Fourth Supplement dated 15 March 2018

to the Warrant and Certificate Programme Base Prospectus dated 4 July 2017

BNP Paribas Issuance B.V.
(incorporated in The Netherlands)
(as Issuer)

BNP Paribas
(incorporated in France)
(as Issuer and Guarantor)
Warrant and Certificate Programme

This fourth supplement (the "**Fourth Supplement**") is supplemental to, and should be read in conjunction with the base prospectus dated 4 July 2017 (the "**Base Prospectus**"), the first supplement to the Base Prospectus dated 10 August 2017 (the "**First Supplement**"), the second supplement to the Base Prospectus dated 20 September 2017 (the "**Second Supplement**") and the third supplement to the Base Prospectus dated 22 November 2017 (the "**Third Supplement**") in relation to the Warrant and Certificate Programme (the "**Programme**") of BNP Paribas Issuance B.V. ("**BNPP B.V.**") and BNP Paribas ("**BNPP**").

The Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of 4 November 2003 (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**") to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area. The Authority for the Financial Markets ("**AFM**") in the Netherlands approved the Base Prospectus on 4 July 2017, the First Supplement on 10 August 2017, the Second Supplement on 20 September 2017 and the Third Supplement on 22 November 2017. Application has been made to the AFM for approval of this Fourth Supplement in its capacity as competent authority. The AFM approved the Fourth Supplement on 15 March 2018.

Each of BNPP (in respect of itself and BNPP B.V.) and BNPP B.V. (in respect of itself) accepts responsibility for the information contained in this Fourth Supplement. To the best of the knowledge of BNPP and BNPP B.V. (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Base Prospectus, as amended by the First Supplement, the Second Supplement and the Third Supplement, shall have the same meanings when used in this Fourth Supplement.

To the extent that there is any inconsistency between (i) any statement in this Fourth Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus, as amended by the First Supplement, the Second Supplement and the Third Supplement, the statement referred to in (i) above will prevail.

References in this Fourth Supplement to paragraphs of the Base Prospectus are to the Base Prospectus as amended by the First Supplement, the Second Supplement and the Third Supplement. References in this Fourth Supplement to page numbers in the Base Prospectus are to the page numbers in the Base Prospectus without taking into account any amendments made in the First Supplement, the Second Supplement and the Third Supplement.

This Fourth Supplement is available via BNPP's websites: (www.produitsdebourse.bnpparibas.fr; www.bnpparibasmarkets.be; www.bnpparibasmarkets.nl; www.educatedtrading.bnpparibas.se; https://www.productoscotizados.com/home/).

This Fourth Supplement has been prepared in accordance with Article 16.1 of the Prospectus Directive, for the purposes of giving information which amends or is additional to the information already contained in the Base Prospectus.

This Fourth Supplement has been prepared for the purposes of:

(A) giving disclosure in respect of a press release and related presentation dated 6 February 2018 issued by BNP Paribas;

(B) giving disclosure in respect of the audited Consolidated Financial Statements of BNPP for the year ended 31 December 2017 released on 6 March 2018;

(C) amending the "Summary in relation to this Base Prospectus";

(D) amending the "Risk Factors" section;

(E) amending the "French Taxation" section; and

(F) amending the "General Information" section.

The incorporation by reference referred to in (A) and (B) above has been made to update the BNPP disclosure. The amendments referred to in (C) and (D) above have also been made to reflect the updated disclosure referred to in (A) and (B) above. The amendments referred to in (E) above have been made to update tax disclosure in respect of French withholding tax. The amendments referred to in (F) above have been made to update the table of Capitalization and Medium and Long Term Debt Indebtedness Over One Year of BNPP and the BNP Paribas Group.

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Securities to the public, investors who, before this Fourth Supplement is published, have already agreed to purchase or subscribe for Securities issued under the Programme by BNPP or BNPP B.V. have the right, exercisable before the end of the period of two (2) working days beginning with the working day after the date of publication of this Fourth Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 19 March 2018.

TABLE OF CONTENTS

Page

PRESS RELEASE AND RELATED PRESENTATION DATED 6 FEBRUARY 2018 4

PUBLICATION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BNP PARIBAS FOR THE YEAR ENDED 31 DECEMBER 2017 146

AMENDMENTS TO THE SUMMARY IN RELATION TO THE BASE PROSPECTUS 287

AMENDMENTS TO THE RISK FACTORS SECTION 291

AMENDMENTS TO THE FRENCH TAXATION SECTION 306

AMENDMENTS TO THE GENERAL INFORMATION SECTION 310

RESPONSIBILITY STATEMENT 312

PRESS RELEASE AND RELATED PRESENTATION DATED 6 FEBRUARY 2018

BNP Paribas have released the following press release and presentation dated 6 February 2018 relating to the unaudited financial information of BNP Paribas for the fourth quarter ended 31 December 2017 and the unaudited figures for the year ended 31 December 2017.

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 MEETNG 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 Markets[1] (-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 costs[2] (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 CIB[3] where the transformation plan was launched as early as 2016, declined by 0.1%[4] for Domestic Markets[1] 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 Life[1] 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 Markets[2], +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 items[3], 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 ratio[4] was 11.8% (11.5% as at 31 December 2017). The fully loaded Basel 3 leverage ratio[5] 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.

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[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 Markets[1] 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 costs[2] 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 Markets[3] (-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 euros[4] in net income attributable to equity holders, down by 1.1% compared to the fourth quarter 2016.

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[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 clients[1].

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, revenues[3] 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 expenses[3] (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 income[3] 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 income[4] that was up 4.7% compared to 2016, at 3,541 million euros.

In the fourth quarter 2017, revenues[3], 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 expenses[3] (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 income[3] 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 income[1], 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.

Revenues[2] totalled 6,352 million euros, down by 0.8% compared to 2016. Net interest income[2] was down by 2.9%, the effect of persistently low interest rates being only partly offset by increased business. Fees[2] rose for their part by 2.1% with an increase in financial fees.

Operating expenses[2], at 4,657 million euros, were down by 0.3% compared to 2016, reflecting good cost containment.

Gross operating income[2] thus came to 1,695 million euros, down by 1.9% compared to last year.

The cost of risk[2] 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 income[3], down by 3.1% compared to 2016.

In the fourth quarter 2017, revenues[2] totalled 1,541 million euros, down by 0.4% compared to the fourth quarter 2016. Net interest income[2] was down by 2.6% due to the impact of persistently low interest rates partly offset by increased business. Fees[2] rose for their part by 2.6% with a rise in financial fees as a result of a strong performance of private banking. Operating expenses[2], at 1,175 million euros, were down by 3.4% compared to the fourth quarter 2016. Gross operating income[2] thus totalled 366 million euros, up by 10.3% compared to the same period last year. The cost of risk[2] 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 income[1], 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 2017[2], 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.

Revenues[3] were down by 2.2% compared to 2016, to 2,907 million euros. Net interest income[3] was down by 5.9% due to the persistently low interest rate environment. Fees[3] were up by 4.7% as a result of sustained growth in off balance sheet savings and private banking.

Operating expenses[3], at 1,801 million euros, were down by 4.5%. Excluding the impact of non-recurring items in 2016[4], they were up by 0.7%, reflecting good cost control.

Gross operating income[3] thus totalled 1,106 million euros, up by 1.8% compared to last year.

The cost of risk[3], 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, revenues[3] were down by 1.7% compared to the fourth quarter 2016, at 732 million euros. Net interest income[3] was down by 6.2% due to the persistently low interest rate environment. Fees[3] were up by 6.4% in connection with the development of off balance sheet savings and private banking. Operating expenses[3], at 457 million euros, were down by 15.9% compared to the fourth quarter 2016 which had recorded non-recurring items[4]. Gross operating income[3] thus totalled 275 million euros, up by 36.5% compared to the same period a year earlier. The cost of risk[3], 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 revenues[2] were up by 0.4% compared to 2016, at 3,677 million euros: net interest income[2] was down by 1.6%, the growing impact of the low interest rate environment being only partly offset by growing volumes. Fees[2] were up by 6.7% due in particular to an increase in financial fees.

Operating expenses[2] 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 income[2] was up by 4.0% compared to last year.

The cost of risk[2] 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, revenues[2] were down by 1.6% compared to the fourth quarter 2016, at 894 million euros: net interest income[2] was down by 4.8%, the impact of the persistently low interest rate environment being only partly offset by volume growth. Fees[2] were up by 8.4% as a result of the rise in financial fees. Operating expenses[2] were down by 9.2% compared to the fourth quarter 2016, at 601 million euros. They were stable excluding non-recurring items[3] thanks to the effect of cost saving measures. Gross operating income[2], at 293 million euros, was up by 18.8% compared to the same period last year. The cost of risk[2] 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.

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[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, revenues[2] 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 expenses[2] 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 risk[2] 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, revenues[2] 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 expenses[2] 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 risk[2] 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.

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[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 activities[1]; 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 Europe[1] 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 effect[2].

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 India[3].

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.

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[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 Europe[1] 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 point[2] 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, revenues[2] 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 expenses[2], at 1,661 million euros, rose by 4.6%[1] compared to last year, due to business development.

The cost of risk[2] 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, revenues[2], 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 expenses[2] rose by 4.4%[1] compared to the same period last year, due to business development. The cost of risk[2] 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.

Revenues[2], 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 expenses[2] rose by 1.8%[1] compared to 2016, reflecting good cost containment and generating a positive 0.6 point jaws effect.

The cost of risk[2] (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, revenues[2], totalling 738 million euros, were up by 1.5%[1] compared to the fourth quarter 2016. Operating expenses[2], 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 risk[2] (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 management[1] 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 management[1] 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 Life[2], a major player in life-insurance in India, thus valuing 2 billion euros[3] 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.

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[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.

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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 FICC[1] in the second half of the year. VaR, which measures market risks, was still very low (26 million euros). The revenues of FICC[2], 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 Paribas[3] 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 Asia[5]. 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 region[6]. 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 point[2] 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).

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[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 FICC[2], 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.

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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 costs[3] (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).

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[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 costs[1] (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.

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FINANCIAL STRUCTURE

The Group's balance sheet is very solid.

The fully loaded Basel 3 common equity Tier 1 ratio[2] 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 ratio[3], 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 the 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 revaluated[1] (-2.5 billion euros for shareholders' equity revaluated[2]) and -10bp roughly on the fully loaded Basel 3 common equity Tier 1 ratio[3].

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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.

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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

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
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.	+51.2%	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%

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
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

€m		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
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**
Incl. Net Interest Income	*888*	*904*	*886*	*909*	*907*	*916*	*879*	*972*
Incl. Commissions	*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**
Incl. Net Interest Income	*876*	*897*	*885*	*912*	*899*	*923*	*900*	*954*
Incl. Commissions	*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**
incl. FICC	*592*	*801*	*883*	*1,174*	*838*	*1,082*	*1,050*	*890*
incl. Equity & Prime Services	*482*	*433*	*640*	*580*	*446*	*408*	*509*	*428*
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
Incl. Restructuring and Transformation Costs	*-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

BNP PARIBAS
2017 FULL YEAR RESULTS

6 FEBRUARY 2018

BNP PARIBAS

The bank for a changing world

Disclaimer

The figures included in this presentation are unaudited.

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

2017 Key Messages

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 **Active implementation of the 2020 transformation plan**	**Operating expenses of the operating divisions: +0.5% vs. 2016** **Transformation costs: €0.9bn**
Significant decrease in the cost of risk	**-10.9% vs. 2016** **39 bp***
Increase in Net income Group share **Dividend per share**	**Net income Group share: €7.8bn** **(+4.4% vs. 2016 excluding exceptional items**)** **€3.02*** (+11.9% vs. 2016)**
Continued increase in the CET1 ratio******	**11.8% (+30 bp vs. 31.12.16)**

Good start of the 2020 plan

** Cost of risk /Customer loans at the beginning of the period (in bp); ** See slide 5; *** Subject to the approval of the Annual General Meeting on 24 May 2018; **** As at 31 December 2017, CRD4 (« fully loaded » ratio)*

Group Results

Division Results

Good Start of the 2020 Plan

4Q17 Detailed Results

Appendix

Main Exceptional Items - 2017

Exceptional items	2017	2016
Revenues		
Own credit adjustment and DVA *(Corporate Centre)*	-€175m	-€59m
Capital gain on the sale of Visa Europe shares *(Corporate Centre)*		+€597m
Capital gain on the sale of 1.8% stake in Shinhan *(Corporate Centre)*	+€148m	
Capital gain on the sale of 4.78% stake in Euronext *(Corporate Centre)*	+€85m	
	+€58m	***+€538m***
Operating expenses		
Restructuring costs of acquisitions* *(Corporate Centre)*	-€101m	-€158m
Transformation and adaptation costs of Businesses** *(Businesses and Corporate Centre)*	-€856m	-€539m
Compulsory contribution to the resolution process of 4 Italian banks***		-€52m
	-€957m	***-€749m***
Other non operating items		
Capital gain on the sale of 4% stake in SBI Life *(Insurance)*	+€326m	
Goodwill impairments *(Corporate Centre)*****	-€172m	-€127m
	+€154m	***-€127m***
Total exceptional items (pre-tax)	**-€745m**	**-€338m**
Total exceptional items (after tax)*****	**-€390m**	**-€100m**

More negative impact of exceptional items than in 2016

** Restructuring costs in particular of LaSer, Bank BGZ, DAB Bank and GE LLD; ** See slide 87; *** BNL bc (-€47m in 2016), Personal Finance (-€5m in 2016); **** Full goodwill impairment of BGZ in 2016 (-€127m) and of TEB in 2017 (-€172m); ***** Group share*

Consolidated Group - 2017

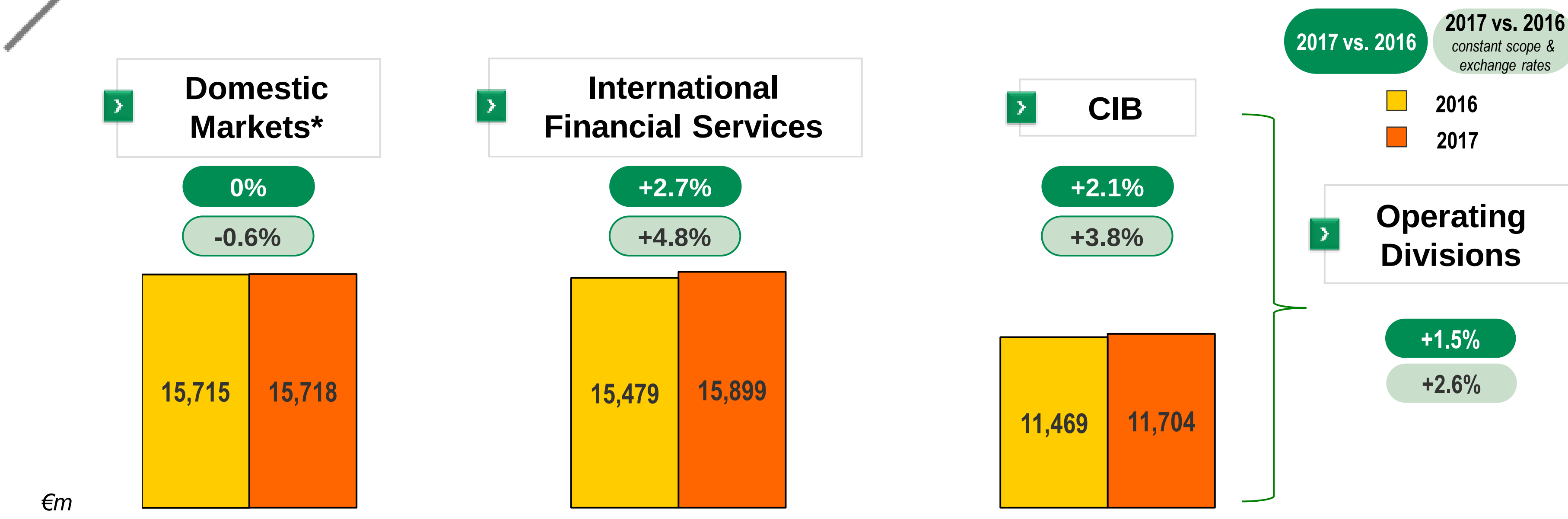
	2017	2016	2017 vs. 2016	2017 vs. 2016 *Operating divisions*
Revenues	**€43,161m**	**€43,411m**	**-0.6%**	**+1.5%**
Operating expenses	-€29,944m	- €29,378m	+1.9%	+0.5%
Gross Operating income	**€13,217m**	**€14,033m**	**-5.8%**	**+3.8%**
Cost of risk	-€2,907m	-€3,262m	-10.9%	-13.5%
Operating income	**€10,310m**	**€10,771m**	**-4.3%**	**+9.0%**
Non operating items	€1,000m	€439m	n.s.	n.s.
Pre-tax income	**€11,310m**	**€11,210m**	**+0.9%**	**+13.4%**
Net income Group share	**€7,759m**	**€7,702m**	**+0.7%**	
Net income Group share excluding exceptional items*	**€8,149m**	**€7,802m**	**+4.4%**	

Return on equity (ROE): **8.9% (9.4% excluding exceptionnal items*)**
Return on tangible equity (ROTE): **10.5% (11.0% excluding exceptionnal items*)**

Good performance of the operating divisions
Rise in net income

* See slide 5

Revenues of the Operating Divisions - 2017

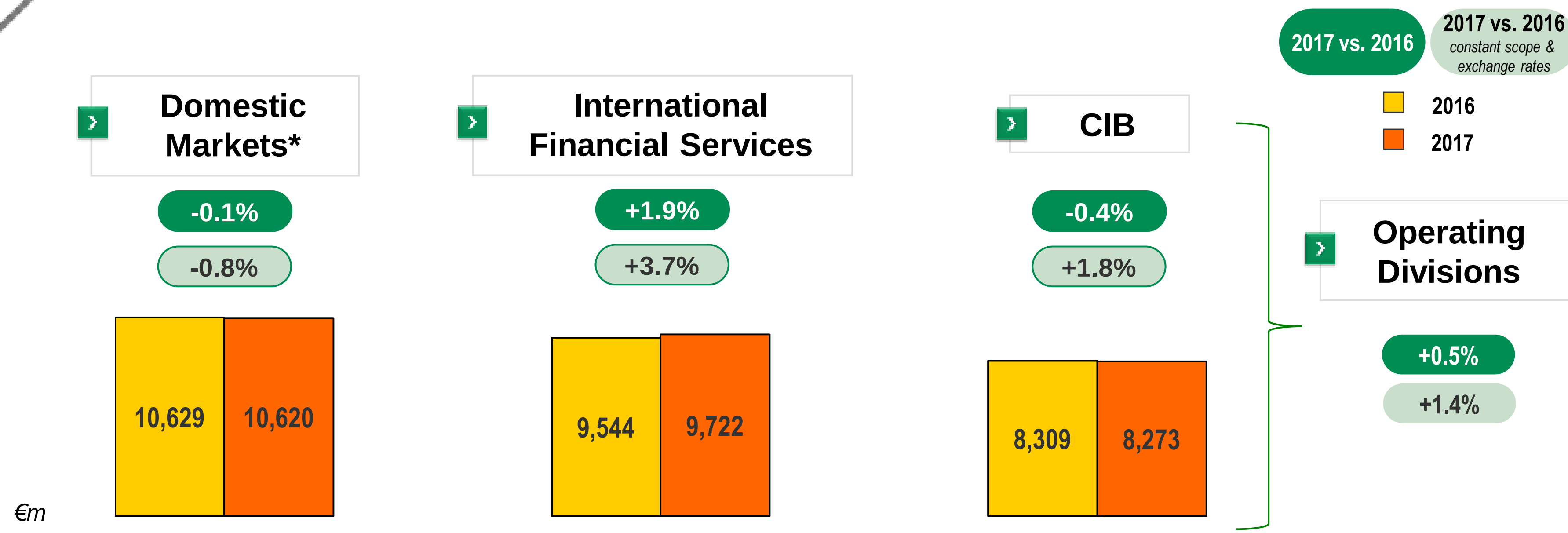


- Stable revenues at Domestic Markets: good business development on the back of the economic upturn but still impact of the low interest rate environment
- Increase in revenues of IFS driven by the development of the businesses
- Rise in CIB revenues : significant increase at Corporate Banking and Securities Services, Global Markets held up well despite the challenging market context in the 2nd half of the year
- Unfavourable foreign exchange effect this year

Good rise in the operating divisions
Interest rate and market environment still lacklustre

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

Operating Expenses of the Operating Divisions - 2017



- Positive jaws effect in all the operating divisions thanks to cost saving measures
- Domestic Markets: operating expenses down in retail banking networks (-1.4% on average)** but up in the specialised businesses on the back of business development
- In connection with the growth of the business at IFS
- Effect of increased business at CIB largely offset by cost savings (reminder: CIB transformation plan launched as early as 2016)

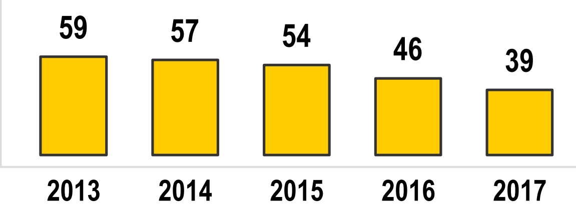
Good cost containment thanks to the operating efficiency plan

** Including 100% of Private Banking in France (excluding PEL/CEL effects), in Italy, Belgium and Luxembourg; ** FRB, BNL bc and BRB*

Cost of Risk - 2017 (1/2)

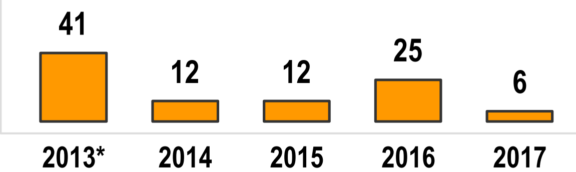
Cost of risk/Customer loans at the beginning of the period (in bp)

Group



- Cost of risk: €2,907m (-€355m vs. 2016)
- Significant decrease in the cost of risk

CIB - Corporate Banking



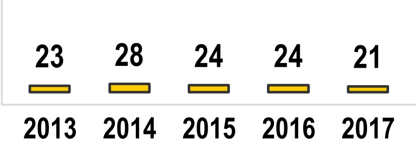
- €70m (-€222m vs. 2016)
- Provisions largely offset by write-backs
- Reminder: positive effect of provisions write-backs in 2014 and 2015

* Restated

Cost of Risk - 2017 (2/2)

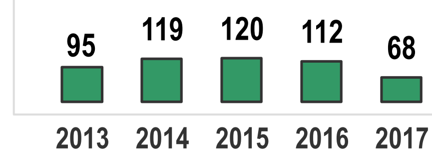
Cost of risk/Customer loans at the beginning of the period (in bp)

FRB



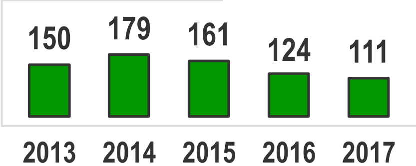
- €331m (-€11m vs. 2016)
- Cost of risk still low

Europe-Mediterranean



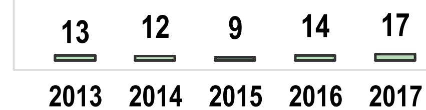
- €259m (-€178m vs. 2016)
- Decrease in the cost of risk
  - Positive impact of provision write-backs this year

BNL bc



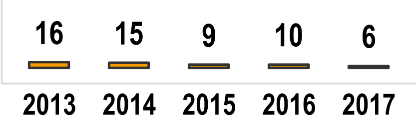
- €871m (-€88m vs. 2016)
- Continued decrease in the cost of risk

BancWest



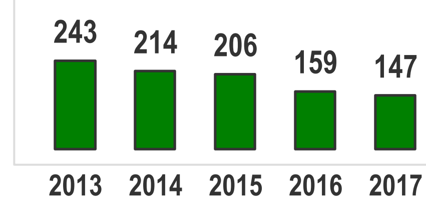
- €111m (+€27m vs. 2016)
- Cost of risk still low

BRB



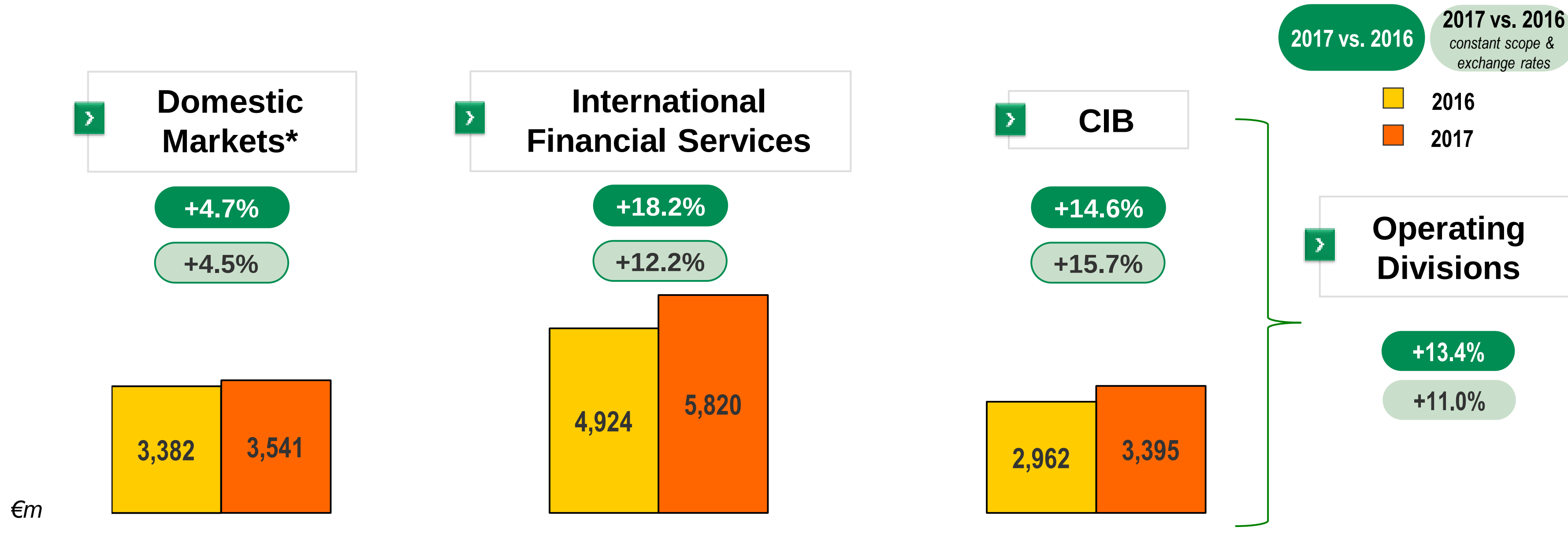
- €65m (-€33m vs. 2016)
- Very low cost of risk

Personal Finance



- €1,009m (+€30m vs. 2016)
  - Effect of the rise in loan outstandings
- Low cost of risk
  - Effect of the low interest rates and the growing positioning on products with a better risk profile

Pre-tax Income of the Operating Divisions - 2017



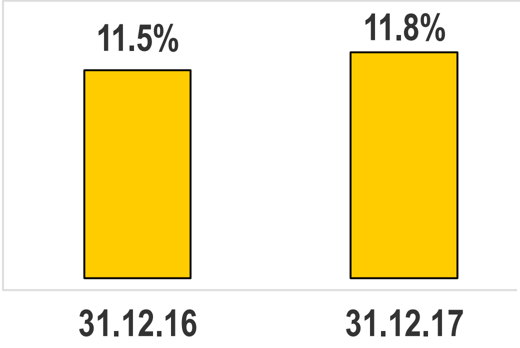
Strong rise in income of the operating divisions

* *Including 2/3 of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg*

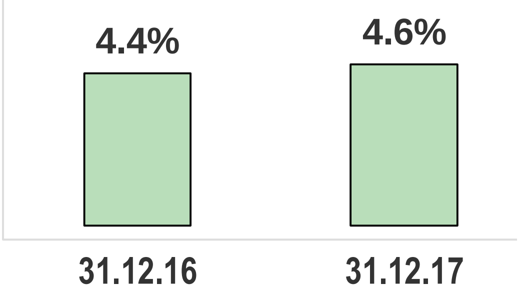
Financial Structure

- Fully loaded Basel 3 CET1 ratio*: 11.8% as at 31.12.17 (+30 bp vs. 31.12.16)
  - 2017 results after taking into account dividend payment (+60 bp)
  - Increase in risk-weighted assets excluding foreign exchange effect (-30 bp)
  - Foreign exchange effect overall negligible on the ratio
  - Effect of main acquisitions and sales on the whole negligible on the ratio: in particular the effect of the acquisition in 4Q17 of General Motors Europe's financing activities (-10 bp) is offset by the effect of the sale in 1Q17 of the 20.6% stake in First Hawaiian Bank (+10 bp)
- Fully loaded Basel 3 leverage**: 4.6% as at 31.12.17 (4.4% as at 31.12.2016)
  - Calculated on total Tier 1 Capital
- Liquidity Coverage Ratio: 121% as at 31.12.17
- Immediately available liquidity reserve: €285bn*** (€305bn as at 31.12.16)
  - Equivalent to over 1 year of room to manoeuvre in terms of wholesale funding

Fully loaded Basel 3 CET1 ratio*



Fully loaded Basel 3 leverage ratio**



Increase in the fully loaded Basel 3 CET1 ratio

** CRD4 "2019 fully loaded"; ** CRD4 "2019 fully loaded", calculated according to the delegated act of the EC dated 10.10.2014 on total Tier 1 Capital and using value date for securities transactions; *** Liquid market assets or eligible to central banks (counterbalancing capacity) taking into account prudential standards, notably US standards, minus intra-day payment system needs*

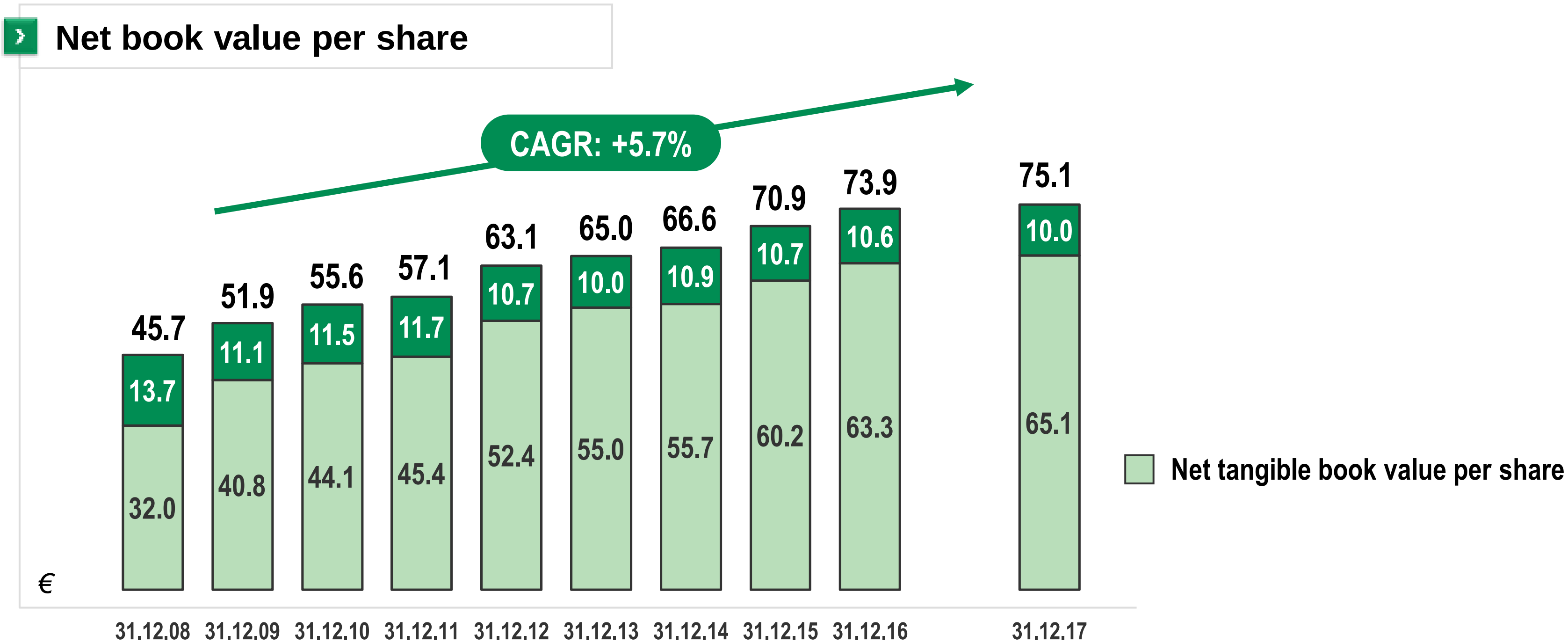
New IFRS 9 Accounting Standard

- New IFRS 9 accounting standard “Financial Instruments”
  - Replaces IAS 39
  - Takes effect starting from 1st January 2018*
  - New principles of classification and measurement of financial instruments
  - Credit risk impairment model based on expected losses and no longer on incurred losses
  - Booking of the value adjustment for the own credit risk (OCA) in equity, and no longer in income, starting from 1st January 2018**

- Estimated impacts of the first-time application of IFRS 9 on 1st January 2018 limited for the Group
  - Impact on shareholders’ equity not revaluated (i.e. excluding valuation reserves)***: ~-€1.1bn
  - Impact on shareholders’ equity revaluated (i.e. including valuation reserves)***: ~-€2.5bn
  - Impact on the CET1 solvency ratio: ~-10 bp

** 1st January 2021 for insurance businesses according to the option chosen by the Group; ** Application of the standard by BNP Paribas Group starting on 1st January 2018;*** Group share*

Net Book Value per Share

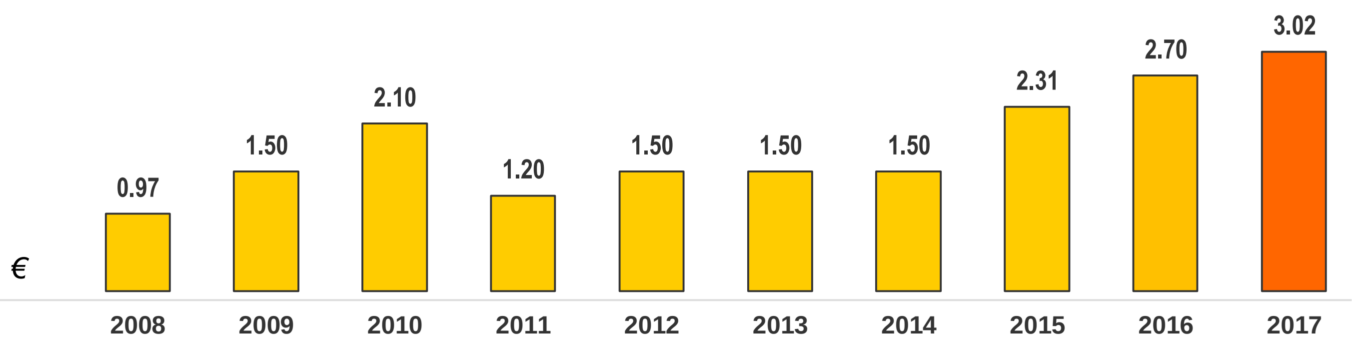


Continued growth in the net book value per share throughout the cycle

Dividend

- Dividend*: €3.02 per share (+11.9% vs. 2016)
  - Paid in cash
  - Dividend yield: 4.6%**
- Pay-out ratio of 50%
  - As per the 2020 plan

Dividend per share



2017 dividend: €3.02 per share

** Subject to the approval of the Annual General Meeting on 24 May 2018, shares will go ex-dividend on 30 May 2018, payment on 1st June 2018; ** Based on the closing price on 2 February 2018 (€66.0)*

Reinforced Internal Control System

- Reinforced compliance and control procedures
  - Continued operational implementation of a stronger culture of compliance (new Code of Conduct distributed to all employees)
  - New round of 3 compulsory e-learning training programmes for all employees (Code of Conduct, Sanctions and Embargoes, Combating Money Laundering and Terrorism Financing) after the 1st round was fully completed in 2016
  - Continued to implement measures to strengthen the compliance and control systems in foreign exchange activities
  - 99% of Swift warnings handled with the new warning management process thanks to the roll-out of the new filtering solution
  - Increased the number of controls performed by the General Inspection: completion at the end of 2017 of the 2nd round of audits of the entities whose USD flows are centralised at BNP Paribas New York (1st round of audits completed in July 2016)
- Completion under way of the remediation plan agreed as part of the June 2014 comprehensive settlement with the U.S. authorities
  - Close to 90% of the 47 projects already completed

Group Results

Division Results

Good Start of the 2020 Plan

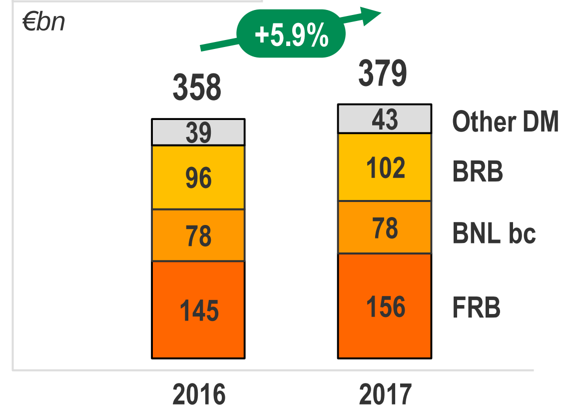
4Q17 Detailed Results

Appendix

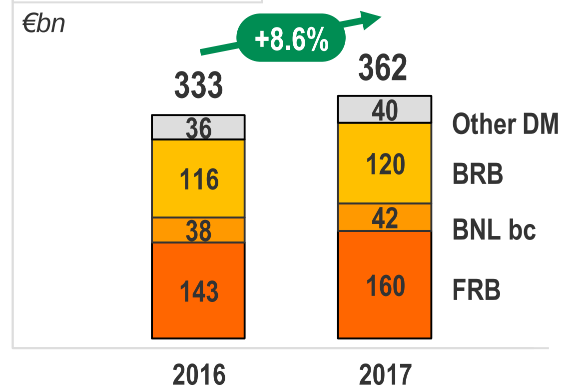
Domestic Markets - 2017

- Growth in business activity
  - Loans: +5.9% vs. 2016, good growth in loans in the retail banking networks and in the specialised businesses (Arval, Leasing Solutions)
  - Deposits: +8.6% vs. 2016, strong growth in all countries
  - Private banking: increase in assets under management (+4.2% vs. 31.12.16)
  - Hello bank!: continued growth (2.9 million customers at year-end 2017); 11.0% of individual clients' revenues*
- Acquisition of Compte-Nickel** in France
  - Strengthen the set-up designed to new banking uses
  - 800,000 accounts opened since the launch in February 2014; ongoing customer acquisition (323,500 in 2017, +29% vs. 2016)
- Revenues***: €15,718m (stable vs. 2016)
  - Growth in business activity but impact of the low interest rate environment
  - Increase in fees in all the networks
- Operating expenses***: €10,620m (-0.1% vs. 2016)
  - -1.4% on average for FRB, BNL bc and BRB
  - Continued business development of the specialised businesses
- Pre-tax income****: €3,541m (+4.7% vs. 2016)
  - Decrease in the cost of risk, in particular at BNL bc

Loans



Deposits

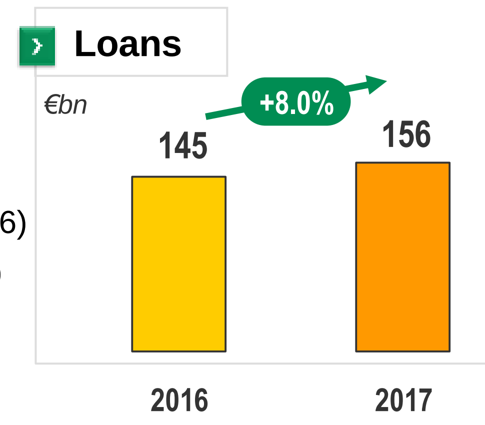


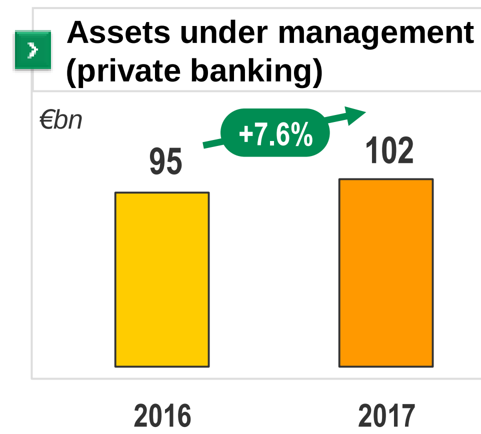
Good business drive and rise in income

* FRB, BNL bc, BRB and Personal Investors, excluding private banking; ** Acquisition finalised on 12 July 2017; *** Including 100% of Private Banking, excluding PEL/CEL; **** Including 2/3 of Private Banking, excluding PEL/CEL

Domestic Markets
French Retail Banking - 2017

- Very good business drive
  - Loans: +8.0% vs. low base in 2016, sustained growth in loans to individual and corporate customers in the context of economic recovery
  - Deposits: +12.0% vs. 2016, strong growth in current accounts
  - Off balance sheet savings: good performance of life insurance (+4.2% vs. 31.12.16)
  - Private banking: strong growth in assets under management (+7.6% vs. 31.12.16) with good drive in inflows
- Launch of the delayering of the network organisation: gradual move from 4 to 3 management levels in the branch network in 2018
- Digital development:
  - 23 million contacts via mobile app in December 2017 (+34% vs. December 2016); launch of new apps *Mes Comptes* & *Hello bank!* and new service *Welcome* for corporate onboarding
- Revenues*: -0.8% vs. 2016
  - Net interest income: -2.9%, effect of the low interest rate environment partly offset by growth in business activity
  - Fees: +2.1%, rise in financial fees
- Operating expenses*: -0.3% vs. 2016
  - Good cost containment
- Pre-tax income**: €1,213m (-3.1% vs. 2016)





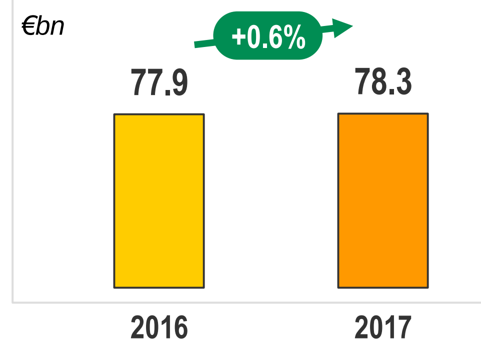
Strong rebound in the business activity

** Including 100% of French Private Banking, excluding PEL/CEL effects; ** Including 2/3 of French Private Banking, excluding PEL/CEL effects*

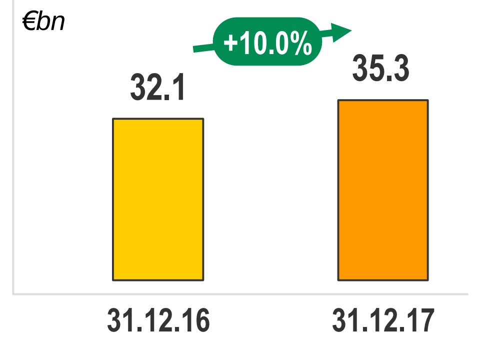
Domestic Markets
BNL banca commerciale - 2017

