	3,395	12,774	-1,464	11,310
	%Change/2016	+5.3%	+18.2%	+14.6%	+13.4%	n.s.	+0.9%
Corporate Income Tax							-3,103
Net Income Attributable to Minority Interests							-448
Net Income Attributable to Equity Holders							7,759

QUARTERLY SERIES

€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
GROUP								
Revenues	10,532	10,394	10,938	11,297	10,656	10,589	11,322	10,844
Operating Expenses and Dep.	-7,621	-7,133	-7,071	-8,119	-7,444	-7,217	-7,090	-7,627
Gross Operating Income	2,911	3,261	3,867	3,178	3,212	3,372	4,232	3,217
Cost of Risk	-985	-668	-662	-592	-950	-764	-791	-757
Operating Income	1,926	2,593	3,205	2,586	2,262	2,608	3,441	2,460
Share of Earnings of Equity-Method Entities	175	150	223	165	151	163	165	154
Other Non Operating Items	21	230	33	3	-146	9	-81	24
Pre-Tax Income	2,122	2,973	3,461	2,754	2,267	2,780	3,525	2,638
Corporate Income Tax	-580	-828	-943	-752	-721	-790	-864	-720
Net Income Attributable to Minority Interests	-116	-102	-122	-108	-104	-104	-101	-104
Net Income Attributable to Equity Holders	1,426	2,043	2,396	1,894	1,442	1,886	2,560	1,814
Cost/Income	72.4%	68.6%	64.6%	71.9%	69.9%	68.2%	62.6%	70.3%

€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
RETAIL BANKING & SERVICES Excluding PEL/CEL Effects								
Revenues	7,881	7,707	7,737	7,719	7,758	7,735	7,636	7,522
Operating Expenses and Dep.	-5,101	-4,854	-4,784	-5,305	-5,200	-4,813	-4,681	-5,187
Gross Operating Income	2,780	2,853	2,953	2,414	2,558	2,922	2,956	2,335
Cost of Risk	-722	-662	-686	-634	-824	-704	-740	-738
Operating Income	2,058	2,191	2,267	1,780	1,733	2,218	2,216	1,598
Share of Earnings of Equity-Method Entities	147	162	174	139	130	140	124	136
Other Non Operating Items	55	361	16	11	-5	9	-2	8
Pre-Tax Income	2,261	2,714	2,457	1,930	1,858	2,367	2,339	1,742
Allocated Equity (€bn, year to date)	51.4	50.9	50.7	50.6	49.0	48.8	48.6	48.7
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
RETAIL BANKING & SERVICES								
Revenues	7,894	7,714	7,738	7,717	7,765	7,728	7,615	7,540
Operating Expenses and Dep.	-5,101	-4,854	-4,784	-5,305	-5,200	-4,813	-4,681	-5,187
Gross Operating Income	2,793	2,860	2,955	2,412	2,565	2,915	2,935	2,353
Cost of Risk	-722	-662	-686	-634	-824	-704	-740	-738
Operating Income	2,071	2,198	2,269	1,778	1,741	2,212	2,195	1,616
Share of Earnings of Equity-Method Entities	147	162	174	139	130	140	124	136
Other Non Operating Items	55	361	16	11	-5	9	-2	8
Pre-Tax Income	2,273	2,721	2,458	1,927	1,866	2,360	2,318	1,760
Allocated Equity (€bn, year to date)	51.4	50.9	50.7	50.6	49.0	48.8	48.6	48.7
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
DOMESTIC MARKETS (including 100% of Private Banking in France, Italy, Belgium and Luxembourg)* Excluding PEL/CEL Effects								
Revenues	3,897	3,918	3,951	3,952	3,866	3,923	3,962	3,963
Operating Expenses and Dep.	-2,653	-2,599	-2,488	-2,880	-2,794	-2,567	-2,449	-2,818
Gross Operating Income	1,244	1,319	1,463	1,072	1,072	1,356	1,513	1,145
Cost of Risk	-370	-311	-355	-319	-399	-329	-388	-399
Operating Income	874	1,008	1,108	753	674	1,028	1,124	746
Share of Earnings of Equity-Method Entities	7	23	21	11	14	18	13	9
Other Non Operating Items	1	3	1	5	-6	8	2	-2
Pre-Tax Income	882	1,034	1,130	769	681	1,054	1,140	753
Income Attributable to Wealth and Asset Management	-70	-64	-78	-61	-59	-61	-63	-63
Pre-Tax Income of Domestic Markets	812	970	1,052	707	622	993	1,076	690
Allocated Equity (€bn, year to date)	24.6	24.3	24.1	23.8	23.0	22.9	22.9	22.9
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
DOMESTIC MARKETS (including 2/3 of Private Banking in France, Italy, Belgium and Luxembourg)								
Revenues	3,768	3,786	3,803	3,807	3,740	3,782	3,803	3,844
Operating Expenses and Dep.	-2,582	-2,524	-2,417	-2,799	-2,719	-2,494	-2,378	-2,745
Gross Operating Income	1,185	1,262	1,387	1,008	1,022	1,288	1,425	1,099
Cost of Risk	-369	-310	-356	-319	-399	-327	-385	-398
Operating Income	817	952	1,031	689	623	961	1,040	701
Share of Earnings of Equity-Method Entities	7	22	21	11	13	18	13	9
Other Non Operating Items	1	3	1	5	-6	8	2	-2
Pre-Tax Income	825	977	1,053	705	630	987	1,055	708
Allocated Equity (€bn, year to date)	24.6	24.3	24.1	23.8	23.0	22.9	22.9	22.9

