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

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

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

OTHER DOMESTIC MARKETS BUSINESS UNITS (ARVAL, LEASING SOLUTIONS, PERSONAL INVESTORS, NICKEL AND LUXEMBOURG RETAIL BANKING)

For FY2018, Domestic Markets' specialised businesses continued their strong growth: the financed fleet of Arval grew by 7.7% and the financing outstandings of Leasing Solutions were up by 8.7%[2] compared to 2017; Personal Investors reported increased orders from individual customers (+8.9% compared to 2017) and Nickel continued its very strong growth with already over 1.1 million accounts opened (+347,000 in 2018). Nickel's target is to reach 2 million accounts opened by 2020. To this end, Nickel is growing its point of sales network (4,300 *buralistes* as at 31 December 2018, +48% compared to 31 December 2017) with a target of 10,000 by 2020.

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

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

The revenues[3] of the five businesses, which totalled EUR 2,986 million, were up on the whole by 7.3% compared to 2017 due to scope effects and good business development.

Operating expenses[3] rose by 10.6% compared to 2017, to EUR 1,779 million, as a result of scope effects and development of the businesses as well as the costs to launch new digital services.

The cost of risk[3], at EUR 123 million, was up by EUR 34 million compared to 2017.

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

INTERNATIONAL FINANCIAL SERVICES

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

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

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

At EUR 16,434 million, revenues were up by 3.4% compared to 2017. Excluding the impact of the fall in the markets at the end of the year on assets at market value at Insurance[4], they rose by 6.6% at constant scope and exchange rates, reflecting the good business drive.

Operating expenses, which totalled EUR 10,242 million, were up by 5.4% compared to the same period last year, as a result of business development and new product launches (+5.5% at constant scope and exchange rates and excluding non-recurring items[5]).

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

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

(1) Including 100% of Private Banking in Belgium.
(2) At constant scope and exchange rates.
(3) Including 100% of Private Banking in Luxembourg.
(4) -EUR 180 million.
(5) Non-recurring items at Asset Management, Real Estate Services and at BancWest (EUR 34 million in 2018).

BNP PARIBAS GROUP IN 2018

Other non-operating items totalled EUR 208 million (EUR 433 million in 2017). They reflected the exceptional impact of the EUR 151 million capital gain[1] from the sale of First Hawaiian Bank shares. They included in the same period last year a EUR 326 million capital gain realised from the initial public offering of SBI Life.

International Financial Services' pre-tax income thus totalled EUR 5,310 million, down by 8.8% compared to 2017 but up by 3.3% at constant scope and exchange rates and excluding the impact of the fall in the markets at the end of the year at Insurance[2].

PERSONAL FINANCE

For 2018, Personal Finance continued its strong organic growth drive while integrating General Motors Europe's financing activities[3]: outstanding loans were up by +12.6% at constant scope and exchange rates compared to 2017, driven by an increase in demand in a favourable context in Europe and the effect of new partnerships. The business signed new commercial agreements with Hyundai and Uber in France, Carrefour in Poland and Dixons Carphone in the United Kingdom. It continued to expand its digital footprint and new technologies with 97 robots already deployed and more than 31 million selfcare transactions done by clients, or 73.9% of the total.

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

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

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

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

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

EUROPE-MEDITERRANEAN

For the whole of 2018, Europe-Mediterranean delivered a good overall performance. Outstanding loans rose by 5.2%[4] compared to 2017. Deposits grew by 8.6%[4], up in particular in Turkey. The business continued to develop its digital banks (*Cepteteb* in Turkey and *BGZ Optima* in Poland) and to roll out e-signature in Poland, Turkey and Morocco for certain trade finance transactions and consumer loan applications.

The business also acquired this year the core banking activities of Raiffeisen Bank Polska[5], which strengthened BGZ BNP Paribas as the 6th largest bank in Poland (over 6% combined market share in loans and deposits) and is expected to have an above 1% positive impact on Group's net earnings per share in 2020.

At EUR 2,358 million, Europe-Mediterranean's revenues[6] were up by 12.5%[4] compared to 2017, as a result of increased volumes and margins as well as the good level of fees. They were up in all regions.

Operating expenses[6], at EUR 1,605 million, were up by 4.8%[4] due to business development with a largely positive jaws effect.