- Growth in business activity
  - Loans: +0.6% vs. 2016 (+1.8% excluding the impact of the sale of a portfolio of non-performing loans in 1Q17*), growth on individual clients
  - Deposits: +9.5% vs. 2016, sharp rise in current accounts
  - Off balance sheet savings: good asset inflows and rise in life insurance outstandings (+6.8% vs. 31.12.16) & mutual fund outstandings (+13.6% vs. 31.12.16); good development of distribution via the *Life Banker* financial advisors' network
  - Digital development: > 313,000 active users of BNL and Hello bank! mobile apps in December 2017 (+25.0% vs. December 2016)
- Revenues**: -2.2% vs. 2016
  - Net interest income: -5.9% vs. 2016, impact of the low interest rate environment
  - Fees: +4.7% vs. 2016, increase related to the good growth in off balance sheet savings and private banking
- Operating expenses**: -4.5% vs. 2016
  - +0.7% vs. 2016 excluding non-recurring items***
  - Good cost containment
- Pre-tax income****: €192m (x2 vs. 2016)
  - Continued decrease in the cost of risk

Loans



Off balance sheet savings
(Life insurance and mutual fund outstandings)



Growth in business activity
Continued decrease in the cost of risk

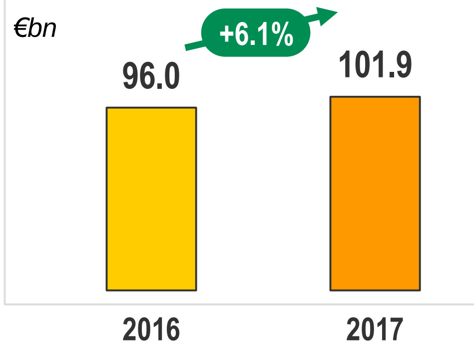
* Sale of a portfolio of non-performing loans comprising corporates and mortgages loans for a total of €1bn; ** Including 100% of Italian Private Banking; *** 2016 reminder: additional contribution to the resolution process of 4 Italian banks (-€47 m) and one-off transformation costs (-€50m); **** Including 2/3 of Italian Private Banking

Domestic Markets
Belgian Retail Banking - 2017

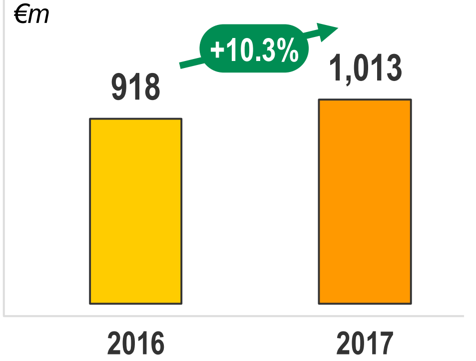
- Sustained business activity
  - Loans: +6.1% vs. 2016, good growth in loans to corporate customers; rise in mortgage loans
  - Deposits: +3.2% vs. 2016, growth in particular in current accounts
  - Off balance sheet savings: good rise in outstandings (+3.4% vs. 31.12.16)
  - Digital: 1.3 million *Easy Banking* app users; 24 million contacts via mobile apps in December 2017 (+49% vs. December 2016)
  - *Bank of the Year 2017* in Belgium and *Best Private Bank in 2017* in Belgium (*The Banker*)

- Revenues*: +0.4% vs. 2016
  - Net interest income : -1.6% vs. 2016, impact of the low interest rate environment partially offset by volume growth
  - Fees: +6.7% vs. 2016, rise in particular in financial fees
- Operating expenses*: -1.1% vs. 2016
  - Effect of the cost saving measures
- Pre-tax income**: €1,013m (+10.3% vs. 2016)
  - Decrease in the cost of risk

Loans



Pre-tax income

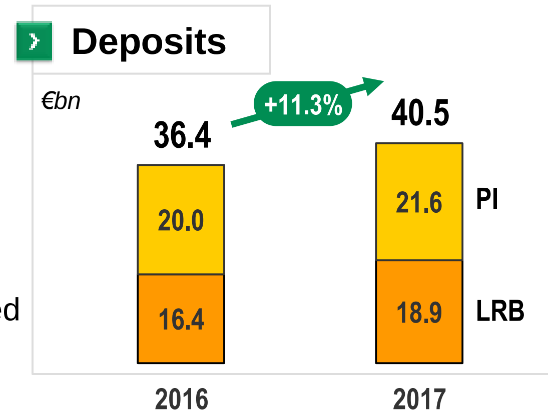


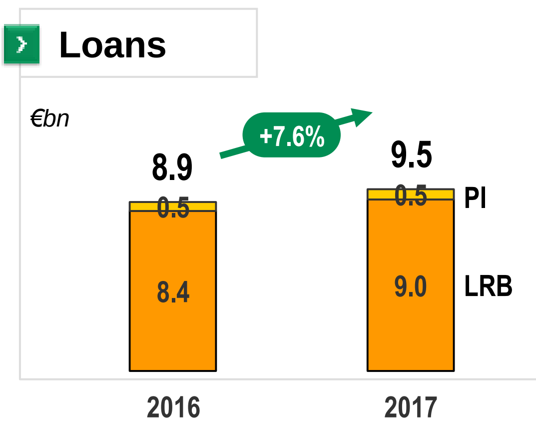
Very good business drive
but growing impact of the low interest rate environment

** Including 100% of Belgian Private Banking; ** Including 2/3 of Belgian Private Banking*

Domestic Markets
Other Activities - 2017

- Good drive of the specialised businesses
  - Arval: close to 1.1 million financed vehicles (+7.7% vs. 2016), Innovation Award* for *Intergral Fleet* (online reporting solution)
  - Leasing Solutions: solid rise in outstandings (+5.8%** vs. 2016)
  - Personal Investors (PI): good level of new client acquisition (+3.2% vs. 2016 in Germany)
  - Compte Nickel: acquisition finalised on 12 July 2017; 323,500 accounts opened this year and 800,000 accounts opened since the launch (February 2014)
- Luxembourg Retail Banking (LRB)
  - Good deposit inflows; growth in mortgage and corporate loans
- Revenues***: +3.8% vs. 2016
  - Driven in particular by Personal Investors and Arval
- Operating expenses***: +8.1% vs. 2016
  - Business development
  - Costs to launch new digital services**** in particular at Leasing Solutions (*Kintessia*: B-to-B marketplace; *So Easy*: online credit application, follow-up & e-signature) and Arval (*Integral fleet*: online reporting; *Arval for me*: online platform for individuals)
- Pre-tax income*****: €1,124m (+0.1% vs. 2016)
  - Decrease in the cost of risk





Growing businesses

* International Fleet Industry Award (December 2017); ** At constant scope and exchange rates; *** Including 100% of Private Banking in Luxembourg; **** See slide 24; ***** Including 2/3 of Private Banking in Luxembourg

Domestic Markets
Active Implementation of the 2020 Plan (1/3)

Give customers the choice by adapting our offerings to different banking uses

Example: 4 distinct offers in France adapted to different banking uses

COMPTE NICKEL	Hello bank!	BNP PARIBAS *Branch network*	BNP PARIBAS WEALTH MANAGEMENT *Private banking*
■ 800,000 clients ■ Acquisition in July 2017	■ 350,000 clients	■ 7m clients	■ 290,000 clients

▶ Diversified service models adapted to clients' expectations & country-specific characteristics

	REMOTE *Self-driven customers looking for simplicity and convenience*	**HYBRID** *Customers combining face-to-face interactions & remote channels use*	**ADVISORY** *Customers looking for expertise and/or customised service & ready to pay a premium price*
Digital	Full digital offer	Multi-channel service offer	Multi-channel service offer
Human	Digital or remote distribution & services	A team at your service	Dedicated & proactive relationship manager
	Freemium	Pay-per-use for high value added services	Explicit invoicing of a higher service level

COMMON PLATFORMS: Products & services – Channels – Remote expertise

Reinvent the customer journeys to enhance customer experience and efficiency

▶ **Accelerating end-to-end, digitalised and customer-focused services**

Welcome by BNP PARIBAS: New app to facilitate and digitalise corporate customer onboarding

BNP PARIBAS FACTOR: Launch of FINSY: a 100% digital factoring finance solution geared towards SMEs and mid-sized businesses in France

BNP PARIBAS / CADRE DE VIE: Enhanced customer journey "I want to buy my home" with a proposed selection of properties adapted to customers' expectations (partnership with Cadre de Vie)

Domestic Markets
Active Implementation of the 2020 Plan (2/3)

Enhance data use

- **Develop data use for the benefit of customers and of commercial performance**
  - Improve the customer contact opportunity conversion rate
    Objective: 33% of customer contact opportunities converted in 2020
  - Optimise the risks management

Develop use of mobile banking services

- **Speed up customer use of mobile banking services**
  - Launch of new mobile apps for an optimal customer experience (e.g. *Mes Comptes* in France, *Easy Banking* in Belgium, etc.)
  - Expanded features to enhance client autonomy
  - Sharp rise in the number of contacts via mobile app in the networks* (>3 M active users in December 2017: +26% vs. December 2016, 51 M app visits in December 2017: +38% vs. December 2016)

Easy Banking

Digital ID app launched by BNPP Fortis**

Anticipate new usage trends and diversify revenue sources thanks to the launch of innovative products

- **Lyfpay**: universal mobile payment solution combining payment cards, loyalty programmes and discount offers
- **Arval for me**: first online platform geared to individual customers allowing them to service their car through the network of auto repair garages under contract with Arval
- **Kintessia**: first B-to-B marketplace enabling Leasing Solutions customers (professionals and dealerships) to optimise the use of their assets by renting farm, public works and transport equipment

* FRB, BNL bc and BRB; ** Developed as part of the Belgian Mobile ID consortium

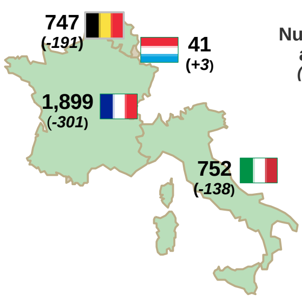
Domestic Markets
Active Implementation of the 2020 Plan (3/3)

Upgrade the operating model to enhance efficiency and customer service

Simplify and optimise the local commercial set-up

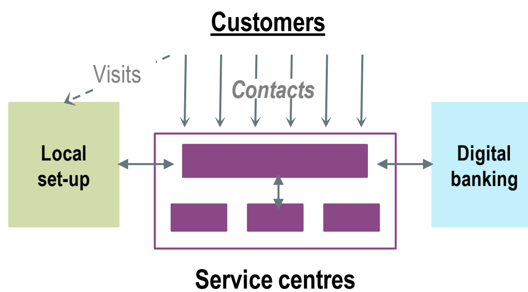
- **Simplify and adapt the management of the physical commercial set-up**
- **Optimise the branch network**

Ongoing network optimisation



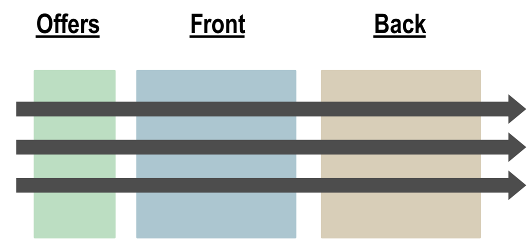
Number of branches as at 31.12.2017
(variation vs. 2012)

Create omni-channel customer service centres



- **New customer relationship management model and Sale/After-sale convergence**
- **Differentiated treatment between standard services & premium solutions**

New digital end-to-end value proposal

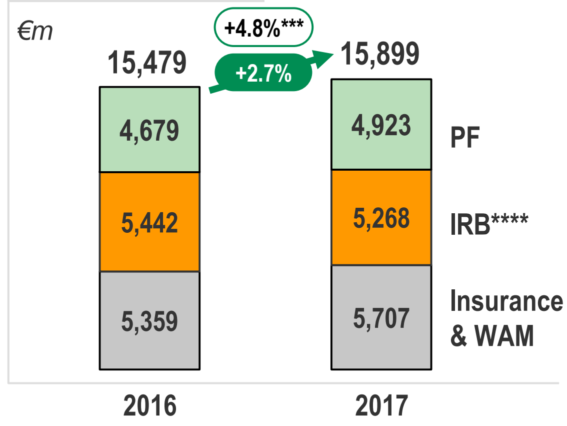


- **Evolution toward new customer service models**
- **Rollout of reinvented end-to-end digital customer journeys**

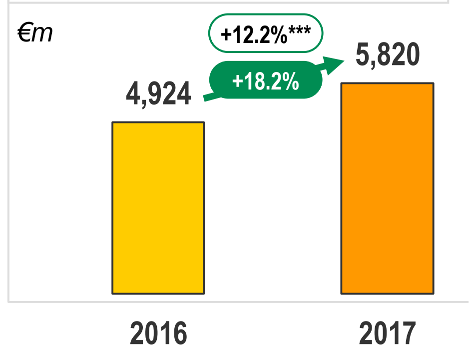
International Financial Services - 2017

- Good business activity
  - Personal Finance: very good business drive and acquisition together with PSA of General Motors Europe's financing activities*
  - International Retail Banking**: continued growth
  - Insurance and WAM: rise in assets under management to €1,051bn (+4.0% vs. 31.12.16); good asset inflows in all the businesses (+€22.6bn)
- Revenues: €15,899m; +2.7% vs. 2016
  - Unfavourable foreign exchange effect
  - +4.8% at constant scope and exchange rates: rise in all the businesses
- Operating expenses : €9,722m; +1.9% vs. 2016
  - +3.7% at constant scope and exchange rates (positive jaws effect: 1.1 pt)
  - As a result of business development
- Other non operating items: €433m (n.s. in 2016)
  - €326m capital gain in connection with the initial public offering of SBI Life in 3Q17 (sale of a 4% stake)
- Pre-tax income: €5,820m; +18.2% vs. 2016
  - +12.2% at constant scope and exchange rates
  - Decrease in the cost of risk

Revenues



Pre-tax income



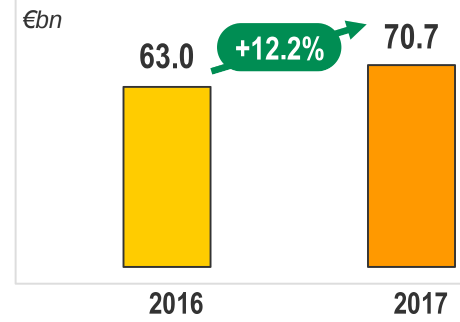
Business development and sharp rise in income

* Closing of the acquisition on 31 October 2017; ** Europe Med and BancWest; *** At constant scope and exchange rates; **** Including 2/3 of Private Banking in Turkey and in the United States

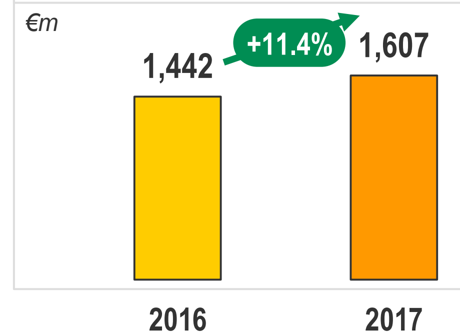
International Financial Services
Personal Finance - 2017

- Acquisition on 31 October 2017 together with PSA Group of General Motors Europe's financing activities (€9.4bn outstandings*)
- Continued the very good sales and marketing drive
  - Outstanding loans: +12.2%, increase in demand in a favourable context in Europe and effect of new partnerships
  - Signed new partnerships: Kia and Hyundai in Spain, new sectors (tourism with TUI in France, telecom with Masmovil in Spain) and new countries (XXXLutz in Austria)
  - Innovation: launch of new credit card features and more flexible renewable accounts in Italy, Spain and Austria
  - Digital: launch of *Hello bank! by Cetelem* in the Czech Republic
- Revenues: €4,923m (+5.2% vs. 2016)
  - +5.0% at constant scope and exchange rates: in connection with the rise in volumes and the positioning on products with a better risk profile
  - Good business drive in particular in Spain, Italy and Belgium
- Operating expenses: €2,427m (+5.6% vs. 2016)
  - +4.4% at constant scope and exchange rates (positive jaws effect of +0.6 pt)
  - As a result of good business development
- Pre-tax income: €1,607m (+11.4% vs. 2016)
  - +10.5% at constant scope and exchange rates

Consolidated outstandings



Pre-tax income



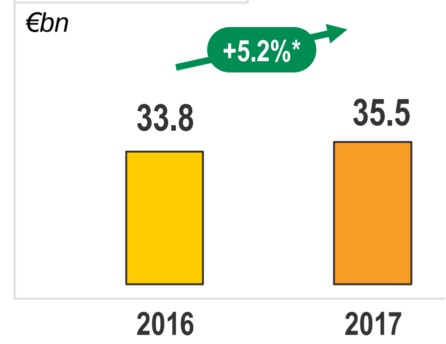
Revenue growth acceleration and sharp rise in income

* Outstanding loans at end 2017

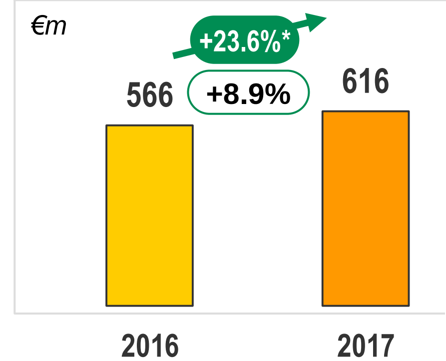
International Financial Services
Europe-Mediterranean - 2017

- Good business growth
  - Loans: +5.2%* vs. 2016, up in all regions
  - Deposits: +7.2%* vs. 2016, good growth
  - Good development of the digital banks: 475,000 clients for *Cepteteb* in Turkey and 210,000 clients for *BGZ Optima* in Poland
  - New digital services: launch by BGZ BNP Paribas of contactless payment via mobile with the Android Pay app and of the Gomobile app to manage accounts on mobile
- Revenues**: +2.3%* vs. 2016
  - Up in all regions: effect of the rise in volumes
  - Impact in Turkey of the rise of rates on deposit margins not yet offset by gradual repricing of loans
- Operating expenses**: +4.6%* vs. 2016
  - As a result of the good business development
- Pre-tax income***: €616m (+23.6%* vs. 2016)
  - Unfavourable exchange rate effect: +8.9% at historical scope and exchange rates
  - Decrease in the cost of risk

Loans*



Pre-tax income***



Good business and income growth

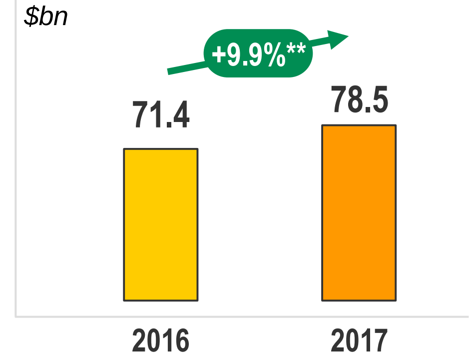
* At constant scope and exchange rates (see data at historical scope and exchange rates in the appendix); ** Including 100% of Turkish Private Banking; *** Including 2/3 of Turkish Private Banking

International Financial Services
BancWest - 2017

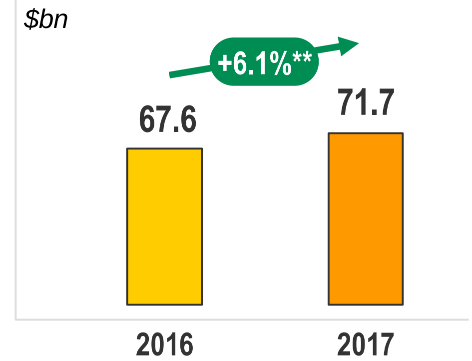
- Sale of a 20.6% stake in First Hawaiian Bank (FHB) in February 2017 (FHB now 61.9%* owned)
- Good business drive
  - Deposits: +9.9%** vs. 2016, rise in current and savings accounts
  - Loans: +6.1%** vs. 2016, sustained growth in individual and corporate loans
  - Private Banking: +11.4%** increase in assets under management vs. 31.12.16 ($13.1bn as at 31.12.17)
  - Development of cooperation with the entire Group: implementation of the *One Bank for Corporates'* approach with for example Bank of the West as the cash management provider for the Group's clients in the United States
  - Digital: >415,000 customers using banking services on mobile (+15% vs. 2016)
- Revenues***: +2.4%** vs. 2016
  - +5.1%** excluding capital gains on securities and loan sales (significant in 2016)
  - As a result of volume growth
- Operating expenses***: +1.8%** vs. 2016
  - Good cost containment (positive jaws effect of 0.6 pt)
- Pre-tax income****: €830m (-1.5%** vs. 2016)
  - Negative foreign exchange effect: -3.7% at historical scope and exchange rates (+5.5% excluding capital gains)

BANK OF THE WEST BNP PARIBAS WEALTH MANAGEMENT

Deposits



Loans



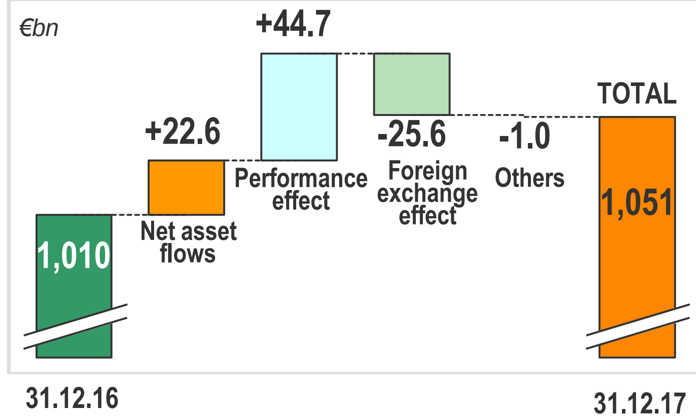
Solid operating performance

* Reminder: Initial Public Offering of First Hawaiian Bank in August 2016 (sale of 17.4% stake on the market);
** At constant scope and exchange rates (USD vs. EUR average rates: -2.1%; historical scope and exchange rates in the Appendix); *** Including 100% of Private Banking in the United States; **** Including 2/3 of Private Banking in the United States

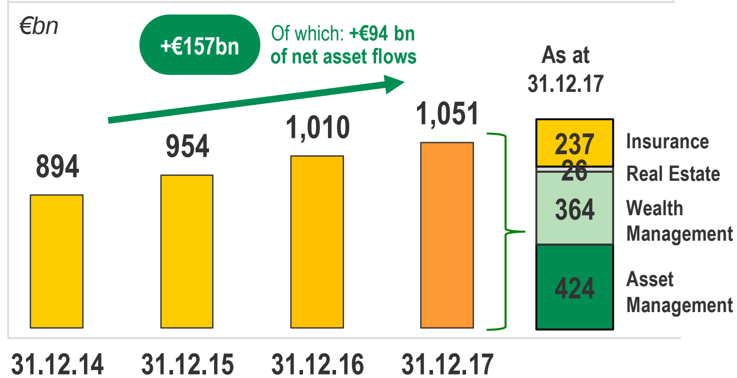
International Financial Services
Insurance & WAM - Asset Flows and AuM - 2017

- Assets under management*: €1,051bn as at 31.12.17
  - +4.0% vs. 31.12.16 (+€41bn)
  - Good net asset inflows (+€22.6bn)
  - Strong performance effect (+€44.7bn) due to the favourable evolution of equity markets
  - Partly offset by an unfavourable foreign exchange effect (-€25.6bn)
- Net asset inflows: +€22.6bn in 2017 (of which +€2.0bn in 4Q17)
  - Wealth Management: strong net asset inflows, in particular in France and in Asia
  - Asset Management: asset inflows in particular into diversified and bond funds; asset outflows from money market funds
  - Insurance: good asset inflows concentrated in unit-linked policies

Evolution of assets under management*



Assets under management*



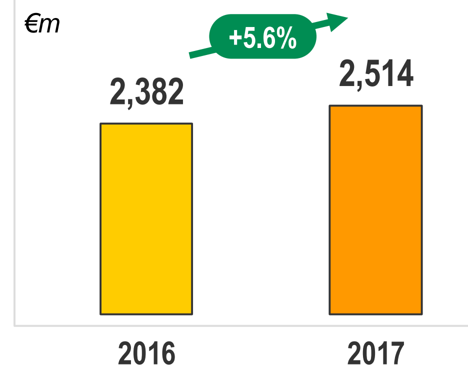
Continued good business development and rise of assets under management

* *Including distributed assets*

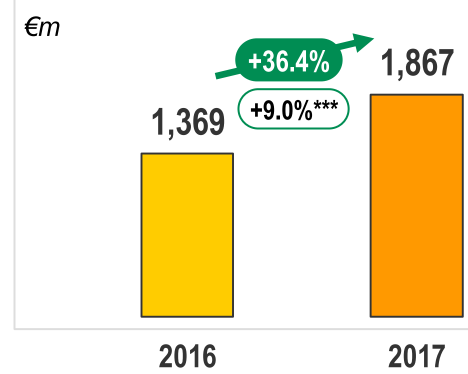
International Financial Services
Insurance - 2017

- Good development of both the savings and protection insurance business
  - Good growth in Europe and strong drive in Asia and Latin America
- Success of the initial public offering of SBI Life in India
  - Sale of a 4% stake in SBI Life in 3Q17
  - Market value of the remaining stake (22%): ~€2.0bn*
  - The stake continues to be consolidated under the equity method**
- Development and reinforcement of partnerships
  - Sumitomo Mitsui in Japan, Volkswagen in Europe, Turkcell in Turkey, Itau in Chile…
- Revenues: €2,514m; +5.6% vs. 2016
  - Due to the good development of the business and the favourable evolution of financial markets
- Operating expenses: €1,251m ; +4.2% vs. 2016
  - As a result of the good development of the business
- Pre-tax income: €1,867m; +36.4% vs. 2016
  - Effect in particular of the capital gain realised from the sale of the 4% stake in SBI Life (€326m): +9.0% at constant scope and exchange rates
  - Good performance of the associated companies

Revenues (Insurance)



Pre-tax income (Insurance)



Continued business growth
Sharp rise in income

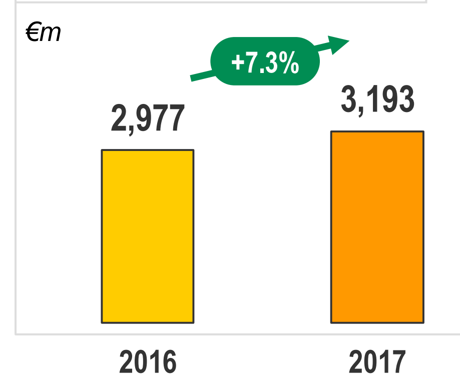
** Based on the IPO share price (700 rupees); ** Contribution to 2017 Group results: €34m; *** At constant scope and exchange rates*

International Financial Services
Wealth and Asset Management* - 2017

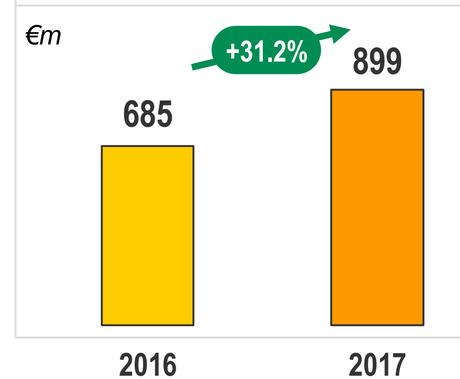
- Asset Management: continued the transformation and adoption of the single brand BNP Paribas Asset Management
- Digital development: acquisition by Asset Management of a majority stake in Gambit
  - European provider of digital investment advisory solutions (robo-advisory)
- Wealth Management rewarded at the WealthBriefing European Awards 2017
  - Named *Best Private Bank in Europe and in Asia*

- Revenues: €3,193m; +7.3% vs. 2016
  - As a result of the development of the businesses, very good performances of Asset Management and Real Estate Services
- Operating expenses : €2,387m; +2.0% vs. 2016
  - Good cost containment
  - Largely positive jaws effect
- Pre-tax income: €899m; +31.2% vs. 2016

Revenues (WAM*)



Pre-tax income (WAM*)



Very good overall performance

** Asset Management, Wealth Management, Real Estate Services*

International Financial Services
Active Implementation of the 2020 Plan (1/2)

Develop new partnerships

- **Personal Finance:**
  - Kia Motors, Hyundai Motor (Spain); Toyota (Portugal)
  - New sectors (tourism: TUI in France; telecoms: Masmovil in Spain)
  - New countries (Austria: XXXLutz in home furnishings)
  - China: good development of JVs with Bank of Nanjing, Geely and Suning
- **Insurance:**
  - Partnership between BNP Paribas Cardif and Matmut to develop joint property & casualty offerings (launch in 2Q18)
  - Global expansion of the partnership between BNP Paribas Cardif and Volkswagen Financial Services*

Optimise client experience

- **Personal Finance:**
  - Loans granted on partner e-commerce websites in just 2 clicks and 1 password (eCredit Now) in Spain and Italy
  - Launch in Italy of a mobile electronic signature solution (representing already 21% of contracts signed)
- **Insurance:** 100% of creditor insurance bought online in France
- **Wealth Management:** new features in the client app (biometric identification, advisory and online transactions, etc.)

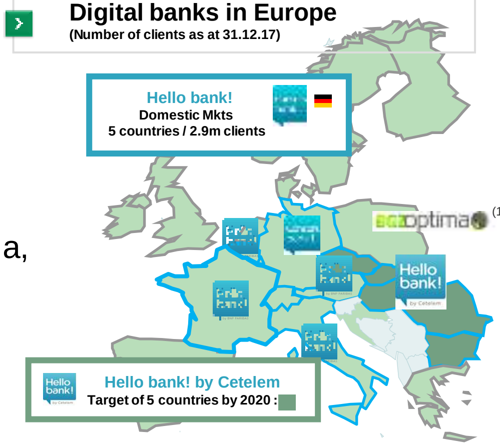
* *Creditor insurance & car protection*

International Financial Services
Active Implementation of the 2020 Plan (2/2)

Digitalisation, new technologies and business models

- **New technologies:**
  - Acquisition of a majority stake in Gambit, a European provider of digital investment advisory solutions (robo-advisory)
  - Partnership with Plug & Play, world's largest start-up accelerator
- **Digital banks:** launch by Personal Finance of new digital banks in Europe (Hello bank! by Cetelem)
  - Leveraging in particular the strong brand recognition and the sizeable client base (27 million clients in 28 countries)
  - Launched in the Czech Republic at the end of 2017
  - 4 other countries expected in Eastern Europe (Slovakia, Hungary, Romania and Bulgaria)
  - > 50 million inhabitants in these 5 countries

Digital banks in Europe
(Number of clients as at 31.12.17)



Industrialise and enhance operating efficiency

- **Asset Management:** partnership with BlackRock to implement its Aladdin IT outsourcing solution
- **Bank of the West:** centralising of some functions and streamlining of hierarchical levels
- **Integration of acquisitions:** LaSer, Bank BGZ, financing activities of General Motors Europe

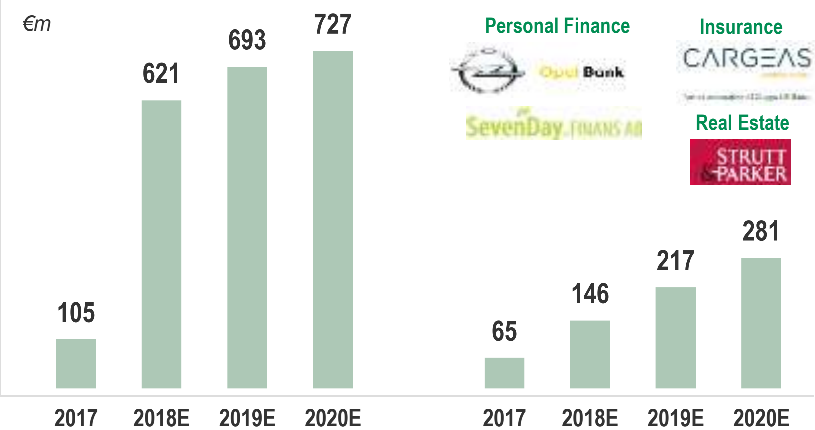
(1) 210,000 clients as at 31.12.17

International Financial Services
Growth Enhancing Acquisitions

Acquisitions that strengthen the growth of the businesses

- ▶ Acquisition by Personal Finance of **50% of General Motors Europe's financing activities** in partnership with PSA Group
  - Outstanding loans: €9.4bn at end 2017; presence in 11 countries in Europe
  - Acquisition price: €0.45bn (50%); 0.8x pro-forma book value
- ▶ Acquisition by Personal Finance of **SevenDay Finans AB**, a consumer credit specialist in Sweden
  - 70,000 clients; outstanding loans: €653m*
- ▶ Buyout by BNP Paribas Cardif of the remaining 50% stake in **Cargeas Italy** (property and casualty insurance)
- ▶ Real Estate Services: acquisition of **Strutt & Parker**, leading player in the UK property market

Contribution of acquisitions made in 2017



Revenues of acquisitions made | Pre-tax income of acquisitions made

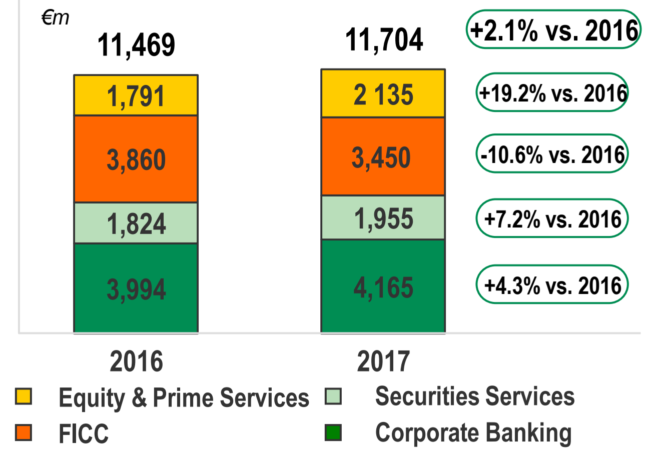
~+1 point of 2016-2020 revenues CAGR

** As at 31 December 2017*

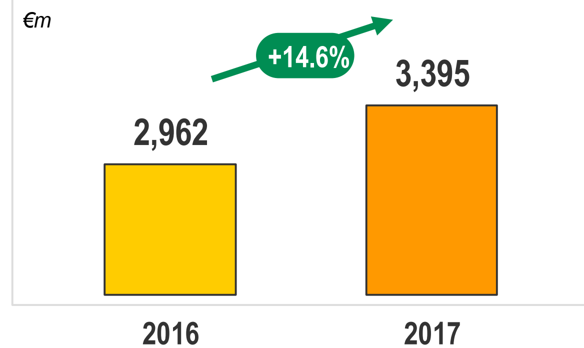
Corporate and Institutional Banking - 2017 Summary

- Good progress of the transformation plan
  - Strengthened competitive positions
  - Effects of the cost saving measures
  - Launch of digital transformation initiatives
- Revenues: €11,704m (+2.1% vs. 2016)
  - +3.8% at constant scope and exchange rates (unfavourable exchange rate effect)
  - Increase in all the business units: Global Markets (+0.8%*), Securities Services (+8.3%*) and Corporate Banking (+6.1%*)
  - Challenging market environment in the 2nd half of the year
- Operating expenses: €8,273m (-0.4% vs. 2016)
  - +1.8% at constant scope and exchange rates (positive jaws effect: +2 pts)
  - Effect of increased activity largely offset by cost saving measures (~€240m vs. 2016)
- Pre-tax income: €3,395m (+14.6% vs. 2016)
  - +15.7% at constant scope and exchange rates
  - Decrease in the cost of risk

Revenues by business



Pre-tax income



Solid business growth and decrease in costs
Strong rise in income

* At constant scope and exchange rates

Corporate and Institutional Banking - 2017
Global Markets - Business Activity and Revenues

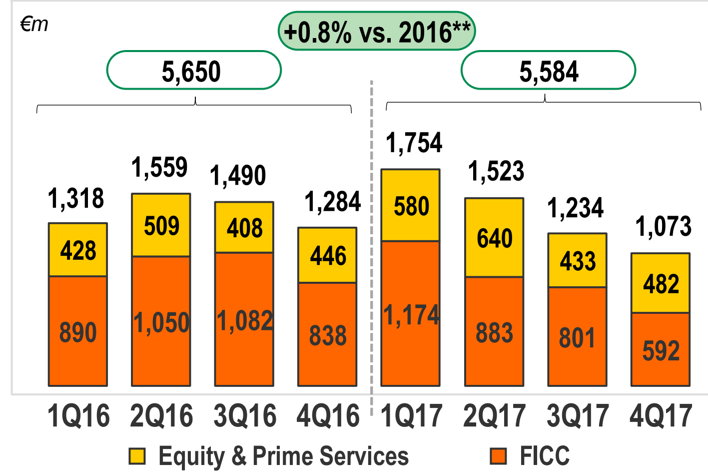
- **Good commercial performances in a lacklustre market context**
  - Low volatility and limited client volumes in the 2nd half of the year
  - VaR down at a low level (€26m on average)
  - Continued strengthening of positions, in particular vs. the main European peers
  - Bond issues: ranked #1 for all bonds issues in euros and #9 for all international bonds*
  - Recognised expertise: 5 IFR *House of the Year* awards and Exane BNP Paribas named as the leading pan-European equity and research house (#1 in the Extel 2017 survey)
- **Revenues: €5,584m (-1.2% vs. 2016)**
  - +0.8% at constant scope and exchange rates: challenging context in the 2nd half after a good start to the year
  - Equity & Prime Services: €2,135m (+20.9%** vs. 2016), strong growth driven by a pick-up in the derivatives business and good development of Prime Services
  - FICC: €3,450m (-8.6%** vs. 2016), weak client activity in particular in foreign exchange and commodities in the 2nd half of the year

IFR AWARDS 2017
- Derivatives House of the Year
- Equity Derivatives House of the Year
- Euro Bond House of the Year Europe
- Investment-Grade Corporate Bond House of the Year
- Asia-Pacific Mid-Market Equity House of the Year

EXTEL 2017

EXANE BNP PARIBAS
1 Pan-European Equity Research
1 Pan-European Equity House
1 Pan-European Equity Sales

Global Markets revenues



Good performance in a lacklustre market context

* Source: Dealogic 2017, ranking by volume; ** At constant scope and exchange rates

Corporate and Institutional Banking - 2017
Corporate Banking – Business Activity and Revenues

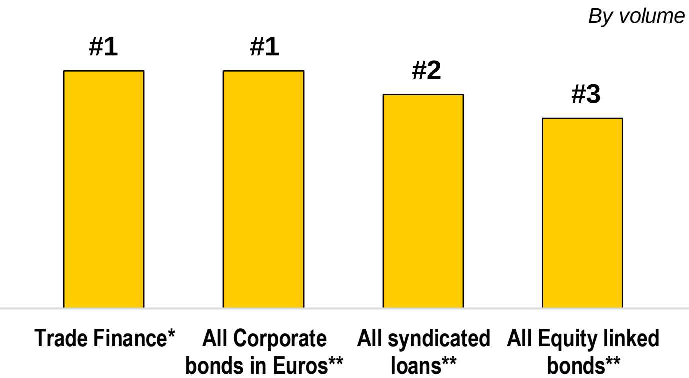
- Solid commercial performances
  - Increase in the corporate franchise with a strengthened commercial set-up in particular in Germany
  - Rise in average outstandings: €131bn in loans (+1.3% vs. 2016) and €130bn deposits (+11.1% vs. 2016)
  - Strengthened positions in trade finance (ranked # 1 for the 3rd year in a row in Europe and entered the top 3 in Asia)*
  - Ranked #2 for syndicated loans and #3 for equity linked issues in the EMEA** region
  - *World Best Bank for Corporates* (Euromoney)

- Good rise in revenues: €4,165m (+4.3% vs. 2016)
  - +6.1% at constant scope and exchange rates: rise in all three regions
  - Good growth in Europe, sharp rise in Asia-Pacific and maintained a good level of business in the Americas
  - Good performance of the transaction businesses (cash management, trade finance), in particular in Europe and in Asia

EUROMONEY AWARDS FOR EXCELLENCE 2017

- **World Best Bank for Corporates**
- **Best Digital Bank in Western Europe**

2017 European rankings



Good business growth
Strengthened commercial positions

* Source: Greenwich Share Leader Survey (European Large Trade Finance market penetration); ** Source: Dealogic 2017

Corporate and Institutional Banking - 2017
Securities Services - Business Activity and Revenues

- Excellent business drive
  - Gained very significant new mandates in Europe and Asia
  - Announced a major strategic partnership with Janus Henderson Investors (USD138bn in assets under custody)* in the United States
  - Sustained growth in assets under custody and under administration (+11.0% vs. 31.12.2016) as well as in the number of transactions (+6.4% vs. 2016)
  - New products: launch of a new tri-party collateral management offering
  - Recognised expertise: *Custodian of the Year* at global level**, *European Custodian of the Year****
- Significant rise in revenues: €1,955m (+7.2% vs. 2016)
  - +8.3% at constant scope and exchange rates
  - In connection with the rise in assets under custody and under administration as well as of transactions

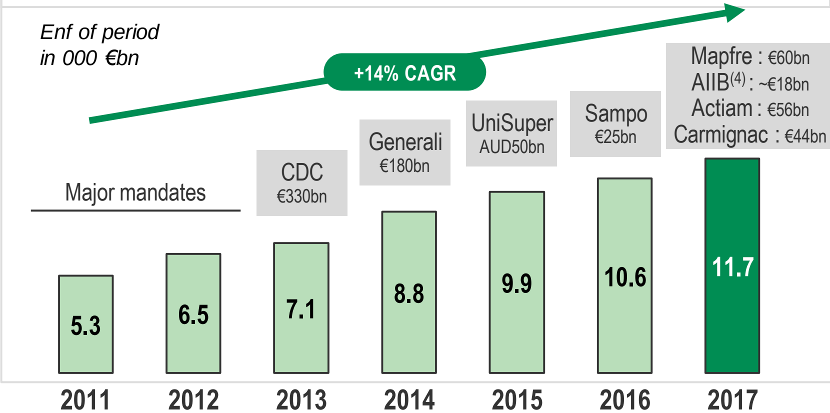
Spain – Mapfre
€60bn – Mandated to provide global custodian services worldwide.
February 2017

China – Asian Infrastructure Investment Bank
~$20bn – Mandated as the sole global custodian.
May 2017

Netherlands – Actiam
€56bn – Mandated to provide middle & back office, fund & investment accounting, and reporting services. *April 2017*

France – Carmignac
€44bn – Mandated as depositary bank and global custodian for French funds.
December 2017

Strong growth in assets under custody and under administration



Continued very good business development

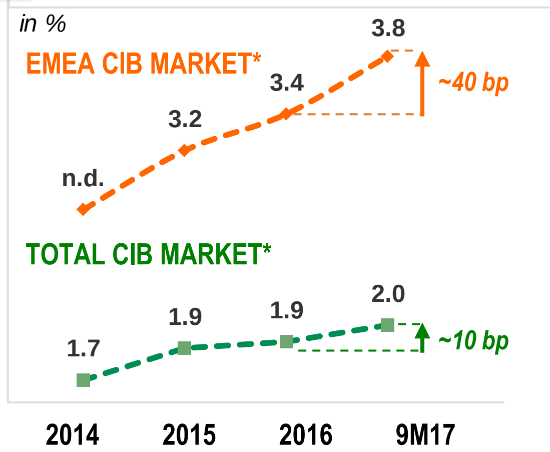
* Closing of the transaction expected in 1Q18; ** Custody Risk Awards, November 2017; *** Funds Europe Awards 2017, November 2017