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

€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
FRENCH RETAIL BANKING (including 100% of Private Banking in France)*								
Revenues	1,554	1,592	1,607	1,618	1,556	1,594	1,587	1,661
<i>Incl. Net Interest Income</i>	888	904	886	909	907	916	879	972
<i>Incl. Commissions</i>	665	688	721	708	649	678	709	689
Operating Expenses and Dep.	-1,175	-1,183	-1,116	-1,184	-1,216	-1,178	-1,106	-1,173
Gross Operating Income	379	409	492	434	340	416	481	488
Cost of Risk	-107	-65	-80	-79	-124	-72	-72	-73
Operating Income	272	344	412	355	215	345	408	415
Non Operating Items	0	1	0	0	1	0	1	1
Pre-Tax Income	272	344	412	356	217	345	409	416
Income Attributable to Wealth and Asset Management	-38	-36	-40	-39	-32	-34	-32	-39
Pre-Tax Income of French Retail Banking	234	309	372	316	184	310	377	377
Allocated Equity (€bn, year to date)	9.4	9.4	9.3	9.2	8.7	8.6	8.5	8.6
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
FRENCH RETAIL BANKING (including 100% of Private Banking in France)* Excluding PEL/CEL Effects								
Revenues	1,541	1,585	1,606	1,620	1,548	1,601	1,608	1,643
<i>Incl. Net Interest Income</i>	876	897	885	912	899	923	900	954
<i>Incl. Commissions</i>	665	688	721	708	649	678	709	689
Operating Expenses and Dep.	-1,175	-1,183	-1,116	-1,184	-1,216	-1,178	-1,106	-1,173
Gross Operating Income	366	402	490	436	332	423	502	470
Cost of Risk	-107	-65	-80	-79	-124	-72	-72	-73
Operating Income	259	337	411	358	208	351	430	397
Non Operating Items	0	1	0	0	1	0	1	1
Pre-Tax Income	259	337	411	358	209	351	430	398
Income Attributable to Wealth and Asset Management	-38	-36	-40	-39	-32	-34	-32	-39
Pre-Tax Income of French Retail Banking	221	302	371	319	177	317	398	359
Allocated Equity (€bn, year to date)	9.4	9.4	9.3	9.2	8.7	8.6	8.5	8.6
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)								
Revenues	1,481	1,518	1,531	1,541	1,485	1,523	1,516	1,588
Operating Expenses and Dep.	-1,140	-1,145	-1,079	-1,146	-1,178	-1,141	-1,068	-1,139
Gross Operating Income	341	374	452	395	307	382	448	450
Cost of Risk	-107	-65	-80	-79	-124	-71	-72	-73
Operating Income	234	308	372	316	183	311	376	377
Non Operating Items	0	0	0	0	1	0	1	1
Pre-Tax Income	234	309	372	316	184	310	377	377
Allocated Equity (€bn, year to date)	9.4	9.4	9.3	9.2	8.7	8.6	8.5	8.6

* 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	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
PEL/CEL effects	13	7	1	-2	8	-7	-21	18