The cost of risk[6], which totalled EUR 308 million, was up by EUR 49 million as a result of a moderate rise in the cost of risk in Turkey. It was 82 basis points of outstanding customer loans.

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

BANCWEST

In 2018, BancWest's commercial activity continued to grow. The scope of the business evolved with the sale of 43.6% of First Hawaiian Bank[7], which is only 18.4% owned and is no more fully consolidated since 1 August 2018. Deposits were up by 3.6%[4] and loans by 1.6%[4] compared to 2017 with good growth in loans to individual and corporate customers. Private Banking's assets under management (USD 13.7 billion as at 31 December 2018) were up by 4.8%[4] compared to 31 December 2017.

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

Revenues[8], at EUR 2,647 million, were up by 1.9%[4] compared to 2017 (+2.4%[4] excluding capital gains from the sale of securities and loans in 2017 for EUR 14 million), as a result of volume growth.

At EUR 1,870 million, operating expenses[8] rose by 2.6%[4] compared to 2017.

(1) In addition, EUR 135 million exchange difference booked in the P&L in the Corporate Centre.
(2) Excluding non-recurring items: -EUR 33 million in 2018 (+EUR 40 million in 2017).
(3) Acquisition closed on 31 October 2017.
(4) At constant scope and exchange rates.
(5) Excluding mortgage loans in foreign currencies and a limited amount of other assets; acquisition closed on 31 October 2018.
(6) Including 100% of Private Banking in Turkey.
(7) Sale of 13.2% on 8 May 2018, 15.5% on 31 July 2018 and 14.9% on 5 September 2018.
(8) Including 100% of Private Banking in the United States.

The cost of risk[1] (EUR 82 million), or 14 basis points of outstanding customer loans, was EUR 29 million lower compared to 2017.

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

INSURANCE AND WEALTH AND ASSET MANAGEMENT

For the whole of 2018, Insurance and Wealth and Asset Management's businesses continued their growth. Assets under management[2] reached EUR 1,028 billion as at 31 December 2018. They were down by 2.2% compared to 31 December 2017 due in particular to a very negative performance effect (-EUR 51.1 billion) as a result of the sharp fall in the markets at the end of the year, and despite a good level of net asset inflows at EUR 13.4 billion (very good asset inflows at Wealth Management in particular in Asia, France, Italy, Germany and the United States; asset outflows at Asset Management concentrated on a bond mandate following the in-sourcing by a client of its fund management, partly offset by asset inflows into money market funds; good asset inflows in Insurance in particular in unit-linked policies), a +EUR 10.7 billion scope effect due in particular to the integration of ABN Amro's activities in Luxembourg[3] and a +EUR 3.9 billion foreign exchange effect.

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

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

Revenues of Insurance, at EUR 2,680 million, rose by 6.6% compared to 2017 due to a good business drive but reflected at the end of the year the impact of the fall in the markets due to the booking of part of the assets at market value[4]. Operating expenses, at EUR 1,406 million, rose by 12.4%, as a result of good business development. Other non-operating items were negligible but included during the same period last year a +EUR 326 million capital gain from the sale of a 4.0% stake in SBI Life. After taking into account decreased income of the associated companies, pre-tax income was thus down by 20.8% at historical scope and exchange rates compared to 2017, at EUR 1,479 million. It is virtually stable at constant scope and exchange rates (-0.3%), including the spot impact of the fall in the markets at the end of the year.

Wealth and Asset Management continued its business development: Wealth Management integrated ABN Amro's activities in Luxembourg[3] thereby strengthening its positioning on the large entrepreneur segment; Asset Management continued its industrialisation with in particular the roll out of Blackrock's Aladdin IT outsourcing solution; Real Estate Services reported good growth in its business, in particular in real estate fund management in Germany and in advisory business in France, Italy and Germany.

Wealth and Asset Management's revenues (EUR 3,286 million) grew by 2.9% compared to 2017, driven by Real Estate Services, but were impacted this year by MiFID 2 regulation and the unfavourable movements in the financial markets at the end of the year. Operating expenses totalled EUR 2,636 million, up by 10.4% compared to 2017 due to specific transformation projects at Asset Management, costs related to the acquisition of Strutt & Parker at Real Estate Services and continuous business development. The cost of risk was -EUR 6 million (it was a net write-back of EUR 24 million in 2017). At EUR 681 million, Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of Private Banking in the domestic markets, in Turkey and in the United States, was down by 24.2% compared to 2017 (-18.1% excluding non-recurring items[5]).