Corporate and Institutional Banking
Active Implementation of the 2020 Plan (1/3)

Grow the client franchises

- **Corporates: extend the client base and deepen relations with the existing clientele**
  - Good business development in targeted countries thanks to commercial development initiatives (revenues vs. 2016 : +5.6% in Germany, +4.5% in the UK)
  - Strengthen the commercial set-up, in particular in targeted countries in Europe (notably Germany, UK, Netherlands and Scandinavia)
  - Over 125 new client groups in Europe gained in 2017
- **Bolster our presence in the Institutional segment**
  - Strengthen the coordinated offering of the businesses (*One Bank Approach*)
  - Dedicated initiatives targeting in particular private equity funds and alternative asset managers
- **Leverage the global presence of the Group**
  - Reinforce commercial synergies between the United States and Europe
  - Develop the footprint in selected markets (China, Indonesia, etc.) to better serve the needs of clients
  - Bolster Securities Services in Asia-Pacific and in the United States to complete its multi-local model

Increased market shares



* Source: Coalition, BNP Paribas calculation based on CIB total market (250 banks) and on CIB EMEA market, at constant exchange rate

Corporate and Institutional Banking
Active Implementation of the 2020 Plan (2/3)

Implement targeted growth initiatives

- **New partnerships:**
  - Strategic partnership with GTS to enhance and expand the offering to Global Markets clients in US Treasuries
  - Minority stake in Symphony, a secure communication platform including workflow automation tool for institutional clients (> 200,000 users, internal rollout in 1H18)
  - Development of the Securities Services-Fortia partnership (artificial intelligence in the field of fund administration)
- **Strengthen the integrated CIB model**
  - Develop joint Securities Services and Global Markets offerings (foreign exchange, collateral management, etc.)
  - Expand cooperation between Bank of the West and CIB on corporates
- **Roll-out new offerings**
  - Launch of a new tri-party collateral management offering (Securities Services)

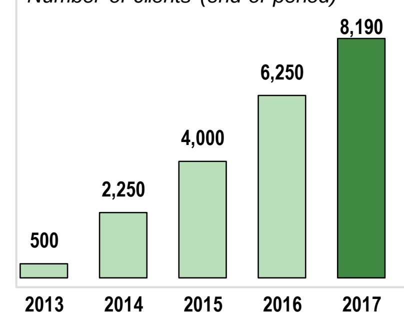
Accelerate digital transformation

- **150 digital projects identified,** of which 100 already in the process of being implemented
- **Digitalise the customer journeys**
  - Growing number of users of digital interfaces (Centric, Cortex, etc.)
  - Digitalisation and industrialisation of the *Know Your Client (KYC)* process

Centric

Centric

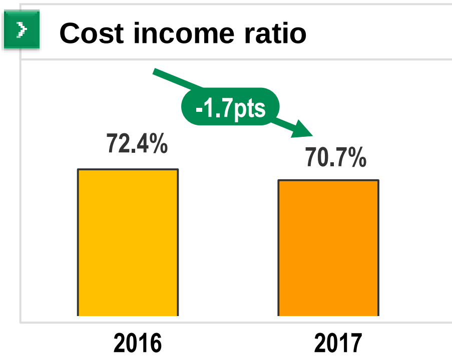
Number of clients (end of period)



Corporate and Institutional Banking
Active Implementation of the 2020 Plan (3/3)

Improve operating efficiency

- **Continue the cost saving programmes** launched since 2016: €0.6bn in 2 years, *i.e.* 50% of 2020 target
- **Develop mutualised platforms** (Portugal, Canada, India, Spain, Poland): share of headcount up by 10 pts vs. end of 2015
- **Implement new end-to-end processes** (three projects already launched: client onboarding, credit process, FX cash)
- **Automation**: 250 cases of robotics use identified



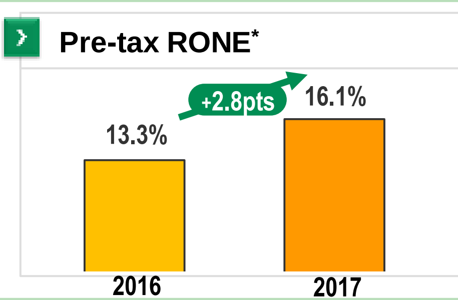
Optimise financial resources

- **Reduce risk-weighted assets:**
  - -€6.7bn in 2017: right-sizing of sub-profitable portfolios, active management of financial resources (loan sales, securitisations…)
  - ~74% of the target of -€20bn achieved (-€8bn already achieved in 2016)
  - Allocated equity: €21.1bn in 2017 (-4.9% vs. 2016)
- **Gradual redeployment** of the resources thus freed up into growth

Significantly improve the return on equity

- **Increase in the return on equity already significant** thanks to all the measures enacted
  - 16.1% pre-tax RONE* in 2017 (+2.8 pts vs. 2016)

Return on Notional Equity



Group Results

Division Results

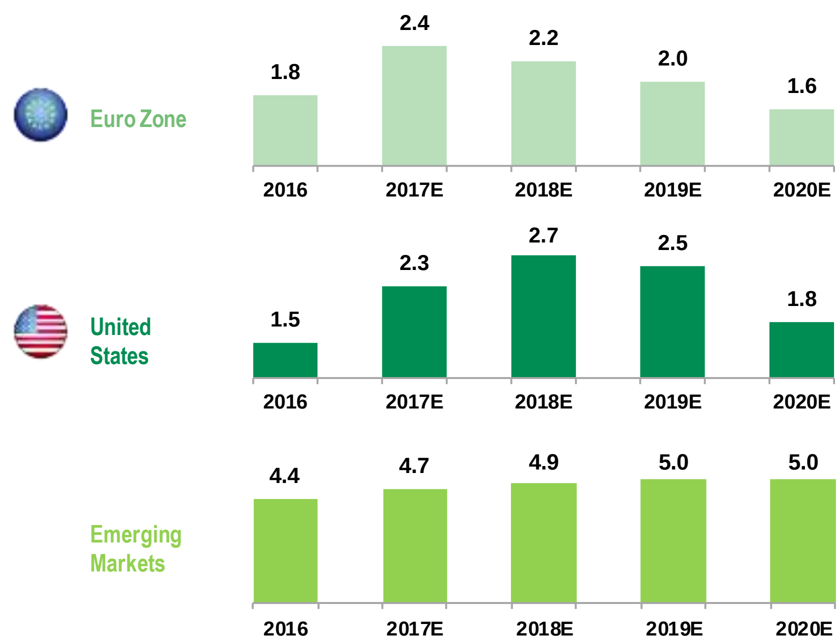
Good Start of the 2020 Plan

4Q17 Detailed Results

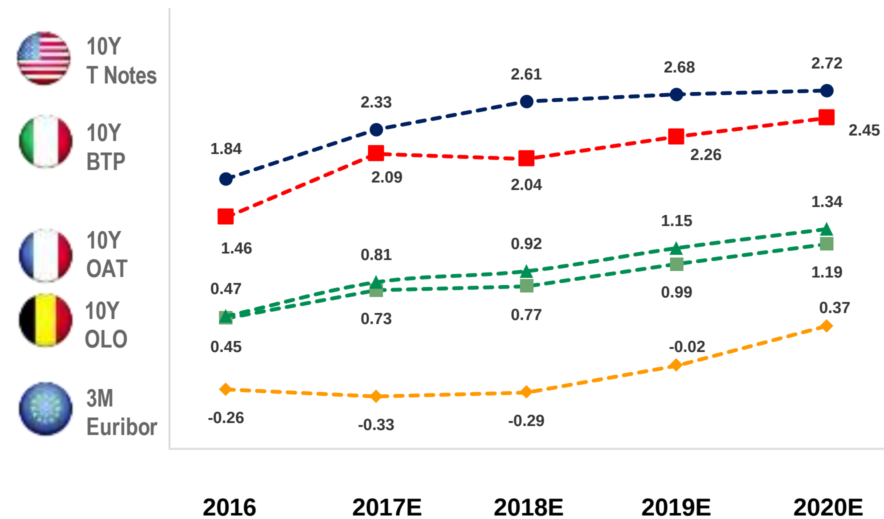
Appendix

A Gradually Improving Macroeconomic Context

Positive GDP growth forecasts*



Gradual increase in interest rates**



Robust economic growth forecasts in Europe
An interest rate scenario gradually more favourable in 2018-2020

** Source: IMF (22 January 2018); ** Implied forward rates as at 12 January 2018*

An Integrated Bank with a Differentiated Strategy by Operating Division

Domestic Markets

- **Strengthen the sales & marketing drive**
  - Headwinds (low interest rates, MiFID 2) still present in 2018, but which are expected to ease up starting in 2019
  - Enhance the attractiveness of offering and offer new services

International Financial Services

- **Pursue growth**
  - Consolidate leading positions: leveraging best in class offers
  - Speed up the pace of growth of the businesses (new offerings, new partnerships and new countries)
  - Continue selective development of retail banks

Corporate and Institutional Banking

- **Optimise resources and revenue growth**
  - Grow the corporate and institutional client franchises
  - Implement specific initiatives in selected countries in Europe
  - Develop fee generating service businesses

In all the businesses

An ambitious new customer experience, digital transformation and savings programme

Implementation of 5 Levers for a New Customer Experience

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

Upgrade the operational model

- Streamlining and automatisation of end-to-end processes
- Simplification of the organisations
- Shared platforms and smart sourcing

Implementation example

aladdin by BLACKROCK

Implement new customer journeys

- New digitalised, expanded, seamless and personalised customer journeys (more services, more attractiveness, choice of channel)
- Upgraded service models (better customer segmentation based on user habits, "the right product at the right time and through the right channel")
- Digitalisation of distribution by developing digital customer interfaces
- New services made available

Implementation examples

Lyf pay, Hello bank!, Compte Nickel, Ce

Make better use of data to serve clients

- Better reliability of data and enhancement of data use for the benefit of customers
- Reinforcement of data storage, protection and analysis capacities
- Use of cutting-edge technologies (artificial intelligence, machine learning)

Implementation examples

Ce, GAMBIT, Fortia

Work differently

- More digital, collaborative and agile work practices
- Day-to-day digital environment & digital and innovation driven culture
- Staff training

Implementation examples

SYMPHONY, digitalpeople

Adapt information systems

- Evolution of information systems and incorporation of new technologies in order to accelerate digital
- Improvement of IT efficiency and agile practices
- Promotion of innovation

Implementation example

Digital platform: Omni channel Interfaces; Customer Interaction Management

Data Hub

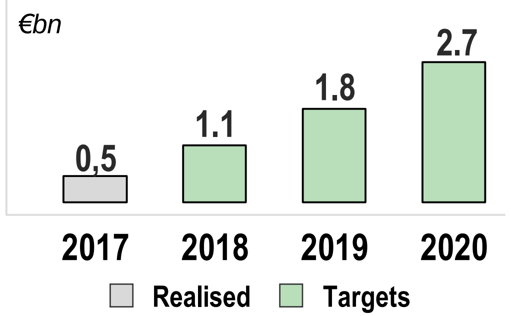
Banking platform: Products & Services Factories; Corporate & Support systems

Startup of the Transformation Plan in Line With the 2020 Objectives

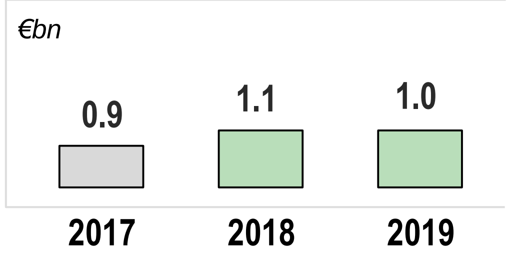
5 levers for a new customer experience & a more effective and digital bank

- Active implementation of the transformation plan throughout the entire Group
  - ~150 significant programmes identified*
- Cost savings: €533m since the launch of the project
  - In line with the objective
  - Breakdown of cost savings by operating division: 45% at CIB (reminder: launch of the cost saving plan as early as 2016 at CIB); 29% at Domestic Markets; 26% at IFS
  - Of which €224m booked in 4Q17
- Transformation costs: €856m in 2017
  - Gradual increase to an average level of about €250m per quarter
  - €408m in 4Q17** due to specific IT costs booked this quarter
  - Reminder: €3bn in transformation costs in the 2020 plan

Cumulated recurring cost savings



One-off transformation costs



Active implementation of the 2020 transformation plan

* Savings generated > €5m; ** Breakdown of the transformation costs of the businesses presented in the Corporate Centre: slide 87

Commitment for a Positive Impact on Society (1/2)

Creation of a Company Engagement Department

- Represented in the Group Executive Committee
- **Defines the Group's commitments** to civil society and **strengthens** CSR / diversity practices in the banking businesses
- **Make all the company's levers converge to meet key challenges in society:** energy transition, youth, local development, entrepreneurial and social innovation

A culture of corporate responsibility recognised by leading indices and labels

Selected in the Dow Jones Sustainability World & Europe Index, #1 French bank (score: 86/100)

1st bank in Europe in terms of **CSR (Global Banking & Finance Review)**

2nd bank (out of 25) in **Thomson Reuters' Global Diversity & Inclusion** index

"**Top 10 Performers**" of the new CAC 40® Governance index of **Euronext** and **Vigeo Eiris** (March 2017)

European leader in climate risk management by **ShareAction** (a British charity that promotes responsible investment)

Included in specific workplace equality indexes: **Bloomberg Financial Services Gender Equality** Index (BFGEI), **Pax Ellevate Women's Index Fund**

Commitment for a Positive Impact on Society (2/2)

A sense of responsibility rooted in our financial activities…

- **Stop the financings to tobacco companies**
- Placed in 2017 **sustainable bonds** for an equivalent of $6bn (+116% vs. 2016)
- **United Nations Sustainable Development Goals** (SDGs): €155bn in financings to support energy transition and sectors considered as directly contributing to SDGs*
- **Social Impact Contracts (SICs):** structured 7 SICs certified by the French government: Wimoov (provides access to mobility to improve employment opportunities), Passport Future (prevention of early school leaving)….
- Nearly **€1bn in financing to social businesses**

…as well as in our philanthropic actions

- **“La France s’engage”:** one of the 4 founders of this public interest foundation that supports social innovation initiatives
- **BNP Paribas Foundation and Bill & Melinda Gates Foundation:** support 600 researchers on climate change adaptation in Africa

A major role in the transition toward a low carbon economy

- **Stop funding companies whose principal business activity is gas and oil from shale** (or oil from tar sands) & oil or gas projects located in the Artic region
- **Carbon neutrality** of BNP Paribas’ own operations achieved at the end of 2017
- **Asset management:** launch of Parvest Green Bond, a €100m bond fund that invests in bonds financing projects combating climate change
- **One Planet Summit:** partner with the UN Environment Programme (promote sustainable development in emerging countries) and the Breakthrough Energy Coalition (investment in sustainable energies)

** Including sustainable bonds’ placement and CSR funds*

Confirmation of 2020 Targets

	2016	2020 Plan
Revenue growth		2016-2020 CAGR[1] ≥ +2.5%
Recurring cost savings target starting from 2020		~€2.7bn
Cost income ratio	2016: 66.8%[2]	63%
ROE	2016: 9.4%[2]	> 10%
Fully loaded Basel 3 CET1 ratio	11.5% in 2016	12%[3]
Pay-out ratio	2016: 45%	50%[4]

ROE > 10% in 2020

[1] Compounded annual growth rate; [2] Excluding exceptional items; [3] Assuming constant regulatory framework; [4] Subject to Annual General Meeting approval

Conclusion

Good performance of the Group in 2017

Net income Group share: €7.8bn

Sustained development of the business activity in a more buoyant economic context in Europe

Promising start to the 2017-2020 development plan

Businesses strengthening their commercial position

Roll-out of new customer experiences by speeding up the pace of digital transformation

Commitment for a positive impact on society

Group Results

Division Results

Good Start of the 2020 Plan

4Q17 Detailed Results

Appendix

Main Exceptional Items - 4Q17

	4Q17	4Q16
Revenues		
Own credit adjustment and DVA *(Corporate Centre)*	+€11m	-€18m
	+€11m	***-€18m***
Operating expenses		
Restructuring costs of acquisitions* *(Corporate Centre)*	-€48m	-€48m
Transformation and adaptation costs of Businesses** *(Businesses and Corporate Centre)*	-€408m	-€242m
Compulsory contribution to the resolution process of 4 Italian banks***		- €52m
	-€456m	***-€342m***
Other non operating items		
Goodwill impairments *(Corporate Centre)*****		-€127m
		-€127m
Total exceptional items (pre-tax)	**-€446m**	**-€487m**
Total exceptional items (after tax)****	**-€294m**	**-€372m**

** LaSer, Bank BGZ, DAB Bank, GE LLD; ** 2016 reminder: CIB (-€98m), BNL bc (-€50m), BRB (-€80m), WAM (-€7m), Corporate Centre (-€7m); *** BNL bc (-€47m in 4Q16), Personal Finance (-€5m in 4Q16); **** Full goodwill impairment of BGZ; ***** Group share*

Consolidated Group - 4Q17

	4Q17	4Q16	% At historical scope & exchange rates	% At constant scope & exchange rates	% Operating divisions At historical scope & exchange rates	% Operating divisions At constant scope & exchange rates
Revenues	**€10,532m**	**€10,656m**	**-1.2%**	**+0.4%**	**-0.6%**	**+1.0%**
Operating expenses	-€7,621m	-€7,444m	+2.4%	+3.7%	-1.8%	-0.6%
Gross operating income	**€2,911m**	**€3,212m**	**-9.4%**	**-7.5%**	**+1.9%**	**+4.2%**
Cost of risk	-€985m	-€950m	+3.7%	+8.6%	+10.3%	+15.8%
Operating income	**€1,926m**	**€2,262m**	**-14.9%**	**-14.0%**	**-1.1%**	**+0.3%**
Non operating items	€196m	€5m	n.s.	n.s.	n.s.	n.s.
Pre-tax income	**€2,122m**	**€2,267m**	**-6.4%**	**-8.4%**	**+2.1%**	**+2.2%**
Net income Group share	**€1,426m**	**€1,442m**	**-1.1%**			
Net income Group share excluding exceptional items*	***€1,720m***	***€1,814m***	***-5.2%***			

Unfavourable foreign exchange effect
Good operating performance

* See slide 53

Retail Banking and Services - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**7,881**	**7,758**	**+1.6%**	**7,707**	**+2.3%**	**31,045**	**30,651**	**+1.3%**
Operating Expenses and Dep.	-5,101	-5,200	-1.9%	-4,854	+5.1%	-20,044	-19,880	+0.8%
Gross Operating Income	**2,780**	**2,558**	**+8.7%**	**2,853**	**-2.6%**	**11,001**	**10,771**	**+2.1%**
Cost of Risk	-722	-824	-12.4%	-662	+9.0%	-2,705	-3,005	-10.0%
Operating Income	**2,058**	**1,733**	**+18.7%**	**2,191**	**-6.1%**	**8,296**	**7,765**	**+6.8%**
Share of Earnings of Equity-Method Entities	147	130	+13.7%	162	-9.0%	622	530	+17.3%
Other Non Operating Items	55	-5	n.s.	361	-84.7%	443	10	n.s.
Pre-Tax Income	**2,261**	**1,858**	**+21.7%**	**2,714**	**-16.7%**	**9,361**	**8,305**	**+12.7%**
Cost/Income	64.7%	67.0%	-2.3 pt	63.0%	+1.7 pt	64.6%	64.9%	-0.3 pt
Allocated Equity (€bn)						51.4	49.0	+4.7%

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

Domestic Markets - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**3,897**	**3,866**	**+0.8%**	**3,918**	**-0.5%**	**15,718**	**15,715**	**+0.0%**
Operating Expenses and Dep.	-2,653	-2,794	-5.1%	-2,599	+2.1%	-10,620	-10,629	-0.1%
Gross Operating Income	**1,244**	**1,072**	**+16.0%**	**1,319**	**-5.7%**	**5,098**	**5,086**	**+0.2%**
Cost of Risk	-370	-399	-7.1%	-311	+19.0%	-1,356	-1,515	-10.5%
Operating Income	**874**	**674**	**+29.7%**	**1,008**	**-13.3%**	**3,743**	**3,572**	**+4.8%**
Share of Earnings of Equity-Method Entities	7	14	-49.2%	23	-69.4%	62	54	+13.4%
Other Non Operating Items	1	-6	n.s.	3	-65.3%	10	2	n.s.
Pre-Tax Income	**882**	**681**	**+29.5%**	**1,034**	**-14.7%**	**3,814**	**3,628**	**+5.1%**
Income Attributable to Wealth and Asset Management	-70	-59	+18.2%	-64	+9.3%	-273	-246	+10.9%
Pre-Tax Income of Domestic Markets	**812**	**622**	**+30.5%**	**970**	**-16.3%**	**3,541**	**3,382**	**+4.7%**
Cost/Income	68.1%	72.3%	-4.2 pt	66.3%	+1.8 pt	67.6%	67.6%	+0.0 pt
Allocated Equity (€bn)						24.6	23.0	+6.9%

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

- Revenues: +0.8% vs. 4Q16
  - Growth in activity but impact of the low interest rate environment
  - Higher fees in all the networks
- Operating expenses: -5.1% vs. 4Q16
  - +0.6% vs. 4Q16 excluding impact of non-recurring items*
  - Good cost containment
- Pre-tax income: +30.5% vs. 4Q16
  - +4.2% vs. 4Q16 excluding impact of non-recurring items*
  - Continued decrease in the cost of risk in Italy

** 4Q16 reminder: additional compulsory contribution of BNL bc to the resolution process of 4 Italian banks (-€47m); restructuring costs: BRB (-€80m), BNL bc (-€50m); 4Q17: restructuring costs at BRB (-€20m)*

Domestic Markets
French Retail Banking - 4Q17 (excluding PEL/CEL effects)

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**1,541**	**1,548**	**-0.4%**	**1,585**	**-2.8%**	**6,352**	**6,401**	**-0.8%**
Incl. Net Interest Income	*876*	*899*	*-2.6%*	*897*	*-2.4%*	*3,569*	*3,676*	*-2.9%*
Incl. Commissions	*665*	*649*	*+2.6%*	*688*	*-3.3%*	*2,783*	*2,725*	*+2.1%*
Operating Expenses and Dep.	-1,175	-1,216	-3.4%	-1,183	-0.7%	-4,657	-4,673	-0.3%
Gross Operating Income	**366**	**332**	**+10.3%**	**402**	**-8.9%**	**1,695**	**1,728**	**-1.9%**
Cost of Risk	-107	-124	-14.0%	-65	+63.8%	-331	-342	-3.3%
Operating Income	**259**	**208**	**+24.8%**	**337**	**-23.0%**	**1,365**	**1,386**	**-1.5%**
Non Operating Items	0	1	n.s.	1	n.s.	1	3	-62.4%
Pre-Tax Income	**259**	**209**	**+24.0%**	**337**	**-23.2%**	**1,366**	**1,389**	**-1.7%**
Income Attributable to Wealth and Asset Management	-38	-32	+17.4%	-36	+6.3%	-153	-138	+11.0%
Pre-Tax Income of French Retail Banking	**221**	**177**	**+25.3%**	**302**	**-26.7%**	**1,213**	**1,251**	**-3.1%**
Cost/Income	76.2%	78.5%	-2.3 pt	74.6%	+1.6 pt	73.3%	73.0%	+0.3 pt
Allocated Equity (€bn)						9.4	8.7	+7.8%

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

- Revenues: -0.4% vs. 4Q17
  - Net interest income: -2.6%, impact of the low interest rate environment partially offset by business growth
  - Fees: +2.6%, rise in financial fees
- Operating expenses: -3.4% vs. 4Q16
  - Decrease in costs
- Decrease in the cost of risk vs. 4Q16
  - 4Q16 reminder: impact of a specific client loan

** PEL/CEL effect: +€19m in 2017 (-€2 m in 2016) and +€13m in 4Q17 (+€8m in 4Q16)*

Domestic Markets
French Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 4Q17	%Var/4Q16	%Var/3Q17	Outstandings 2017	%Var/2016
LOANS	**160.7**	**+8.0%**	**+1.3%**	**156.4**	**+8.0%**
Individual Customers	88.9	+10.7%	+1.4%	86.2	+11.4%
Incl. Mortgages	78.1	+11.6%	+1.3%	75.6	+12.1%
Incl. Consumer Lending	10.8	+4.6%	+1.9%	10.6	+6.2%
Corporates	71.8	+4.8%	+1.2%	70.2	+4.2%
DEPOSITS AND SAVINGS	**163.9**	**+11.1%**	**+0.8%**	**160.3**	**+12.0%**
Current Accounts	99.4	+19.4%	+2.6%	94.8	+21.3%
Savings Accounts	58.3	+0.8%	-1.5%	58.8	+1.0%
Market Rate Deposits	6.3	-4.1%	-4.4%	6.6	-1.5%

€bn	31.12.17	%Var/ 31.12.16	%Var/ 30.09.17
OFF BALANCE SHEET SAVINGS			
Life Insurance	89.1	+4.2%	+0.9%
Mutual Funds	42.2	-8.7%	+5.0%

- Loans: +8.0% vs. 4Q16, rise in loans to individual and corporate customers
- Deposits: +11.1% vs. 4Q16, strong growth in current accounts
- Off balance sheet savings:
  - Good growth in life insurance outstandings
  - Decrease in money market funds

Domestic Markets
BNL banca commerciale - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**732**	**745**	**-1.7%**	**719**	**+1.7%**	**2,907**	**2,972**	**-2.2%**
Operating Expenses and Dep.	-457	-543	-15.9%	-445	+2.6%	-1,801	-1,885	-4.5%
Gross Operating Income	**275**	**202**	**+36.5%**	**274**	**+0.3%**	**1,106**	**1,086**	**+1.8%**
Cost of Risk	-218	-229	-4.5%	-203	+7.5%	-871	-959	-9.2%
Operating Income	**57**	**-27**	**n.s.**	**71**	**-20.0%**	**235**	**127**	**+85.2%**
Non Operating Items	0	0	+12.1%	0	+18.4%	1	0	n.s.
Pre-Tax Income	**57**	**-27**	**n.s.**	**71**	**-19.9%**	**236**	**127**	**+85.5%**
Income Attributable to Wealth and Asset Management	-11	-10	+16.5%	-9	+26.5%	-44	-37	+18.7%
Pre-Tax Income of BNL bc	**46**	**-36**	**n.s.**	**63**	**-26.5%**	**192**	**90**	**n.s.**
Cost/Income	62.4%	72.9%	-10.5 pt	61.9%	+0.5 pt	62.0%	63.4%	-1.4 pt
Allocated Equity (€bn)						5.8	5.7	+1.7%

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

- Revenues: -1.7% vs. 4Q16
  - Net interest income: -6.2% vs. 4Q16, impact of the low interest rate environment
  - Fees: +6.4% vs. 4Q16, increase related to the good growth in off balance sheet savings and private banking
- Operating expenses: -15.9% vs. 4Q16
  - 4Q16 reminder: impact of non-recurring items*
- Cost of risk: -4.5% vs. 4Q16
  - Continued decrease in the cost of risk

** Additional compulsory contribution to the resolution process of 4 Italian banks (-€47m) and one-off transformation costs(-€50m)*

Domestic Markets
BNL banca commerciale - Volumes

Average outstandings (€bn)	Outstandings 4Q17	%Var/4Q16	%Var/3Q17	Outstandings 2017	%Var/2016
LOANS	**78.1**	**-0.6%**	**+0.4%**	**78.3**	**+0.6%**
Individual Customers	40.1	+1.8%	+0.2%	40.1	+2.5%
Incl. Mortgages	25.0	+1.8%	-0.3%	25.0	+0.9%
Incl. Consumer Lending	4.2	+0.3%	+0.6%	4.2	+1.3%
Corporates	38.0	-3.0%	+0.6%	38.2	-1.4%
DEPOSITS AND SAVINGS	**42.8**	**+7.3%**	**+2.3%**	**41.6**	**+9.5%**
Individual Deposits	28.3	+6.9%	+1.5%	27.8	+8.8%
Incl. Current Accounts	28.0	+7.1%	+1.6%	27.5	+9.0%
Corporate Deposits	14.6	+8.2%	+3.8%	13.8	+10.9%

€bn	31.12.17	%Var/ 31.12.16	%Var/ 30.09.17
OFF BALANCE SHEET SAVINGS			
Life Insurance	19.6	+6.8%	+2.8%
Mutual Funds	15.7	+13.6%	+3.4%

- Loans: -0.6% vs. 4Q16
  - +0.6% excluding the impact of the sale of a portfolio of non-performing loans in 1Q17*
- Deposits: +7.3% vs. 4Q16
  - Individuals and corporates: strong rise in current accounts
- Off balance sheet savings: good asset inflows, strong rise in mutual fund outstandings

** Sale of a portfolio of non-performing loans comprising corporates and mortgages loans for a total of €1bn*

Domestic Markets
Belgian Retail Banking - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**894**	**908**	**-1.6%**	**921**	**-3.0%**	**3,677**	**3,661**	**+0.4%**
Operating Expenses and Dep.	-601	-661	-9.2%	-570	+5.4%	-2,554	-2,582	-1.1%
Gross Operating Income	**293**	**247**	**+18.8%**	**351**	**-16.6%**	**1,123**	**1,079**	**+4.0%**
Cost of Risk	-15	-9	+61.4%	-23	-36.9%	-65	-98	-33.8%
Operating Income	**278**	**237**	**+17.1%**	**328**	**-15.2%**	**1,058**	**981**	**+7.8%**
Non Operating Items	3	2	n.s.	20	-83.9%	28	6	n.s.
Pre-Tax Income	**281**	**239**	**+17.7%**	**347**	**-19.1%**	**1,085**	**987**	**+10.0%**
Income Attributable to Wealth and Asset Management	-19	-17	+16.3%	-18	+4.8%	-73	-69	+5.3%
Pre-Tax Income of Belgian Retail Banking	**262**	**222**	**+17.8%**	**329**	**-20.4%**	**1,013**	**918**	**+10.3%**
Cost/Income	67.2%	72.8%	-5.6 pt	61.9%	+5.3 pt	69.5%	70.5%	-1.0 pt
Allocated Equity (€bn)						5.3	4.7	+12.2%

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

- Revenues: -1.6% vs. 4Q16
  - Net interest income: -4.8% vs. 4Q16, impact of the low interest rate environment
  - Fees: +8.4% vs. 4Q16, rise in financial fees
- Operating expenses: -9.2% vs. 4Q16
  - Stable vs. 4Q16 excluding non-recurring items*
  - Effect of the cost saving measures
- Pre-tax income: +17.8% vs. 4Q16

* *Restructuring costs: -€20m in 4Q17 (-€80m in 4Q16)*

Domestic Markets
Belgian Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 4Q17	%Var/4Q16	%Var/3Q17	Outstandings 2017	%Var/2016
LOANS	**103.0**	**+6.2%**	**+0.6%**	**101.9**	**+6.1%**
Individual Customers	67.1	+2.5%	+0.2%	66.8	+3.1%
Incl. Mortgages	48.4	+3.2%	+0.4%	48.0	+4.0%
Incl. Small Businesses	18.7	+0.6%	-0.1%	18.6	+1.1%
Corporates and Local Governments	35.8	+13.9%	+1.6%	35.1	+12.2%
DEPOSITS AND SAVINGS	**121.3**	**+2.9%**	**+0.4%**	**119.8**	**+3.2%**
Current Accounts	49.5	+4.4%	+1.2%	47.9	+5.5%
Savings Accounts	68.8	+2.5%	+0.1%	68.4	+2.9%
Term Deposits	3.0	-9.4%	-3.6%	3.4	-16.6%

€bn	31.12.17	%Var/ 31.12.16	%Var/ 30.09.17
OFF BALANCE SHEET SAVINGS			
Life Insurance	24.2	-2.1%	-0.6%
Mutual Funds	32.7	+7.4%	+2.1%

- Loans: +6.2% vs. 4Q16
  - Individuals: +2.5% vs. 4Q16, rise in particular in mortgage loans
  - Corporates: +13.9% vs. 4Q16, strong increase in loans to SME
- Deposits: +2.9% vs. 4Q16
  - Individuals and corporates: good growth in current accounts

Domestic Markets: Other Activities - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**730**	**666**	**+9.7%**	**692**	**+5.4%**	**2,782**	**2,681**	**+3.8%**
Operating Expenses and Dep.	-420	-374	+12.5%	-400	+5.0%	-1,608	-1,488	+8.1%
Gross Operating Income	**310**	**292**	**+6.1%**	**292**	**+6.1%**	**1,174**	**1,193**	**-1.6%**
Cost of Risk	-30	-37	-17.4%	-19	+57.6%	-89	-115	-23.0%
Operating Income	**279**	**255**	**+9.4%**	**273**	**+2.5%**	**1,085**	**1,078**	**+0.7%**
Share of Earnings of Equity-Method Entities	5	10	-52.2%	5	+2.1%	38	43	-10.3%
Other Non Operating Items	0	-6	n.s.	0	n.s.	4	5	-18.5%
Pre-Tax Income	**284**	**260**	**+9.3%**	**277**	**+2.4%**	**1,127**	**1,125**	**+0.2%**
Income Attributable to Wealth and Asset Management	-1	0	n.s.	-1	+64.2%	-3	-2	+54.4%
Pre-Tax Income of Other Domestic Markets	**283**	**259**	**+9.0%**	**277**	**+2.2%**	**1,124**	**1,123**	**+0.1%**
Cost/Income	57.6%	56.1%	+1.5 pt	57.8%	-0.2 pt	57.8%	55.5%	+2.3 pt
Allocated Equity (€bn)						4.0	3.8	+6.2%

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

- Revenues*: +9.7% vs. 4Q16
  - Scope effects and good development of the businesses' activity
- Operating expenses*: +12.5% vs. 4Q16
  - Scope effects and impact of businesses' development
  - Costs to launch new digital services in particular at Leasing Solutions and Arval
- Pre-tax income**: +9.0% vs. 4Q16
  - Decrease in the cost of risk

** Including 100% of Private Banking in Luxembourg; ** Including 2/3 of Private Banking in Luxembourg*

Domestic Markets
LRB - Personal Investors

Luxembourg Retail Banking (LRB)

Average outstandings (€bn)	4Q17	%Var/4Q16	%Var/3Q17	2017	%Var/2016
LOANS	**9.4**	**+9.8%**	**+1.3%**	**9.0**	**+7.4%**
Individual Customers	6.5	+7.0%	+2.2%	6.3	+4.4%
Corporates and Local Governments	2.9	+16.9%	-0.6%	2.7	+15.1%
DEPOSITS AND SAVINGS	**20.1**	**+14.8%**	**+5.1%**	**18.9**	**+15.4%**
Current Accounts	10.0	+15.9%	+5.8%	9.3	+25.0%
Savings Accounts	9.1	+10.6%	+4.1%	8.6	+8.1%
Term Deposits	1.1	+49.0%	+6.3%	0.9	+1.8%

€bn	31.12.17	%Var/ 31.12.16	%Var/ 30.09.17
OFF BALANCE SHEET SAVINGS			
Life Insurance	1.0	+3.4%	-4.9%
Mutual Funds	1.7	+1.3%	+0.0%

- Loans vs. 4Q16: good growth in corporate and mortgage loans
- Deposits vs. 4Q16: strong increase in sight deposits and savings accounts particularly in the corporate client segment
- Off balance sheet savings: growth in life insurance
- Digital: 1st bank in Luxembourg to offer digital and automated management of the authorised credit card limit (2017 innovation award)

Personal Investors

Average outstandings (€bn)	4Q17	%Var/4Q16	%Var/3Q17	2017	%Var/2016
LOANS	**0.6**	**+34.7%**	**+20.7%**	**0.5**	**+13.3%**
DEPOSITS	**22.3**	**+9.0%**	**+3.2%**	**21.6**	**+8.1%**

€bn	31.12.17	%Var/ 31.12.16	%Var/ 30.09.17
ASSETS UNDER MANAGEMENT	**95.8**	**+14.1%**	**+5.1%**
European Customer Orders (millions)	**4.6**	**+10.2%**	**+9.2%**

- Deposits vs. 4Q16: good level of new client acquisition
- Assets under management vs. 31.12.16: effect of the rise of financial markets and good asset inflows
- Digital: new digital interfaces (websites and mobile apps) to enhance the customer experience; Consorsbank! named *Online-Broker 2017* by *Euro am Sonntag*

Domestic Markets
Arval - Leasing Solutions - Compte Nickel

Arval

Average outstandings (€bn)	4Q17	%Var*/4Q16	%Var*/3Q17	2017	%Var*/2016
Consolidated Outstandings	16.1	+10.2%	+2.6%	15.2	+11.0%
Financed vehicles ('000 of vehicles)	1,104	+7.4%	+2.1%	1,073	+7.7%

- Consolidated outstandings: +10.2%* vs. 4Q16, strong growth in all regions
- Financed vehicles: > 1.1 million vehicles (+7.4%* vs. 4Q16), very good sales and marketing drive

Leasing Solutions

Average outstandings (€bn)	4Q17	%Var*/4Q16	%Var*/3Q17	2017	%Var*/2016
Consolidated Outstandings	18.0	+5.8%	+1.2%	17.5	+5.8%

- Consolidated outstandings: +5.8%* vs. 4Q16, good business development

Compte Nickel

- Acquisition finalised on 12 July 2017
- Close to 800,000 accounts as at 31 December 2017 (+70% vs. 31 December 2016; +12% vs. 30 September 2017)

* *At constant scope and exchange rates*

International Financial Services - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**4,126**	**4,025**	**+2.5%**	**3,928**	**+5.0%**	**15,899**	**15,479**	**+2.7%**
Operating Expenses and Dep.	-2,519	-2,481	+1.5%	-2,330	+8.1%	-9,722	-9,544	+1.9%
Gross Operating Income	**1,608**	**1,544**	**+4.1%**	**1,598**	**+0.6%**	**6,177**	**5,935**	**+4.1%**
Cost of Risk	-353	-425	-16.9%	-352	+0.3%	-1,351	-1,496	-9.7%
Operating Income	**1,254**	**1,118**	**+12.1%**	**1,246**	**+0.7%**	**4,826**	**4,439**	**+8.7%**
Share of Earnings of Equity-Method Entities	141	116	+20.8%	140	+0.7%	561	477	+17.7%
Other Non Operating Items	54	1	n.s.	358	-84.9%	433	8	n.s.
Pre-Tax Income	**1,449**	**1,236**	**+17.2%**	**1,744**	**-16.9%**	**5,820**	**4,924**	**+18.2%**
Cost/Income	61.0%	61.6%	-0.6 pt	59.3%	+1.7 pt	61.1%	61.7%	-0.6 pt
Allocated Equity (€bn)						26.8	26.1	+2.8%

- Foreign exchange effect due in particular to the depreciation of the dollar and Turkish lira
  - TRY vs. EUR*: -20.8% vs. 4Q16, -7.8% vs. 3Q17, -18.8% vs. 2016
  - USD vs. EUR*: -8.5% vs. 4Q16, -0.2% vs. 3Q17, -2.1% vs. 2016
- At constant scope and exchange rates vs. 4Q16
  - Revenues: +5.7%; growth in all the businesses
  - Operating expenses: +3.4%; as a result of business development
  - Operating income: +16.3%
  - Pre-tax income: +17.4%

** Average rates*

International Financial Services
Personal Finance - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**1,280**	**1,185**	**+8.0%**	**1,222**	**+4.7%**	**4,923**	**4,679**	**+5.2%**
Operating Expenses and Dep.	-639	-598	+6.8%	-575	+11.1%	-2,427	-2,298	+5.6%
Gross Operating Income	**641**	**587**	**+9.2%**	**647**	**-1.0%**	**2,496**	**2,381**	**+4.8%**
Cost of Risk	-271	-269	+0.7%	-273	-0.5%	-1,009	-979	+3.0%
Operating Income	**369**	**317**	**+16.4%**	**375**	**-1.4%**	**1,487**	**1,401**	**+6.1%**
Share of Earnings of Equity-Method Entities	19	18	+6.2%	21	-10.4%	91	42	n.s.
Other Non Operating Items	0	-2	n.s.	24	-99.9%	29	-1	n.s.
Pre-Tax Income	**389**	**334**	**+16.4%**	**420**	**-7.4%**	**1,607**	**1,442**	**+11.4%**
Cost/Income	49.9%	50.5%	-0.6 pt	47.0%	+2.9 pt	49.3%	49.1%	+0.2 pt
Allocated Equity (€bn)						5.8	4.9	+17.3%

- Acquisition on 31 October 2017 together with PSA Group of General Motors Europe's financing activities (€9.4bn outstanding loans*)
- At constant scope and exchange rates vs.4Q16
  - Revenues: +6.3%, in connection with the rise in volumes and the positioning on products with a better risk profile; good revenue growth in particular in Italy and Spain
  - Operating expenses: +1.4%, as a result of the development of the business; good cost containment (positive jaws effect)
  - Pre-tax income: +16.3%

** Outstanding loans at end 2017*

International Financial Services
Personal Finance - Volumes and risks

Average outstandings (€bn)	Outstandings 4Q17	%Var/4Q16 historical	%Var/4Q16 at constant scope and exchange rates	%Var/3Q17 historical	%Var/3Q17 at constant scope and exchange rates	Outstandings 2017	%Var/2016 historical	%Var/2016 at constant scope and exchange rates
TOTAL CONSOLIDATED OUTSTANDINGS	76.3	+16.8%	+12.1%	+10.0%	+1.0%	70.7	+12.2%	+13.1%
TOTAL OUTSTANDINGS UNDER MANAGEMENT (1)	87.3	+15.3%	+10.3%	+10.3%	+1.0%	80.9	+10.6%	+10.9%

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

Cost of risk / outstandings

Annualised cost of risk/outstandings as at beginning of period	4Q16	1Q17	2Q17	3Q17	4Q17
France	1.46%	1.59%	1.65%	1.04%	0.98%
Italy	1.44%	0.55%	0.87%	1.70%	1.53%
Spain	1.93%	1.84%	1.17%	1.63%	1.77%
Other Western Europe	1.47%	1.22%	0.85%	1.29%	1.42%
Eastern Europe	1.77%	0.59%	0.31%	1.24%	1.91%
Brazil	6.15%	6.63%	4.82%	5.35%	5.11%
Others	1.89%	2.00%	1.95%	2.41%	2.58%
Personal Finance	**1.70%**	**1.46%**	**1.31%**	**1.54%**	**1.57%**

International Financial Services
Europe-Mediterranean - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**581**	**630**	**-7.8%**	**573**	**+1.5%**	**2,337**	**2,513**	**-7.0%**
Operating Expenses and Dep.	-414	-431	-3.9%	-403	+2.8%	-1,661	-1,705	-2.6%
Gross Operating Income	**167**	**200**	**-16.1%**	**170**	**-1.6%**	**675**	**808**	**-16.5%**
Cost of Risk	-62	-127	-51.0%	-60	+4.1%	-259	-437	-40.8%
Operating Income	**105**	**73**	**+44.7%**	**110**	**-4.7%**	**416**	**371**	**+12.2%**
Non Operating Items	53	48	+9.8%	48	+9.3%	202	197	+2.7%
Pre-Tax Income	**158**	**121**	**+30.8%**	**159**	**-0.4%**	**619**	**568**	**+8.9%**
Income Attributable to Wealth and Asset Management	-1	-1	-24.4%	0	n.s.	-2	-2	+1.4%
Pre-Tax Income of EUROPE-MEDITERRANEAN	**157**	**120**	**+31.2%**	**158**	**-0.6%**	**616**	**566**	**+8.9%**
Cost/Income	71.2%	68.3%	+2.9 pt	70.3%	+0.9 pt	71.1%	67.8%	+3.3 pt
Allocated Equity (€bn)						4.9	5.2	-5.7%