€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BNL banca commerciale (Including 100% of Private Banking in Italy)*								
Revenues	732	719	729	727	745	741	749	737
Operating Expenses and Dep.	-457	-445	-430	-469	-543	-448	-433	-462
Gross Operating Income	275	274	299	258	202	293	317	275
Cost of Risk	-218	-203	-222	-228	-229	-215	-242	-274
Operating Income	57	71	77	30	-27	78	74	1
Non Operating Items	0	0	0	0	0	0	0	0
Pre-Tax Income	57	71	77	30	-27	78	74	1
Income Attributable to Wealth and Asset Management	-11	-9	-12	-12	-10	-9	-9	-10
Pre-Tax Income of BNL bc	46	63	65	18	-36	70	65	-8
Allocated Equity (€bn, year to date)	5.8	5.8	5.7	5.7	5.7	5.8	5.9	6.0

€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BNL banca commerciale (Including 2/3 of Private Banking in Italy)								
Revenues	710	699	707	706	725	721	730	718
Operating Expenses and Dep.	-447	-434	-420	-460	-533	-438	-423	-453
Gross Operating Income	263	265	287	247	192	284	307	265
Cost of Risk	-217	-203	-222	-228	-229	-214	-242	-274
Operating Income	46	62	65	18	-36	70	65	-8
Non Operating Items	0	0	0	0	0	0	0	0
Pre-Tax Income	46	63	65	18	-36	70	65	-8
Allocated Equity (€bn, year to date)	5.8	5.8	5.7	5.7	5.7	5.8	5.9	6.0

€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium)*								
Revenues	894	921	930	931	908	914	923	917
Operating Expenses and Dep.	-601	-570	-560	-823	-661	-575	-555	-791
Gross Operating Income	293	351	370	108	247	339	367	126
Cost of Risk	-15	-23	-28	1	-9	-19	-49	-21
Operating Income	278	328	343	109	237	320	318	106
Share of Earnings of Equity-Method Entities	2	17	6	-4	2	5	5	-4
Other Non Operating Items	1	3	2	0	-1	-2	0	0
Pre-Tax Income	281	347	351	106	239	323	323	102
Income Attributable to Wealth and Asset Management	-19	-18	-25	-10	-17	-18	-21	-14
Pre-Tax Income of Belgian Retail Banking	262	329	325	96	222	305	302	88
Allocated Equity (€bn, year to date)	5.3	5.2	5.2	5.1	4.7	4.7	4.7	4.6

€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)								
Revenues	849	879	882	889	867	871	878	875
Operating Expenses and Dep.	-577	-547	-537	-790	-636	-550	-534	-763
Gross Operating Income	272	332	346	99	230	321	344	112
Cost of Risk	-14	-23	-28	1	-10	-19	-46	-20
Operating Income	259	309	317	99	221	302	297	92
Share of Earnings of Equity-Method Entities	2	17	6	-4	2	5	5	-4
Other Non Operating Items	1	3	2	0	-1	-2	0	0
Pre-Tax Income	262	329	325	96	222	305	302	88
Allocated Equity (€bn, year to date)	5.3	5.2	5.2	5.1	4.7	4.7	4.7	4.6

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



€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)*								
Revenues	730	692	686	674	666	669	681	666
Operating Expenses and Dep.	-420	-400	-382	-405	-374	-367	-355	-393
Gross Operating Income	310	292	304	269	292	302	327	273
Cost of Risk	-30	-19	-26	-14	-37	-23	-25	-31
Operating Income	279	273	278	256	255	279	302	242
Share of Earnings of Equity-Method Entities	5	5	14	14	10	13	8	12
Other Non Operating Items	0	0	0	5	-6	10	3	-2
Pre-Tax Income	284	277	292	274	260	301	312	252
Income Attributable to Wealth and Asset Management	-1	-1	-1	-1	0	0	-1	-1
Pre-Tax Income of Other Domestic Markets	283	277	291	274	259	301	311	251
Allocated Equity (€bn, year to date)	4.0	3.9	3.9	3.9	3.8	3.8	3.8	3.8
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)								
Revenues	727	690	683	671	663	666	679	663
Operating Expenses and Dep.	-419	-399	-381	-403	-372	-365	-353	-391
Gross Operating Income	309	291	303	269	291	301	326	272
Cost of Risk	-30	-19	-26	-14	-36	-23	-25	-31
Operating Income	278	272	277	255	255	278	301	241
Share of Earnings of Equity-Method Entities	5	5	14	14	10	13	8	12
Other Non Operating Items	0	0	0	5	-6	10	3	-2
Pre-Tax Income	283	277	291	274	259	301	311	251
Allocated Equity (€bn, year to date)	4.0	3.9	3.9	3.9	3.8	3.8	3.8	3.8