CORPORATE AND INSTITUTIONAL BANKING (CIB)

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

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

At EUR 4,727 million, Global Markets' revenues were down by 15.4% compared to 2017 given the lacklustre context for FICC[6] in Europe and particularly challenging conditions for Equity and Prime Services at the end of the year. The VaR, which measures the level of market risks, was still at a low level (EUR 25 million) but rose slightly at the end of the year given increased volatility.

(1) Including 100% of Private Banking in the United States.
(2) Including distributed assets.
(3) Closing of the acquisition on 3 September 2018 (+EUR 7.7 billion in assets under management at Wealth Management and +EUR 2.7 billion at Insurance).
(4) -EUR 180 million in the fourth quarter.
(5) Provision write-back in the 1st quarter 2017; capital gain from the sale of a building in the second quarter 2017, specific transformation projects in Asset Management and costs related to the acquisition of Strutt & Parker in Real Estate Services: -EUR 56 million in 2018 (-EUR 2 million in 2017).
(6) Fixed Income, Currencies and Commodities.

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

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

Securities Services' revenues, at EUR 2,152 million, rose by 10.1% compared to 2017. Excluding the transfer this quarter of the correspondent banking business from Corporate Banking, they were up by 8.7% as a result of increased transactions as well as assets under custody and administration (+4.3% on average compared to 2017), benefitting additionally from the positive impact of the revaluation of an equity stake. The business continued its excellent drive with gains of significant mandates (Carmignac, Intermediate Capital Group), the finalisation of the strategic partnership with Janus Henderson in the United States and the acquisition of the depositary bank business of Banco BPM[2]. The business is implementing its digital transformation with already over 40 automated processes delivered and 30 in development. Its expertise was recognised with the Custodian of the Year Award at the 2018 Custody Risk Global Awards.

Corporate Banking's revenues, at EUR 3,951 million, were down by 5.1% compared to 2017 but rose by 0.3% excluding capital gains realised in the second quarter 2017, the transfer of the correspondent banking business to Securities Services and the impact of the environmental responsibility policy[3]. The business continued the development of the transaction businesses (cash management, trade finance) where it reinforced its number 1 position in Europe and reported good business development in Asia. It confirmed its leading position on syndicated loans (ranked number 1 in the EMEA region[4]). Loans, at EUR 132 billion, were up by 1.0% compared to 2017 and deposits, at EUR 126 billion, were down by 3.5%. The business continued to implement its digital transformation, and Centric, its online platform for corporates, has already 10,000 clients as at 31 December 2018 (+1,500 compared to the end of 2017).

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

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

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

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

CORPORATE CENTRE

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

Operating expenses totalled EUR 1,776 million compared to EUR 1,627 million in 2017. They included the exceptional impact of EUR 1,106 million in transformation costs (EUR 856 million in 2017) and EUR 129 million in acquisitions' restructuring costs[5] (EUR 101 million in 2017).

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

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

Non-operating items totalled EUR 204 million (-EUR 177 million in 2017). They included the exceptional impact of a +EUR 101 million capital gain on the sale of a building, a +EUR 135 million exchange difference from a sale of First Hawaiian Bank[6] shares, the impact of the revaluation at market value as at 31 December 2018 of the

(1) *Fixed Income, Currencies and Commodities.*
(2) *Closing of the acquisition on 28 September 2018.*
(3) *Stopped financing gas and oil from shale and tobacco companies.*
(4) *Europe, Middle East and Africa.*
(5) *In particular, LaSer, DAB Bank GE LLD, ABN Amro Luxembourg and Raiffeisen Bank Polska.*
(6) *In addition, +EUR 151 million capital gain booked in BancWest.*

residual stake in First Hawaiian Bank[(1)] for -EUR 125 million and the booking of a badwill related to the acquisition of Raiffeisen Bank Polska for +EUR 68 million. They included last year the exceptional impact of the full impairment of TEB's goodwill for -EUR 172 million.

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

FINANCIAL STRUCTURE

The Group's balance sheet is very solid.