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

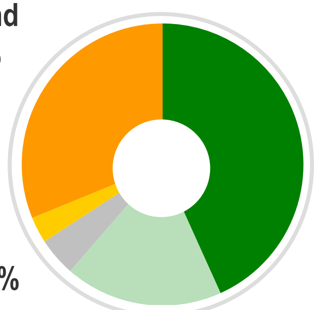
- Foreign exchange effect due in particular to the depreciation of the Turkish lira
  - TRY vs. EUR*: -20.8% vs. 4Q16, -7.8% vs. 3T17, -18.8% vs. 2016
- At constant scope and exchange rates vs. 4Q16
  - Revenues**: +3.2%, effect of the rise in volumes but impact in Turkey of the rise of rates on deposit margins not yet offset by gradual repricing of loans
  - Operating expenses** : +4.4%, as a result of the good business development
  - Cost of risk**: -44.0%, decrease in the cost of risk in Turkey
  - Pre-tax income***: +57.0%

** Average rates; ** Including 100% of Turkish Private Banking; *** Including 2/3 of Turkish Private Banking*

International Financial Services
Europe-Mediterranean - Volumes and Risks

Average outstandings (€bn)	Outstandings 4Q17	%Var/4Q16 historical	%Var/4Q16 at constant scope and exchange rates	%Var/3Q17 historical	%Var/3Q17 at constant scope and exchange rates	Outstandings 2017	%Var/2016 historical	%Var/2016 at constant scope and exchange rates
LOANS	36.6	-4.0%	+5.1%	-1.0%	+1.3%	37.1	-3.3%	+5.2%
DEPOSITS	33.9	-4.6%	+4.6%	-0.4%	+2.7%	34.5	-1.2%	+7.2%

Geographic distribution of 4Q17 outstanding loans



Cost of risk / outstandings

Annualised cost of risk/outstandings as at beginning of period	4Q16	1Q17	2Q17	3Q17	4Q17
Turkey	1.77%	1.67%	1.67%	0.97%	0.53%
Ukraine	-2.12%	0.28%	2.81%	-6.07%	-1.08%
Poland	0.77%	0.73%	0.31%	0.33%	0.73%
Others	1.47%	-1.02%	-0.57%	1.19%	0.98%
Europe-Mediterranean	1.29%	0.70%	0.73%	0.62%	0.66%

International Financial Services
BancWest - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**738**	**795**	**-7.1%**	**734**	**+0.6%**	**2,994**	**2,984**	**+0.3%**
Operating Expenses and Dep.	-483	-521	-7.2%	-482	+0.2%	-2,035	-2,038	-0.1%
Gross Operating Income	**255**	**274**	**-7.0%**	**251**	**+1.4%**	**959**	**947**	**+1.3%**
Cost of Risk	-20	-23	-13.7%	-32	-38.5%	-111	-85	+31.2%
Operating Income	**235**	**251**	**-6.4%**	**219**	**+7.3%**	**848**	**862**	**-1.6%**
Non Operating Items	1	4	-87.2%	3	-79.5%	3	16	-79.0%
Pre-Tax Income	**236**	**255**	**-7.7%**	**222**	**+6.2%**	**851**	**878**	**-3.0%**
Income Attributable to Wealth and Asset Management	-6	-5	+25.1%	-5	+25.4%	-21	-15	+35.9%
Pre-Tax Income of BANCWEST	**230**	**251**	**-8.4%**	**217**	**+5.8%**	**830**	**862**	**-3.7%**
Cost/Income	65.5%	65.5%	+0.0 pt	65.8%	-0.3 pt	68.0%	68.3%	-0.3 pt
Allocated Equity (€bn)						6.4	6.3	+0.7%

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

- Foreign exchange effect USD vs. EUR*: -8.5% vs. 4Q16, -0.2% vs. 3Q17, -2.1% vs. 2016
- At constant scope and exchange rates vs. 4Q16
  - Revenues**: +1.5% vs. 4Q16
  - Operating expenses**: +1.2% vs. 4Q16 (positive jaws effect)
  - Operating income**: +2.8% vs. 4Q16
  - Pre-tax income***: +0.6% vs. 4Q16

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

International Financial Services
BancWest - Volumes

Average outstandings (€bn)	Outstandings 4Q17	%Var/4Q16 historical	%Var/4Q16 at constant scope and exchange rates	%Var/3Q17 historical	%Var/3Q17 at constant scope and exchange rates	Outstandings 2017	%Var/2016 historical	%Var/2016 at constant scope and exchange rates
LOANS	**61.6**	**-5.3%**	**+3.5%**	**-0.2%**	**-0.0%**	**63.5**	**+4.0%**	**+6.1%**
Individual Customers	26.8	-6.6%	+2.1%	-1.7%	-1.6%	27.9	+3.6%	+5.6%
Incl. Mortgages	11.3	-1.6%	+7.5%	+1.6%	+1.8%	11.5	+6.7%	+8.9%
Incl. Consumer Lending	15.4	-9.9%	-1.5%	-4.0%	-3.9%	16.4	+1.5%	+3.5%
Commercial Real Estate	17.6	-1.4%	+7.8%	+1.2%	+1.3%	17.8	+6.3%	+8.5%
Corporate Loans	17.2	-7.1%	+1.6%	+0.9%	+1.1%	17.8	+2.5%	+4.6%
DEPOSITS AND SAVINGS	**69.0**	**-1.0%**	**+8.3%**	**+1.9%**	**+2.1%**	**69.6**	**+7.7%**	**+9.9%**
Deposits Excl. Jumbo CDs	58.2	-1.0%	+8.2%	+0.8%	+1.0%	58.7	+6.4%	+8.6%

- Loans: +3.5%* vs. 4Q16
  - Increase in individual and corporate loans
- Deposits: +8.3%* vs. 4Q16
  - Good growth in current and savings accounts

** At constant scope and exchange rates*

International Financial Services
Insurance and WAM* - Business

	31.12.17	31.12.16	%Var/ 31.12.16	30.09.17	%Var/ 30.09.17
Assets under management (€bn)	**1,051**	**1,010**	**+4.0%**	**1,041**	**+0.9%**
Asset Management	424	416	+1.8%	425	-0.3%
Wealth Management	364	344	+5.9%	358	+1.7%
Real Estate Services	26	24	+8.4%	24	+7.0%
Insurance	237	226	+4.9%	235	+1.1%

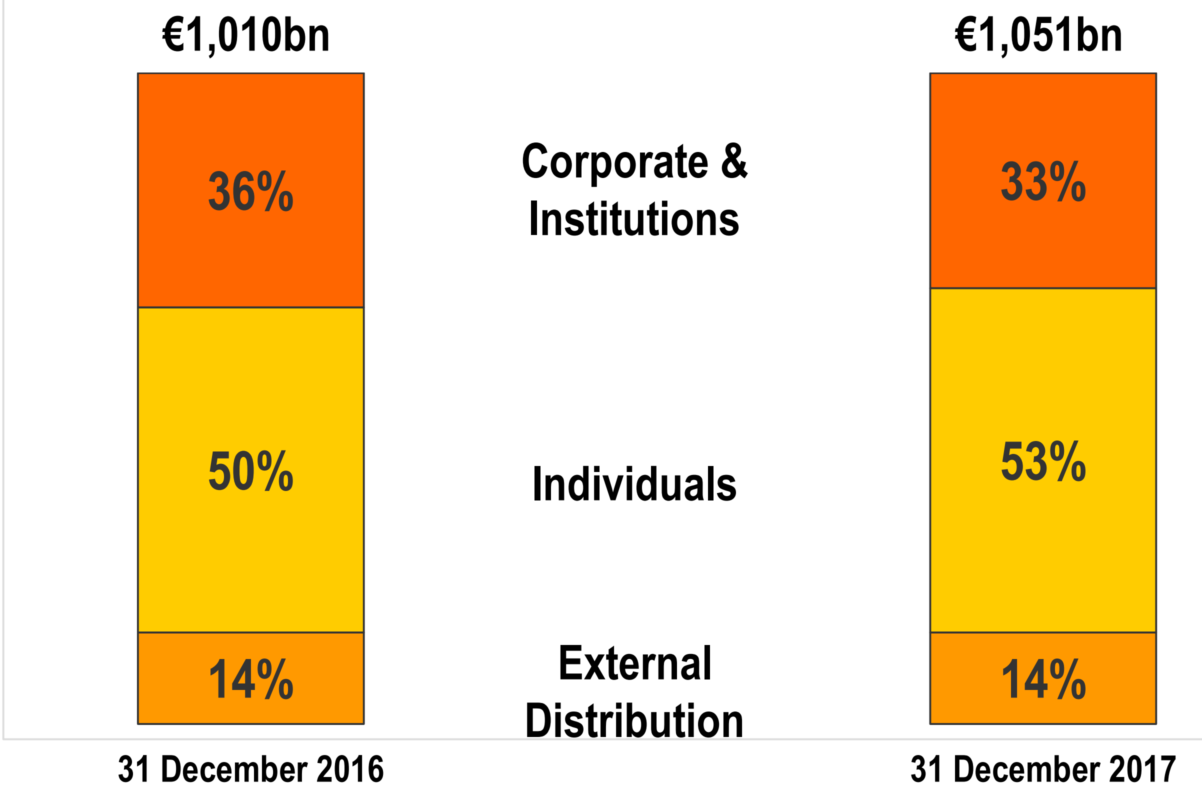
	4Q17	4Q16	%Var/ 4Q16	3Q17	%Var/ 3Q17
Net asset flows (€bn)	**2.0**	**2.0**	**-0.2%**	**4.5**	**-56.3%**
Asset Management	-3.7	-2.7	+33.7%	1.9	n.s.
Wealth Management	3.8	3.6	+6.5%	1.2	n.s.
Real Estate Services	0.8	0.3	n.s.	0.0	n.s.
Insurance	1.0	0.8	+17.9%	1.5	-32.1%

- Assets under management: +€9.2bn vs. 30.09.17, including in particular
  - Net asset flows: +€2.0bn, good net asset inflows in Wealth Management, Real Estate Services and Insurance; net asset outflows from money market funds in Asset Management
  - Performance effect: +€11.1bn
  - Foreign exchange effect: -€3.5bn, due to the appreciation of the euro

** Wealth and Asset Management*

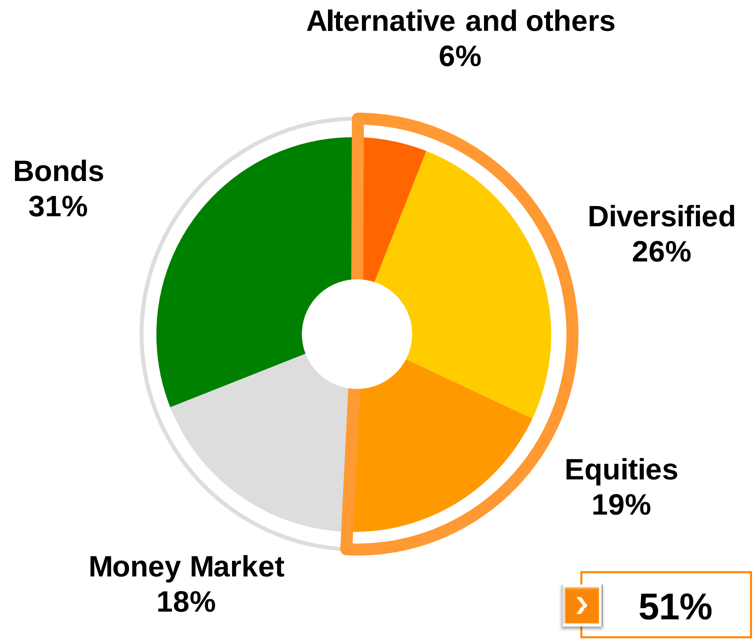
International Financial Services - Insurance & WAM
Breakdown of Assets by Customer Segment

Breakdown of assets by customer segment



International Financial Services - Asset Management
Breakdown of Managed Assets

31.12.17



€424bn

International Financial Services
Insurance - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**636**	**636**	**-0.1%**	**662**	**-3.9%**	**2,514**	**2,382**	**+5.6%**
Operating Expenses and Dep.	-317	-315	+0.5%	-311	+2.0%	-1,251	-1,201	+4.2%
Gross Operating Income	**319**	**321**	**-0.7%**	**351**	**-9.2%**	**1,263**	**1,181**	**+7.0%**
Cost of Risk	5	-1	n.s.	1	n.s.	4	2	+81.7%
Operating Income	**324**	**320**	**+1.1%**	**352**	**-8.0%**	**1,267**	**1,183**	**+7.1%**
Share of Earnings of Equity-Method Entities	53	36	+47.1%	63	-16.1%	225	189	+19.3%
Other Non Operating Items	49	0	n.s.	325	-84.9%	375	-3	n.s.
Pre-Tax Income	**425**	**356**	**+19.6%**	**740**	**-42.5%**	**1,867**	**1,369**	**+36.4%**
Cost/Income	49.9%	49.6%	+0.3 pt	47.0%	+2.9 pt	49.8%	50.4%	-0.6 pt
Allocated Equity (€bn)						7.8	7.5	+4.2%

- Technical reserves: +5.0 % vs. 4Q16
- Revenues: -0.1% vs. 4Q16
  - Good performance of the business but less favourable evolution of financial markets vs. 4Q16
  - Reminder: revenues up by +5.6% vs. 2016
- Operating expenses: +0.5% vs. 4Q16
  - Good cost containment
- Non operating items
  - Good performance of the associated companies
  - Booking of a capital gain related to taking full control of Cargeas in Italy

International Financial Services
Wealth and Asset Management - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**907**	**794**	**+14.3%**	**753**	**+20.6%**	**3,193**	**2,977**	**+7.3%**
Operating Expenses and Dep.	-675	-626	+7.9%	-569	+18.6%	-2,387	-2,341	+2.0%
Gross Operating Income	**233**	**168**	**+38.4%**	**183**	**+26.8%**	**806**	**636**	**+26.8%**
Cost of Risk	-5	-5	-4.5%	12	n.s.	24	3	n.s.
Operating Income	**228**	**163**	**+39.7%**	**195**	**+16.7%**	**831**	**639**	**+30.0%**
Share of Earnings of Equity-Method Entities	19	13	+44.9%	8	n.s.	48	46	+3.0%
Other Non Operating Items	1	0	n.s.	5	-77.1%	21	0	n.s.
Pre-Tax Income	**248**	**176**	**+40.8%**	**208**	**+19.0%**	**899**	**685**	**+31.2%**
Cost/Income	74.4%	78.8%	-4.4 pt	75.6%	-1.2 pt	74.7%	78.6%	-3.9 pt
Allocated Equity (€bn)						1.9	2.1	-8.8%

- Revenues: +14.3% vs. 4Q16
  - Rise driven by the very good performance of Asset Management and Real Estate Services (sharp rise in fees earned this quarter)
- Operating expenses: +7.9% vs. 4Q16
  - As a result of the growth in activity
  - Largely positive jaws effect

Corporate and Institutional Banking - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**2,626**	**2,821**	**-6.9%**	**2,658**	**-1.2%**	**11,704**	**11,469**	**+2.1%**
Operating Expenses and Dep.	-1,883	-1,914	-1.6%	-1,897	-0.7%	-8,273	-8,309	-0.4%
Gross Operating Income	**744**	**907**	**-18.0%**	**761**	**-2.3%**	**3,431**	**3,160**	**+8.6%**
Cost of Risk	-264	-70	n.s.	10	n.s.	-81	-217	-62.5%
Operating Income	**480**	**837**	**-42.7%**	**772**	**-37.8%**	**3,350**	**2,943**	**+13.8%**
Share of Earnings of Equity-Method Entities	13	9	+46.1%	-2	n.s.	24	20	+16.5%
Other Non Operating Items	-1	-5	-72.4%	8	n.s.	22	-1	n.s.
Pre-Tax Income	**491**	**841**	**-41.6%**	**778**	**-36.9%**	**3,395**	**2,962**	**+14.6%**
Cost/Income	71.7%	67.8%	+3.9 pt	71.4%	+0.3 pt	70.7%	72.4%	-1.7 pt
Allocated Equity (€bn)						21.1	22.2	-4.9%

- Revenues: -6.9% vs. 4Q16
  - -3.7% at constant scope and exchange rates (unfavourable foreign exchange effect)
  - Decrease at Global Markets (-13.7%*) in a challenging market context this quarter, significant rise at Securities Services (+9.7%*) and rise at Corporate Banking (+2.5%* compared to a good 4Q16)
- Operating expenses: -1.6% vs. 4Q16
  - +2.9% at constant scope and exchange rates
  - Impact this quarter at Corporate Banking of a specific project (€25m) and of costs linked to targeted developments
- Cost of risk:
  - Impact of two specific clients this quarter

** At constant scope and exchange rates*

Corporate and Institutional Banking Global Markets - 4Q17

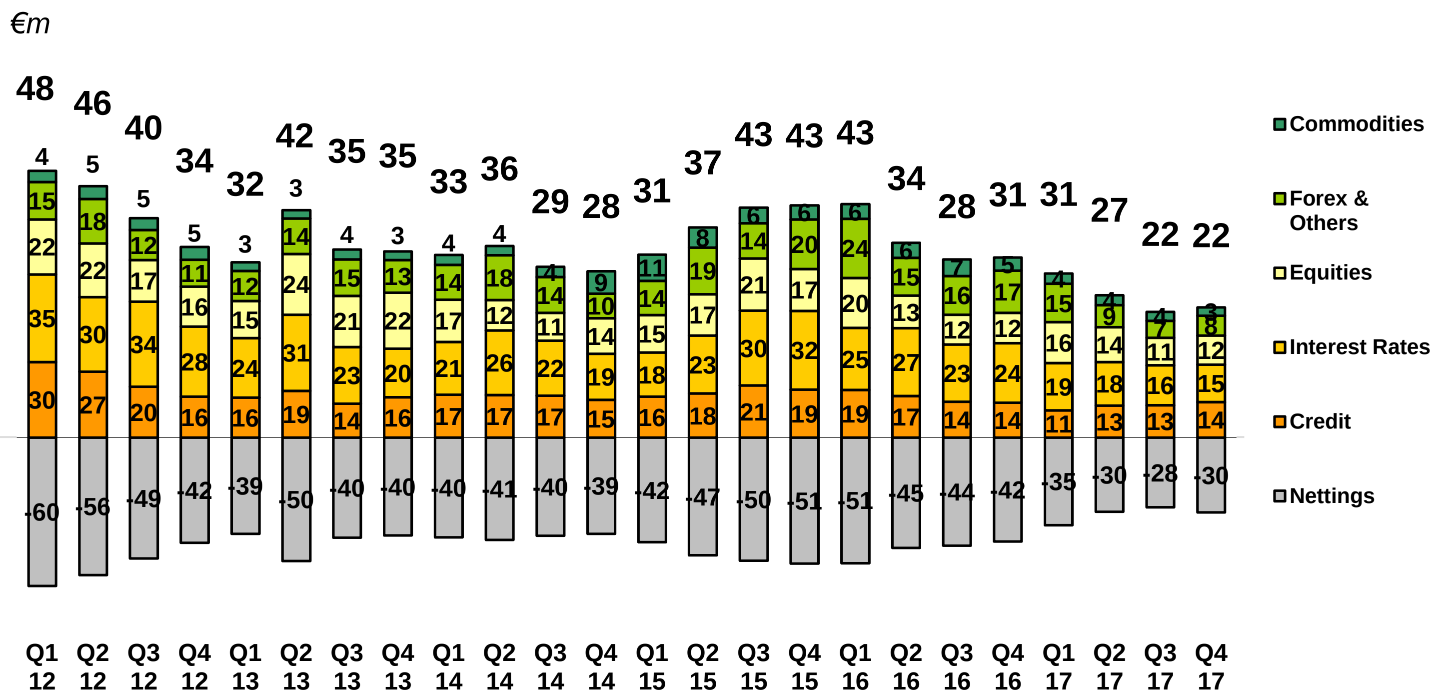
€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**1,073**	**1,284**	**-16.4%**	**1,234**	**-13.0%**	**5,584**	**5,650**	**-1.2%**
incl. FICC	*592*	*838*	-29.4%	*801*	-26.1%	*3,450*	*3,860*	-10.6%
incl. Equity & Prime Services	*482*	*446*	+8.0%	*433*	+11.3%	*2,135*	*1,791*	+19.2%
Operating Expenses and Dep.	-875	-967	-9.5%	-958	-8.7%	-4,255	-4,355	-2.3%
Gross Operating Income	**198**	**317**	**-37.4%**	**276**	**-28.0%**	**1,330**	**1,295**	**+2.7%**
Cost of Risk	-57	44	n.s.	6	n.s.	-15	72	n.s.
Operating Income	**142**	**361**	**-60.8%**	**281**	**-49.6%**	**1,315**	**1,367**	**-3.8%**
Share of Earnings of Equity-Method Entities	5	-3	n.s.	-6	n.s.	-3	8	n.s.
Other Non Operating Items	1	-8	n.s.	6	-80.5%	9	-3	n.s.
Pre-Tax Income	**147**	**350**	**-57.9%**	**281**	**-47.5%**	**1,321**	**1,372**	**-3.7%**
Cost/Income	81.5%	75.3%	+6.2 pt	77.7%	+3.8 pt	76.2%	77.1%	-0.9 pt
Allocated Equity (€bn)						7.8	9.0	-13.2%

- Revenues: -16.4% vs. 4Q16
  - -13.7% at constant scope and exchange rates (unfavourable foreign exchange effect)
  - Decrease of FICC (-27.4%*) in a very challenging context this quarter for rates, forex and credit (low volatility and limited client business)
  - Significant rise at Equity & Prime Services (+12.1%*) driven by the rise in volumes at Prime Services
- Operating expenses: -9.5% vs. 4Q16
  - -4.9% at constant scope and exchange rates
  - Effect of the cost saving measures
- Cost of risk: impact of a specific client this quarter
  - Reminder: provisions more than offset by write-backs in 4Q16

** At constant scope and exchange rates*

Corporate and Institutional Banking
Market risks - 4Q17

Average 99% 1-day interval Var



- VaR stable this quarter, still at a particularly low level*
  - No backtesting event reported this quarter
  - Reminder: only 16 days of losses greater than VaR since 01.01.2007, or less than 2 per year over a long period including the crisis, confirming the soundness of the internal VaR calculation model (1 day, 99%)

** VaR calculated for the monitoring of market limits*

Corporate and Institutional Banking
Corporate Banking - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**1,050**	**1,071**	**-2.0%**	**948**	**+10.7%**	**4,165**	**3,994**	**+4.3%**
Operating Expenses and Dep.	-603	-567	+6.3%	-546	+10.4%	-2,430	-2,451	-0.8%
Gross Operating Income	**447**	**504**	**-11.3%**	**402**	**+11.1%**	**1,735**	**1,544**	**+12.4%**
Cost of Risk	-209	-115	+81.2%	4	n.s.	-70	-292	-76.1%
Operating Income	**238**	**388**	**-38.7%**	**407**	**-41.5%**	**1,665**	**1,251**	**+33.1%**
Non Operating Items	5	14	-63.5%	6	-21.6%	37	13	n.s.
Pre-Tax Income	**243**	**402**	**-39.6%**	**413**	**-41.2%**	**1,703**	**1,265**	**+34.6%**
Cost/Income	57.4%	52.9%	+4.5 pt	57.6%	-0.2 pt	58.3%	61.4%	-3.1 pt
Allocated Equity (€bn)						12.4	12.4	+0.0%

- Revenues: -2.0% vs. 4Q16
  - +2.5% at constant scope and exchange rates (unfavourable foreign exchange effect)
  - Solid performance in all regions
  - Good rise in the transaction businesses in Europe
- Operating expenses: +6.3% vs. 4Q16
  - +12.4 % at constant scope and exchange rates
  - Impact this quarter of a specific project (€25m) and costs linked to selected development, in particular in Europe
- Cost of risk: impact of two specific clients this quarter
  - Cost of risk still low excluding this impact
  - Reminder: provisions more than offset by write-backs in the first 3 quarters of 2017

** At constant scope and exchange rates*

Corporate and Institutional Banking
Securities Services - 4Q17

€m	4Q17	4Q16	4Q17 / 4Q16	3Q17	4Q17 / 3Q17	2017	2016	2017 / 2016
Revenues	**503**	**466**	**+8.1%**	**476**	**+5.7%**	**1,955**	**1,824**	**+7.2%**
Operating Expenses and Dep.	-405	-380	+6.6%	-392	+3.2%	-1,588	-1,503	+5.7%
Gross Operating Income	**98**	**86**	**+14.4%**	**84**	**+17.4%**	**366**	**321**	**+14.1%**
Cost of Risk	2	2	+9.1%	0	n.s.	3	3	-0.5%
Operating Income	**100**	**87**	**+14.3%**	**84**	**+19.3%**	**369**	**324**	**+13.9%**
Non Operating Items	0	1	-29.3%	0	+44.2%	1	1	+23.5%
Pre-Tax Income	**100**	**88**	**+14.0%**	**84**	**+19.4%**	**371**	**325**	**+14.0%**
Cost/Income	80.5%	81.6%	-1.1 pt	82.4%	-1.9 pt	81.3%	82.4%	-1.1 pt
Allocated Equity (€bn)						0.9	0.8	+14.0%

Securities Services	31.12.17	31.12.16	%Var/ 31.12.16	30.09.17	%Var/ 30.09.17
Assets under custody (€bn)	9,423	8,610	+9.4%	9,300	+1.3%
Assets under administration (€bn)	2,310	1,962	+17.7%	2,309	+0.0%
	4Q17	4Q16	4Q17/4Q16	3Q17	4Q17/3Q17
Number of transactions (in million)	22.8	21.8	+4.7%	21.9	+3.7%

- Revenues: +9.7 % vs. 4Q16 at constant scope and exchange rates
  - Due to the growth of outstandings and transaction volumes
- Operating expenses: +8.4% vs. 4Q16 at constant scope and exchange rates
  - As a result of business growth
  - Improved operating efficiency

Corporate and Institutional Banking Transactions - Q417

vodafone	**UK – Vodafone Group PLC** EUR 2.5bn Triple-tranche transaction targeting the longer end of the curve with tenors of 8years, 12years and 20years. Joint Bookrunner *November 2017*
United Kingdom Debt Management Office	**UK – Debt Management Office (DMO)** GBP 3bn inflation-linked bond due 2048 Record demand with a GBP 23.7bn (nominal) order book, making the new 2048 gilt 8 times oversubscribed Joint Bookrunner. *November 2017*
DANONE	**France – Danone** EUR 1.25bn inaugural hybrid perpetual bond issue Global Coordinator and Joint Bookrunner *October 2017*
Ahold Pensioenfonds	**Netherlands – Ahold Pensioenfonds** EUR 4.5bn – Appointed to provide Global Custody, Investment Accounting & Compliance, Financial & Regulatory, Performance & Risk Reporting services *September 2017*
PIRELLI	**Italy – Pirelli** EUR 2.4bn IPO, the largest EMEA IPO of the year Joint Bookrunner *October 2017*
European Investment Bank	**Luxembourg – European Investment Bank** Juncker Plan: three qualified transactions concluded in partnership with BNP Paribas to boost European investments with over EUR 1bn financing *December 2017*
AVANGRID	**USA – Avangrid** USD 600m 3.150% Green Senior Unsecured Notes (7years). Joint Active Bookrunner *November 2017*
TOYOTA FINANCIAL SERVICES	**Japan – Toyota Financial Services** EUR 1.2bn Dual-Tranche Senior Unsecured Reg S Green Bond Joint Bookrunner *November 2017*
国家开发银行 China Development Bank	**China – China Development Bank** USD 500m 5-yr 2.75% Green Bond Issuance Joint Bookrunner / Joint Lead Arranger *November 2017*
COFCO Group	**Hong Kong – China Agri-Industries Holdings Ltd.** HKD 8.579bio Disposal of Interests in Biochemical and Biofuel business. Exclusive Advisor to China Agri-Industries *December 2017*

Corporate and Institutional Banking
Ranking and Awards - 2017

- **World's Best Bank for Corporates, Best Digital Bank in Western Europe** *(Euromoney, September 2017)*
- **Global Markets:**
  - Derivatives House of the Year, Equity Derivatives House of the Year, *(IFR Awards, December 2017)*
  - Euro Bond House of the Year, Europe IG Corporate Bond House of the Year *(IFR Awards, December 2017)*
  - #1 All bonds in EUR and #1 Corporate bonds in EUR *(Dealogic, 2017)*
  - #9 All International bonds All Currencies *(Dealogic 2017)*
  - RMB House of the Year, *(Asia Risk Awards, September 2017)*
- **Securities Services:**
  - European Custodian of the Year, European Hedge Fund Administrator of the Year and European Alternative Administrator of the Year *(Funds Europe Awards 2017 – November 2017)*
  - Custodian of the Year and Custodian of the Year: France, Germany, Italy, Australia *(Custody Risk Global Awards – November 2017)*
  - Best Global Custodian – Asia Pacific (*AAM Best of the Best Awards, 2017*)
- **Corporate Banking:**
  - #2 EMEA Syndicated Loan Bookrunner by volume and #1 by number of deals *(Dealogic, 2017)*
  - #1 EMEA Equity-Linked Bookrunner by number of deals and # 3 by volume *(Dealogic, 2017)*
  - #9 EMEA All ECM Bookrunner by volume *(Dealogic, 2017)*
  - Best Trade Finance Provider *(Global Finance, January 2018)*

IFR AWARDS 2017

dealogic

CustodyRisk Global Awards 2017

EUROMONEY AWARDS FOR EXCELLENCE 2017

BEST TRADE FINANCE PROVIDER 2018 GLOBAL FINANCE

Corporate Centre - 4Q17

€m	4Q17	4Q16	3Q17	2017	2016
Revenues	**12**	**70**	**22**	**394**	**1,294**
Operating Expenses and Dep.	-637	-330	-382	-1,627	-1,189
Incl. Restructuring and Transformation Costs	-456	-154	-222	-957	-561
Gross Operating income	**-625**	**-260**	**-361**	**-1,234**	**105**
Cost of Risk	1	-56	-16	-121	-39
Operating Income	**-625**	**-316**	**-377**	**-1,355**	**66**
Share of Earnings of Equity-Method Entities	15	13	-10	68	83
Other non operating items	-33	-136	-139	-177	-204
Pre-Tax Income	**-642**	**-440**	**-525**	**-1,464**	**-55**

- Revenues
  - Own Credit Adjustment (OCA)* and own credit risk included in derivatives (DVA)*: €11m (-€18m in 4Q16)
  - Impact of a specific item this quarter and lesser contribution from Principal Investments
- Operating expenses
  - Restructuring costs related to the acquisitions (LaSer, Bank BGZ, DAB Bank, GE LLD): -€48m (-€48m in 4Q16)
  - Transformation costs: -€408m (€0m in 4Q16)
  - 4Q16 reminder: CIB adaptation costs: -€98m in 4Q16
- Other non operating items
  - 4Q16 reminder: full impairment of BGZ's goodwill: -€127m

** Fair value takes into account any change in value attributable to issuer risk relating to the BNP Paribas Group. It is the replacement value of instruments, calculated by discounting the expected liabilities' profile, stemming from derivatives or securities issued by the Bank, using a discount rate corresponding to that of a similar instrument that could be issued by the BNP Paribas Group at the closing date*

Corporate Centre - 2017

- Revenues
  - Own Credit Adjustment (OCA)* and own credit risk included in derivatives (DVA)*: -€175m (-€59m in 2016)
  - Capital gain from the sale of Shinhan (+€148m) and Euronext shares (+€85m)
  - 2016 reminder: capital gain from the sale of Visa shares: +€597m
  - Very good contribution of Principal Investments in 2017 and 2016
- Operating expenses
  - Restructuring costs related to the acquisitions (in particular LaSer, Bank BGZ, DAB Bank and GE LLD): -€101m (-€158m in 2016)
  - Transformation costs: -€856m (0 M€ in 2016)
  - 2016 reminder: adaptation costs at CIB (-€395m in 2016)
- Other non operating items
  - Full impairment of TEB's goodwill (-€172m)
  - 2016 reminder: goodwill impairments of subsidiaries' shares: -€181m, of which -€127m for the full goodwill impairment of BGZ

** Fair value takes into account any change in value attributable to issuer risk relating to the BNP Paribas Group. It is the replacement value of instruments, calculated by discounting the expected liabilities' profile, stemming from derivatives or securities issued by the Bank, using a discount rate corresponding to that of a similar instrument that could be issued by the BNP Paribas Group at the closing date*

Breakdown of the Transformation Costs of the Businesses Presented in the Corporate Centre - 2017

m€	2017	4T17	3T17	2T17	1T17
Retail Banking & Services	**-464**	**-201**	**-125**	**-93**	**-45**
Domestic Markets	**-200**	**-93**	**-48**	**-42**	**-17**
French Retail Banking	-129	-58	-31	-28	-12
BNL bc	-17	-9	-5	-2	-1
Belgian Retail Banking	-33	-17	-6	-8	-2
Other Activities	-22	-9	-6	-5	-2
International Financial Services	**-264**	**-109**	**-76**	**-51**	**-28**
Personal Finance	-64	-27	-16	-14	-7
International Retail Banking	-102	-37	-31	-20	-13
Insurance	-46	-20	-16	-6	-3
Wealth and Asset Management	-53	-25	-14	-10	-5
Corporate & Institutional Banking	**-301**	**-117**	**-80**	**-61**	**-43**
Corporate Banking	-96	-52	-15	-17	-12
Global Markets	-149	-41	-49	-35	-24
Securities Services	-56	-24	-16	-9	-7
Corporate Centre	**-91**	**-90**	**-0**	**1**	**-1**
TOTAL	**-856**	**-408**	**-205**	**-153**	**-90**

Group Results

Division Results

Good Start of the 2020 Plan

4Q17 Detailed Results

Appendix

BNP Paribas Group - 2017

€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**

- Corporate income tax: average tax rate of 29% in 2017
  - Positive effect of lower tax rates on capital gains from sales of Shinhan, Euronext and SBI Life shares
  - Negligible impact in 4Q17 of the reduction in corporate taxes in the United States due to a very marginal amount of deferred tax losses
- Operating divisions:
  - Revenues: +1.5% vs. 2016
  - Operating expenses: +0.5% vs. 2016
  - Gross operating income: +3.8% vs. 2016
  - Cost of risk: -13.5% vs. 2016
  - Pre-tax income: +13.4% vs. 2016

Number of Shares and Earnings per Share

Number of Shares

in millions	31-Dec-17	31-Dec-16
Number of Shares (end of period)	1,249	1,247
Number of Shares excluding Treasury Shares (end of period)	1,248	1,246
Average number of Shares outstanding excluding Treasury Shares	1,246	1,244

Earnings per Share

in millions	31-Dec-17	31-Dec-16
Average number of Shares outstanding excluding Treasury Shares	**1,246**	**1,244**
Net income attributable to equity holders	7,759	7,702
Remuneration net of tax of Undated Super Subordinated Notes	-286	-357
Exchange rate effect on reimbursed Undated Super Subordinated Notes	64	125
Net income attributable to equity holders, after remuneration and exchange rate effect on Undated Super Subordinated Notes	**7,537**	**7,470**
Net Earnings per Share (EPS) in euros	**6.05**	**6.00**

Capital Ratios and Book Value per Share

Capital Ratios

	31-Dec-17	31-Dec-16
Total Capital Ratio (a)	14.8%	14.5%
Tier 1 Ratio (a)	13.2%	12.9%
Common equity Tier 1 ratio (a)	11.9%	11.6%

(a) Basel 3 (CRD4), taking into consideration CRR transitory provisions (but with full deduction of goodwill), on risk-weighted assets of €638 bn as at 31.12.16 and €641bn as at 31.12.17. Subject to the provisions of article 26.2 of (EU) regulation n°575/2013. As at 31.12.17 the capital surplus of the financial conglomerate was estimated at €22.4bn

Book value per Share

in millions of euros	31-Dec-17	31-Dec-16	
Shareholders' Equity Group share	**101,983**	**100,665**	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	3,198	6,169	
of which Undated Super Subordinated Notes	8,172	8,430	(2)
of which remuneration net of tax payable to holders of Undated Super Subordinated Notes	66	91	(3)
Net Book Value (a)	**93,745**	**92,144**	(1)-(2)-(3)
Goodwill and intangibles	12,443	13,218	
Tangible Net Book Value (a)	**81,302**	**78,926**	
Number of Shares excluding Treasury Shares (end of period) in millions	**1,248**	**1,246**	
Book Value per Share (euros)	**75.1**	**73.9**	
of which book value per share excluding valuation reserve (euros)	***72.6***	***69.0***	
Net Tangible Book Value per Share (euros)	**65.1**	**63.3**	

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

Return on Equity and Permanent Shareholders' Equity

Calculation of Return on Equity

in millions of euros	31-Dec-17	31-Dec-16	
Net income Group share	**7,759**	**7,702**	(1)
Remuneration net of tax of Undated Super Subordinated Notes	-286	-357	(2)
Exchange rate effect on reimbursed Undated Super Subordinated Notes	64	125	(3)
Restated Net income Group share used for the calculation of ROE/ROTE	**7,537**	**7,470**	(4) = (1)+(2)+(3)
Exceptional items (after tax) (a)	-390	-100	(5)
Restated Net income Group share used for the calculation of ROE/ROTE excluding exceptional items	**7,927**	**7,570**	(6) =(4)-(5)
Average permanent shareholders' equity, not revaluated (b)	**84,695**	**80,657**	
Return on Equity	**8.9%**	**9.3%**	
Return on Equity excluding exceptionals	**9.4%**	**9.4%**	
Average tangible permanent shareholders' equity, not revaluated (d)	**71,864**	**67,338**	
Return on Tangible Equity	**10.5%**	**11.1%**	
Return on Tangible Equity excluding exceptionals	**11.0%**	**11.2%**	

(a) See slide 5
(b) Average Permanent shareholders' equity: average of beginning of the year and end of the period (Permanent Shareholders' equity = Shareholders' equity attributable to shareholders - changes in assets and liabilities recognised directly in equity - Undated Super Subordinated Notes - remuneration net of tax payable to holders of Undated Super Subordinated Notes - proposed dividend distribution);
(c) Average Tangible permanent shareholders' equity: average of beginning of the year and end of the period(Tangible permanent shareholders' equity = permanent shareholders' equity - intangible assets - goodwill)

Permanent Shareholders' Equity Group share, not revaluated
(used for the calculation of Return on Equity)

in millions of euros	31-Dec-17	31-Dec-16	
Net Book Value	**93,745**	**92,144**	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	3,198	6,169	(2)
of which 2016 dividend		3,364	(3)
of which 2017 proposed dividend distribution	3,769		(4)
Permanent shareholders' equity, not revaluated (a)	**86,778**	**82,611**	(5) = (1)-(2)-(3)-(4)
Goodwill and intangibles	12,443	13,218	
Tangible permanent shareholders' equity, not revaluated (a)	**74,335**	**69,393**	

(a) Excluding Undated Super Subordinated Notes, remuneration net of tax payable to holders of Undated Super Subordinated Notes and after proposed dividend distribution

A Solid Financial Structure

Doubtful loans/gross outstandings

	31-Dec-17	31-Dec-16
Doubtful loans (a) / Loans (b)	3.3%	3.8%

(a) Doubtful loans to customers and credit institutions excluding repos, netted of guarantees
(b) Gross outstanding loans to customers and credit institutions excluding repos

Coverage ratio

€bn	31-Dec-17	31-Dec-16
Doubtful loans (a)	27.9	31.2
Allowance for loan losses (b)	25.3	27.8
Coverage ratio	91%	89%

(a) Gross doubtful loans, balance sheet and off-balance sheet, netted of guarantees and collaterals
(b) Specific and on a portfolio basis

Immediately available liquidity reserve

€bn	31-Dec-17	31-Dec-16
Immediately available liquidity reserve (counterbalancing capacity) (a)	285	305

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

Ratio Common Equity Tier 1

Basel 3 fully loaded common equity Tier 1 ratio*
(Accounting capital to prudential capital reconciliation)

€bn	31-Dec-17	30-Sep-17	31-Dec-16
Consolidated Equity	**107.2**	**105.2**	**105.2**
Undated super subordinated notes	-8.2	-7.8	-8.4
Project of dividend distribution	-3.8**	-3.0	-3.4
Regulatory adjustments on equity***	-1.3	-1.5	-1.8
Regulatory adjustments on minority interests	-2.9	-2.7	-2.6
Goodwill and intangible assets	-12.8	-12.8	-13.4
Deferred tax assets related to tax loss carry forwards	-0.8	-0.7	-0.9
Other regulatory adjustments	-1.7	-1.4	-1.1
Common Equity Tier One capital	**75.7**	**75.3**	**73.6**
Risk-weighted assets	**642**	**636**	**641**
Common Equity Tier 1 Ratio	**11.8%**	**11.8%**	**11.5%**

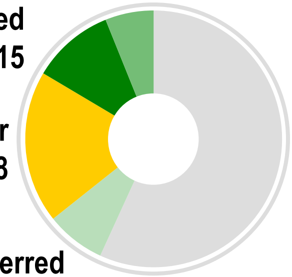
** CRD4, taking into account all the rules of the CRD4 with no transitory provisions. Subject to the provisions of article 26.2 of (EU) regulation n°575/2013;*
*** Subject to the approval of Annual General Meeting on 24 May 2018; *** Including Prudent Valuation Adjustment*

Wholesale Medium/Long Term Funding 2017 Programme

2017 MLT funding programme:

- Capital instruments: €2.1bn issued
  - Tier 1: $750m, perpetual Non Call 10, issued in November 2017, 5.125% coupon
  - Tier 2: $1.25bn, 10 year bullet, issued in March 2017, at Treasuries +215 bp
  - Reminder: total target objective of 3% of RWAs by 2020*
- Senior Debt: €30.9bn** issued
  - Average maturity of 4.5 years, mid-swap +54 bp on average
  - Of which €11.1bn of non preferred senior debt issued in various currencies (EUR, USD, JPY, SGD, AUD,...)
  - Of which €14.3bn of structured products
  - Of which €2.1bn of senior secured debt (covered bonds and securitisations)

Wholesale MLT funding structure breakdown*: €146bn as at 31.12.2017**



2017 programme completed at very favourable conditions

*Subject to market conditions; ** As at 18 January 2018; *** Figures restated according to the new broader definition of wholesale funding covering all funds, excluding those provided by retail customers, SMEs and corporates, institutional clients for their operating needs, monetary policy and funding secured by market assets; **** Debt qualified prudentially as Tier 1 booked as subordinated debt or as equity*