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

€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
INTERNATIONAL FINANCIAL SERVICES								
Revenues	4,126	3,928	3,935	3,909	4,025	3,946	3,813	3,696
Operating Expenses and Dep.	-2,519	-2,330	-2,367	-2,506	-2,481	-2,319	-2,303	-2,442
Gross Operating Income	1,608	1,598	1,568	1,404	1,544	1,627	1,510	1,254
Cost of Risk	-353	-352	-331	-315	-425	-376	-355	-339
Operating Income	1,254	1,246	1,237	1,089	1,118	1,251	1,155	915
Share of Earnings of Equity-Method Entities	141	140	153	128	116	122	111	127
Other Non Operating Items	54	358	14	6	1	1	-4	10
Pre-Tax Income	1,449	1,744	1,405	1,222	1,236	1,373	1,262	1,052
Allocated Equity (€bn, year to date)	26.8	26.5	26.6	26.7	26.1	25.9	25.7	25.8
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
PERSONAL FINANCE								
Revenues	1,280	1,222	1,220	1,201	1,185	1,177	1,168	1,149
Operating Expenses and Dep.	-639	-575	-579	-634	-598	-544	-547	-609
Gross Operating Income	641	647	641	568	587	632	621	540
Cost of Risk	-271	-273	-225	-240	-269	-240	-248	-221
Operating Income	369	375	415	328	317	392	373	319
Share of Earnings of Equity-Method Entities	19	21	30	20	18	18	-8	13
Other Non Operating Items	0	24	0	5	-2	0	-1	1
Pre-Tax Income	389	420	445	353	334	411	364	333
Allocated Equity (€bn, year to date)	5.8	5.5	5.4	5.3	4.9	4.9	4.8	4.8
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey)*								
Revenues	581	573	590	592	630	659	616	608
Operating Expenses and Dep.	-414	-403	-420	-424	-431	-413	-429	-432
Gross Operating Income	167	170	170	168	200	245	187	176
Cost of Risk	-62	-60	-70	-67	-127	-127	-87	-96
Operating Income	105	110	100	101	73	118	100	80
Share of Earnings of Equity-Method Entities	49	47	53	48	49	48	53	50
Other Non Operating Items	3	1	-1	0	-1	0	-4	2
Pre-Tax Income	158	159	152	150	121	166	149	132
Income Attributable to Wealth and Asset Management	-1	0	-1	-1	-1	0	-1	-1
Pre-Tax Income of EUROPE-MEDITERRANEAN	157	158	151	149	120	165	149	132
Allocated Equity (€bn, year to date)	4.9	5.0	5.0	5.0	5.2	5.2	5.2	5.1
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey)								
Revenues	579	571	588	590	628	656	614	606
Operating Expenses and Dep.	-413	-401	-419	-423	-429	-411	-428	-431
Gross Operating Income	167	170	169	167	199	245	187	176
Cost of Risk	-62	-60	-70	-67	-127	-127	-87	-96
Operating Income	105	110	99	100	72	118	100	80
Share of Earnings of Equity-Method Entities	49	47	53	48	49	48	53	50
Other Non Operating Items	3	1	-1	0	-1	0	-4	2
Pre-Tax Income	157	158	151	149	120	165	149	132
Allocated Equity (€bn, year to date)	4.9	5.0	5.0	5.0	5.2	5.2	5.2	5.1