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

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

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

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

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

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

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

A CONFIRMED 2020 AMBITION

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

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

A TRAJECTORY IN LINE WITH THE PLAN FOR DOMESTIC MARKETS AND IFS BUT NEED TO ACCELERATE TRANSFORMATION AT CIB

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

The operating division thus confirms its 2020 trajectory with a revenue evolution slightly above initial expectations, an upcoming significant improvement of the operating efficiency generating a positive jaws effect (decrease in the cost income ratio in the networks and virtually stable in the specialised businesses) and a confirmation of the plan's RONE[(5)] target.

(1) First Hawaiian Bank accounted under the IFRS 5 standard as of 30.06.18.
(2) Shareholders'equity including valuation reserves.
(3) Taking into account all the rules of the CRD4 directives with no transitory provisions. Subject to the provisions of Article 26.2 of Regulation (EU) No 575/2013.
(4) Taking into account all the rules of the CRD4 directives in 2019 with no transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014.
(5) Pre-tax return on notional equity.

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

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

In the face of an unfavourable environment, CIB is intensifying its transformation. Despite the successes recorded both in terms of gains of new clients and cost savings (down for the third year in a row) and of containment of allocated capital (-6.3% since 2016), the operating division is confronted with a decrease of the global revenue pool in the CIB industry and a decrease in its profitability with a 12.9% RONE[1] this year (-3.2 points compared to 2017).

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

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

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

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

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

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

SIGNIFICANT PROGRESS IN THE DIGITAL TRANSFORMATION

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

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

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

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

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

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

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

COMMITMENT FOR A POSITIVE IMPACT ON SOCIETY

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

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

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

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

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

2020 TARGETS

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

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

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

(1) 2018-2020 Compound Annual Growth Rate.

BNP PARIBAS SA FIVE-YEAR **FINANCIAL SUMMARY** (PARENT COMPANY FINANCIAL STATEMENTS)

	2014	2015	2016	2017	2018
Share capital at year-end					
a) Share capital *(in euros)*	2,491,915,350	2,492,770,306	2,494,005,306	2,497,718,772	2,499,597,122
b) Number of shares in issue	1,245,957,675	1,246,385,153	1,247,002,653	1,248,859,386	1,249,798,561
c) Number of convertible bonds in issue	None	None	None	None	None
Results of operations for the year *(in millions of euros)*					
a) Total revenues, excluding VAT	24,598	28,160	32,458	27,707	33,333
b) Earnings before taxes, depreciation, amortisation and impairment	1,766	7,323	10,153	3,003	4,631
c) Income tax expense	(218)	(74)	(278)	345	557
d) Earnings after taxes, depreciation, amortisation and impairment	(3,089)	6,232	9,266	3,157	5,027
e) Total dividend payout	1,869	2,879	3,367	3,772	3,774[(1)]
Earnings per share *(in euros)*					
a) Earnings after taxes, but before depreciation, amortisation and impairment	1.24	5.82	7.92	2.68	4.15
b) Earnings after taxes, depreciation, amortisation and impairment	(2.48)	5.00	7.43	2.53	4.02
c) Dividend per share	1.50	2.31	2.70	3.02	3.02[(1)]
Employee data					
a) Number of employees at year-end	49,132	49,751	51,498	53,078	54,299
b) Total payroll expense *(in millions of euros)*	3,713	4,288	4,263	4,441	4,208
c) Total social security and employee benefit charges paid *(in millions of euros)*	1,328	1,404	1,599	1,577	1,604

(1) Subject to approval at the Annual General Meeting of 23 May 2019.

BNP Paribas Group consolidated results

In millions of euros	2017	2018
Revenues	**43,161**	**42,516**
Operating expenses	(29,944)	(30,583)
Gross Operating income	**13,217**	**11,933**
Cost of risk	(2,907)	(2,764)
Operating income	**10,310**	**9,169**
Non-operating items	1,000	1,039
PRE-TAX INCOME	**11,310**	**10,208**
NET INCOME GROUP SHARE	**7,759**	**7,526**

PRACTICAL INFORMATION

FOR SHAREHOLDERS ATTENDING THE MEETING

ON 23 MAY 2019, THE MEETING WILL BEGIN AT 10.00 AM PRECISELY.
SHAREHOLDERS WILL BE WELCOME FROM 8.30 AM.