Wholesale Medium/Long Term Funding 2018 Programme

2018 MLT funding programme : €28bn

- Of which issuances of capital instruments to be carried out with a total target objective of 3% of RWA by 2020*:
  - Reminder as of 31.12.17**: Additional Tier1: 1.3% and Tier 2: 1.6%
- Of which non-preferred senior debt: €10bn
  - Issuances already made in January 2018***: €3.4bn, average maturity of 7.3 years, mid-swap+ 56 bp
    - ✓ $2bn, 7 years at Treasuries, +103 bp,
    - ✓ €1.25bn, long 8 years, at mid-swap +47 bp
    - ✓ €0.5bn, 7 year Floating Rate Notes, at mid-swap +25 bp
- Remaining part of the programme to be completed with structured products and, to a lesser extent, with secured funding (covered bonds and securitisations)

Evolution of existing Tier 1 and Tier 2 debt (outstanding as at 01.01.2018); eligible or admitted to grandfathering)****

in €bn	01.01.2018	01.01.2019	01.01.2020
AT1	8	8	7
T2	13	13	13

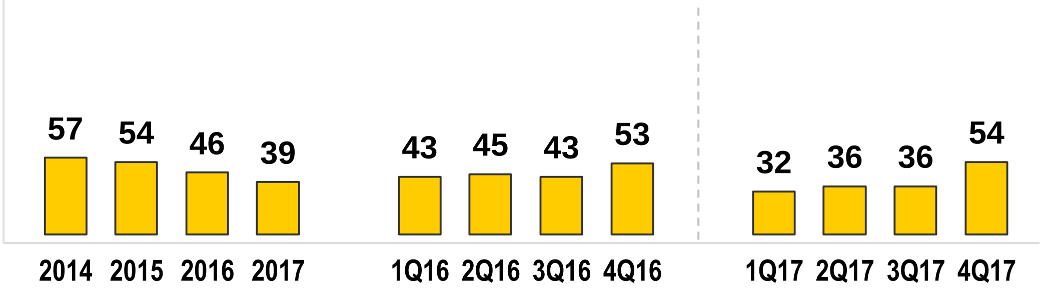
2018 issuance programme: €28bn

** Subject to market conditions; ** Basel 3 (CRD4) taking into consideration CRR transitory provisions; *** As at 18 January 2018;*
***** Evolution taking into account prudential amortisation of instruments outstanding as at 01.01.18, excluding future issuances, assuming callable institutional instruments are called at the first call date*

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

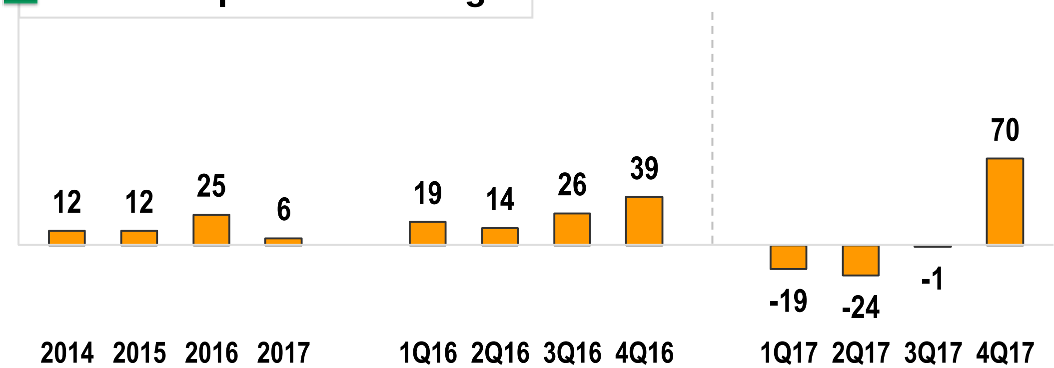
Cost of risk vs. Customer loans at the beginning of the period (in annualised bp)

Group



- Cost of risk: €985m
  - +€317m vs. 3Q17
  - +€35m vs. 4Q16
- Impact of two specific clients at CIB
- Cost of risk still low excluding this impact

CIB - Corporate Banking

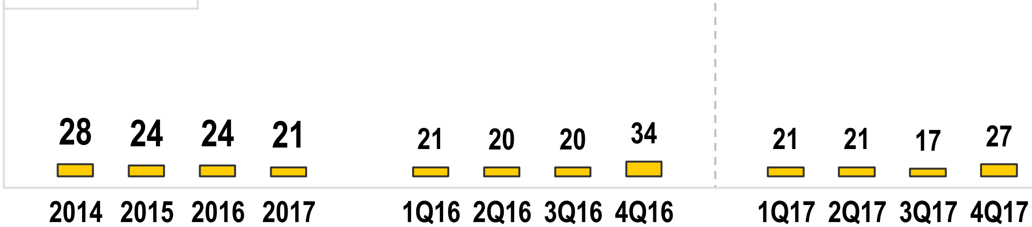


- Cost of risk: €209m
  - +€213m vs. 3Q17
  - +€94m vs. 4Q16
- Impact of two specific clients this quarter
- Cost of risk still low excluding this impact
- Reminder: provisions more than offset by write-backs in 9M17

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

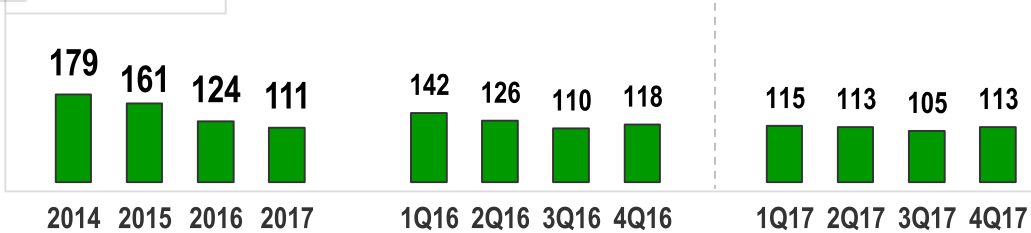
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

FRB



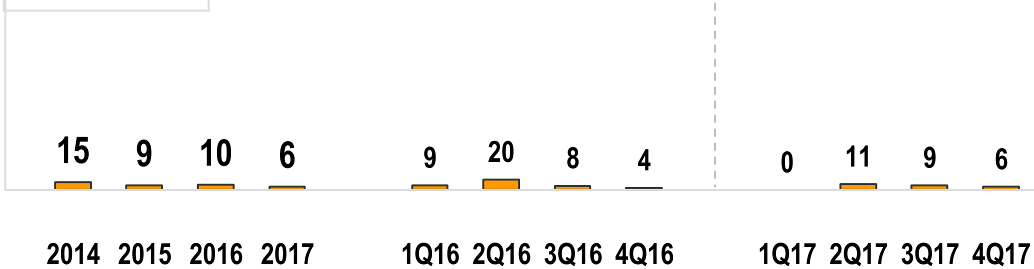
- Cost of risk: €107m
  - +€42m vs. 3Q17
  - -€17m vs. 4Q16
- Cost of risk still low

BNL bc



- Cost of risk: €218m
  - +€15m vs. 3Q17
  - -€10m vs. 4Q16
- Continued decrease in the cost of risk

BRB

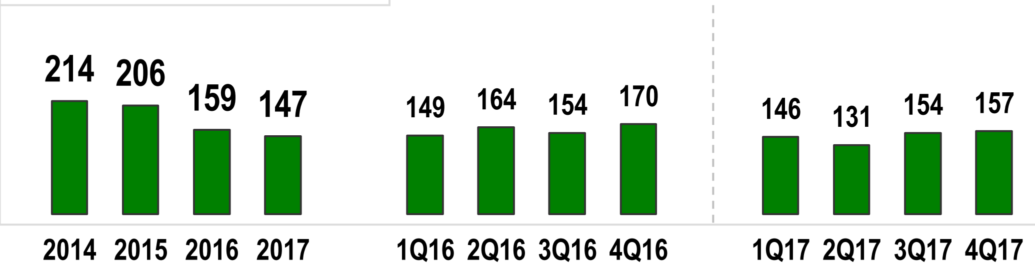


- Cost of risk: €15m
  - -€8m vs. 3Q17
  - +€6m vs. 4Q16
- Very low cost of risk

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

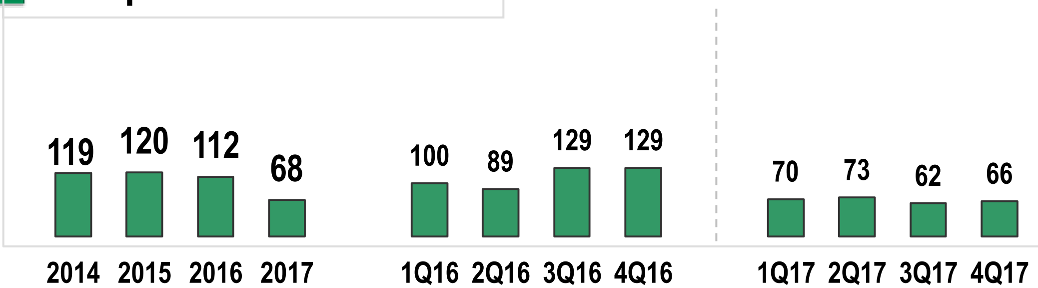
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

Personal Finance



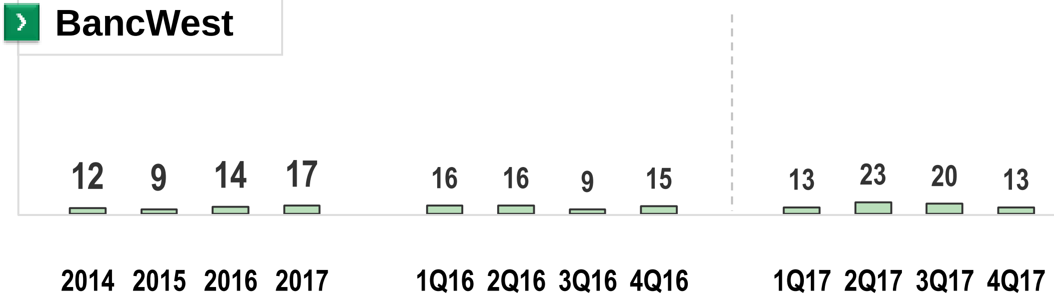
- Cost of risk: €271m
  - -€2m vs. 3Q17
  - +€2m vs. 4Q16
- Low cost of risk
  - Effect of the low interest rates and the growing positioning on products with a better risk profile

Europe-Mediterranean



- Cost of risk: €62m
  - +€2m vs. 3Q17
  - -€65m vs. 4Q16
- 4Q16 reminder: increase in the cost of risk in Turkey

BancWest



- Cost of risk: €20m
  - -€12m vs. 3Q17
  - -€3m vs. 4Q16
- Cost of risk still low

Cost of Risk on Outstandings (1/2)

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

	2014	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17	4Q17	2017
Domestic Markets*												
Loan outstandings as of the beg. of the quarter (€bn)	335.2	339.2	341.4	341.1	347.2	348.0	344.4	356.4	359.2	365.6	367.8	362.3
Cost of risk (€m)	2,074	1,812	399	388	329	399	1,515	319	355	311	370	1,356
Cost of risk (in annualised bp)	62	53	47	46	38	46	44	36	40	34	40	37
FRB*												
Loan outstandings as of the beg. of the quarter (€bn)	143.4	144.7	142.9	142.0	145.4	146.8	144.3	151.5	154.2	158.2	159.6	155.9
Cost of risk (€m)	402	343	73	72	72	124	342	79	80	65	107	331
Cost of risk (in annualised bp)	28	24	21	20	20	34	24	21	21	17	27	21
BNL bc*												
Loan outstandings as of the beg. of the quarter (€bn)	78.1	77.4	77.3	76.9	78.1	77.4	77.4	79.4	78.5	77.6	77.6	78.3
Cost of risk (€m)	1,398	1,248	274	242	215	229	959	228	222	203	218	871
Cost of risk (in annualised bp)	179	161	142	126	110	118	124	115	113	105	113	111
BRB*												
Loan outstandings as of the beg. of the quarter (€bn)	88.4	91.5	95.0	96.1	97.4	97.1	96.4	98.7	99.3	102.0	101.7	100.4
Cost of risk (€m)	131	85	21	49	19	9	98	-1	28	23	15	65
Cost of risk (in annualised bp)	15	9	9	20	8	4	10	0	11	9	6	6

**With Private Banking at 100%*

Cost of Risk on Outstandings (2/2)

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

	2014	2015	1Q16	2Q16	3Q16	4Q16	2016	1Q17	2Q17	3Q17	4Q17	2017
BancWest*												
Loan outstandings as of the beg. of the quarter (€bn)	43.3	55.0	60.1	58.0	61.1	61.8	60.3	67.3	66.7	63.5	62.2	64.9
Cost of risk (€m)	50	50	25	23	14	23	85	22	38	32	20	111
Cost of risk (in annualised bp)	12	9	16	16	9	15	14	13	23	20	13	17
Europe-Mediterranean*												
Loan outstandings as of the beg. of the quarter (€bn)	30.0	38.8	38.6	39.0	39.5	39.3	39.1	38.3	38.3	38.3	37.9	38.2
Cost of risk (€m)	357	466	96	87	127	127	437	67	70	60	62	259
Cost of risk (in annualised bp)	119	120	100	89	129	129	112	70	73	62	66	68
Personal Finance												
Loan outstandings as of the beg. of the quarter (€bn)	51.3	57.0	59.4	60.6	62.3	63.4	61.4	65.9	68.9	70.9	68.9	68.7
Cost of risk (€m)	1,095	1,176	221	248	240	269	979	240	225	273	271	1,009
Cost of risk (in annualised bp)	214	206	149	164	154	170	159	146	131	154	157	147
CIB - Corporate Banking												
Loan outstandings as of the beg. of the quarter (€bn)	105.3	116.5	117.9	118.2	120.4	118.3	118.7	123.4	128.6	122.8	119.2	123.5
Cost of risk (€m)	131	138	55	42	79	115	292	-57	-78	-4	209	70
Cost of risk (in annualised bp)	12	12	19	14	26	39	25	-19	-24	-1	70	6
Group**												
Loan outstandings as of the beg. of the quarter (€bn)	647.2	698.9	703.2	702.2	717.5	716.1	709.8	737.6	742.9	739.1	734.9	738.6
Cost of risk (€m)	3,705	3,797	757	791	764	950	3,262	592	662	668	985	2,907
Cost of risk (in annualised bp)	57	54	43	45	43	53	46	32	36	36	54	39

** With Private Banking at 100%; ** Including cost of risk of market activities, Investment Solutions (until end 2014), International Financial Services and Corporate Centre*

Basel 3 Risk-Weighted Assets*

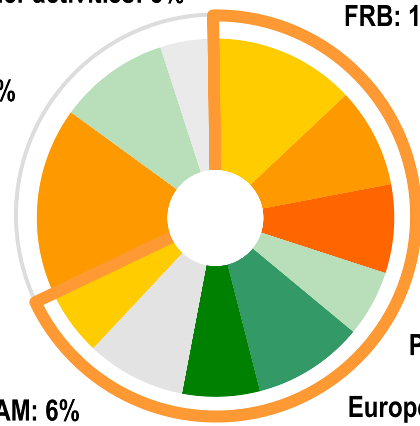
- Basel 3 risk-weighted assets*: €642bn as at 31.12.17 (€636bn as at 30.09.17)
  - Rise in particular of risk-weighted assets related to credit risk

€bn	31.12.17	30.09.17	30.06.17
Credit Risk	513	502	505
Operational Risk	66	65	64
Counterparty Risk	27	29	29
Market / Foreign exchange Risk	17	18	20
Securitisation positions in the banking book	3	5	5
Others**	16	17	18
Total of Basel 3* RWA	**642**	**636**	**640**

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

Basel 3* Risk-Weighted Assets by Business

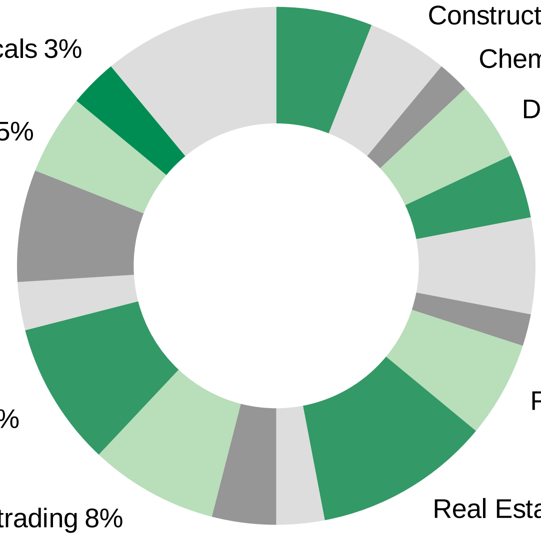
Basel 3 risk-weighted assets* by business as at 31.12.2017



Retail Banking and Services : 68%

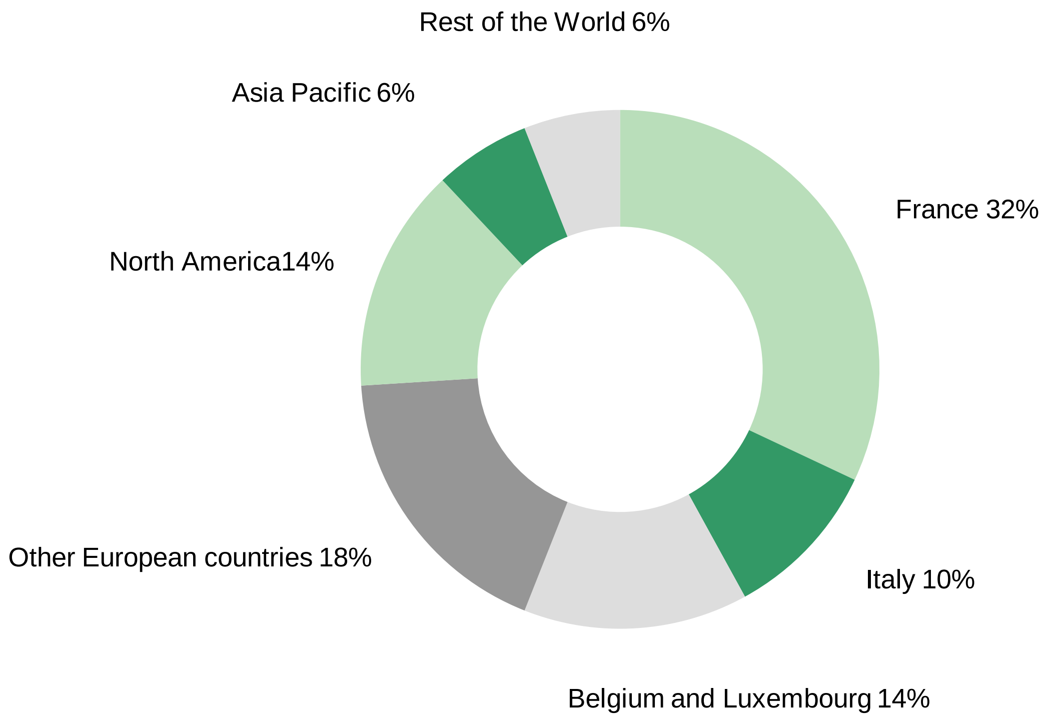
** CRD4 ; ** Including Luxembourg*

Breakdown of Commitments by Industry (Corporate Asset Class)



Total gross commitments on and off balance sheet, unweighted (corporate asset class) = €631bn as at 31.12.2017

Breakdown of Commitments by Region



Total gross commitments on and off balance sheet, unweighted = €1,493bn as at 31.12.2017

PUBLICATION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BNP PARIBAS FOR THE YEAR ENDED 31 DECEMBER 2017

BNP Paribas have released the following audited Consolidated Financial Statements for the year ended 31 December 2017 on 6 March 2018.

CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2017

BNP PARIBAS

The bank
for a changing
world

CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS 4

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017 4
STATEMENT OF NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY 5
BALANCE SHEET AT 31 DECEMBER 2017 6
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017 7
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY BETWEEN 1 JAN. 2016 AND 31 DEC. 2017 8

NOTES TO THE FINANCIAL STATEMENTS 10

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE GROUP 10
1.a Accounting standards 10
1.b Consolidation 16
1.c Financial assets and financial liabilities 20
1.d Accounting standards specific to the insurance business 31
1.e Property, plant, equipment and intangible assets 33
1.f Leases 34
1.g Non-current assets held for sale and discontinued operations 35
1.h Employee benefits 36
1.i Share-based payments 37
1.j Provisions recorded under liabilities 38
1.k Current and deferred taxes 39
1.l Cash flow statement 39
1.m Use of estimates in the preparation of the financial statements 40

2. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017 41
2.a Net interest income 41
2.b Commission income and expense 42
2.c Net gain on financial instruments at fair value through profit or loss 42
2.d Net gain on available-for-sale financial assets and other financial assets not measured at fair value 43
2.e Net income from other activities 43
2.f Other operating expenses 44
2.g Cost of risk 45
2.h Corporate income tax 47

3. SEGMENT INFORMATION 48

4. NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2017 51
4.a Financial assets, financial liabilities and derivatives at fair value through profit or loss 51
4.b Derivatives used for hedging purposes 53
4.c Available-for-sale financial assets 53
4.d Measurement of the fair value of financial instruments 55
4.e Reclassification of financial instruments initially recognised as at fair value through profit or loss held for trading purposes or as available-for-sale assets 66
4.f Interbank and money-market items 67
4.g Customer items 67
4.h Past-due and doubtful loans 68
4.i Debt securities and subordinated debt 70
4.j Held-to-maturity financial assets 73
4.k Current and deferred taxes 74
4.l Accrued income/expense and other assets/liabilities 75
4.m Equity-method investments 76
4.n Property, plant, equipment and intangible assets used in operations, investment property 77
4.o Goodwill 78
4.p Technical reserves of insurance companies 82
4.q Provisions for contingencies and charges 83
4.r Offsetting of financial assets and liabilities 84
4.s Transfers of financial assets 87

5.	**FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS**	**88**
5.a	Financing commitments given or received	88
5.b	Guarantee commitments given by signature	88
5.c	Other guarantee commitments	89
6.	**SALARIES AND EMPLOYEE BENEFITS**	**90**
6.a	Salary and employee benefit expenses	90
6.b	Post-employment benefits	90
6.c	Other long-term benefits	98
6.d	Termination benefits	99
6.e	Share-based payments	99
7.	**ADDITIONAL INFORMATION**	**102**
7.a	Changes in share capital and earnings per share	102
7.b	Contingent liabilities : legal proceedings and arbitration	106
7.c	Business combinations	108
7.d	Minority interests	109
7.e	Significant restrictions in subsidiaries, joint ventures and associates	111
7.f	Structured entities	112
7.g	Compensation and benefits awarded to the Group’s corporate officers	115
7.h	Other related parties	116
7.i	Fair value of financial instruments carried at amortised cost	118
7.j	Scope of consolidation	120
7.k	Fees paid to the statutory auditors	126

CONSOLIDATED FINANCIAL STATEMENTS

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

The consolidated financial statements of the BNP Paribas Group are presented for the years ended 31 December 2017 and 31 December 2016. In accordance with Article 20.1 of Annex I of European Commission Regulation (EC) 809/2004, the consolidated financial statements for 2015 are provided in the registration document filed with the Autorité des marchés financiers on 7 March 2017 under number D.17-0132.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

In millions of euros	Notes	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Interest income	2.a	40,785	40,894
Interest expense	2.a	(19,011)	(18,518)
Commission income	2.b	13,231	12,765
Commission expense	2.b	(5,777)	(5,563)
Net gain on financial instruments at fair value through profit or loss	2.c	5,733	6,189
Net gain on available-for-sale financial assets and other financial assets not measured at fair value	2.d	2,338	2,211
Income from other activities	2.e	42,041	36,532
Expense on other activities	2.e	(36,179)	(31,099)
REVENUES		**43,161**	**43,411**
Salary and employee benefit expense	6.a	(16,496)	(16,402)
Other operating expenses	2.f	(11,729)	(11,279)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	4.n	(1,719)	(1,697)
GROSS OPERATING INCOME		**13,217**	**14,033**
Cost of risk	2.g	(2,907)	(3,262)
OPERATING INCOME		**10,310**	**10,771**
Share of earnings of equity-method entities	4.m	713	633
Net gain on non-current assets		488	(12)
Goodwill	4.o	(201)	(182)
PRE-TAX INCOME		**11,310**	**11,210**
Corporate income tax	2.h	(3,103)	(3,095)
NET INCOME		**8,207**	**8,115**
Net income attributable to minority interests		448	413
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		**7,759**	**7,702**
Basic earnings per share	7.a	6.05	6.00
Diluted earnings per share	7.a	6.05	6.00

STATEMENT OF NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Net income for the period	**8,207**	**8,115**
Changes in assets and liabilities recognised directly in equity	**(3,019)**	**(805)**
Items that are or may be reclassified to profit or loss	**(3,171)**	**(589)**
- Changes in exchange rate items	(2,589)	332
- Changes in fair value of available-for-sale financial assets, including those reclassified as loans and receivables	436	493
- Changes in fair value of available-for-sale financial assets reported in net income, including those reclassified as loans and receivables	(862)	(1,366)
- Changes in fair value of hedging instruments	(237)	(405)
- Changes in fair value of hedging instruments reported in net income	4	(1)
- Income tax	426	441
- Changes in equity-method investments	(349)	(83)
Items that will not be reclassified to profit or loss	**152**	**(216)**
- Remeasurement gains (losses) related to post-employment benefit plans	177	(302)
- Income tax	(25)	100
- Changes in equity-method investments		(14)
Total	**5,188**	**7,310**
- Attributable to equity shareholders	4,956	6,925
- Attributable to minority interests	232	385

BALANCE SHEET AT 31 DECEMBER 2017

In millions of euros	Notes	31 December 2017	31 December 2016
ASSETS			
Cash and amounts due from central banks		178,446	160,400
Financial instruments at fair value through profit or loss			
Trading securities	4.a	119,452	123,679
Loans and repurchase agreements	4.a	143,558	152,242
Instruments designated as at fair value through profit or loss	4.a	96,932	87,644
Derivative financial instruments	4.a	230,230	328,162
Derivatives used for hedging purposes	4.b	13,756	18,133
Available-for-sale financial assets	4.c	231,975	267,559
Loans and receivables due from credit institutions	4.f	45,670	47,411
Loans and receivables due from customers	4.g	727,675	712,233
Remeasurement adjustment on interest-rate risk hedged portfolios		3,064	4,664
Held-to-maturity financial assets	4.j	4,792	6,100
Current and deferred tax assets	4.k	6,568	7,966
Accrued income and other assets	4.l	107,211	115,967
Equity-method investments	4.m	6,812	6,910
Investment property	4.n	7,065	1,911
Property, plant and equipment	4.n	24,148	22,523
Intangible assets	4.n	3,327	3,239
Goodwill	4.o	9,571	10,216
TOTAL ASSETS		**1,960,252**	**2,076,959**
LIABILITIES			
Due to central banks		1,471	233
Financial instruments at fair value through profit or loss			
Trading securities	4.a	69,313	70,326
Borrowings and repurchase agreements	4.a	172,147	183,206
Instruments designated as at fair value through profit or loss	4.a	53,441	54,076
Derivative financial instruments	4.a	228,019	318,740
Derivatives used for hedging purposes	4.b	15,682	19,626
Due to credit institutions	4.f	76,503	75,660
Due to customers	4.g	766,890	765,953
Debt securities	4.i	148,156	153,422
Remeasurement adjustment on interest-rate risk hedged portfolios		2,372	4,202
Current and deferred tax liabilities	4.k	2,466	3,087
Accrued expenses and other liabilities	4.l	86,135	99,407
Technical reserves of insurance companies	4.p	203,436	193,626
Provisions for contingencies and charges	4.q	11,061	11,801
Subordinated debt	4.i	15,951	18,374
TOTAL LIABILITIES		**1,853,043**	**1,971,739**
CONSOLIDATED EQUITY			
Share capital, additional paid-in capital and retained earnings		*91,094*	*86,794*
Net income for the period attributable to shareholders		*7,759*	*7,702*
Total capital, retained earnings and net income for the period attributable to shareholders		98,853	94,496
Changes in assets and liabilities recognised directly in equity		3,130	6,169
Shareholders' equity		**101,983**	**100,665**
Retained earnings and net income for the period attributable to minority interests		5,352	4,460
Changes in assets and liabilities recognised directly in equity		(126)	95
Total minority interests		**5,226**	**4,555**
TOTAL CONSOLIDATED EQUITY		**107,209**	**105,220**
TOTAL LIABILITIES AND EQUITY		**1,960,252**	**2,076,959**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

In millions of euros	Notes	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Pre-tax income		**11,310**	**11,210**
Non-monetary items included in pre-tax net income and other adjustments		**19,811**	**12,474**
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		4,550	4,444
Impairment of goodwill and other non-current assets		190	155
Net addition to provisions		10,021	10,241
Share of earnings of equity-method entities		(713)	(633)
Net expense (income) from investing activities		(453)	56
Net expense from financing activities		355	1,232
Other movements		5,861	(3,021)
Net increase (decrease) in cash related to assets and liabilities generated by operating activities		**(2,154)**	**1,977**
Net increase (decrease) in cash related to transactions with credit institutions		5,771	(19,515)
Net increase (decrease) in cash related to transactions with customers		(16,024)	25,749
Net increase in cash related to transactions involving other financial assets and liabilities		16,079	3,045
Net decrease in cash related to transactions involving non-financial assets and liabilities		(6,107)	(5,163)
Taxes paid		(1,873)	(2,139)
NET INCREASE IN CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		**28,967**	**25,661**
Net increase in cash related to acquisitions and disposals of consolidated entities		527	468
Net decrease related to property, plant and equipment and intangible assets		(1,347)	(1,485)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO INVESTING ACTIVITIES		**(820)**	**(1,017)**
Decrease in cash and equivalents related to transactions with shareholders		(3,457)	(1,834)
Increase (decrease) in cash and equivalents generated by other financing activities		308	(2,608)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO FINANCING ACTIVITIES		**(3,149)**	**(4,442)**
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS		**(5,900)**	**2,587**
NET INCREASE IN CASH AND EQUIVALENTS		**19,098**	**22,789**
Balance of cash and equivalent accounts at the start of the period		**155,963**	**133,174**
Cash and amounts due from central banks		160,400	134,547
Due to central banks		(233)	(2,385)
On demand deposits with credit institutions	4.f	6,513	9,346
On demand loans from credit institutions	4.f	(10,775)	(8,527)
Deduction of receivables and accrued interest on cash and equivalents		58	193
Balance of cash and equivalent accounts at the end of the period		**175,061**	**155,963**
Cash and amounts due from central banks		178,446	160,400
Due to central banks		(1,471)	(233)
On demand deposits with credit institutions	4.f	8,063	6,513
On demand loans from credit institutions	4.f	(9,906)	(10,775)
Deduction of receivables and accrued interest on cash and equivalents		(71)	58
NET INCREASE IN CASH AND EQUIVALENTS		**19,098**	**22,789**

STATEMENT OF CHANGES IN SHAREHOLDERS'

In millions of euros	Capital and retained earnings						
	Attributable to shareholders				Minority interests		
	Share capital and additional paid-in capital	Undated Super Subordinated Notes	Non-distributed reserves	Total	Capital and retained earnings	Preferred shares eligible as Tier 1 capital	Total
Capital and retained earnings at 31 December 2015	**26,897**	**7,855**	**54,781**	**89,533**	**3,618**	**73**	**3,691**
Appropriation of net income for 2015			**(2,877)**	**(2,877)**	**(112)**		**(112)**
Increases in capital and issues	29	2,035	(5)	2,059			-
Reduction or redemption of capital	(3)	(1,437)	125	(1,315)			-
Movements in own equity instruments	25	(23)	3	5			-
Share-based payment plans			1	1			-
Remuneration on preferred shares and undated super subordinated notes			(365)	(365)	(2)		(2)
Impact of internal transactions on minority shareholders (note 7.d)			4	4	(4)		(4)
Movements in consolidation scope impacting minority shareholders				-	3		3
Acquisitions of additional interests or partial sales of interests (note 7.d)			(32)	(32)	494		494
Change in commitments to repurchase minority shareholders' interests			(2)	(2)	(7)		(7)
Other movements			(7)	(7)	(10)		(10)
Changes in assets and liabilities recognised directly in equity			(210)	(210)	(6)		(6)
Net income for 2016			**7,702**	**7,702**	**413**		**413**
Capital and retained earnings at 31 December 2016	**26,948**	**8,430**	**59,118**	**94,496**	**4,387**	**73**	**4,460**
Appropriation of net income for 2016			**(3,369)**	**(3,369)**	**(131)**		**(131)**
Increases in capital and issues	88	636	(2)	722			-
Reduction or redemption of capital		(927)	64	(863)			-
Movements in own equity instruments	15	33	(10)	38			-
Share-based payment plans			3	3	2		2
Remuneration on preferred shares and undated super subordinated notes			(311)	(311)	(2)		(2)
Impact of internal transactions on minority shareholders (note 7.d)			1	1	(1)		(1)
Movements in consolidation scope impacting minority shareholders				-	493		493
Acquisitions of additional interests or partial sales of interests (note 7.d)			253	253	115		115
Change in commitments to repurchase minority shareholders' interests				-	(8)		(8)
Other movements			(34)	(34)	23		23
Changes in assets and liabilities recognised directly in equity			158	158	(6)		(6)
Net income for 2017			**7,759**	**7,759**	**448**		**448**
Interim dividend payments				-	(41)		(41)
Capital and retained earnings at 31 December 2017	**27,051**	**8,172**	**63,630**	**98,853**	**5,279**	**73**	**5,352**

EQUITY BETWEEN 1 JAN. 2016 AND 31 DEC. 2017

	Changes in assets and liabilities recognised directly in equity					Total equity
	Attributable to shareholders				Minority interests	
	Exchange rates	Financial assets available for sale and reclassified as loans and receivables	Derivatives used for hedging purposes	Total		
	325	**5,066**	**1,345**	**6,736**	**117**	**100,077**
				-		**(2,989)**
				-		2,059
				-		(1,315)
				-		5
				-		1
				-		(367)
				-		-
				-		3
				-		462
				-		(9)
				-		(17)
	320	(694)	(193)	(567)	(22)	(805)
				-		**8,115**
	645	**4,372**	**1,152**	**6,169**	**95**	**105,220**
				-		**(3,500)**
				-		722
				-		(863)
				-		38
				-		5
				-		(313)
				-		-
				-		493
	(89)	10	1	(78)	(11)	279
				-		(8)
				-		(11)
	(2,748)	(198)	(15)	(2,961)	(210)	(3,019)
				-		**8,207**
				-		(41)
	(2,192)	**4,184**	**1,138**	**3,130**	**(126)**	**107,209**

NOTES TO THE FINANCIAL STATEMENTS

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE GROUP

1.a ACCOUNTING STANDARDS

1.a.1 APPLICABLE ACCOUNTING STANDARDS

The consolidated financial statements of the BNP Paribas Group have been prepared in accordance with international accounting standards (International Financial Reporting Standards – IFRS), as adopted for use in the European Union[1]. Accordingly, certain provisions of IAS 39 on hedge accounting have been excluded, and certain recent texts have not yet undergone the approval process.

The introduction of standards and amendments which are mandatory as of 1 January 2017 has no effect on the 2017 financial statements.

The Group did not choose to early-adopt the new standards, amendments, and interpretations adopted by the European Union, whose application in 2017 was optional.

Information on the nature and extent of risks relating to financial instruments as required by IFRS 7 “Financial Instruments: Disclosures” and to insurance contracts as required by IFRS 4 “Insurance Contracts”, along with information on regulatory capital required by IAS 1 “Presentation of Financial Statements” are presented in Chapter 5 of the Registration document. This information, which is an integral part of the notes to the BNP Paribas Group’s consolidated financial statements, is covered by the opinion of the Statutory Auditors concerning the consolidated financial statements, and is identified in the Annual Report by the word “Audited”.

1.a.2 NEW MAJOR ACCOUNTING STANDARDS, PUBLISHED BUT NOT YET APPLICABLE

IFRS 9 “Financial Instruments”

IFRS 9 “Financial Instruments”, issued by the IASB in July 2014, will replace IAS 39 “Financial Instruments: Recognition and Measurement”, related to the classification and measurement of financial instruments. It sets out the new principles for the classification and measurement of financial instruments, for impairment for credit risk on debt instruments measured at amortised cost or at fair value through shareholders’ equity, loan commitments given, financial guarantee contracts, lease receivables and contract assets, as well as for general hedge accounting (i.e. micro hedging).

IFRS 9, which was adopted by the European Union on 22 November 2016, is mandatory for annual periods beginning on or after 1 January 2018.

(1) The full set of standards adopted for use in the European Union can be found on the website of the European Commission at: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en

Applying IFRS 9 to insurance activities

On 12 September 2016, the IASB published amendments to IFRS 4 “Insurance Contracts”: “*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*”. These amendments apply for annual periods beginning on or after 1 January 2018.

The amendments to IFRS 4 permit entities that predominantly undertake insurance activities the option to defer the effective date of IFRS 9 until 1 January 2021. The effect of such a deferral is that the entities concerned may continue to report their financial statements under the existing standard IAS 39.

This temporary exemption from IFRS 9, which was limited to groups that predominantly undertook insurance activities according to the IASB amendments, has been extended by the European Union on 3 November 2017 to the insurance sector of financial conglomerates. This exemption is subject to conditions, notably the temporary prohibition on internal transfer of financial instruments, other than financial instruments that are measured at fair value through profit and loss, between insurance entities and other entities of the financial conglomerate.

BNP Paribas Group will apply the amendments as adopted by the European Union to all its insurance entities, including funds related to this activity, which will apply IAS 39 “Financial instruments: Recognition and Measurement” until 31 December 2020.

Amendments to IFRS 9

On 12 October 2017, the IASB issued amendments to IFRS 9: “*Prepayment Features with Negative Compensation*” that precise the classification of financial assets with prepayment options at the borrower’s initiative leading the borrower to prepay the instrument at an amount less than the unpaid principal and interest owed.

These amendments will be mandatory for annual periods beginning on or after 1 January 2019. An early application will be possible after adoption by the European Union. In this case, BNP Paribas Group will apply these amendments as at 1 January 2018.

Classification and measurement

According to IFRS 9, classification and measurement of financial assets will depend on the business model and the contractual characteristics of the instruments. On initial recognition, financial assets will be measured at amortised cost, at fair value through shareholders’ equity (on a separate line), or at fair value through profit or loss.

It will no longer be possible to recognise derivatives embedded in financial assets separately from the host contract.

Application of the criteria relating to the business model and the contractual characteristics of the instruments will lead to different classification and measurement of financial assets from those selected under IAS 39.

Debt instruments (loans, receivables or debt securities) will be classified at amortised cost, at fair value through shareholders’ equity (on a separate line), or at fair value through profit or loss.

- They will be classified at amortised cost if the business model objective is to hold the financial assets in order to collect contractual cash flows, and if the contractual cash flows solely consist of payments relating to principal and interest on the principal.
- They will be classified at fair value through shareholders’ equity if the business model is achieved by both holding the financial assets in order to collect contractual cash flows and selling the assets and if the cash flows solely consist of payments relating to principal and interest on the principal. Upon disposal, amounts previously recognised in shareholders’ equity will be transferred to profit or loss.

- All debt instruments not eligible for classification at amortised cost or at fair value through shareholders' equity will be presented at fair value through profit or loss.

Debt instruments may only be designated as at fair value through profit or loss using the fair value option, if the use of this option enables the entity to eliminate or significantly reduce an accounting mismatch in profit or loss.

Investments in equity instruments such as shares will be classified as instruments at fair value through profit or loss, or, as an option, as instruments at fair value through shareholders' equity (on a separate line). In the latter case, upon disposal of equity instruments classified at fair value through shareholders' equity, amounts previously recognised in shareholders' equity shall not be transferred to profit or loss. Only dividends will be recognised in profit or loss.

With respect to financial liabilities, the main change introduced by IFRS 9 relates to recognition of changes in fair value attributable to changes in the credit risk of the liabilities designated as at fair value through profit or loss (fair value option), which will be recognised on a separate line in shareholders' equity and no longer through profit or loss.

The provisions of IAS 39 concerning the derecognition of financial assets and financial liabilities have been maintained in IFRS 9 without any modification. Moreover, IFRS 9 provides details on the accounting treatment of modified assets, depending on whether they are derecognised or not.

Based on analysed business models and characteristics of financial assets held by the Group, the main classifications expected as at 1 January 2018 are as follows:

- Loans and receivables due from credit institutions and customers and reverse repurchase agreements recognised in "Loans and receivables" under IAS 39 are mostly eligible to Amortised cost under IFRS 9, except for those not complying with the contractual characteristics criterion and those for which a disposal is envisaged;
- "available-for-sale financial assets" under IAS 39, held by non-insurance entities:
  - Treasury bills, Government bonds and other fixed-income securities will be recognised, depending on the business model, at amortised cost for EUR 54 billion and at fair value through shareholders' equity for the remainder. By way of exception, those not complying with the contractual characteristics criterion will be measured at fair value through profit and loss;
  - EUR 5 billion in investments in equity instruments will be reclassified as instruments at fair value through profit or loss.
- Financial assets classified as at "Fair value through profit or loss" under IAS 39 will remain in this category under IFRS 9.

Impairment

IFRS 9 establishes a new credit risk impairment model based on expected losses.

This model will apply to loans and debt instruments measured at amortised cost or at fair value through shareholders' equity (on a separate line), to loan commitments and financial guarantees not recognised at fair value, as well as to lease receivables.

Under the impairment model in IAS 39 based on incurred loss, an impairment loss is recognised when there is an objective evidence of a decrease in value. Counterparties that are not individually impaired are risk-assessed on the basis of portfolios with similar characteristics, and groups of counterparties which, as a result of events occurring since inception of the loans, present objective indication of impairment, are subject to a portfolio-based impairment. Moreover, the Group may recognise additional collective impairment with respect to a given economic sector or geographic area affected by exceptional economic events.

The new impairment model under IFRS 9 requires accounting for 12-month expected credit losses (that result from the risk of default in the next 12 months) on the financial instruments issued or acquired, as of the date of initial recognition on the balance sheet.

Expected credit losses at maturity (that result from the risk of default over the life of the financial instrument) will be recognised if the credit risk has increased significantly since initial recognition.

Financial assets for which a 12-month expected credit loss will be recognised, will be included in "Stage 1". Interest income will be measured according to the effective interest method using the financial asset's gross value (before impairment).

Financial assets for which the credit risk has increased significantly since the initial recognition will be included in "Stage 2". Interest income will be measured according to the effective interest method using the financial asset's gross value (before impairment).

Significant increase in the credit risk will be assessed on an individual basis or on a collective basis (by grouping the financial instruments according to common credit risk characteristics) by taking into consideration all reasonable and supportable information and comparing the default risk of the financial instrument at the reporting date with the default risk on the date of its initial recognition.

Assessment of deterioration will be measured by comparing probability of default/ratings on the date of initial recognition and those existing on the reporting date.

Under the standard, there is also a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The standard suggests that it may be assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if this risk is considered to be low on the reporting date (for example, a financial instrument which has an 'investment grade' rating). This provision may be applied to debt securities.

Financial assets for which there is objective evidence of a decrease in value as a result of an event occurring after inception of the loan or acquisition of the asset will be considered as impaired and be recognised in "Stage 3". Criteria for identifying impaired assets are similar to those prevailing under IAS 39. Interest income will be measured according to the effective interest method using the financial asset's net value (after impairment).