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

€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BANCWEST (Including 100% of Private Banking in United States)*								
Revenues	738	734	762	761	795	728	688	773
Operating Expenses and Dep.	-483	-482	-513	-556	-521	-501	-482	-534
Gross Operating Income	255	251	249	205	274	227	207	239
Cost of Risk	-20	-32	-38	-22	-23	-14	-23	-25
Operating Income	235	219	211	183	251	213	184	214
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0	0	0
Other Non Operating Items	1	3	1	-1	4	1	1	10
Pre-Tax Income	236	222	212	182	255	214	184	225
Income Attributable to Wealth and Asset Management	-6	-5	-5	-5	-5	-4	-3	-3
Pre-Tax Income of BANCWEST	230	217	206	177	251	210	181	221
Allocated Equity (€bn, year to date)	6.4	6.4	6.6	6.7	6.3	6.2	6.3	6.4
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
BANCWEST (Including 2/3 of Private Banking in United States)								
Revenues	724	720	748	748	782	716	677	762
Operating Expenses and Dep.	-475	-474	-505	-548	-513	-493	-474	-526
Gross Operating Income	249	246	243	200	269	223	203	236
Cost of Risk	-20	-32	-38	-22	-23	-14	-23	-25
Operating Income	229	214	206	178	246	209	180	211
Non Operating Items	1	3	1	-1	4	1	1	10
Pre-Tax Income	230	217	206	177	251	210	181	221
Allocated Equity (€bn, year to date)	6.4	6.4	6.6	6.7	6.3	6.2	6.3	6.4
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
INSURANCE								
Revenues	636	662	619	597	636	679	611	456
Operating Expenses and Dep.	-317	-311	-297	-326	-315	-299	-278	-309
Gross Operating Income	319	351	322	271	321	380	333	147
Cost of Risk	5	1	-1	-1	-1	3	1	-1
Operating Income	324	352	321	271	320	383	334	146
Share of Earnings of Equity-Method Entities	53	63	55	54	36	44	54	55
Other Non Operating Items	49	325	0	1	0	0	0	-3
Pre-Tax Income	425	740	376	326	356	427	387	199
Allocated Equity (€bn, year to date)	7.8	7.7	7.7	7.8	7.5	7.4	7.4	7.4
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
WEALTH AND ASSET MANAGEMENT								
Revenues	907	753	760	773	794	718	743	723
Operating Expenses and Dep.	-675	-569	-567	-576	-626	-572	-577	-567
Gross Operating Income	233	183	193	198	168	146	166	156
Cost of Risk	-5	12	4	14	-5	3	3	3
Operating Income	228	195	197	212	163	149	169	159
Share of Earnings of Equity-Method Entities	19	8	15	5	13	12	13	8
Other Non Operating Items	1	5	14	0	0	0	0	0
Pre-Tax Income	248	208	226	217	176	161	181	167
Allocated Equity (€bn, year to date)	1.9	1.9	1.9	1.9	2.1	2.1	2.1	2.1

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

€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
CORPORATE AND INSTITUTIONAL BANKING								
Revenues	2,626	2,658	3,197	3,223	2,821	2,905	3,056	2,686
Operating Expenses and Dep.	-1,883	-1,897	-1,988	-2,506	-1,914	-2,022	-2,115	-2,258
Gross Operating Income	744	761	1,209	717	907	883	942	428
Cost of Risk	-264	10	118	54	-70	-74	-46	-28
Operating Income	480	772	1,328	770	837	809	896	400
Share of Earnings of Equity-Method Entities	13	-2	5	8	9	2	13	-3
Other Non Operating Items	-1	8	15	0	-5	1	-2	6
Pre-Tax Income	491	778	1,349	778	841	812	907	403
Allocated Equity (€bn, year to date)	21.1	21.4	21.9	22.1	22.2	22.2	22.0	21.9
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
CORPORATE BANKING								
Revenues	1,050	948	1,176	991	1,071	958	1,037	929
Operating Expenses and Dep.	-603	-546	-590	-691	-567	-591	-601	-693
Gross Operating Income	447	402	586	299	504	368	436	236
Cost of Risk	-209	4	78	57	-115	-79	-42	-55
Operating Income	238	407	664	356	388	289	394	181
Non Operating Items	5	6	19	7	14	-3	2	0
Pre-Tax Income	243	413	683	364	402	285	396	181
Allocated Equity (€bn, year to date)	12.4	12.5	12.7	12.6	12.4	12.3	12.3	12.2
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
GLOBAL MARKETS								
Revenues	1,073	1,234	1,523	1,754	1,284	1,490	1,558	1,318
<i>incl. FICC</i>	<i>592</i>	<i>801</i>	<i>883</i>	<i>1,174</i>	<i>838</i>	<i>1,082</i>	<i>1,050</i>	<i>890</i>
<i>incl. Equity & Prime Services</i>	<i>482</i>	<i>433</i>	<i>640</i>	<i>580</i>	<i>446</i>	<i>408</i>	<i>509</i>	<i>428</i>
Operating Expenses and Dep.	-875	-958	-997	-1,424	-967	-1,065	-1,139	-1,184
Gross Operating Income	198	276	526	330	317	425	419	134
Cost of Risk	-57	6	39	-3	44	5	-4	27
Operating Income	142	281	565	327	361	430	415	160
Share of Earnings of Equity-Method Entities	5	-6	-1	0	-3	5	11	-4
Other Non Operating Items	1	6	3	0	-8	0	-2	6
Pre-Tax Income	147	281	567	326	350	435	424	163
Allocated Equity (€bn, year to date)	7.8	8.0	8.4	8.7	9.0	9.1	9.0	9.1
€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
SECURITIES SERVICES								
Revenues	503	476	498	478	466	457	461	440
Operating Expenses and Dep.	-405	-392	-400	-390	-380	-367	-374	-382
Gross Operating Income	98	84	97	87	86	90	87	59
Cost of Risk	2	0	1	0	2	0	1	0
Operating Income	100	84	99	87	87	90	88	59
Non Operating Items	0	0	0	0	1	1	0	0
Pre-Tax Income	100	84	99	88	88	91	87	59
Allocated Equity (€bn, year to date)	0.9	0.9	0.9	0.8	0.8	0.8	0.7	0.7