Due to security measures at the entrance of the reception area, we kindly ask shareholders to arrive early enough to sign the attendance list and show proof of identity.

Shareholders are prompted to use Votaccess if their custodian is connected to this system. The request for an admission card and its printing take only a few minutes.

YOU ARE ADVISED TO:

1. **have your admission card and proof of identity, in order to sign the attendance list;**
2. **please make sure you have been given an electronic voting box with the instructions for use before you enter the meeting room (it should have been given to you when signing the attendance list);**
3. **comply with the voting procedures that you will receive during the meeting.**

To allow for a proper calculation of the votes and quorum, shareholders are reminded that attendance sheets will not be available from 11:30 am.

For years BNP Paribas has embraced a sustainable development approach, viewing this as a solid foundation for ongoing value creation for its shareholders. The Bank therefore decided that the Annual General Meeting, a key opportunity to meet investors, should be part of the Company's corporate social responsibility strategy.

For every shareholder who will attend the Annual General Meeting on 23 May 2019, BNP Paribas will donate EUR 12 to the "Coup de pouce aux projets du personnel" ("A Helping Hand for Employee Projects") programme, specifically developed by the BNP Paribas Foundation to encourage public-interest initiatives for which Bank staff personally volunteer their time and efforts.

The amounts collected (EUR 17,484 in 2018) are donated in addition to the funds that the Bank already grants to this programme via the BNP Paribas Foundation, which operates under the aegis of the Fondation de France. In France, total 2018 contributions were ultimately divided between 25 projects, all of which were initiated by BNP Paribas staff. Most of those projects were in Europe (54%), in Africa (42%), and 4% in the rest of the world. The amounts awarded to 21 of these projects varied from EUR 1,000 to EUR 4,000 (with an average of EUR 3,900) depending on the scale of the project, its nature and, naturally, the commitment of employees to the projects they propose; the 4 remaining projects were allocated an "Helping Hand" bonus, *i.e.* a EUR 9,000 subsidy for each of them. The projects mainly involved community outreach: education, poverty and integration (53%), healthcare and disability (35%), as well as protection of the environment (12%). The allocation of funds is contained in the convening notice for the following Annual General Meeting.

HOLDERS OF REGISTERED SHARES: **OPT FOR ELECTRONIC CONVENING**

By choosing to be notified of the Annual General Meeting by email every year, you will be supporting our sustainable development approach. The email message will provide you with all the necessary information and access to the voting site before the meeting.

As a holder of registered shares, you may subscribe to this service online by logging onto the site **https://planetshares.bnpparibas.com**.

Go to the menu "My personal information/My subscriptions", subscribe to this service and register your email address.

You are holders of **fully registered shares:** log in using the User ID and password already provided to you and that you generally use to check your account on the PlanetShares site.

You are holders of **administered registered shares:** your ID is displayed on the top right of your voting form. If you do not have your password, ask for it to be sent to you on the planetshares site by clicking the link "First log-in" or the "Forgot password" link. You can also contact the 0 800 600 700 Service & appel gratuits support line or from abroad on +33(0)1 40 14 80 37.

If you wish to return to receiving your convening notice by post, all you have to do is send us an email or log into planetshares using the same procedure as when you registered.

REQUEST FOR DOCUMENTS AND INFORMATION

FORM TO BE SENT TO:

BNP PARIBAS SECURITIES SERVICES
CTO – SERVICES ASSEMBLÉES
GRANDS MOULINS DE PANTIN
93761 PANTIN CEDEX

COMBINED GENERAL MEETING ON THURSDAY 23 MAY 2019

The undersigned

Surname and first name: ....

Address: ....

....

Zip Code | | | | | | City: ....

Holding: ....

- registered shares,
- bearer shares in the books of[1] : ....

....

kindly asks BNP Paribas to send documents and information as stated in article R.225-83 and article R.225-88 of the French Commercial Code, in view of the Combined General Meeting of 23 May 2019.

(1) Name and address of the custodian in charge of your shares.

In:..

Date 2019

Signature ....

PLEASE NOTE: As per paragraph 3 of article R.225-88 of the French Commercial Code, the holders of registered shares may obtain these documents from the bank for each further General Meeting.

NOTES

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75009 Paris – Trade Register No. 662 042 449 Paris

BNP PARIBAS

The bank
for a changing
world