The measurement of expected credit losses is based on 3 main parameters: the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") in light of amortisation profiles. Expected credit losses are measured as the product of the PD, LGD and EAD.

The methodology developed by the Group for the implementation of IFRS 9 is based on existing concepts and methods (in particular the Basel framework) on exposures for which the capital requirement for credit risk is measured according to the IRBA methodology. This method is also applied to portfolios for which the capital requirement for credit risk is measured according to the standardised approach. Besides, the Basel framework needs to be supplemented with the specific provisions of IFRS 9, in particular the use of forward-looking information.

The amount of expected credit loss will be measured on the basis of probability-weighted scenarios, in view of past events, current conditions and reasonable and supportable economic forecasts.

The new impairment model will result in an increase in impairment for credit risk since all financial assets will be subject to a 12-month expected credit loss measurement and since the measurement of expected losses will include the impact of prospective scenarios. Moreover, the scope of assets for which there is a significant increase in credit risk will be different from the scope of assets for which portfolio-based impairment was recognised under IAS 39.

Treatment of restructuring for financial difficulties is likely to remain similar to that prevailing under IAS 39.

The estimated amount of credit risk impairment according to IFRS 9 as at 1 January 2018 is EUR 29.3 billion, compared to EUR 26 billion as at 31 December 2017 under IAS 39.

Hedge accounting

The Group will maintain the hedge accounting principles under IAS 39, as allowed by the standard until the new macro-hedging standard comes into force. Additional information required by IFRS 7 as amended by IFRS 9 concerning risk management and the impacts of hedge accounting on the financial statements will be disclosed in the notes to the financial statements. Besides, IFRS 9 does not explicitly address the fair value hedge of the interest rate risk on a portfolio of financial assets or liabilities. The provisions of IAS 39 for these portfolio hedges, as adopted by the European Union, will continue to apply.

Transition

The IFRS 9 classification and measurement provisions, as well as its new impairment model, are applicable retrospectively as at 1 January 2018, and the standard introduces the option not to restate the comparative figures for prior periods. BNP Paribas Group will retain this option.

IFRS 9 allows early application of the requirements for the presentation of gains and losses attributable to changes in the credit risk of the financial liabilities designated as at fair value through profit or loss (fair value option). However, the Group decided not to apply these requirements before 1 January 2018.

Global impact expected for the first IFRS 9 application

Subject to control and validation works in progress, IFRS 9 application at 1 January 2018 should trigger an estimated net impact on shareholders' equity of EUR -2.5 billion.

IFRS 15 Revenue from contracts with customers

IFRS 15 "Revenue from Contracts with Customers", issued in May 2014, will supersede a number of standards and interpretations on revenue recognition (in particular IAS 18 "Revenue" and IAS 11 "Construction Contracts"). Revenues from lease contracts, insurance contracts or financial instruments are excluded from the scope of this standard.

Adopted by the European Union on 22 September 2016, IFRS 15 will become mandatory for years beginning on, or after, 1 January 2018.

IFRS 15 defines a single model for recognising revenue based on five-step principles. These five steps make it notably possible to identify the distinct performance obligations in the contracts with customers and to allocate the transaction price to them. The transaction price amounts that are allocated to the different performance obligations are recognised as revenue when the performance obligations are satisfied, namely when the control of the promised goods or services has been transferred.

Revenues from net banking income falling within the scope of application concern in particular the commissions received for banking and similar services provided (except those arising from the effective interest rate), revenues from property development and revenues from services provided in connection with lease contracts.

Transition

IFRS 15 is applicable retrospectively as at 1 January 2018 and introduces the option not to restate the comparative figures for prior periods. BNP Paribas Group will retain this option.

The post-tax impact of IFRS 15 application on shareholders' equity as at 1 January 2018 is estimated at EUR -24 million.

This impact is generated by:

- a change in the timing of recognition of revenues derived from maintenance services offered by operating lease entities;
- a change in the timing of recognition of revenues derived from real estate programmes.

IFRS 16 Leases

IFRS 16 “Leases”, issued in January 2016, will supersede IAS 17 “Leases” and the interpretations relating to the accounting of such contracts. The new definition of leases relies on both the identification of an asset and the right to control the identified asset by the lessee.

From the lessor's point of view, the expected impact should be limited, as the requirements of IFRS 16 remain mostly unchanged from the current IAS 17.

For the lessee, IFRS 16 will require recognition in the balance sheet of all leases, in the form of a right-of-use on the leased asset presented under fixed assets, along with the recognition of a financial liability for the rent and other payments to be made over the leasing period. The right-of-use assets will be amortised on a straight-line basis and the financial liabilities will be amortised on an actuarial basis over the lease period. The main change induced by this new standard is related to contracts which, under IAS 17, met the definition of operating leases, and as such, did not require recognition in the balance sheet of the leased assets.

Adopted for use in the European Union as at 31 October 2017, IFRS 16 will become mandatory for annual periods beginning on or after 1 January 2019. Following the publication of the standard, the Group has started to analyse the standard and define its potential impacts.

IFRS 17 Insurance Contracts

IFRS 17 “Insurance Contracts”, issued in May 2017, will replace IFRS 4 “Insurance Contracts” and will become mandatory for annual periods beginning on or after 1 January 2021, after its adoption by the European Union for application in Europe.

1.b CONSOLIDATION

1.b.1 SCOPE OF CONSOLIDATION

The consolidated financial statements of BNP Paribas include entities that are controlled by the Group, jointly controlled, and under significant influence, with the exception of those entities whose consolidation is regarded as immaterial to the Group. Companies that hold shares in consolidated companies are also consolidated.

Subsidiaries are consolidated from the date on which the Group obtains effective control. Entities under temporary control are included in the consolidated financial statements until the date of disposal.

1.b.2 CONSOLIDATION METHODS

Controlled enterprises are fully consolidated. The Group controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

For entities governed by voting rights, the Group generally controls the entity if it directly or indirectly holds the majority of voting rights and if there are no other agreements altering the power of these voting rights.

Structured entities are defined as entities that are not governed by voting rights, such as when those voting rights relate to administrative tasks only, whereas the relevant activities are directed by means of contractual arrangements. They often have the following features or attributes: restricted activities, a narrow and well-defined objective and insufficient equity to permit them to finance their activities without subordinated financial support.

For these entities, the analysis of control shall consider the purpose and design of the entity, the risks to which the entity is designed to be exposed and to what extent the Group absorbs the related variability. The assessment of control shall consider all facts and circumstances able to determine the Group's practical ability to make decisions that could significantly affect its returns, even if such decisions are contingent on uncertain future events or circumstances.

In assessing whether it has power, the Group considers only substantive rights which it holds or which are held by third parties. For a right to be substantive, the holder must have the practical ability to exercise that right when decisions about the relevant activities of the entity need to be made.

Control shall be reassessed if facts and circumstances indicate that there are changes to one or more of the elements of control.

Where the Group contractually holds the decision-making power, for instance where the Group acts as fund manager, it shall determine whether it is acting as agent or principal. Indeed, when associated with a certain level of exposure to the variability of returns, this decision-making power may indicate that the Group is acting on its own account and that it thus has control over those entities.

Where the Group carries out an activity with one or more partners, sharing control by virtue of a contractual agreement which requires unanimous consent on relevant activities (those that significantly affect the entity’s returns), the Group exercises joint control over the activity. Where the jointly controlled activity is structured through a separate vehicle in which the partners have rights to the net assets, this joint venture is accounted for using the equity method. Where the jointly controlled activity is not structured through a separate vehicle or where the partners have rights to the assets and obligations for the liabilities of the jointly controlled activity, the Group accounts for its share of the assets, liabilities, revenues and expenses in accordance with the applicable IFRSs.

Enterprises over which the Group exercises significant influence (associates) are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of an enterprise without exercising control. Significant influence is presumed to exist when the Group holds, directly or indirectly, 20% or more of the voting power of an enterprise. Interests of less than 20% are excluded from consolidation unless they represent a strategic investment and the Group effectively exercises significant influence. This applies to companies developed in partnership with other groups, where the BNP Paribas Group participates in strategic decisions of the enterprise through representation on the Board of Directors or equivalent governing body, exercises influence over the enterprise's operational management by supplying management systems or senior managers, or provides technical assistance to support the enterprise's development.

Changes in the net assets of associates (companies accounted for under the equity method) are recognised on the assets side of the balance sheet under "Investments in equity-method entities" and in the relevant component of shareholders' equity. Goodwill on associates is also included under "Investments in equity-method entities".

Whenever there is an indication of impairment, the carrying amount of the investment consolidated under the equity method (including goodwill) is subjected to an impairment test, by comparing its recoverable value (the higher of value-in-use and market value less costs to sell) to its carrying amount. Where appropriate, impairment is recognised under "Share of earnings of equity-method entities" in the consolidated income statement and can be reversed at a later date.

If the Group's share of losses of an equity-method entity equals or exceeds the carrying amount of its investment in this entity, the Group discontinues including its share of further losses. The investment is reported at nil value. Additional losses of the equity-method entity are provided for only to the extent that the Group has a legal or constructive obligation to do so, or has made payments on behalf of this entity.

Minority interests are presented separately in the consolidated profit and loss account and balance sheet within consolidated equity. The calculation of minority interests takes into account the outstanding cumulative preferred shares classified as equity instruments issued by subsidiaries, when such shares are held outside the Group.

As regards fully consolidated funds, units held by third-party investors are recognised as debts at fair value through profit or loss, inasmuch as they are redeemable at market value at the subscriber's initiative.

For transactions resulting in a loss of control, any equity interest retained by the Group is remeasured at its fair value through profit or loss.

Realised gains and losses on investments in consolidated undertakings are recognised in the profit and loss account under "Net gain on non-current assets".

1.b.3 CONSOLIDATION PROCEDURES

The consolidated financial statements are prepared using uniform accounting policies for reporting like transactions and other events in similar circumstances.

- **Elimination of intragroup balances and transactions**

Intragroup balances arising from transactions between consolidated enterprises, and the transactions themselves (including income, expenses and dividends), are eliminated. Profits and losses arising from intragroup sales of assets are eliminated, except where there is an indication that the asset sold is impaired. Unrealised gains and losses included in the value of available-for-sale assets are maintained in the consolidated financial statements.

- **Translation of financial statements expressed in foreign currencies**

The consolidated financial statements of BNP Paribas are prepared in euros.

The financial statements of enterprises whose functional currency is not the euro are translated using the closing rate method. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expense items are translated at the average rate for the period.

The same method is applied to the financial statements of enterprises located in hyperinflationary economies, after adjusting for the effects of inflation by applying a general price index.

Differences arising from the translation of balance sheet items and profit and loss items are recorded in shareholders' equity under "Changes in assets and liabilities recognised directly in equity - Exchange rates" for the portion attributable to shareholders, and in "Minority interests" for the portion attributable to outside investors. Under the optional treatment permitted by IFRS 1, the Group has reset to zero all translation differences, by booking all cumulative translation differences attributable to shareholders and to minority interests in the opening balance sheet at 1 January 2004 to retained earnings.

On liquidation or disposal of some or all of an interest held in a foreign enterprise located outside the euro zone, leading to a change in the nature of the investment (loss of control, loss of significant influence or loss of joint control without keeping a significant influence), the cumulative translation adjustment at the date of liquidation or sale, determined according to the step method, is recognised in the profit and loss account.

Should the interest percentage held change without any modification in the nature of the investment, the translation adjustment is reallocated between the portion attributable to shareholders and that attributable to minority interests, if the enterprise is fully consolidated. For enterprises consolidated under the equity method, the portion related to the interest sold is recognised in the profit and loss account.

1.b.4 BUSINESS COMBINATIONS AND MEASUREMENT OF GOODWILL

- **Business combinations**

Business combinations are accounted for using the purchase method.

Under this method, the acquiree's identifiable assets and liabilities assumed are measured at fair value at the acquisition date except for non-current assets classified as assets held for sale, which are accounted for at fair value less costs to sell.

The acquiree's contingent liabilities are not recognised in the consolidated balance sheet unless they represent a present obligation on the acquisition date and their fair value can be measured reliably.

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued to obtain control of the acquiree. Costs directly attributable to the business combination are treated as a separate transaction and recognised through profit or loss.

Any contingent consideration is included in the cost, as soon as control is obtained, at fair value on the date when control was acquired. Subsequent changes in the value of any contingent consideration recognised as a financial liability are recognised through profit or loss.

The Group may recognise any adjustments to the provisional accounting within 12 months of the acquisition date.

Goodwill represents the difference between the cost of the combination and the acquirer's interest in the net fair value of the identifiable assets and liabilities of the acquiree at the acquisition date. Positive goodwill is recognised in the acquirer's balance sheet, while negative goodwill is recognised immediately in profit or loss, on the acquisition date. Minority interests are measured at their share of the fair value of the acquiree's identifiable assets and liabilities. However, for each business combination, the Group can elect to measure minority interests at fair value, in which case a proportion of goodwill is allocated to them. To date, the Group has never used this latter option.

Goodwill is recognised in the functional currency of the acquiree and translated at the closing exchange rate.

On the acquisition date, any previously held equity interest in the acquiree is remeasured at its fair value through profit or loss. In the case of a step acquisition, the goodwill is therefore determined by reference to the acquisition-date fair value.

Since the revised IFRS 3 is applied prospectively, business combinations completed prior to 1 January 2010 were not restated for the effects of changes to IFRS 3.

As permitted under IFRS 1, business combinations that took place before 1 January 2004 and were recorded in accordance with the previously applicable accounting standards (French GAAP), have not been restated in accordance with the principles of IFRS 3.

- **Measurement of goodwill**

The BNP Paribas Group tests goodwill for impairment on a regular basis.

- Cash-generating units

The BNP Paribas Group has split all its activities into cash-generating units[2] representing major business lines. This split is consistent with the Group's organisational structure and management methods, and reflects the independence of each unit in terms of results and management approach. It is reviewed on a regular basis in order to take account of events likely to affect the composition of cash-generating units, such as acquisitions, disposals and major reorganisations.

- Testing cash-generating units for impairment

Goodwill allocated to cash-generating units is tested for impairment annually and whenever there is an indication that a unit may be impaired, by comparing the carrying amount of the unit with its recoverable amount. If the recoverable amount is less than the carrying amount, an irreversible impairment loss is recognised, and the goodwill is written down by the excess of the carrying amount of the unit over its recoverable amount.

- Recoverable amount of a cash-generating unit

The recoverable amount of a cash-generating unit is the higher of the fair value of the unit less costs to sell, and its value in use.

Fair value is the price that would be obtained from selling the unit at the market conditions prevailing at the date of measurement, as determined mainly by reference to actual prices of recent transactions involving similar entities or on the basis of stock market multiples for comparable companies.

Value in use is based on an estimate of the future cash flows to be generated by the cash-generating unit, derived from the annual forecasts prepared by the unit's management and approved by Group Executive Management, and from analyses of changes in the relative positioning of the unit's activities on their market. These cash flows are discounted at a rate that reflects the return that investors would require from an investment in the business sector and region involved.

(2) As defined by IAS 36.

1.c FINANCIAL ASSETS AND FINANCIAL LIABILITIES

1.c.1 LOANS AND RECEIVABLES

Loans and receivables include credit provided by the Group, the Group's share in syndicated loans, and purchased loans that are not quoted in an active market, unless they are held for trading purposes. Loans that are quoted in an active market are classified as "Available-for-sale financial assets" and measured using the methods applicable to this category.

Loans and receivables are initially measured at fair value or equivalent, which is usually the net amount disbursed at inception including directly attributable origination costs and certain types of fees or commission (syndication commission, commitment fees and handling charges) that are regarded as an adjustment to the effective interest rate on the loan.

Loans and receivables are subsequently measured at amortised cost. The income from the loan, representing interest plus transaction costs and fees/commission included in the initial value of the loan, is calculated using the effective interest method and taken to profit or loss over the life of the loan.

Commission earned on financing commitments prior to the inception of a loan is deferred and included in the value of the loan when the loan is made.

Commission earned on financing commitments when the probability of drawdown is low, or when there is uncertainty as to the timing and amount of drawdowns, is recognised on a straight-line basis over the life of the commitment.

1.c.2 REGULATED SAVINGS AND LOAN CONTRACTS

Home savings accounts (*Comptes Épargne-Logement* – "CEL") and home savings plans *(Plans d'Épargne Logement* – "PEL") are government-regulated retail products sold in France. They combine a savings phase and a loan phase which are inseparable, with the loan phase contingent upon the savings phase.

These products contain two types of obligations for BNP Paribas: an obligation to pay interest on the savings for an indefinite period, at a rate set by the government at the inception of the contract (in the case of PEL products) or at a rate reset every six months using an indexation formula set by law (in the case of CEL products); and an obligation to lend to the customer (at the customer's option) an amount contingent upon the rights acquired during the savings phase, at a rate set at the inception of the contract (in the case of PEL products) or at a rate contingent upon the savings phase (in the case of CEL products).

The Group's future obligations with respect to each generation (in the case of PEL products, a generation comprises all products with the same interest rate at inception; in the case of CEL products, all such products constitute a single generation) are measured by discounting potential future earnings from at-risk outstandings for that generation.

At-risk outstandings are estimated on the basis of a historical analysis of customer behaviour, and are equivalent to:

- for the loan phase: statistically probable loans outstanding and actual loans outstanding;
- for the savings phase: the difference between statistically probable outstandings and minimum expected outstandings, with minimum expected outstandings being deemed equivalent to unconditional term deposits.

Earnings for future periods from the savings phase are estimated as the difference between the reinvestment rate and the fixed savings interest rate on at-risk savings outstanding for the period in question. Earnings for future periods from the loan phase are estimated as the difference between the refinancing rate and the fixed loan interest rate on at-risk loans outstanding for the period in question.

The reinvestment rate for savings and the refinancing rate for loans are derived from the swap yield curve and from the spreads expected on financial instruments of similar type and maturity. Spreads are determined on the basis of actual spreads on fixed rate home loans in the case of the loan phase and products offered to individual clients in the case of the savings phase. In order to reflect the uncertainty of future interest rate trends, and the impact of such trends on customer behaviour models and on at-risk outstandings, the obligations are estimated using the Monte-Carlo method.

Where the sum of the Group's estimated future obligations with respect to the savings and loan phases of any generation of contracts indicates a potentially unfavourable situation for the Group, a provision is recognised (with no offset between generations) in the balance sheet in "Provisions for contingencies and charges". Movements in this provision are recognised as interest income in the profit and loss account.

1.c.3 SECURITIES

- **Categories of securities**

Securities held by the Group are classified into one of four categories.

- Financial assets at fair value through profit or loss

Apart from derivative instruments, financial assets at fair value through profit or loss are composed of:

- financial assets held for trading purposes;
- financial assets that the Group has designated, on initial recognition, at fair value through profit or loss using the fair value option available under IAS 39. The conditions for applying the fair value option are set out in section 1.c.11.

Securities in this category are measured at fair value at the balance sheet date. Transaction costs are directly posted in the profit and loss account. Changes in fair value (excluding accrued interest on fixed-income securities) are presented in the profit and loss account under "Net gain/loss on financial instruments at fair value through profit or loss", along with dividends from variable-income securities and realised gains and losses on disposal.

Income earned on fixed-income securities classified into this category is shown under "Interest income" in the profit and loss account.

- Loans and receivables

Securities with fixed or determinable payments that are not traded on an active market, apart from securities for which the owner may not recover almost all of its initial investment due to reasons other than credit deterioration, are classified as "Loans and receivables" if they do not meet the criteria to be classified as "Financial assets at fair value through profit or loss". These securities are measured and recognised as described in section 1.c.1.

- Held-to-maturity financial assets

Held-to-maturity financial assets are investments with fixed or determinable payments and fixed maturity that the Group has the intention and ability to hold until maturity. Hedges contracted to cover assets in this category against interest rate risk do not qualify for hedge accounting as defined in IAS 39.

Assets in this category are accounted for at amortised cost using the effective interest method, which builds in amortisation of premium and discount (corresponding to the difference between the purchase price and redemption value of the asset) and acquisition costs (where material). Income earned from this category of assets is included in "Interest income" in the profit and loss account.

- Available-for-sale financial assets

Available-for-sale financial assets are fixed-income and variable-income securities other than those classified as “fair value through profit or loss” or “held-to-maturity” or “loans and receivables”.

Assets included in the available-for-sale category are initially recorded at fair value, plus transaction costs where material. At the balance sheet date, they are remeasured at fair value, with changes in fair value (excluding accrued interest) shown on a separate line in shareholders’ equity. Upon disposal, these unrealised gains and losses are transferred from shareholders’ equity to the profit and loss account, where they are shown on the line “Net gain/loss on available-for-sale financial assets”. The same applies in the event of impairment.

Income recognised using the effective interest method for fixed-income available-for-sale securities is recorded under “Interest income” in the profit and loss account. Dividend income from variable-income securities is recognised under “Net gain/loss on available-for-sale financial assets” when the Group’s right to receive payment is established.

- **Repurchase agreements and securities lending/borrowing**

Securities temporarily sold under repurchase agreements continue to be recorded in the Group’s balance sheet in the category of securities to which they belong. The corresponding liability is recognised in the appropriate debt category on the balance sheet except in the case of repurchase agreements contracted for trading purposes where the corresponding liability is classified under “Financial liabilities at fair value through profit or loss”.

Securities temporarily acquired under reverse repurchase agreements are not recognised in the Group’s balance sheet. The corresponding receivable is recognised under “Loans and receivables” except in the case of reverse repurchase agreements contracted for trading purposes, where the corresponding receivable is recognised under “Financial assets at fair value through profit or loss”.

Securities lending transactions do not result in derecognition of the lent securities, and securities borrowing transactions do not result in recognition of the borrowed securities on the balance sheet. In cases where the borrowed securities are subsequently sold by the Group, the obligation to deliver the borrowed securities on maturity is recognised on the balance sheet under “Financial liabilities at fair value through profit or loss”.

- **Date of recognition for securities transactions**

Securities classified as at fair value through profit or loss, held-to-maturity or available-for-sale financial assets are recognised at the trade date.

Regardless of their classification (at fair value through profit or loss, loans and receivables or debt), temporary sales of securities as well as sales of borrowed securities are initially recognised at the settlement date. For reverse repurchase agreements and repurchase agreements, a financing commitment, respectively given and received, is recognized between the trade date and the settlement date when the transactions are recognised, respectively, as "Loans and receivables" and "Liabilities". When reverse repurchase agreements and repurchase agreements are recognised, respectively, as "Financial assets at fair value through profit or loss" and "Financial liabilities at fair value through profit or loss", the repurchase commitment is recognised as a derivative financial instrument.

Securities transactions are carried on the balance sheet until the Group’s rights to receive the related cash flows expire, or until the Group has substantially transferred all the risks and rewards related to ownership of the securities.

1.c.4 FOREIGN CURRENCY TRANSACTIONS

The methods used to account for assets and liabilities relating to foreign currency transactions entered into by the Group, and to measure the foreign exchange risk arising on such transactions, depend on whether the asset or liability in question is classified as a monetary or a non-monetary item.

- Monetary assets and liabilities[3] expressed in foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into the functional currency of the relevant Group entity at the closing rate. Translation differences are recognised in the profit and loss account, except for those arising from financial instruments designated as a cash flow hedge or a net foreign investment hedge, which are recognised in shareholders' equity.

- Non-monetary assets and liabilities expressed in foreign currencies

Non-monetary assets may be measured either at historical cost or at fair value. Non-monetary assets expressed in foreign currencies are translated using the exchange rate at the date of the transaction if they are measured at historical cost, and at the closing rate if they are measured at fair value.

Translation differences on non-monetary assets expressed in foreign currencies and measured at fair value (variable-income securities) are recognised in the profit and loss account if the asset is classified under "Financial assets at fair value through profit or loss", and in shareholders' equity if the asset is classified under "Available-for-sale financial assets", unless the financial asset in question is designated as an item hedged against foreign exchange risk in a fair value hedging relationship, in which case the translation difference is recognised in the profit and loss account.

1.c.5 IMPAIRMENT AND RESTRUCTURING OF FINANCIAL ASSETS

- **Doubtful assets**

Doubtful assets are defined as assets where the Bank considers that there is a risk that the debtors will be unable to honour all or part of their commitments.

- **Impairment of loans and receivables and held-to-maturity financial assets, provisions for financing and guarantee commitments**

An impairment loss is recognised against loans and held-to-maturity financial assets where (i) there is objective evidence of a decrease in value as a result of an event occurring after inception of the loan or acquisition of the asset; (ii) the event affects the amount or timing of future cash flows; and (iii) the consequences of the event can be reliably measured. Loans are initially assessed for evidence of impairment on an individual basis, and subsequently on a portfolio basis. Similar principles are applied to financing and guarantee commitments given by the Group, with the probability of drawdown taken into account in any assessment of financing commitments.

(3) Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.

At an individual level, objective evidence that a financial asset is impaired includes observable data regarding the following events:

- the existence of accounts that are more than three months past due;
- knowledge or indications that the borrower meets significant financial difficulty, such that a risk can be considered to have arisen regardless of whether the borrower has missed any payments;
- concessions with respect to the credit terms granted to the borrower that the lender would not have considered had the borrower not been meeting financial difficulty (see section “Restructuring of assets classified as "Loans and receivables"”).

The amount of the impairment is the difference between the carrying amount before impairment and the present value, discounted at the original effective interest rate of the asset, of those components (principal, interest, collateral, etc.) regarded as recoverable. Changes in the amount of impairment losses are recognised in the profit and loss account under “Cost of risk”. Any subsequent decrease in an impairment loss that can be related objectively to an event occurring after the impairment loss was recognised is credited to the profit and loss account, also under “Cost of risk”. Once an asset has been impaired, the theoretical income earned on the carrying amount of the asset calculated at the original effective interest rate used to discount the estimated recoverable cash flows is recognised under “Interest income” in the profit and loss account.

Impairment losses on loans and receivables are usually recorded in a separate provision account which reduces the amount for which the loan or receivable was recorded in assets upon initial recognition. Provisions relating to off-balance sheet financial instruments, financing and guarantee commitments or disputes are recognised in liabilities. Impaired receivables are written off in whole or in part and the corresponding provision is reversed for the amount of the loss when all other means available to the Bank for recovering the receivables or guarantees have failed, or when all or part of the receivables have been waived.

Counterparties that are not individually impaired are risk-assessed on a portfolio basis with similar characteristics. This assessment draws upon an internal rating system based on historical data, adjusted as necessary to reflect circumstances prevailing at the balance sheet date. It enables the Group to identify groups of counterparties which, as a result of events occurring since inception of the loans, have collectively acquired a probability of default at maturity that provides objective evidence of impairment of the entire portfolio, but without it being possible at that stage to allocate the impairment to individual counterparties. This assessment also estimates the amount of the loss on the portfolios in question, taking account of trends in the economic cycle during the assessment period. Changes in the amount of portfolio impairments are recognised in the profit and loss account under “Cost of risk”.

Based on the experienced judgement of the Bank’s divisions or Risk Management, the Group may recognise additional collective impairment provisions with respect to a given economic sector or geographic area affected by exceptional economic events. This may be the case when the consequences of these events cannot be measured with sufficient accuracy to adjust the parameters used to determine the collective provision recognised against affected portfolios of loans with similar characteristics.

- **Impairment of available-for-sale financial assets**

Impairment of available-for-sale financial assets (which mainly comprise securities) is recognised on an individual basis if there is objective evidence of impairment as a result of one or more events occurring since acquisition.

In the case of variable-income securities quoted in an active market, the control system identifies securities that may be impaired on a long term basis and is based on criteria such as a significant decline in quoted price below the acquisition cost or a prolonged decline, which prompts the Group to carry out an additional individual qualitative analysis. This may lead to the recognition of an impairment loss calculated on the basis of the quoted price.

Apart from the identification criteria, the Group has determined three indications of impairment, one being a significant decline in price, defined as a fall of more than 50% of the acquisition price, another being a prolonged decline over two consecutive years and the final one being a decline on average of at least 30% over an observation period of one year. The Group believes that a period of two years is what is necessary for a moderate decline in price below the purchase cost to be considered as something more than just the effect of random volatility inherent in the stock markets or a cyclical change lasting a few years, but which represents a lasting phenomenon justifying an impairment.

A similar method is applied for variable-income securities not quoted in an active market. Any impairment is then determined based on the model value.

In the case of fixed-income securities, impairment is assessed based on the same criteria applied to individually impaired loans and receivables. For securities quoted in an active market, impairment is determined based on the quoted price. For all the others, it is determined based on model value.

Impairment losses taken against variable-income securities are recognised as a component of Revenues on the line “Net gain/loss on available-for-sale financial assets”, and may not be reversed through the profit and loss account until these securities are sold. Any subsequent decline in fair value constitutes an additional impairment loss, recognised in the profit and loss account.

Impairment losses taken against fixed-income securities are recognised under “Cost of risk”, and may be reversed through the profit and loss account in the event of an increase in fair value that relates objectively to an event occurring after the last impairment was recognised.

- **Restructuring of assets classified as "Loans and receivables"**

The restructuring of an asset classified in loans and receivables is considered to be a troubled debt restructuring when the Bank, for economic or legal reasons related to the borrower's financial difficulties, agrees to a modification of terms of the original transaction that it would not otherwise consider, resulting in the borrower's contractual obligation to the Bank, measured at present value, being reduced compared with the original terms.

At the time of restructuring, a discount is applied to the loan to reduce its carrying amount to the present value of the new expected future cash flows discounted at the original effective interest rate.

The decrease in the asset value is recognised in the profit and loss account under "Cost of risk".

When the restructuring consists of a partial or full settlement with other substantially different assets, the original debt (see note 1.c.14) and the assets received in settlement are recognised at their fair value on the settlement date. The difference in value is recognised in profit or loss under "Cost of risk".

1.c.6 RECLASSIFICATION OF FINANCIAL ASSETS

The only authorised reclassifications of financial assets are the following:

- For a non-derivative financial asset which is no longer held for the purposes of selling it in the near-term, out of “Financial assets at fair value through profit or loss” and into:
  - “Loans and receivables” if the asset meets the definition for this category and the Group has the intention and ability to hold the asset for the foreseeable future or until maturity; or
  - Other categories only under rare circumstances when justified and provided that the reclassified assets meet the conditions applicable to the host portfolio.

- Out of “Available-for-sale financial assets” and into:
  - “Loans and receivables” with the same conditions as set out above for "Financial assets at fair value through profit or loss”;
  - “Held-to-maturity financial assets,” for assets that have a maturity, or “Financial assets at cost,” for unlisted variable-income assets.

Financial assets are reclassified at fair value, or at the value calculated by a model, on the reclassification date. Any derivatives embedded in the reclassified financial assets are recognised separately and changes in fair value are recognised through profit or loss.

After reclassification, assets are recognised according to the provisions applied to the host portfolio. The transfer price on the reclassification date is deemed to be the initial cost of the asset for the purpose of determining any impairment.

In the event of reclassification from "Available-for-sale financial assets" to another category, gains or losses previously recognised through equity are amortised to profit or loss over the residual life of the instrument using the effective interest method.

Any upward revisions to the estimated recoverable amounts are recognised through an adjustment to the effective interest rate as of the date on which the estimate is revised. Downward revisions are recognised through an adjustment to the financial asset's carrying amount.

1.c.7 ISSUES OF DEBT SECURITIES

Financial instruments issued by the Group are qualified as debt instruments if the Group company issuing the instruments has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. The same applies if the Group is required to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group, or to deliver a variable number of the Group’s own equity instruments.

Issues of debt securities are initially recognised at the issue value including transaction costs, and are subsequently measured at amortised cost using the effective interest method.

1.c.8 OWN EQUITY INSTRUMENTS AND OWN EQUITY INSTRUMENT DERIVATIVES

The term “own equity instruments” refers to shares issued by the parent company (BNP Paribas SA) and by its fully consolidated subsidiaries. External costs that are directly attributable to an issue of new shares are deducted from equity net of all related taxes.

Own equity instruments held by the Group, also known as treasury shares, are deducted from consolidated shareholders’ equity irrespective of the purpose for which they are held. Gains and losses arising on such instruments are eliminated from the consolidated profit and loss account.

When the Group acquires equity instruments issued by subsidiaries under the exclusive control of BNP Paribas, the difference between the acquisition price and the share of net assets acquired is recorded in retained earnings attributable to BNP Paribas shareholders. Similarly, the liability corresponding to put options granted to minority shareholders in such subsidiaries, and changes in the value of that liability, are offset initially against minority interests, with any surplus offset against retained earnings attributable to BNP Paribas shareholders. Until these options have been exercised, the portion of net income attributable to minority interests is allocated to minority interests in the profit and loss account. A decrease in the Group’s interest in a fully consolidated subsidiary is recognised in the Group's accounts as a change in shareholders' equity.

Own equity instrument derivatives are treated as follows, depending on the method of settlement:

- as equity instruments if they are settled by physical delivery of a fixed number of own equity instruments for a fixed amount of cash or other financial asset. Such instruments are not revalued;
- as derivatives if they are settled in cash, or by choice, depending on whether they are settled by physical delivery of the shares or in cash. Changes in value of such instruments are taken to the profit and loss account.

If the contract includes an obligation, whether contingent or not, for the bank to repurchase its own shares, the bank must recognise the debt at its present value with an offsetting entry in equity.

1.c.9 DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

All derivative instruments are recognised in the balance sheet on the trade date at the transaction price, and are remeasured to fair value on the balance sheet date.

- **Derivatives held for trading purposes**

Derivatives held for trading purposes are recognised in the balance sheet in “Financial assets at fair value through profit or loss” when their fair value is positive, and in “Financial liabilities at fair value through profit or loss” when their fair value is negative. Realised and unrealised gains and losses are recognised in the profit and loss account on the line “Net gain/loss on financial instruments at fair value through profit or loss”.

- **Derivatives and hedge accounting**

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge.

Fair value hedges are particularly used to hedge interest rate risk on fixed rate assets and liabilities, both for identified financial instruments (securities, debt issues, loans, borrowings) and for portfolios of financial instruments (in particular, demand deposits and fixed rate loans).

Cash flow hedges are particularly used to hedge interest rate risk on floating-rate assets and liabilities, including rollovers, and foreign exchange risks on highly probable forecast foreign currency revenues.

At the inception of the hedge, the Group prepares formal documentation which details the hedging relationship, identifying the instrument, or portion of the instrument, or portion of risk that is being hedged, the hedging strategy and the type of risk hedged, the hedging instrument, and the methods used to assess the effectiveness of the hedging relationship.

On inception and at least quarterly, the Group assesses, in consistency with the original documentation, the actual (retrospective) and expected (prospective) effectiveness of the hedging relationship. Retrospective effectiveness tests are designed to assess whether the ratio of actual changes in the fair value or cash flows of the hedging instrument to those in the hedged item is within a range of 80% to 125%. Prospective effectiveness tests are designed to ensure that expected changes in the fair value or cash flows of the derivative over the residual life of the hedge adequately offset those of the hedged item. For highly probable forecast transactions, effectiveness is assessed largely on the basis of historical data for similar transactions.

Under IAS 39 as adopted by the European Union, which excludes certain provisions on portfolio hedging, interest rate risk hedging relationships based on portfolios of assets or liabilities qualify for fair value hedge accounting as follows:

- the risk designated as being hedged is the interest rate risk associated with the interbank rate component of interest rates on commercial banking transactions (loans to customers, savings accounts and demand deposits);

- the instruments designated as being hedged correspond, for each maturity band, to a portion of the interest rate gap associated with the hedged underlyings;
- the hedging instruments used consist exclusively of “plain vanilla” swaps;
- prospective hedge effectiveness is established by the fact that all derivatives must, on inception, have the effect of reducing interest rate risk in the portfolio of hedged underlyings. Retrospectively, a hedge will be disqualified from hedge accounting once a shortfall arises in the underlyings specifically associated with that hedge for each maturity band (due to prepayment of loans or withdrawals of deposits).

The accounting treatment of derivatives and hedged items depends on the hedging strategy.

In a fair value hedging relationship, the derivative instrument is remeasured at fair value in the balance sheet, with changes in fair value recognised in profit or loss in “Net gain/loss on financial instruments at fair value through profit or loss”, symmetrically with the remeasurement of the hedged item to reflect the hedged risk. In the balance sheet, the fair value remeasurement of the hedged component is recognised in accordance with the classification of the hedged item in the case of a hedge of identified assets and liabilities, or under “Remeasurement adjustment on interest rate risk hedged portfolios” in the case of a portfolio hedging relationship.

If a hedging relationship ceases or no longer fulfils the effectiveness criteria, the hedging instrument is transferred to the trading book and accounted for using the treatment applied to this category. In the case of identified fixed-income instruments, the remeasurement adjustment recognised in the balance sheet is amortised at the effective interest rate over the remaining life of the instrument. In the case of interest rate risk hedged fixed-income portfolios, the adjustment is amortised on a straight-line basis over the remainder of the original term of the hedge. If the hedged item no longer appears in the balance sheet, in particular due to prepayments, the adjustment is taken to the profit and loss account immediately.

In a cash flow hedging relationship, the derivative is measured at fair value in the balance sheet, with changes in fair value taken to shareholders’ equity on a separate line, “Unrealised or deferred gains or losses”. The amounts taken to shareholders’ equity over the life of the hedge are transferred to the profit and loss account under “Net interest income” as and when the cash flows from the hedged item impact profit or loss. The hedged items continue to be accounted for using the treatment specific to the category to which they belong.

If the hedging relationship ceases or no longer fulfils the effectiveness criteria, the cumulative amounts recognised in shareholders’ equity as a result of the remeasurement of the hedging instrument remain in equity until the hedged transaction itself impacts profit or loss, or until it becomes clear that the transaction will not occur, at which point they are transferred to the profit and loss account.

If the hedged item ceases to exist, the cumulative amounts recognised in shareholders’ equity are immediately taken to the profit and loss account.

Whatever the hedging strategy used, any ineffective portion of the hedge is recognised in the profit and loss account under “Net gain/loss on financial instruments at fair value through profit or loss”.

Hedges of net foreign currency investments in subsidiaries and branches are accounted for in the same way as cash flow hedges. Hedging instruments may be currency derivatives or any other non-derivative financial instrument.

- **Embedded derivatives**

Derivatives embedded in hybrid financial instruments are separated from the value of the host contract and accounted for separately as a derivative if the hybrid instrument is not recorded as a financial asset or liability at fair value through profit or loss, and if the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.

1.c.10 DETERMINATION OF FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market or most advantageous market, at the measurement date.

The Group determines the fair value of financial instruments either by using prices obtained directly from external data or by using valuation techniques. These valuation techniques are primarily market and income approaches encompassing generally accepted models (e.g. discounted cash flows, Black-Scholes model, and interpolation techniques). They maximize the use of observable inputs and minimize the use of unobservable inputs. They are calibrated to reflect current market conditions and valuation adjustments are applied as appropriate, when some factors such as model, liquidity and credit risks are not captured by the models or their underlying inputs but are nevertheless considered by market participants when setting the exit price.

The unit of measurement is generally the individual financial asset or financial liability but a portfolio-based measurement can be elected, subject to certain conditions. Accordingly, the Group retains this portfolio-based measurement exception to determine the fair value when some group of financial assets and financial liabilities and other contracts within the scope of the standard relating to financial instruments with substantially similar and offsetting market risks or credit risks are managed on the basis of a net exposure, in accordance with the documented risk management strategy.

Assets and liabilities measured or disclosed at fair value are categorised into the three following levels of the fair value hierarchy:

- Level 1: fair values are determined using directly quoted prices in active markets for identical assets and liabilities. Characteristics of an active market include the existence of a sufficient frequency and volume of activity and of readily available prices.
- Level 2: fair values are determined based on valuation techniques for which significant inputs are observable market data, either directly or indirectly. These techniques are regularly calibrated and the inputs are corroborated with information from active markets.
- Level 3: fair values are determined using valuation techniques for which significant inputs are unobservable or cannot be corroborated by market-based observations, due for instance to illiquidity of the instrument and significant model risk. An unobservable input is a parameter for which there are no market data available and that is therefore derived from proprietary assumptions about what other market participants would consider when assessing fair value. The assessment of whether a product is illiquid or subject to significant model risks is a matter of judgment.

The level in the fair value hierarchy within which the asset or liability is categorised in its entirety is based upon the lowest level input that is significant to the entire fair value.

For financial instruments disclosed in Level 3 of the fair value hierarchy, a difference between the transaction price and the fair value may arise at initial recognition. This “Day One Profit” is deferred and released to the profit and loss account over the period during which the valuation parameters are expected to remain non-observable. When parameters that were originally non-observable become observable, or when the valuation can be substantiated in comparison with recent similar transactions in an active market, the unrecognised portion of the day one profit is released to the profit and loss account.

1.c.11 FINANCIAL ASSETS AND LIABILITIES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS (FAIR VALUE OPTION)

Financial assets or financial liabilities may be designated on initial recognition as at fair value through profit or loss, in the following cases:

- hybrid financial instruments containing one or more embedded derivatives which otherwise would have been separated and accounted for separately;
- where using the option enables the entity to eliminate or significantly reduce a mismatch in the measurement and accounting treatment of assets and liabilities that would arise if they were to be classified in separate categories;
- when a group of financial assets and/or financial liabilities is managed and measured on the basis of fair value, in accordance with a documented risk management and investment strategy.

1.c.12 INCOME AND EXPENSES ARISING FROM FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Income and expenses arising from financial instruments measured at amortised cost and from fixed-income securities classified in “Available-for-sale financial assets” are recognised in the profit and loss account using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the asset or liability in the balance sheet. The effective interest rate calculation takes into account all fees received or paid that are an integral part of the effective interest rate of the contract, transaction costs, and premiums and discounts.

The method used by the Group to recognise service-related commission income and expenses depends on the nature of the service. Commission treated as an additional component of interest is included in the effective interest rate, and is recognised in the profit and loss account in “Net interest income”. Commission payable or receivable on execution of a significant transaction is recognised in the profit and loss account in full on execution of the transaction, under “Commission income and expense”. Commission payable or receivable for recurring services is recognised over the term of the service, also under “Commission income and expense”.

Commission received in respect of financial guarantee commitments is regarded as representing the fair value of the commitment. The resulting liability is subsequently amortised over the term of the commitment, under commission income in Revenues.

1.c.13 COST OF RISK

Cost of risk includes movements in provisions for impairment of fixed-income securities and loans and receivables due from customers and credit institutions, movements in provisions for financing and guarantee commitments given, losses on irrecoverable loans and amounts recovered on loans written off. This caption also includes impairment losses recorded with respect to default risk incurred on counterparties for over-the-counter financial instruments, as well as expenses relating to fraud and to disputes inherent to the financing business.

1.c.14 DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group derecognises all or part of a financial asset either when the contractual rights to the cash flows from the asset expire or when the Group transfers the contractual rights to the cash flows from the asset and substantially all the risks and rewards of ownership of the asset. Unless these conditions are fulfilled, the Group retains the asset in its balance sheet and recognises a liability for the obligation created as a result of the transfer of the asset.

The Group derecognises all or part of a financial liability when the liability is extinguished in full or in part.

1.c.15 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability are offset and the net amount presented in the balance sheet if, and only if, the Group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Repurchase agreements and derivatives traded with clearing houses that meet the two criteria set out in the accounting standard are offset in the balance sheet.