€m	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
CORPORATE CENTRE								
Revenues	12	22	3	358	70	-45	650	618
Operating Expenses and Dep.	-637	-382	-300	-308	-330	-381	-295	-182
<i>Incl. Restructuring and Transformation Costs</i>	-456	-222	-168	-110	-154	-253	-108	-46
Gross Operating Income	-625	-361	-297	49	-260	-426	356	435
Cost of Risk	1	-16	-94	-11	-56	13	-5	9
Operating Income	-625	-377	-391	38	-316	-413	350	444
Share of Earnings of Equity-Method Entities	15	-10	44	19	13	22	28	21
Other Non Operating Items	-33	-139	2	-8	-136	0	-77	10
Pre-Tax Income	-642	-525	-346	49	-440	-391	301	475

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

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

Methodology – Comparative analysis at constant scope and exchange rates

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

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

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

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

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

Reminder

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

Operating divisions: they consist of 3 divisions:

- Domestic Markets including: French Retail Banking (FRB), BNL banca commerciale (BNL bc), Belgium Retail Banking (BRB), Other Domestic Markets activities including Arval, Leasing Solutions, Personal Investors, Compte 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.

GOOD PERFORMANCE OF THE GROUP IN 2017 AND PROMISING START OF THE 2020 BUSINESS DEVELOPMENT PLAN.....	2
RETAIL BANKING & SERVICES	5
DOMESTIC MARKETS.....	5
INTERNATIONAL FINANCIAL SERVICES	10
CORPORATE AND INSTITUTIONAL BANKING (CIB)	15
CORPORATE CENTRE.....	17
FINANCIAL STRUCTURE	18
GOOD START OF THE 2017-2020 PLAN.....	19
CONSOLIDATED PROFIT AND LOSS ACCOUNT.....	22
4Q17 – RESULTS BY CORE BUSINESSES	23
2017 – RESULTS BY CORE BUSINESSES	24
QUARTERLY SERIES.....	25
ALTERNATIVE PERFORMANCE MEASURES (APM) - ARTICLE 223-1 OF THE AMF’S GENERAL REGULATION	34

The figures included in this presentation are unaudited.

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

The information contained in this presentation as it relates to parties other than BNP Paribas or derived from external sources has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of, the information or opinions contained herein. None of BNP Paribas or its representatives shall have any liability whatsoever in negligence or otherwise for any loss however arising from any use of this presentation or its contents or otherwise arising in connection with this presentation or any other information or material discussed.

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

Investor Relations & Financial Information

Stéphane de Marnhac +33 (0)1 42 98 46 45

Lisa Bugat +33 (0)1 42 98 23 40

Livio Capece Galeota +33 (0)1 42 98 43 13

Philippe Regli +33 (0)1 43 16 94 89

Claire Sineux +33 (0)1 42 98 31 99

E-mail: investor.relations@bnpparibas.com

<https://invest.bnpparibas.com>



BNP PARIBAS

The bank
for a changing
world