1.d ACCOUNTING STANDARDS SPECIFIC TO THE INSURANCE BUSINESS

The specific accounting policies relating to assets and liabilities generated by insurance contracts and financial contracts with a discretionary participation feature written by fully consolidated insurance companies are retained for the purposes of the consolidated financial statements. These policies comply with IFRS 4.

All other insurance company assets and liabilities are accounted for using the policies applied to the Group’s assets and liabilities generally, and are included in the relevant balance sheet and profit and loss account headings in the consolidated financial statements.

1.d.1 ASSETS

Financial assets and property are accounted for using the policies described elsewhere in this note. The only exceptions are shares in civil property companies (SCIs) held in unit-linked insurance contract portfolios, which are measured at fair value on the balance sheet date with changes in fair value taken to profit or loss.

Financial assets and property representing technical provisions related to unit-linked business are shown respectively in “Financial assets at fair value through profit or loss” and in “Investment property”, and are stated at the realisable value of the underlying assets at the balance sheet date.

1.d.2 LIABILITIES

The Group's obligations to policyholders and beneficiaries are shown in "Technical reserves of insurance companies" and are comprised of liabilities relating to insurance contracts carrying a significant insurance risk (e.g., mortality or disability) and to financial contracts with a discretionary participation feature, which are covered by IFRS 4. A discretionary participation feature is one which gives life policyholders the right to receive a share of actual profits as a supplement to guaranteed benefits.

Liabilities relating to other financial contracts, which are covered by IAS 39, are shown in "Due to customers".

Unit-linked contract liabilities are measured in reference to the fair value of the underlying assets at the balance sheet date.

The benefits offered for life insurance relate mainly to the risk of death (term life insurance, annuities, loan repayment, guaranteed minimum on unit-linked contracts) and, for borrowers' insurance, to disability, incapacity and unemployment risks. These types of risks are controlled by the use of appropriate mortality tables (certified tables in the case of annuity-holders), medical screening appropriate to the level of benefit offered, statistical monitoring of insured populations, and reinsurance programmes.

For life insurance, technical reserves consist mainly of mathematical reserves which correspond, as a minimum, to the surrender value of the contract.

Non-life technical reserves consist of unearned premium reserves (corresponding to the portion of written premiums relating to future periods) and outstanding claims reserves, inclusive of claims handling costs.

The adequacy of technical reserves (net of unamortised acquisition costs) is tested at the balance sheet date by comparing them with the average value of future cash flows as derived from stochastic analyses. Any adjustments to technical reserves are taken to the profit and loss account for the period.

A capitalisation reserve is set up in individual statutory accounts of French life-insurance companies on the sale of amortisable securities in order to defer part of the net realised gain and hence maintain the yield to maturity on the portfolio of admissible assets. In the consolidated financial statements, this reserve is reclassified into "Policyholders' surplus" on the liabilities side of the consolidated balance sheet, to the extent that it is highly probable it will be used.

The policyholders' surplus reserve also includes amounts resulting from the application of shadow accounting representing the interest of policyholders, mainly within French life insurance subsidiaries, in unrealised gains and losses on assets where the benefit paid under the policy is linked to the return on those assets. This interest is an average derived from stochastic analyses of unrealised gains and losses attributable to policyholders in various scenarios.

In the event of an unrealised loss on shadow accounted assets, a policyholders' loss reserve is recognised on the assets side of the consolidated balance sheet in an amount equal to the probable deduction from the policyholders' future profit share. The recoverability of the policyholders' loss reserve is assessed prospectively, taking into account policyholders' surplus reserves recognised elsewhere, capital gains on financial assets that are not shadow accounted due to accounting elections made (held-to-maturity financial assets and property investments measured at cost) and the company's ability and intention to hold the assets carrying the unrealised loss. The policyholders' loss reserve is recognised symmetrically with the corresponding assets and shown on the assets side of the balance sheet under the line item "Accrued income and other assets".

1.d.3 PROFIT AND LOSS ACCOUNT

Income and expenses arising on insurance contracts written by the Group are recognised in the profit and loss account under “Income from other activities” and “Expense on other activities”.

Other insurance company income and expenses are included in the relevant profit and loss account item. Consequently, movements in the policyholders’ surplus reserve are shown on the same line as gains and losses on the assets that generated the movements.

1.e PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets shown in the consolidated balance sheet are composed of assets used in operations and investment property.

Assets used in operations are those used in the provision of services or for administrative purposes, and include non-property assets leased by the Group as lessor under operating leases.

Investment property comprises property assets held to generate rental income and capital gains.

Property, plant and equipment and intangible assets are initially recognised at purchase price plus directly attributable costs, together with borrowing costs where a long period of construction or adaptation is required before the asset can be brought into service.

Software developed internally by the BNP Paribas Group that fulfils the criteria for capitalisation is capitalised at direct development cost, which includes external costs and the labour costs of employees directly attributable to the project.

Subsequent to initial recognition, property, plant and equipment and intangible assets are measured at cost less accumulated depreciation or amortisation and any impairment losses. The only exceptions are shares in civil property companies (SCIs) held in unit-linked insurance contract portfolios, which are measured at fair value on the balance sheet date, with changes in fair value taken to profit or loss.

The depreciable amount of property, plant and equipment and intangible assets is calculated after deducting the residual value of the asset. Only assets leased by the Group as the lessor under operating leases are presumed to have a residual value, as the useful life of property, plant and equipment and intangible assets used in operations is generally the same as their economic life.

Property, plant and equipment and intangible assets are depreciated or amortised using the straight-line method over the useful life of the asset. Depreciation and amortisation expense is recognised in the profit and loss account under “Depreciation, amortisation and impairment of property, plant and equipment and intangible assets”.

Where an asset consists of a number of components which may require replacement at regular intervals, or which have different uses or generate economic benefits at different rates, each component is recognised separately and depreciated using a method appropriate to that component. The BNP Paribas Group has adopted the component-based approach for property used in operations and for investment property.

The depreciation periods used for office property are as follows: 80 years or 60 years for the shell (for prime and other property respectively); 30 years for facades; 20 years for general and technical installations; and 10 years for fixtures and fittings.

Software is amortised, depending on its type, over periods of no more than 8 years in the case of infrastructure developments and 3 years or 5 years in the case of software developed primarily for the purpose of providing services to customers.

Software maintenance costs are expensed as incurred. However, expenditure that is regarded as upgrading the software or extending its useful life is included in the initial acquisition or production cost.

Depreciable property, plant and equipment and intangible assets are tested for impairment if there is an indication of potential impairment at the balance sheet date. Non-depreciable assets are tested for impairment at least annually, using the same method as for goodwill allocated to cash-generating units.

If there is an indication of impairment, the new recoverable amount of the asset is compared with the carrying amount. If the asset is found to be impaired, an impairment loss is recognised in the profit and loss account. This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer an indication of impairment. Impairment losses are taken to the profit and loss account in “Depreciation, amortisation and impairment of property, plant and equipment and intangible assets”.

Gains and losses on disposals of property, plant and equipment and intangible assets used in operations are recognised in the profit and loss account in “Net gain on non-current assets”.

Gains and losses on disposals of investment property are recognised in the profit and loss account in “Income from other activities” or “Expense on other activities”.

1.f LEASES

Group companies may either be the lessee or the lessor in a lease agreement.

1.f.1 LESSOR ACCOUNTING

Leases contracted by the Group as lessor are categorised as either finance leases or operating leases.

- **Finance leases**

In a finance lease, the lessor transfers substantially all the risks and rewards of ownership of an asset to the lessee. It is treated as a loan made to the lessee to finance the purchase of the asset.

The present value of the lease payments, plus any residual value, is recognised as a receivable. The net income earned from the lease by the lessor is equal to the amount of interest on the loan, and is taken to the profit and loss account under “Interest income”. The lease payments are spread over the lease term, and are allocated to reduction of the principal and to interest such that the net income reflects a constant rate of return on the net investment outstanding in the lease. The rate of interest used is the rate implicit in the lease.

Individual and portfolio impairments of lease receivables are determined using the same principles as applied to other loans and receivables.

- **Operating leases**

An operating lease is a lease under which substantially all the risks and rewards of ownership of an asset are not transferred to the lessee.

The asset is recognised under property, plant and equipment in the lessor’s balance sheet and depreciated on a straight-line basis over its useful life. The depreciable amount excludes the residual value of the asset. The lease payments are taken to the profit and loss account in full on a straight-line basis over the lease term. Lease payments and depreciation expenses are taken to the profit and loss account under “Income from other activities” and “Expense on other activities”.

1.f.2 LESSEE ACCOUNTING

Leases contracted by the Group as lessee are categorised as either finance leases or operating leases.

- **Finance leases**

A finance lease is treated as an acquisition of an asset by the lessee, financed by a loan. The leased asset is recognised in the balance sheet of the lessee at the lower of its fair value or the present value of the minimum lease payments calculated at the interest rate implicit in the lease. A matching liability, equal to the fair value of the leased asset or the present value of the minimum lease payments, is also recognised in the balance sheet of the lessee. The asset is depreciated using the same method as that applied to owned assets, after deducting the residual value from the amount initially recognised, over the useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life. The lease obligation is accounted for at amortised cost.

- **Operating leases**

The asset is not recognised in the balance sheet of the lessee. Lease payments made under operating leases are taken to the profit and loss account of the lessee on a straight-line basis over the lease term.

1.g NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Where the Group decides to sell non-current assets and it is highly probable that the sale will occur within 12 months, these assets are shown separately in the balance sheet, on the line “Non-current assets held for sale”. Any liabilities associated with these assets are also shown separately in the balance sheet, on the line “Liabilities associated with non-current assets held for sale”.

Once classified in this category, non-current assets and groups of assets and liabilities are measured at the lower of carrying amount or fair value less costs to sell.

Such assets are no longer depreciated. If an asset or group of assets and liabilities becomes impaired, an impairment loss is recognised in the profit and loss account. Impairment losses may be reversed.

Where a group of assets and liabilities held for sale represents a cash generating unit, it is categorised as a “discontinued operation”. Discontinued operations include operations that are held for sale, operations that have been shut down, and subsidiaries acquired exclusively with a view to resell.

All gains and losses related to discontinued operations are shown separately in the profit and loss account, on the line “Post-tax gain/loss on discontinued operations and assets held for sale”. This line includes the post-tax profits or losses of discontinued operations, the post-tax gain or loss arising from remeasurement at fair value less costs to sell, and the post-tax gain or loss on disposal of the operation.

1.h EMPLOYEE BENEFITS

Employee benefits are classified in one of four categories:

- short-term benefits, such as salary, annual leave, incentive plans, profit-sharing and additional payments;
- long-term benefits, including compensated absences, long-service awards, and other types of cash-based deferred compensation;
- termination benefits;
- post-employment benefits, including top-up banking industry pensions and retirement bonuses in France and pension plans in other countries, some of which are operated through pension funds.

- **Short-term benefits**

The Group recognises an expense when it has used services rendered by employees in exchange for employee benefits.

- **Long-term benefits**

These are benefits, other than short-term benefits, post-employment benefits and termination benefits. This relates, in particular, to compensation deferred for more than 12 months and not linked to the BNP Paribas share price, which is accrued in the financial statements for the period in which it is earned.

The actuarial techniques used are similar to those used for defined-benefit post-employment benefits, except that the revaluation items are recognised in the profit and loss account and not in equity.

- **Termination benefits**

Termination benefits are employee benefits payable in exchange for the termination of an employee's contract as a result of either a decision by the Group to terminate a contract of employment before the legal retirement age, or a decision by an employee to accept voluntary redundancy in exchange for these benefits. Termination benefits due more than 12 months after the balance sheet date are discounted.

- **Post-employment benefits**

In accordance with IFRS, the BNP Paribas Group draws a distinction between defined-contribution plans and defined-benefit plans.

Defined-contribution plans do not give rise to an obligation for the Group and do not require a provision. The amount of the employer's contributions payable during the period is recognised as an expense.

Only defined-benefit schemes give rise to an obligation for the Group. This obligation must be measured and recognised as a liability by means of a provision.

The classification of plans into these two categories is based on the economic substance of the plan, which is reviewed to determine whether the Group has a legal or constructive obligation to pay the agreed benefits to employees.

Post-employment benefit obligations under defined-benefit plans are measured using actuarial techniques that take demographic and financial assumptions into account.

The net liability recognised with respect to post-employment benefit plans is the difference between the present value of the defined-benefit obligation and the fair value of any plan assets.

The present value of the defined-benefit obligation is measured on the basis of the actuarial assumptions applied by the Group, using the projected unit credit method. This method takes into account various parameters, specific to each country or Group entity, such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate.

When the value of the plan assets exceeds the amount of the obligation, an asset is recognised if it represents a future economic benefit for the Group in the form of a reduction in future contributions or a future partial refund of amounts paid into the plan.

The annual expense recognised in the profit and loss account under “Salaries and employee benefits”, with respect to defined-benefit plans includes the current service cost (the rights vested by each employee during the period in return for service rendered), the net interests linked to the effect of discounting the net defined-benefit liability (asset), the past service cost arising from plan amendments or curtailments, and the effect of any plan settlements.

Remeasurements of the net defined-benefit liability (asset) are recognised in shareholders’ equity and are never reclassified to profit or loss. They include actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling (excluding amounts included in net interest on the defined-benefit liability or asset).

1.i SHARE-BASED PAYMENTS

Share-based payment transactions are payments based on shares issued by the Group, whether the transaction is settled in the form of equity or cash of which the amount is based on trends in the value of BNP Paribas shares.

IFRS 2 requires share-based payments granted after 7 November 2002 to be recognised as an expense. The amount recognised is the value of the share-based payment granted to the employee.

The Group grants employees stock subscription option plans and deferred share-based or share price-linked cash-settled compensation plans, and also offers them the possibility to purchase specially-issued BNP Paribas shares at a discount, on condition that they retain the shares for a specified period.

- **Stock option and share award plans**

The expense related to stock option and share award plans is recognised over the vesting period, if the benefit is conditional upon the grantee’s continued employment.

Stock options and share award expenses are recorded under salary and employee benefits expenses, with a corresponding adjustment to shareholders' equity. They are calculated on the basis of the overall plan value, determined at the date of grant by the Board of Directors.

In the absence of any market for these instruments, financial valuation models are used that take into account any performance conditions related to the BNP Paribas share price. The total expense of a plan is determined by multiplying the unit value per option or share awarded by the estimated number of options or shares awarded vested at the end of the vesting period, taking into account the conditions regarding the grantee’s continued employment.

The only assumptions revised during the vesting period, and hence resulting in a remeasurement of the expense, are those relating to the probability that employees will leave the Group and those relating to performance conditions that are not linked to the price value of BNP Paribas shares.

- **Share price-linked cash-settled deferred compensation plans**

The expense related to these plans is recognised in the year during which the employee rendered the corresponding services.

If the payment of share-based variable compensation is explicitly subject to the employee's continued presence at the vesting date, the services are presumed to have been rendered during the vesting period and the corresponding compensation expense is recognised on a pro rata basis over that period. The expense is recognised under salary and employee benefits expenses with a corresponding liability in the balance sheet. It is revised to take into account any non-fulfilment of the continued presence or performance conditions and the change in BNP Paribas share price.

If there is no continued presence condition, the expense is not deferred, but recognised immediately with a corresponding liability in the balance sheet. This is then revised on each reporting date until settlement to take into account any performance conditions and the change in the BNP Paribas share price.

- **Share subscriptions or purchases offered to employees under the company savings plan**

Share subscriptions or purchases offered to employees under the company savings plan (*Plan d'Épargne Entreprise*) at lower-than-market rates over a specified period do not include a vesting period. However, employees are prohibited by law from selling shares acquired under this plan for a period of five years. This restriction is taken into account when measuring the benefit to the employees, which is reduced accordingly. Therefore, the benefit equals the difference, at the date the plan is announced to employees, between the fair value of the share (after allowing for the restriction on sale) and the acquisition price paid by the employee, multiplied by the number of shares acquired.

The cost of the mandatory five-year holding period is equivalent to the cost of a strategy involving the forward sale of shares subscribed at the time of the capital increase reserved for employees and the cash purchase of an equivalent number of BNP Paribas shares on the market, financed by a loan repaid at the end of a five-year period out of the proceeds from the forward sale transaction. The interest rate on the loan is the rate that would be applied to a five-year general purpose loan taken out by an individual with an average risk profile. The forward sale price for the shares is determined on the basis of market parameters.

1.j PROVISIONS RECORDED UNDER LIABILITIES

Provisions recorded under liabilities (other than those relating to financial instruments, employee benefits and insurance contracts) mainly relate to restructuring, claims and litigation, fines and penalties, and tax risks.

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event, and a reliable estimate can be made of the amount of the obligation. The amount of such obligations is discounted, where the impact of discounting is material, in order to determine the amount of the provision.

1.k CURRENT AND DEFERRED TAXES

The current income tax charge is determined on the basis of the tax laws and tax rates in force in each country in which the Group operates during the period in which the income is generated.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax liabilities are recognised for all taxable temporary differences other than:

- taxable temporary differences on initial recognition of goodwill;
- taxable temporary differences on investments in enterprises under the exclusive or joint control of the Group, where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused carryforwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

Deferred tax assets and liabilities are measured using the liability method, using the tax rate which is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been or will have been enacted by the balance sheet date of that period. They are not discounted.

Deferred tax assets and liabilities are offset when they arise within the same tax group, they fall under the jurisdiction of a single tax authority, and there is a legal right to offset.

Current and deferred taxes are recognised as tax income or expenses in the profit and loss account, except for those relating to a transaction or an event directly recognised in shareholders' equity, which are also recognised in shareholders' equity.

When tax credits on revenues from receivables and securities are used to settle corporate income tax payable for the period, the tax credits are recognised on the same line as the income to which they relate. The corresponding tax expense continues to be carried in the profit and loss account under "Corporate income tax".

1.l CASH FLOW STATEMENT

The cash and cash equivalents balance is composed of the net balance of cash accounts and accounts with central banks, and the net balance of interbank demand loans and deposits.

Changes in cash and cash equivalents related to operating activities reflect cash flows generated by the Group's operations, including cash flows related to investment property, held-to-maturity financial assets and negotiable certificates of deposit.

Changes in cash and cash equivalents related to investing activities reflect cash flows resulting from acquisitions and disposals of subsidiaries, associates or joint ventures included in the consolidated group, as well as acquisitions and disposals of property, plant and equipment excluding investment property and property held under operating leases.

Changes in cash and cash equivalents related to financing activities reflect the cash inflows and outflows resulting from transactions with shareholders, cash flows related to bonds and subordinated debt, and debt securities (excluding negotiable certificates of deposit).

1.m USE OF ESTIMATES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Preparation of the financial statements requires managers of core businesses and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the profit and loss account and of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. This requires the managers in question to exercise their judgement and to make use of information available at the date of the preparation of the financial statements when making their estimates. The actual future results from operations where managers have made use of estimates may in reality differ significantly from those estimates, mainly according to market conditions. This may have a material effect on the financial statements.

This applies in particular to:

- impairment losses recognised to cover credit risks inherent in banking intermediation activities;
- the use of internally-developed models to measure positions in financial instruments that are not quoted in active markets;
- calculations of the fair value of unquoted financial instruments classified in “Available-for-sale financial assets”, “Financial assets at fair value through profit or loss” or “Financial liabilities at fair value through profit or loss”, and more generally calculations of the fair value of financial instruments subject to a fair value disclosure requirement;
- whether a market is active or inactive for the purposes of using a valuation technique;
- impairment losses on variable-income financial assets classified as "Available-for-sale";
- impairment tests performed on intangible assets;
- the appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness;
- estimates of the residual value of assets leased under finance leases or operating leases, and more generally of assets on which depreciation is charged net of their estimated residual value;
- the measurement of provisions for contingencies and charges. In particular, while investigations and litigations are ongoing, it is difficult to foresee their outcome and potential impact. Provision estimation is established by taking into account all available information at the date of the preparation of the financial statements, in particular the nature of the dispute, the underlying facts, the ongoing legal proceedings and court decisions, including those related to similar cases. The Group may also use the opinion of experts and independent legal advisers to exercise its judgement.

This is also the case for assumptions applied to assess the sensitivity of each type of market risk and the sensitivity of valuations to non-observable parameters.

2. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

2.a NET INTEREST INCOME

The BNP Paribas Group includes in “Interest income” and “Interest expense” all income and expense from financial instruments measured at amortised cost (interest, fees/commissions, transaction costs), and from financial instruments measured at fair value that do not meet the definition of a derivative instrument. These amounts are calculated using the effective interest method. The change in fair value on financial instruments at fair value through profit or loss (excluding accrued interest) is recognised under “Net gain/loss on financial instruments at fair value through profit or loss”.

Interest income and expense on derivatives accounted for as fair value hedges are included with the revenues generated by the hedged item. Similarly, interest income and expense arising from derivatives used to hedge transactions designated as at fair value through profit or loss is allocated to the same accounts as the interest income and expense relating to the underlying transactions.

In millions of euros	Year to 31 Dec. 2017			Year to 31 Dec. 2016		
	Income	Expense	Net	Income	Expense	Net
Customer items	**24,405**	**(7,380)**	**17,025**	**24,635**	**(7,082)**	**17,553**
Deposits, loans and borrowings	23,199	(7,289)	15,910	23,412	(6,969)	16,443
Repurchase agreements	49	(29)	20	29	(58)	(29)
Finance leases	1,157	(62)	1,095	1,194	(55)	1,139
Interbank items	**2,572**	**(2,241)**	**331**	**1,483**	**(1,716)**	**(233)**
Deposits, loans and borrowings	2,469	(2,209)	260	1,459	(1,548)	(89)
Repurchase agreements	103	(32)	71	24	(168)	(144)
Debt securities issued		**(1,872)**	**(1,872)**		**(1,662)**	**(1,662)**
Cash flow hedge instruments	**3,499**	**(2,004)**	**1,495**	**3,893**	**(2,567)**	**1,326**
Interest rate portfolio hedge instruments	**1,748**	**(1,556)**	**192**	**3,468**	**(3,356)**	**112**
Financial instruments at fair value through profit or loss	**3,908**	**(3,958)**	**(50)**	**2,289**	**(2,135)**	**154**
Fixed-income securities	736		736	858		858
Loans / borrowings	238	(482)	(244)	57	(418)	(361)
Repurchase agreements	2,934	(3,251)	(317)	1,374	(1,513)	(139)
Debt securities		(225)	(225)		(204)	(204)
Available-for-sale financial assets	**4,378**		**4,378**	**4,789**		**4,789**
Held-to-maturity financial assets	**275**		**275**	**337**		**337**
Total interest income/(expense)	**40,785**	**(19,011)**	**21,774**	**40,894**	**(18,518)**	**22,376**

The effective interest rate applied on the second series of Targeted Longer-Term Refinancing Operations (TLTRO II) conducted by the European Central Bank takes into account a 40 bp interest incentive. Indeed, the expected increase in outstanding amounts of eligible loans to households and non-financial corporations is higher than the threshold requested for this interest enhancement level.

Interest income on individually impaired loans amounted to EUR 547 million for the year ended 31 December 2017 compared with EUR 600 million for the year ended 31 December 2016.

2.b COMMISSION INCOME AND EXPENSE

Commission income and expense on financial instruments not measured at fair value through profit or loss amounted to EUR 2,670 million and EUR 343 million respectively in 2017, compared with income of EUR 2,592 million and expense of EUR 282 million in 2016.

Net commission income related to trust and similar activities through which the Group holds or invests assets on behalf of clients, trusts, pension and personal risk funds or other institutions amounted to EUR 2,540 million in 2017, compared with EUR 2,482 million in 2016.

2.c NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net gain on financial instruments at fair value through profit or loss includes all profit and loss items (including dividends) relating to financial instruments managed in the trading book and financial instruments that the Group has designated as at fair value through profit or loss under the fair value option, other than interest income and expense which are recognised in "Net interest income" (note 2.a).

Gains and losses on financial instruments designated as at fair value through profit or loss are mainly related to instruments whose changes in value may be compensated by changes in the value of economic hedging trading book instruments.

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Trading book	**6,626**	**6,406**
Interest rate and credit instruments	493	1,186
Equity financial instruments	4,789	1,096
Foreign exchange financial instruments	663	3,166
Other derivatives	658	991
Repurchase agreements	23	(33)
Financial instruments designated as at fair value through profit or loss	**(975)**	**(177)**
of which debt remeasurement effect arising from BNP Paribas Group issuer risk (note 4.d)	*(61)*	*25*
Impact of hedge accounting	**82**	**(40)**
Fair value hedging derivatives	62	(319)
Hedged items in fair value hedge	20	279
Total	**5,733**	**6,189**

Net gains on the trading book in 2017 and 2016 include a non-material amount related to the ineffective portion of cash flow hedges.

2.d NET GAIN ON AVAILABLE-FOR-SALE FINANCIAL ASSETS AND OTHER FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Loans and receivables, fixed-income securities [1]	**406**	**843**
Net disposal gains	406	843
Equities and other variable-income securities	**1,932**	**1,368**
Dividend income	666	611
Additions to impairment provisions	(320)	(376)
Net disposal gains	1,586	1,133
Total	**2,338**	**2,211**

[1] Interest income from fixed-income financial instruments is included in "Net interest income" (note 2.a), and impairment losses related to potential issuer default are included in "Cost of risk" (note 2.g).

After the impact of insurance policyholders' surplus reserve, unrealised gains and losses previously recorded under "Changes in assets and liabilities recognised directly in shareholders' equity" and included in the pre-tax income, amount to a gain of EUR 908 million for the year ended 31 December 2017 compared with a net gain of EUR 1,373 million for the year ended 31 December 2016.

The application of the automatic impairment criteria and qualitative analysis led to a first impairment of variable-income securities, for the following amounts:

- EUR 25 million linked to a decline in price of more than 50% of the acquisition price (EUR 106 million in 2016),
- EUR 9 million linked to the observation of an unrealised loss over two consecutive years (EUR 45 million in 2016),
- EUR 2 million linked to the observation of an unrealised loss of at least an average of 30% over one year (no impairment in 2016),
- EUR 29 million linked to an additional qualitative analysis (EUR 85 million in 2016).

2.e NET INCOME FROM OTHER ACTIVITIES

In millions of euros	Year to 31 Dec. 2017			Year to 31 Dec. 2016		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities	30,168	(26,080)	4,088	26,545	(22,782)	3,763
Net income from investment property	318	(98)	220	97	(47)	50
Net income from assets held under operating leases	8,823	(7,472)	1,351	7,564	(6,207)	1,357
Net income from property development activities	976	(827)	149	806	(632)	174
Other net income	1,756	(1,702)	54	1,520	(1,431)	89
Total net income from other activities	**42,041**	**(36,179)**	**5,862**	**36,532**	**(31,099)**	**5,433**

- **Net income from insurance activities**

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Gross premiums written	24,952	22,599
Policy benefit expenses	(16,789)	(14,738)
Changes in technical reserves	(7,253)	(4,828)
Change in value of admissible investments related to unit-linked policies	3,310	979
Reinsurance ceded	(253)	(335)
Other net income	121	86
Total net income from insurance activities	**4,088**	**3,763**

"Policy benefit expenses" include expenses arising from surrenders, maturities and claims relating to insurance contracts. "Changes in technical reserves" reflect changes in the value of financial contracts, in particular unit-linked policies. Interest paid on such contracts is recognised in interest expense related to customer items.

2.f OTHER OPERATING EXPENSES

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
External services and other operating expenses	(10,017)	(9,581)
Taxes and contributions(1)	(1,712)	(1,698)
Total other operating expenses	**(11,729)**	**(11,279)**

(1)Contributions to European resolution funds, including exceptional contributions, amount to EUR 502 million in 2017.

2.g COST OF RISK

"Cost of risk" represents the net amount of impairment losses recognised in respect to credit risks inherent in the Group's banking intermediation activities, plus any impairment losses in the cases of known counterparty risks on over-the-counter financial instruments.

- **Cost of risk for the period**

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Net allowances to impairment	(2,852)	(3,304)
Recoveries on loans and receivables previously written off	537	545
Irrecoverable loans and receivables not covered by impairment provisions	(592)	(503)
Total cost of risk for the period	**(2,907)**	**(3,262)**

Cost of risk for the period by asset type

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Loans and receivables due from credit institutions	14	44
Loans and receivables due from customers	(2,806)	(3,199)
Available-for-sale financial assets	(101)	(8)
Financial instruments of trading activities	13	(3)
Other assets	(9)	(5)
Commitments given and other items	(18)	(91)
Total cost of risk for the period	**(2,907)**	**(3,262)**
Cost of risk on a specific basis	*(3,089)*	*(3,682)*
Cost of risk on a collective basis	*182*	*420*

- **Credit risk impairment**

Change in impairment during the period

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Total impairment at beginning of year	**28,475**	**27,676**
Net allowance to impairment	2,852	3,304
Impairment provisions used	(5,321)	(2,648)
Effect of exchange rate movements and other items	(7)	143
Total impairment at end of year	**25,999**	**28,475**

Impairment by asset type

In millions of euros	31 December 2017	31 December 2016
Impairment of assets		
Loans and receivables due from credit institutions (note 4.f)	109	188
Loans and receivables due from customers (note 4.g)	24,686	27,045
Financial instruments of trading activities	89	112
Available-for-sale financial assets (note 4.c)	146	78
Other assets	63	54
Total impairment of financial assets	**25,093**	**27,477**
of which specific impairment	*21,771*	*24,335*
of which collective provisions	*3,322*	*3,142*
Provisions recognised as liabilities		
Provisions for commitments given		
- to credit institutions	5	7
- to customers	388	477
Other specific provisions	513	514
Total provisions recognised for credit commitments (note 4.q)	**906**	**998**
of which specific impairment for commitments given	*293*	*378*
of which collective provisions	*99*	*106*
Total impairment and provisions	**25,999**	**28,475**

2.h CORPORATE INCOME TAX

Reconciliation of the effective tax expense to the theoretical tax expense at standard tax rate in France	Year to 31 Dec. 2017		Year to 31 Dec. 2016	
	in millions of euros	tax rate	in millions of euros	tax rate
Corporate income tax expense on pre-tax income at standard tax rate in France [(1)]	**(3,718)**	**34.4%**	**(3,704)**	**34.4%**
Impact of differently taxed foreign profits	333	-3.1%	232	-2.2%
Impact of changes in tax rates	(486)	4.5%	(25)	0.2%
Impact of dividends and securities disposals taxed at reduced rate	427	-4.0%	278	-2.5%
Impact of the non-deductibility of bank levies [(2)]	(196)	1.8%	(187)	1.7%
Impact of previously unrecognised deferred taxes (tax losses and temporary differences)	449	-4.2%	268	-2.4%
Impact of using tax losses for which no deferred tax asset was previously recognised	6	-	9	-0.1%
Other items	82	-0.7%	34	-0.3%
Corporate income tax expense	**(3,103)**	**28.7%**	**(3,095)**	**28.8%**
Current tax expense for the year to 31 December	*(1,989)*		*(2,366)*	
Deferred tax expense for the year to 31 December (note 4.k)	*(1,114)*		*(729)*	

(1) Restated for the share of profits in equity-method entities and goodwill impairment.

(2) Contribution to the Single Resolution Fund and non-deductible systemic bank levies.

3. SEGMENT INFORMATION

The Group is composed of two operating divisions:

- Retail Banking and Services, which covers Domestic Markets and International Financial Services. Domestic Markets include retail banking networks in France (FRB), Italy (BNL banca commerciale), Belgium (BRB), and Luxembourg (LRB), as well as certain specialised retail banking divisions (Personal Investors, Leasing Solutions, Arval and New Digital Businesses). International Financial Services is composed of all BNP Paribas Group retail banking businesses out of the Eurozone, split between Europe Mediterranean and BancWest in the United States, as well as Personal Finance and the Insurance and Wealth and Asset Management activities (Wealth Management, Asset Management and Real Estate);
- Corporate and Institutional Banking (CIB), which includes Corporate Banking (Europe, Middle East, Africa, Asia, Americas, and Corporate Finance activities), Global Markets (Fixed Income, Currency and Commodities, as well as Equity and Prime Services), and Securities Services to management companies, financial institutions and other corporations.

Other activities mainly include Principal Investments, activities related to the Group's central treasury function, some costs related to cross-business projects, the residential mortgage lending business of Personal Finance (a significant part of which is managed in run-off), and certain investments.

They also include non-recurring items resulting from applying the rules on business combinations. In order to provide consistent and relevant economic information for each core business, the impact of amortising fair value adjustments recognised in the net equity of entities acquired and restructuring costs incurred in respect to the integration of entities, have been allocated to the "Other Activities" segment. The same applies to transformation costs relating to the Group's cross-business savings programmes.

Inter-segment transactions are conducted at arm's length. The segment information presented comprises agreed inter-segment transfer prices.

The capital allocation is carried out on the basis of risk exposure, taking into account various conventions relating primarily to the capital requirement of the business as derived from the risk-weighted asset calculations required under capital adequacy rules. Normalised equity income by segment is determined by attributing to each segment the income of its allocated equity. The equity allocation to segments is based on 11% of weighted assets. The breakdown of balance sheet by core business follows the same rules as the breakdown of the profit or loss by core business.

- **Income by business segment**

In millions of euros	Year to 31 Dec. 2017						Year to 31 Dec. 2016					
	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income
Retail Banking & Services												
Domestic Markets												
French Retail Banking [1]	**6,071**	(4,510)	(331)	**1,231**		**1,231**	**6,113**	(4,525)	(341)	**1,247**	2	**1,249**
BNL banca commerciale [1]	**2,822**	(1,761)	(870)	**191**	1	**192**	**2,895**	(1,846)	(959)	**90**		**90**
Belgian Retail Banking [1]	**3,499**	(2,451)	(64)	**985**	28	**1,013**	**3,490**	(2,484)	(95)	**912**	6	**918**
Other Domestic Markets activities [1]	**2,772**	(1,601)	(89)	**1,082**	42	**1,124**	**2,671**	(1,481)	(115)	**1,076**	47	**1,123**
International Financial Services												
Personal Finance	**4,923**	(2,427)	(1,009)	**1,487**	120	**1,607**	**4,679**	(2,298)	(979)	**1,401**	40	**1,442**
International Retail Banking												
Europe-Mediterranean [1]	***2,329***	*(1,656)*	*(259)*	***414***	*202*	***616***	***2,505***	*(1,699)*	*(437)*	***369***	*197*	***566***
BancWest [1]	***2,939***	*(2,001)*	*(111)*	***827***	*3*	***830***	***2,937***	*(2,006)*	*(85)*	***846***	*16*	***862***
Insurance	**2,514**	(1,251)	4	**1,267**	600	**1,867**	**2,382**	(1,201)	2	**1,183**	186	**1,369**
Wealth and Asset Management	**3,193**	(2,387)	24	**831**	68	**899**	**2,977**	(2,341)	3	**639**	46	**685**
Corporate & Institutional Banking												
Corporate Banking	**4,165**	(2,430)	(70)	**1,665**	37	**1,703**	**3,994**	(2,451)	(292)	**1,251**	13	**1,265**
Global Markets	**5,584**	(4,255)	(15)	**1,315**	6	**1,321**	**5,650**	(4,355)	72	**1,367**	5	**1,372**
Securities Services	**1,955**	(1,588)	3	**369**	1	**371**	**1,824**	(1,503)	3	**324**	1	**325**
Other Activities	**394**	(1,627)	(121)	**(1,355)**	(110)	**(1,464)**	**1,294**	(1,189)	(39)	**66**	(121)	**(55)**
Total Group	43,161	(29,944)	(2,907)	10,310	1,000	11,310	43,411	(29,378)	(3,262)	10,771	439	11,210

(1) French Retail Banking, BNL banca commerciale, Belgian Retail Banking, Luxembourg Retail Banking, Europe-Mediterranean and BancWest after the reallocation within Wealth and Asset Management of one-third of the Wealth Management activities in France, Italy, Belgium, Luxembourg, Turkey and the United States.

- **Assets and liabilities by business segment**

In millions of euros	31 December 2017		31 December 2016	
	Asset	Liability	Asset	Liability
Retail Banking & Services				
Domestic Markets	**444,928**	**466,930**	**428,209**	**450,921**
French Retail Banking	186,717	190,306	174,374	183,049
BNL banca commerciale	75,759	67,794	75,694	67,122
Belgian Retail Banking	130,723	156,754	129,417	152,880
Other Domestic Markets activities	51,729	52,076	48,724	47,870
International Financial Services	**470,639**	**416,503**	**449,480**	**413,948**
Personal Finance	78,569	21,667	65,128	14,542
International Retail Banking	138,017	124,789	145,026	133,420
Europe-Mediterranean	*50,836*	*46,020*	*52,166*	*47,172*
BancWest	*87,181*	*78,769*	*92,860*	*86,248*
Insurance	233,950	226,850	222,742	216,029
Wealth and Asset Management	20,103	43,197	16,584	49,957
Corporate and Institutional Banking	**994,985**	**933,866**	**1,121,096**	**1,068,811**
Other Activities	**49,700**	**142,953**	**78,174**	**143,279**
Total Group	**1,960,252**	**1,960,252**	**2,076,959**	**2,076,959**

Information by business segment relating to goodwill is presented in note 4.o Goodwill.

- **Information by geographic area**

The geographic split of segment results, assets and liabilities is based on the region in which they are recognised for accounting purposes, adjusted as per the managerial origin of the business activity. It does not necessarily reflect the counterparty's nationality or the location of operational businesses.

- Revenues by geographic area

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Europe	31,659	31,712
North America	5,041	5,167
Asia & Pacific	3,203	3,075
Others	3,258	3,457
Total Group	**43,161**	**43,411**

- Assets and liabilities, in contribution to the consolidated accounts, by geographic area

In millions of euros	31 December 2017	31 December 2016
Europe	1,564,895	1,676,686
North America	221,884	189,186
Asia & Pacific	121,690	155,342
Others	51,783	55,745
Total Group	**1,960,252**	**2,076,959**

4. NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2017

4.a FINANCIAL ASSETS, FINANCIAL LIABILITIES AND DERIVATIVES AT FAIR VALUE THROUGH PROFIT OR LOSS

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets and financial liabilities at fair value through profit or loss consist of held-for-trading transactions - including derivatives - and certain assets and liabilities designated by the Group as at fair value through profit or loss at the time of acquisition or issuance.

In millions of euros	31 December 2017		31 December 2016	
	Trading book	Instruments designated as at fair value through profit or loss	Trading book	Instruments designated as at fair value through profit or loss
Securities portfolio	119,452	96,708	123,679	87,583
Loans and repurchase agreements	143,558	224	152,242	61
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**263,010**	**96,932**	**275,921**	**87,644**
Securities portfolio	69,313		70,326	
Borrowings and repurchase agreements	172,147	2,498	183,206	3,017
Debt securities (note 4.i)		47,487		47,710
Subordinated debt (note 4.i)		836		1,012
Debt representative of shares of consolidated funds held by third parties		2,620		2,337
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**241,460**	**53,441**	**253,532**	**54,076**

Detail of these assets and liabilities is provided in note 4.d.

FINANCIAL INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

- **Financial assets designated as at fair value through profit or loss**

Assets designated by the Group as at fair value through profit or loss mainly include admissible investments related to unit-linked insurance policies and the insurance general fund, and to a lesser extent, assets with embedded derivatives that have not been separated from the host contract.

Admissible investments related to unit-linked insurance policies include securities issued by the Group's consolidated entities, which are not eliminated upon consolidation in order to keep the figures shown in respect of the assets invested under these contracts at the same level as the technical reserves set aside in respect of the corresponding policyholder liabilities. The fixed-income securities (certificates and Euro Medium Term Notes) not eliminated upon consolidation amounted to EUR 693 million at 31 December 2017 compared with EUR 785 million at 31 December 2016, and variable-income securities (shares mainly issued by BNP Paribas SA) amounted to EUR 59 million at 31 December 2017 compared with EUR 62 million at 31 December 2016. Eliminating these securities would not have a material impact on the financial statements for the period.

- **Financial liabilities designated as at fair value through profit or loss**

Financial liabilities at fair value through profit or loss mainly consist of debt securities in issue, originated and structured on behalf of customers, where the risk exposure is managed in combination with the hedging strategy. These types of debt securities in issue contain significant embedded derivatives, whose changes in value may be compensated by changes in the value of economic hedging derivatives.

The redemption value of debt issued and designated as at fair value through profit or loss at 31 December 2017 was EUR 50,375 million (EUR 52,358 million at 31 December 2016).

DERIVATIVE FINANCIAL INSTRUMENTS

The majority of derivative financial instruments held for trading are related to transactions initiated for trading purposes. They may result from market-making or arbitrage activities. BNP Paribas actively trades in derivatives. Transactions include trades in "ordinary" instruments such as credit default swaps, and structured transactions with complex risk profiles tailored to meet the needs of its customers. The net position is in all cases subject to limits.

Some derivative instruments are also contracted to hedge financial assets or financial liabilities for which the Group has not documented a hedging relationship, or which do not qualify for hedge accounting under IFRS. This applies in particular to credit derivative transactions which are primarily contracted to protect the Group's loan book.

	31 December 2017		31 December 2016	
In millions of euros	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	122,389	111,149	165,979	153,811
Foreign exchange derivatives	66,580	65,292	112,761	109,490
Credit derivatives	7,553	8,221	10,754	9,886
Equity derivatives	28,822	39,156	33,146	40,702
Other derivatives	4,886	4,201	5,522	4,851
Derivative financial instruments	**230,230**	**228,019**	**328,162**	**318,740**

The table below shows the total notional amount of trading derivatives. The notional amounts of derivative instruments are merely an indication of the volume of the Group's activities in financial instruments markets, and do not reflect the market risks associated with such instruments.

	31 December 2017				31 December 2016			
In millions of euros	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total
Interest rate derivatives	1,398,333	9,348,490	4,913,274	15,660,097	891,549	10,106,567	5,565,534	16,563,650
Foreign exchange derivatives	1,809	48,028	4,631,422	4,681,259	1,024	43,241	4,995,579	5,039,844
Credit derivatives		288,459	557,572	846,031		249,262	727,007	976,269
Equity derivatives	856,023	940	590,722	1,447,685	955,415	5,707	664,689	1,625,811
Other derivatives	86,262	26,470	78,134	190,866	95,365	33,769	57,128	186,262
Derivative financial instruments	**2,342,427**	**9,712,387**	**10,771,124**	**22,825,938**	**1,943,353**	**10,438,546**	**12,009,937**	**24,391,836**

4.b DERIVATIVES USED FOR HEDGING PURPOSES

The table below shows the fair value of derivatives used for hedging purposes.

In millions of euros	31 December 2017		31 December 2016	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Fair value hedges	**11,632**	**14,542**	**15,301**	**18,405**
Interest rate derivatives	11,454	14,311	14,819	18,192
Foreign exchange derivatives	178	231	482	213
Cash flow hedges	**2,116**	**1,101**	**2,789**	**1,220**
Interest rate derivatives	1,553	449	2,402	729
Foreign exchange derivatives	505	646	313	491
Other derivatives	58	6	74	
Net foreign investment hedges	**8**	**39**	**43**	**1**
Foreign exchange derivatives	8	39	43	1
Derivatives used for hedging purposes	**13,756**	**15,682**	**18,133**	**19,626**

The total notional amount of derivatives used for hedging purposes stood at EUR 936,323 million at 31 December 2017, compared with EUR 949,767 million at 31 December 2016.

4.c AVAILABLE-FOR-SALE FINANCIAL ASSETS

In millions of euros	31 December 2017			31 December 2016		
	Net	of which impairment	of which changes in value taken directly to equity	Net	of which impairment	of which changes in value taken directly to equity
Fixed-income securities	**217,700**	**(146)**	**12,517**	**248,072**	**(78)**	**13,784**
Treasury bills and government bonds	121,907	(1)	7,923	138,298	(1)	8,561
Other fixed-income securities	95,793	(145)	4,594	109,774	(77)	5,223
Equities and other variable-income securities	**14,275**	**(2,606)**	**3,177**	**19,487**	**(3,192)**	**4,216**
Listed securities	4,982	(440)	1,337	5,950	(823)	1,591
Unlisted securities	9,293	(2,166)	1,840	13,537	(2,369)	2,625
Total available-for-sale financial assets	**231,975**	**(2,752)**	**15,694**	**267,559**	**(3,270)**	**18,000**

The gross amount of impaired fixed-income securities is EUR 264 million at 31 December 2017 (EUR 99 million at 31 December 2016).

Changes in value taken directly to equity are detailed as follows:

In millions of euros	31 December 2017			31 December 2016		
	Fixed-income securities	Equities and other variable-income securities	Total	Fixed-income securities	Equities and other variable-income securities	Total
Non-hedged changes in value of securities, recognised in "Available-for-sale financial assets"	**12,517**	**3,177**	**15,694**	**13,784**	**4,216**	**18,000**
Deferred tax linked to these changes in value	(3,360)	(526)	(3,886)	(4,504)	(948)	(5,452)
Insurance policyholders' surplus reserve from insurance entities, after deferred tax	(7,443)	(1,005)	(8,448)	(7,587)	(1,315)	(8,902)
Group share of changes in value of available-for-sale securities owned by equity-method entities, after deferred tax and insurance policyholders' surplus reserve	779	130	909	807	99	906
Unamortised changes in value of available-for-sale securities reclassified as loans and receivables	(9)		(9)	(16)		(16)
Other variations	(7)	(1)	(8)	(53)	(2)	(55)
Changes in value of assets taken directly to equity under the heading "Financial assets available for sale and reclassified as loans and receivables"	**2,477**	**1,775**	**4,252**	**2,431**	**2,050**	**4,481**
Attributable to equity shareholders	2,427	1,757	4,184	2,339	2,033	4,372
Attributable to minority interests	50	18	68	92	17	109

Maturity schedule of available-for-sale fixed-income securities by contractual maturity:

In millions of euros, at 31 December 2017	< 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Fixed-income securities	4,833	8,028	11,829	67,101	125,909	**217,700**

In millions of euros, at 31 December 2016	< 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Fixed-income securities	6,936	8,020	19,056	77,884	136,176	**248,072**

4.d MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

VALUATION PROCESS

BNP Paribas has retained the fundamental principle that it should have a unique and integrated processing chain for producing and controlling the valuations of financial instruments that are used for the purpose of daily risk management and financial reporting. All these processes are based on a common economic valuation which is a core component of business decisions and risk management strategies.

Economic value is composed of mid-market value, to which add valuation adjustments.

Mid-market value is derived from external data or valuation techniques that maximise the use of observable and market-based data. Mid-market value is a theoretical additive value which does not take account of i) the direction of the transaction or its impact on the existing risks in the portfolio, ii) the nature of the counterparties, and iii) the aversion of a market participant to particular risks inherent in the instrument, the market in which it is traded, or the risk management strategy.

Valuation adjustments take into account valuation uncertainty and include market and credit risk premiums to reflect costs that could be incurred in case of an exit transaction in the principal market. When valuation techniques are used for the purpose of deriving fair value, funding assumptions related to the future expected cash flows are an integral part of the mid-market valuation, notably through the use of appropriate discount rates. These assumptions reflect what the Bank anticipates as being the effective funding conditions of the instrument that a market participant would consider. This notably takes into account the existence and terms of any collateral agreement. In particular, for non- or imperfectly collateralized derivative instruments, they include an explicit adjustment to the interbank interest rate (Funding Valuation Adjustment – FVA).

Fair value generally equals the economic value, subject to limited adjustments, such as own credit adjustments, which are specifically required by IFRS standards.

The main valuation adjustments are presented in the section below.

VALUATION ADJUSTMENTS

Valuation adjustments retained by BNP Paribas for determining fair values are as follows:

Bid/offer adjustments: the bid/offer range reflects the additional exit cost for a price taker and symmetrically the compensation sought by dealers to bear the risk of holding the position or closing it out by accepting another dealer's price.

BNP Paribas assumes that the best estimate of an exit price is the bid or offer price, unless there is evidence that another point in the bid/offer range would provide a more representative exit price.

Input uncertainty adjustments: when the observation of prices or data inputs required by valuation techniques is difficult or irregular, an uncertainty exists on the exit price. There are several ways to gauge the degree of uncertainty on the exit price such as measuring the dispersion of the available price indications or estimating the possible ranges of the inputs to a valuation technique.

Model uncertainty adjustments: these relate to situations where valuation uncertainty is due to the valuation technique used, even though observable inputs might be available. This situation arises when the risks inherent in the instruments are different from those available in the observable data, and therefore the valuation technique involves assumptions that cannot be easily corroborated.

Credit valuation adjustment (CVA): the CVA adjustment applies to valuations and market quotations whereby the credit worthiness of the counterparty is not reflected. It aims to account for the possibility that the counterparty may default and that BNP Paribas may not receive the full fair value of the transactions.

In determining the cost of exiting or transferring counterparty risk exposures, the relevant market is deemed to be an inter-dealer market. However, the determination of CVA remains judgemental due to i) the possible absence or lack of price discovery in the inter-dealer market, ii) the influence of the regulatory landscape relating to counterparty risk on the market participants' pricing behaviour and iii) the absence of a dominant business model for managing counterparty risk.

The CVA model is grounded on the same exposures as those used for regulatory purposes. The model attempts to estimate the cost of an optimal risk management strategy based on i) implicit incentives and constraints inherent in the regulations in force and their evolutions, ii) market perception of the probability of default and iii) default parameters used for regulatory purposes.

Own-credit valuation adjustment for debts (OCA) and for derivatives (debit valuation adjustment - DVA): OCA and DVA are adjustments reflecting the effect of credit worthiness of BNP Paribas, on respectively the value of debt securities designated as at fair value through profit or loss and derivatives. Both adjustments are based on the expected future liability profiles of such instruments. The own credit worthiness is inferred from the market-based observation of the relevant bond issuance levels. The DVA adjustment is determined after taking into account the Funding Valuation Adjustment (FVA).

Thus, the carrying value of debt securities designated as at fair value though profit or loss is increased by EUR 452 million as at 31 December 2017, compared with an increase in value of EUR 391 million as at 31 December 2016, i.e. a EUR -61 million variation recognised in net gain on financial instruments at fair value through profit or loss (note 2.c).

INSTRUMENT CLASSES AND CLASSIFICATION WITHIN THE FAIR VALUE HIERARCHY FOR ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

As explained in the summary of significant accounting policies (note 1.c.10), financial instruments measured at fair value are categorised into a fair value hierarchy consisting of three levels.

The disaggregation of assets and liabilities into risk classes is meant to provide further insight into the nature of the instruments:

– Securitised exposures are further broken down by collateral type.
– For derivatives, fair values are broken down by dominant risk factor, namely interest rate, foreign exchange, credit and equity. Derivatives used for hedging purposes are mainly interest rate derivatives.

In millions of euros	31 December 2017											
	Trading book				Instruments designated as at fair value through profit or loss				Available-for-sale financial assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities portfolio	**94,789**	**24,246**	**417**	**119,452**	**79,652**	**12,366**	**4,690**	**96,708**	**188,092**	**37,320**	**6,563**	**231,975**
Treasury bills and government bonds	40,570	7,831		48,401	652	1		653	115,257	6,650		121,907
Asset Backed Securities [(1)]	-	7,924	97	8,021	-	7	-	7	-	4,067	2	4,069
CDOs / CLOs [(2)]		*496*	*26*	*522*		*7*		*7*		*24*	*2*	*26*
Other Asset Backed Securities		*7,428*	*71*	*7,499*				*-*		*4,043*		*4,043*
Other fixed-income securities	10,307	7,290	134	17,731	1,684	4,895	94	6,673	66,015	24,983	726	91,724
Equities and other variable-income securities	43,912	1,201	186	45,299	77,316	7,463	4,596	89,375	6,820	1,620	5,835	14,275
Loans and repurchase agreements	**-**	**143,295**	**263**	**143,558**	**-**	**18**	**206**	**224**				
Loans		1,840		1,840		18		18				
Repurchase agreements		141,455	263	141,718			206	206				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS	**94,789**	**167,541**	**680**	**263,010**	**79,652**	**12,384**	**4,896**	**96,932**	**188,092**	**37,320**	**6,563**	**231,975**
Securities portfolio	**66,733**	**2,496**	**84**	**69,313**	**-**	**-**	**-**	**-**				
Treasury bills and government bonds	49,046	253		49,299				-				
Other fixed-income securities	6,182	2,185	82	8,449				-				
Equities and other variable-income securities	11,505	58	2	11,565				-				
Borrowings and repurchase agreements	**-**	**171,132**	**1,015**	**172,147**	**-**	**2,026**	**472**	**2,498**				
Borrowings		4,499		4,499		2,026	472	2,498				
Repurchase agreements		166,633	1,015	167,648				-				
Debt securities (note 4.i)	**-**	**-**	**-**	**-**	**-**	**34,497**	**12,990**	**47,487**				
Subordinated debt (note 4.i)	**-**	**-**	**-**	**-**	**-**	**836**	**-**	**836**				
Debt representative of shares of consolidated funds held by third parties	**-**	**-**	**-**	**-**	**1,916**	**704**	**-**	**2,620**				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**66,733**	**173,628**	**1,099**	**241,460**	**1,916**	**38,063**	**13,462**	**53,441**				

In millions of euros	31 December 2016											
	Trading book				Instruments designated as at fair value through profit or loss				Available-for-sale financial assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities portfolio	**101,261**	**21,251**	**1,167**	**123,679**	**69,800**	**13,849**	**3,934**	**87,583**	**214,489**	**44,790**	**8,280**	**267,559**
Treasury bills and government bonds	45,488	4,283		49,771	867			867	130,806	7,492		138,298
Asset Backed Securities [(1)]	-	8,748	618	9,366	-	7	-	7	-	4,588	72	4,660
CDOs / CLOs [(2)]		*1,391*	*613*	*2,004*		*7*		*7*		*56*		*56*
Other Asset Backed Securities		*7,357*	*5*	*7,362*				*-*		*4,532*	*72*	*4,604*
Other fixed-income securities	9,695	7,702	169	17,566	1,392	5,809	110	7,311	75,420	28,783	911	105,114
Equities and other variable-income securities	46,078	518	380	46,976	67,541	8,033	3,824	79,398	8,263	3,927	7,297	19,487
Loans and repurchase agreements	**-**	**151,511**	**731**	**152,242**	**-**	**61**	**-**	**61**				
Loans		525		525		61		61				
Repurchase agreements		150,986	731	151,717				-				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS	**101,261**	**172,762**	**1,898**	**275,921**	**69,800**	**13,910**	**3,934**	**87,644**	**214,489**	**44,790**	**8,280**	**267,559**
Securities portfolio	**67,167**	**2,862**	**297**	**70,326**	**-**	**-**	**-**	**-**				
Treasury bills and government bonds	50,320	383		50,703				-				
Other fixed-income securities	6,752	2,457	297	9,506				-				
Equities and other variable-income securities	10,095	22		10,117				-				
Borrowings and repurchase agreements	**-**	**181,808**	**1,398**	**183,206**	**-**	**2,557**	**460**	**3,017**				
Borrowings		4,190		4,190		2,557	460	3,017				
Repurchase agreements		177,618	1,398	179,016				-				
Debt securities (note 4.i)	**-**	**-**	**-**	**-**	**-**	**34,964**	**12,746**	**47,710**				
Subordinated debt (note 4.i)	**-**	**-**	**-**	**-**	**-**	**1,012**	**-**	**1,012**				
Debt representative of shares of consolidated funds held by third parties	**-**	**-**	**-**	**-**	**1,719**	**618**	**-**	**2,337**				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**67,167**	**184,670**	**1,695**	**253,532**	**1,719**	**39,151**	**13,206**	**54,076**				

(1) These amounts do not represent the total amount of securitisation assets held by BNP Paribas, particularly those classified at inception as "Loans and Receivables", and those reclassified as presented in note 4.e.
(2) Collateralised Debt Obligations / Collateralised Loan Obligations

In millions of euros	31 December 2017							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	282	120,461	1,646	122,389	357	109,381	1,411	111,149
Foreign exchange derivatives	1	66,348	231	66,580		64,961	331	65,292
Credit derivatives		7,349	204	7,553		7,621	600	8,221
Equity derivatives	7,780	19,967	1,075	28,822	5,517	27,104	6,535	39,156
Other derivatives	1,046	3,788	52	4,886	673	3,435	93	4,201
Derivative financial instruments not used for hedging purposes	9,109	217,913	3,208	230,230	6,547	212,502	8,970	228,019
Derivative financial instruments used for hedging purposes	-	13,756	-	13,756	-	15,682	-	15,682

In millions of euros	31 December 2016							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	482	162,034	3,463	165,979	613	150,733	2,465	153,811
Foreign exchange derivatives	13	112,129	619	112,761	12	108,957	521	109,490
Credit derivatives		10,079	675	10,754		8,693	1,193	9,886
Equity derivatives	8,597	22,811	1,738	33,146	6,584	28,193	5,925	40,702
Other derivatives	749	4,724	49	5,522	889	3,856	106	4,851
Derivative financial instruments not used for hedging purposes	9,841	311,777	6,544	328,162	8,098	300,432	10,210	318,740
Derivative financial instruments used for hedging purposes	-	18,133	-	18,133	-	19,626	-	19,626

Transfers between levels may occur when an instrument fulfils the criteria defined, which are generally market and product dependent. The main factors influencing transfers are changes in the observation capabilities, passage of time, and events during the transaction lifetime. The timing of recognising transfers is determined at the beginning of the reporting period.

During 2017, transfers between Level 1 and Level 2 were not significant.

DESCRIPTION OF MAIN INSTRUMENTS IN EACH LEVEL

The following section provides a description of the instruments in each level in the hierarchy. It describes notably instruments classified in Level 3 and the associated valuation methodologies.
For main trading book instruments and derivatives classified in Level 3, further quantitative information is provided about the inputs used to derive fair value.

Level 1

This level encompasses all derivatives and securities that are listed on exchanges or quoted continuously in other active markets.

Level 1 includes notably equity securities and liquid bonds, shortselling of these instruments, derivative instruments traded on organised markets (futures, options, …). It includes shares of funds and UCITS, for which the net asset value is calculated on a daily basis, as well as debt representative of shares of consolidated funds held by third parties.

Level 2

The Level 2 stock of securities is composed of securities which are less liquid than the Level 1 bonds. They are predominantly government bonds, corporate debt securities, mortgage backed securities, fund shares and short-term securities such as certificates of deposit. They are classified in Level 2 notably when external prices for the same security can be regularly observed from a reasonable number of market makers that are active in this security, but these prices do not represent directly tradable prices. This comprises amongst other, consensus pricing services with a reasonable number of contributors that are active market makers as well as indicative runs from active brokers and/or dealers. Other sources such as primary issuance market, collateral valuation and counterparty collateral valuation matching may also be used where relevant.

Repurchase agreements are classified predominantly in Level 2. The classification is primarily based on the observability and liquidity of the repo market, depending on the underlying collateral.

Debts issued designated as at fair value through profit and loss, are classified in the same level as the one that would apply to the embedded derivative taken individually. The issuance spread is considered observable.

Derivatives classified in Level 2 comprise mainly the following instruments:

- Vanilla instruments such as interest rate swaps, caps, floors and swaptions, credit default swaps, equity/foreign exchange (FX)/commodities forwards and options;
- Structured derivatives such as exotic FX options, mono- and multi-underlying equity/funds derivatives, single curve exotic interest rate derivatives and derivatives based on structured rates.

The above derivatives are classified in Level 2 when there is a documented stream of evidence supporting one of the following:

- Fair value is predominantly derived from prices or quotations of other Level 1 and Level 2 instruments, through standard market interpolation or stripping techniques whose results are regularly corroborated by real transactions;
- Fair value is derived from other standard techniques such as replication or discounted cash flows that are calibrated to observable prices, that bear limited model risk and enable an effective offset of the risks of the instrument through trading Level 1 or Level 2 instruments;
- Fair value is derived from more sophisticated or proprietary valuation techniques but is directly evidenced through regular back-testing using external market-based data.

Determining of whether an over-the-counter (OTC) derivative is eligible for Level 2 classification involves judgement. Consideration is given to the origin, transparency and reliability of external data used, and the amount of uncertainty associated with the use of models. It follows that the Level 2 classification criteria involve multiple analysis axis within an “observability zone” whose limits are determined by i) a predetermined list of product categories and ii) the underlying and maturity bands. These criteria are regularly reviewed and updated, together with the applicable valuation adjustments, so that the classification by level remains consistent with the valuation adjustment policy.

Level 3

Level 3 securities of the trading book mainly comprise units of funds and unlisted equity shares.

Fund units relate to real estate funds for which the valuation of the underlying investments is not frequent, as well as hedge funds for which the observation of the net asset value is not frequent.

Unlisted private equities are systematically classified as Level 3, with the exception of UCITS with a daily net asset value, presented as unlisted securities in note 4.c, but which are classified in the Level 1 of the fair value hierarchy.

Shares and other unlisted variable income securities in level 3 are valued using one of the following methods: a share of revalued net book value, multiples of comparable companies, future cash flows method, multi-criteria approach.

As at 31 December 2017, CLOs and CDOs of ABSs linked to legacy activity represented the large majority of the Level 3 trading book stock. Fair value is determined using a methodology that takes into consideration both the available external indicative prices as well as discounted expected cash flows. Constant prepayment rates are amongst the main unobservable inputs required to model the underlying pool of cash flow payments. Other unobservable inputs are related to the cash/synthetic funding basis and the discounting margin.

CDOs of ABSs collateral pools comprise Commercial Real Estate Loans, Commercial Mortgage Backed Securities – CMBSs and Residential Mortgage Backed Securities – RMBSs. The fair value of CDOs is based on a “liquidation approach” and a “discounted expected cash flow” approach, depending on the distressed nature of the collateral.

For RMBSs, prices are obtained to a large extent from external sources, while for Commercial Real Estate Loans prices are independently valued by an external provider.

The Discounted Expected Cash flow approach for CDOs takes in consideration both an internal and an external independent set of hypotheses to derive expectations about the underlying cash flow payments. Such cash flow expectations are then passed through the CDO waterfall modelled in external platforms, allowing deriving cash flow expectations of the considered CDO tranche. Similarly to the above, fair value requires assumptions about the cash/synthetic funding basis and a discount margin.

Repurchase agreements*: *mainly long-term or structured repurchase agreements on corporate bonds and ABSs: The valuation of these transactions requires proprietary methodologies given the bespoke nature of the transactions and the lack of activity and price discovery in the long-term repo market. The curves used in the valuation are corroborated using available data such as the implied basis of the relevant benchmark bond pool, recent long-term repo trade data and price enquiry data. Valuation adjustments applicable to these exposures are commensurate with the degree of uncertainty inherent in the modelling choices and amount of data available.

Debts issued designated as at fair value through profit or loss, are classified in the same level as the one that would apply to the embedded derivative taken individually. The issuance spread is considered observable.

Derivatives

Vanilla derivatives are classified in Level 3 when the exposure is beyond the observation zone for rate curves or volatility surfaces, or relates to less liquid markets such as tranches on old credit index series or emerging markets interest rates markets. The main instruments are:

- ***Interest rate derivatives***: exposures mainly comprise swap products in less liquid currencies. Classification is driven by the lower liquidity of some maturities, while observation capabilities through consensus may be available. The valuation technique is standard, and uses external market information and extrapolation techniques.

- ***Credit derivatives (CDS)***: exposures mainly comprise CDSs beyond the maximum observable maturity and, to a much lesser extent, CDSs on illiquid or distressed names and CDSs on loan indices. Classification is driven by the lack of liquidity while observation capabilities may be available notably through consensus. Level 3 exposures also comprise CDS and Total Return Swaps (TRS) positions on securitised assets. These are priced along the same modelling techniques as the underlying bonds, taking into consideration the funding basis and specific risk premium.

- ***Equity derivatives***: exposures essentially comprise long dated forward or volatility products or exposures where there is a limited market for optional products. The marking of the forward curves and volatility surfaces beyond the maximum observable maturity relies on extrapolation techniques. However, when there is no market for model input, volatility or forward is generally determined on the basis of proxy or historical analysis.

These vanilla derivatives are subject to valuation adjustments linked to uncertainty on liquidity, specialised by nature of underlying and liquidity bands.

Structured derivatives classified in Level 3 predominantly comprise structured derivatives of which hybrid products (FX/Interest Rates hybrids, Equity hybrids), credit correlation products, prepayment-sensitive products, some stock basket optional products and some interest rate optional instruments. The main exposures are described below, with insight into the related valuation techniques and on the source of uncertainty :

- ***Structured interest rate options*** are classified in Level 3 when they involve currencies where there is not sufficient observation or when they include a quanto feature where the pay-off is measured with a forex forward fixed rate (except for the main currencies). Long term structured derivatives are also classified in Level 3.

- ***Hybrid FX/Interest rate products*** essentially comprise a specific product family known as Power Reverse Dual Currency (PRDC). The valuation of PRDCs requires sophisticated modelling of joint behaviour of FX and interest rate, and is notably sensitive to the unobservable FX/ interest rate correlations. PRDCs valuations are corroborated with recent trade data and consensus data.

- ***Securitisation swaps*** mainly comprise fixed rate swaps, cross currency or basis swaps whose notional is indexed to the prepayment behaviour of some underlying portfolio. The estimation of the maturity profile of securitisation swaps is corroborated by statistical estimates using external historical data.

- ***Forward volatility options*** are generally products whose pay-off is indexed to the future variability of a rate index such as volatility swaps. These products involve material model risk as it is difficult to infer forward volatility information from the market-traded instruments. The valuation adjustment framework is calibrated to the uncertainty inherent in the product, and to the range of uncertainty from the existing external consensus data.

- ***Inflation derivatives*** classified in Level 3 mainly comprise swap products on inflation indices that are not associated with a liquid indexed bond market, optional products on inflation indices (such as caps and floors) and other forms of inflation indices involving optionality on the inflation indices or on the inflation annual rate. Valuation techniques used for inflation derivatives are predominantly standard market models. Proxy techniques are used for a few limited exposures. Although the valuations are corroborated through monthly consensus data, these products are classified as Level 3 due to their lack of liquidity and some uncertainties inherent in the calibration.

- The valuation of ***bespoke CDOs*** requires correlation of default events. This information is inferred from the active index tranche market through a proprietary projection technique and involves proprietary extrapolation and interpolation techniques. Multi-geography CDOs further require an additional correlation assumption. Finally, the bespoke CDO model also involves proprietary assumptions and parameters related to the dynamic of the recovery factor. CDO modelling, is calibrated on the observable index tranche markets, and is regularly back-tested against consensus data on standardised pools. The uncertainty arises from the model risk associated with the projection and geography mixing technique, and the uncertainty of associated parameters, together with the recovery modelling.

- ***N to Default baskets*** are other forms of credit correlation products, modelled through standard copula techniques. The main inputs required are the pair-wise correlations between the basket components which can be observed in the consensus and the transactions. Linear baskets are considered observable.

- ***Equity and equity-hybrid correlation products*** are instruments whose pay-off is dependent on the joint behaviour of a basket of equities/indices leading to a sensitivity of the fair value measurement to the correlation amongst the basket components. Hybrid versions of these instruments involve baskets that mix equity and non-equity underlyings such as commodity indices. Only a subset of the Equity/index correlation matrix is regularly observable and traded, while most cross-asset correlations are not active. Therefore, classification in Level 3 depends on the composition of the basket, the maturity, and the hybrid nature of the product. The correlation input is derived from a proprietary model combining historical estimators, and other adjustment factors, that are corroborated by reference to recent trades or external data. The correlation matrix is essentially available from consensus services, and when a correlation between two underlying instruments is not available, it might be obtained from extrapolation or proxy techniques.

These structured derivatives are subject to specific valuation adjustments to cover uncertainties linked to liquidity, parameters and model risk.

Valuation adjustments (CVA, DVA and FVA)

The valuation adjustment for counterparty credit risk (CVA), own-credit risk for derivatives (DVA) and the explicit funding valuation adjustment (FVA) are deemed to be unobservable components of the valuation framework and therefore classified in Level 3. This does not impact, in general cases, the classification of individual transactions into the fair value hierarchy. However, a specific process allows to identify individual deals for which the marginal contribution of these adjustments and related uncertainty is significant. Are particularly concerned some insufficiently collateralized vanilla interest rate instruments with very long residual maturity.

The below table provides the range of values of main unobservable inputs for the valuation of Level 3 financial instruments. The ranges displayed correspond to a variety of different underlying instruments and are meaningful only in the context of the valuation technique implemented by BNP Paribas. The weighted averages, where relevant and available, are based on fair values, nominal amounts or sensitivities.

The main unobservable parameters used for the valuation of debt issued in Level 3 are equivalent to these of their economic hedge derivative. Information on those derivatives, displayed in the following table, is also applicable to these debts.

Risk classes	Balance Sheet valuation (in millions of euros) Asset	Balance Sheet valuation (in millions of euros) Liability	Main product types composing the Level 3 stock within the risk class	Valuation technique used for the product types considered	Main unobservable inputs for the product types considered	Range of unobservable input across Level 3 population considered	Weighted average
Repurchase agreements	469	1,015	Long-term repo and reverse-repo agreements	Proxy techniques, based amongst other on the funding basis of a benchmark bond pool, that is actively traded and representative of the repo underlying	Long-term repo spread on private bonds (High Yield, High Grade) and on ABSs	0 bp to 59 bp	27 bp (b)
Interest rate derivatives	1,646	1,411	Hybrid Forex / Interest rates derivatives	Hybrid Forex interest rate option pricing model	Correlation between FX rate and interest rates. Main currency pairs are EUR/JPY, USD/JPY, AUD/JPY	13% to 56%	42% (b)
			Hybrid inflation rates / Interest rates derivatives	Hybrid inflation interest rate option pricing model	Correlation between interest rates and inflation rates mainly in Europe.	-10% to 20%	13%
			Floors and caps on inflation rate or on the cumulative inflation (such as redemption floors), predominantly on European and French inflation	Inflation pricing model	Volatility of cumulative inflation	0.7% to 10.2%	(c)
					Volatility of the year on year inflation rate	0.3% to 2.1%	
			Forward Volatility products such as volatility swaps, mainly in euro	Interest rates option pricing model	Forward volatility of interest rates	0.4% to 0.7%	(c)
			Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly on European collateral pools	Prepayment modelling Discounted cash flows	Constant prepayment rates	0.1 % to 40%	8% (b)
Credit Derivatives	204	600	Collateralised Debt Obligations and index tranches for inactive index series	Base correlation projection technique and recovery modelling	Base correlation curve for bespoke portfolios	20% to 86%	(c)
					Inter-regions default cross correlation	80 % to 90%	90%(a)
					Recovery rate variance for single name underlyings	0 to 25%	(c)
			N-to-default baskets	Credit default model	Default correlation	50% to 91%	56% (b)
			Single name Credit Default Swaps (other than CDS on ABSs and loans indices)	Stripping, extrapolation and interpolation	Credit default spreads beyond observation limit (10 years)	55 bp to 218 bp (1)	191 bp (a)
					Illiquid credit default spread curves (across main tenors)	1 bp to 550 bp (2)	96 bp (a)
Equity Derivatives	1,075	6,535	Simple and complex derivatives on multi-underlying baskets on stocks	Various volatility option models	Unobservable equity volatility	0% to 88% (3)	(c)
					Unobservable equity correlation	9% to 97%	60% (a)

(1) The upper part of the range relates to non-material balance sheet position on a European corporate. The other part relates mainly to sovereign issuers.

(2) The upper bound of the range relates to an energy sector issuer that represents an insignificant portion of the balance sheet on CDSs with illiquid underlying.

(3) The upper part of the range relates to ten equity instruments representing a non-material portion of the balance sheet on options with equity underlying instrument. Including these inputs, the upper bound of the range would be around 407 %.

(a) Weighting is not based on risks, but on an alternative methodology in relation with the Level 3 instruments (present value or notional)

(b) Weights based on relevant risk axis at portfolio level

(c) No weighting, since no explicit sensitivity is attributed to these inputs

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

For Level 3 financial instruments, the following movements occurred between 1 January 2016 and 31 December 2017:

	Financial Assets				Financial Liabilities		
In millions of euros	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	Available-for-sale financial assets	TOTAL	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	TOTAL
At 31 December 2015	**11,071**	**3,743**	**9,320**	**24,134**	**(11,607)**	**(11,281)**	**(22,888)**
Purchases	2,061	1,308	1,133	**4,502**			**-**
Issues				**-**	(2,266)	(5,720)	**(7,986)**
Sales	(1,429)	(1,210)	(2,098)	**(4,737)**			**-**
Settlements [1]	(1,706)	(115)	(123)	**(1,944)**	(1,486)	3,889	**2,403**
Transfers to Level 3	427	7	654	**1,088**	(430)	(1,393)	**(1,823)**
Transfers from Level 3	(4,283)	(218)	(653)	**(5,154)**	903	1,401	**2,304**
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	(148)	376	(278)	**(50)**	3,071	6	**3,077**
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	2,612	43	(15)	**2,640**	148	(41)	**107**
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	(163)			**(163)**	(238)	(67)	**(305)**
- Changes in fair value of assets and liabilities recognised in equity			340	**340**			**-**
At 31 December 2016	**8,442**	**3,934**	**8,280**	**20,656**	**(11,905)**	**(13,206)**	**(25,111)**
Purchases	1,179	1,483	1,599	**4,261**			**-**
Issues				**-**		(8,313)	**(8,313)**
Sales	(928)	(874)	(2,167)	**(3,969)**			**-**
Settlements [1]	(2,955)	(39)	(977)	**(3,971)**	(2,173)	6,900	**4,727**
Transfers to Level 3	442	252	205	**899**	(409)	(209)	**(618)**
Transfers from Level 3	(2,123)	(25)	(221)	**(2,369)**	2,827	1,102	**3,929**
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	24	140	(262)	**(98)**	55	56	**111**
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	(57)	33	(5)	**(29)**	1,149	(169)	**980**
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	(136)	(8)	(145)	**(289)**	387	377	**764**
- Changes in fair value of assets and liabilities recognised in equity			256	**256**			**-**
At 31 December 2017	**3,888**	**4,896**	**6,563**	**15,347**	**(10,069)**	**(13,462)**	**(23,531)**

[1] For the assets, includes redemptions of principal, interest payments as well as cash inflows and outflows relating to derivatives. For the liabilities, includes principal redemptions, interest payments as well as cash inflows and outflows relating to derivatives the fair value of which is negative.

Transfers out of Level 3 of derivatives at fair value include mainly the update of the observability tenor of certain yield curves, and of market parameters related to repurchase agreements and credit transactions but also the effect of derivatives becoming only or mainly sensitive to observable inputs due to the shortening of their lifetime.

Transfers into Level 3 of instruments at fair value reflect the effect of the regular update of the observability zones.

Transfers have been reflected as if they had taken place at the beginning of the reporting period.

The Level 3 financial instruments may be hedged by other Level 1 and Level 2 instruments, the gains and losses of which are not shown in this table. Consequently, the gains and losses shown in this table are not representative of the gains and losses arising from management of the net risk on all these instruments.

SENSITIVITY OF FAIR VALUE TO REASONABLY POSSIBLE CHANGES IN LEVEL 3 ASSUMPTIONS

The following table summarises those financial assets and financial liabilities classified as Level 3 for which alternative assumptions in one or more of the unobservable inputs would change fair value significantly.

The amounts disclosed are intended to illustrate the range of possible uncertainty inherent to the judgement applied when estimating Level 3 parameters, or when selecting valuation techniques. These amounts reflect valuation uncertainties that prevail at the measurement date, and even though such uncertainties predominantly derive from the portfolio sensitivities that prevailed at that measurement date, they are not predictive or indicative of future movements in fair value, nor do they represent the effect of market stress on the portfolio value.

In estimating sensitivities, BNP Paribas either remeasured the financial instruments using reasonably possible inputs, or applied assumptions based on the valuation adjustment policy.

For the sake of simplicity, the sensitivity on cash instruments that are not relating to securitised instruments was based on a uniform 1% shift in the price. More specific shifts were however calibrated for each class of the Level 3 securitised exposures, based on the possible ranges of the unobservable inputs.

For derivative exposures, the sensitivity measurement is based on the credit valuation adjustment (CVA), the explicit funding valuation adjustment (FVA) and the parameter and model uncertainty adjustments related to Level 3.

Regarding the credit valuation adjustment (CVA) and the explicit funding valuation adjustment (FVA), the uncertainty was calibrated based on prudent valuation adjustments described in the technical standard "Prudent Valuation" published by the European Banking Authority. For other valuation adjustments, two scenarios were considered: a favourable scenario where all or portion of the valuation adjustment is not considered by market participants, and an unfavourable scenario where market participants would require twice the amount of valuation adjustments considered by BNP Paribas for entering into a transaction.

	31 December 2017		31 December 2016	
In millions of euros	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Asset Backed Securities (ABS)	+/-2		+/-12	+/-1
CDOs / CLOs	*+/-1*		*+/-12*	
Other Asset Backed Securities	*+/-1*			*+/-1*
Other fixed-income securities	+/-2	+/-7	+/-2	+/-9
Equities and other variable-income securities	+/-48	+/-58	+/-42	+/-73
Repurchase agreements	+/-10		+/-7	
Derivative financial instruments	+/-552		+/-844	
Interest rate and foreign exchange derivatives	*+/-357*		*+/-605*	
Credit derivatives	*+/-35*		*+/-59*	
Equity derivatives	*+/-155*		*+/-169*	
Other derivatives	*+/-5*		*+/-11*	
Sensitivity of Level 3 financial instruments	**+/-614**	**+/-65**	**+/-907**	**+/-83**

DEFERRED MARGIN ON FINANCIAL INSTRUMENTS MEASURED USING TECHNIQUES DEVELOPED INTERNALLY AND BASED ON INPUTS PARTLY UNOBSERVABLE IN ACTIVE MARKETS

Deferred margin on financial instruments ("Day One Profit") only concerns the scope of market activities eligible for Level 3.

The day one profit is calculated after setting aside valuation adjustments for uncertainties as described previously and released to profit or loss over the expected period for which the inputs will be unobservable. The unamortised amount is included under "Financial instruments at fair value through profit or loss" as a reduction in the fair value of the relevant transactions.

In millions of euros	Deferred margin at 31 December 2016	Deferred margin on transactions during the year	Margin taken to the profit and loss account during the year	Deferred margin at 31 December 2017
Interest rate and foreign exchange derivatives	331	108	(130)	309
Credit derivatives	104	53	(61)	96
Equity derivatives	315	171	(210)	276
Other derivatives	6	4	(5)	5
Derivative financial instruments	**756**	**336**	**(406)**	**686**

4.e RECLASSIFICATION OF FINANCIAL INSTRUMENTS INITIALLY RECOGNISED AS AT FAIR VALUE THROUGH PROFIT OR LOSS HELD FOR TRADING PURPOSES OR AS AVAILABLE-FOR-SALE ASSETS

The amendments to IAS 39 and IFRS 7 adopted by the European Union on 15 October 2008 permit the reclassification of instruments initially held for trading or available-for-sale within the customer loan portfolios or as available-for-sale securities.

In millions of euros	Reclassification date	31 December 2017		31 December 2016	
		Carrying value	Market or model value	Carrying value	Market or model value
Fixed-income securities from the available-for-sale portfolio		**385**	**448**	**509**	**604**
of which Portuguese sovereign securities	30 June 2011	143	157	274	301
of which Irish sovereign securities	30 June 2011	242	291	235	303
Structured transactions and other fixed-income securities from the trading portfolio	1 October 2008 / 30 June 2009	**546**	**560**	**961**	**940**

Without these reclassifications, the Group's net income would not have been significantly different for the year ended 31 December 2017, nor for the year ended 31 December 2016. Similarly, changes in value of assets and liabilities recognised directly in equity would not have been significantly different in 2017, nor in 2016.

4.f INTERBANK AND MONEY-MARKET ITEMS

- **Loans and receivables due from credit institutions**

In millions of euros	31 December 2017	31 December 2016
On demand accounts	8,063	6,513
Loans [(1)]	36,017	37,664
Repurchase agreements	1,699	3,422
Total loans and receivables due from credit institutions, before impairment	**45,779**	**47,599**
of which doubtful loans	*155*	*274*
Impairment of loans and receivables due from credit institutions (note 2.g)	**(109)**	**(188)**
specific impairment	(93)	(167)
collective provisions	(16)	(21)
Total loans and receivables due from credit institutions, net of impairment	**45,670**	**47,411**

[(1)] Loans and receivables due from credit institutions include term deposits made with central banks, which amounted to EUR 1,570 million as at 31 December 2017 (EUR 2,192 million as at 31 December 2016).

- **Due to credit institutions**

In millions of euros	31 December 2017	31 December 2016
On demand accounts	9,906	10,775
Borrowings	61,881	60,189
Repurchase agreements	4,716	4,696
Total due to credit institutions	**76,503**	**75,660**

4.g CUSTOMER ITEMS

- **Loans and receivables due from customers**

In millions of euros	31 December 2017	31 December 2016
On demand accounts	44,423	45,672
Loans to customers	676,966	663,329
Repurchase agreements	669	1,723
Finance leases	30,303	28,554
Total loans and receivables due from customers, before impairment	**752,361**	**739,278**
of which doubtful loans	*37,531*	*41,779*
Impairment of loans and receivables due from customers (note 2.g)	**(24,686)**	**(27,045)**
specific impairment	(21,379)	(23,924)
collective provisions	(3,307)	(3,121)
Total loans and receivables due from customers, net of impairment	**727,675**	**712,233**

- **Breakdown of finance leases**

In millions of euros	31 December 2017	31 December 2016
Gross investment	**34,117**	**31,755**
Receivable within 1 year	*10,472*	*9,479*
Receivable after 1 year but within 5 years	*20,490*	*17,576*
Receivable beyond 5 years	*3,155*	*4,700*
Unearned interest income	**(3,814)**	**(3,201)**
Net investment before impairment	**30,303**	**28,554**
Receivable within 1 year	*9,253*	*8,562*
Receivable after 1 year but within 5 years	*18,260*	*15,731*
Receivable beyond 5 years	*2,790*	*4,261*
Impairment provisions	**(935)**	**(990)**
Net investment after impairment	**29,368**	**27,564**

- **Due to customers**

In millions of euros	31 December 2017	31 December 2016
On demand deposits	456,233	443,379
Savings accounts	146,422	145,273
Term accounts and short-term notes	162,769	174,943
Repurchase agreements	1,466	2,358
Total due to customers	**766,890**	**765,953**

4.h PAST-DUE AND DOUBTFUL LOANS

The following tables present the carrying amounts of financial assets that are past due but not impaired and impaired assets and related collateral or other guarantees. The amounts shown are stated before any provision on a portfolio basis.

The amounts shown for collateral and other guarantees correspond to the lower of the value of the collateral or other guarantee and the value of the secured assets.

- **Past-due but not impaired loans**

In millions of euros	31 December 2017					
	< 90 days	> 90 days < 180 days	> 180 days < 1 year	> 1 year	Total	Collateral received
Loans and receivables due from credit institutions	209	1	25	2	237	99
Loans and receivables due from customers	12,627	420	209	436	13,692	6,001
Total past-due but not impaired loans	**12,836**	**421**	**234**	**438**	**13,929**	**6,100**

In millions of euros	31 December 2016					
	< 90 days	> 90 days < 180 days	> 180 days < 1 year	> 1 year	Total	Collateral received
Loans and receivables due from credit institutions	253	1		1	255	42
Loans and receivables due from customers	11,271	296	166	333	12,066	5,809
Total past-due but not impaired loans	**11,524**	**297**	**166**	**334**	**12,321**	**5,851**

- **Doubtful loans**

In millions of euros	31 December 2017			
	Doubtful loans			Collateral received
	Gross value	Impairment	Net	
Available-for-sale financial assets (excl. variable-income securities) (note 4.c)	264	(146)	118	
Loans and receivables due from credit institutions (note 4.f)	155	(93)	62	156
Loans and receivables due from customers (note 4.g)	37,531	(21,379)	16,152	11,213
Doubtful assets	**37,950**	**(21,618)**	**16,332**	**11,369**
Financing commitments given	888	(38)	850	652
Guarantee commitments given	1,064	(255)	809	
Off-balance sheet doubtful commitments	**1,952**	**(293)**	**1,659**	**652**
Total	**39,902**	**(21,911)**	**17,991**	**12,021**

In millions of euros	31 December 2016			
	Doubtful loans			Collateral received
	Gross value	Impairment	Net	
Available-for-sale financial assets (excl. variable-income securities) (note 4.c)	99	(78)	21	
Loans and receivables due from credit institutions (note 4.f)	274	(167)	107	351
Loans and receivables due from customers (note 4.g)	41,779	(23,924)	17,855	11,981
Doubtful assets	**42,152**	**(24,169)**	**17,983**	**12,332**
Financing commitments given	1,055	(29)	1,026	1,058
Guarantee commitments given	1,374	(349)	1,025	
Off-balance sheet doubtful commitments	**2,429**	**(378)**	**2,051**	**1,058**
Total	**44,581**	**(24,547)**	**20,034**	**13,390**

4.i DEBT SECURITIES AND SUBORDINATED DEBT

This note covers all debt securities in issue and subordinated debt measured at amortised cost and designated as at fair value through profit or loss.

DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (note 4.a)

Issuer / Issue date In millions of euros	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment [(1)]	Amount [(2)] eligible to Tier 1	Amount [(2)] eligible to Tier 2	31 December 2017	31 December 2016
Debt securities									**47,487**	**47,710**
Subordinated debt							**205**	**86**	**836**	**1,012**
- Redeemable subordinated debt			[(3)]				**-**	**86**	**167**	**424**
- Perpetual subordinated debt							**205**	**-**	**669**	**588**
BNP Paribas Fortis Dec. 2007	EUR	3,000	Dec.-14	3-month Euribor +200 bp		A	205		669	588

[(1)] Conditions precedent for coupon payment:

A Coupon payments are halted should the issuer have insufficient capital or the underwriters become insolvent or when the dividend declared for Ageas shares falls below a certain threshold.

[(2)] Given the eligibility criteria and prudential adjustments, including the own credit risk and amortisation of instruments.

[(3)] After agreement from the banking supervisory authority and at the issuer's initiative, these debt issues may contain a call provision authorising the Group to redeem the securities prior to maturity by repurchasing them in the stock market, via public tender offers, or in the case of private placements over the counter. Debt issued by BNP Paribas SA or foreign subsidiaries of the Group via placements in the international markets may be subject to early redemption of the capital and early payment of interest due at maturity at the issuer's discretion on or after a date stipulated in the issue particulars (call option), or in the event that changes in the applicable tax rules oblige the BNP Paribas Group issuer to compensate debt-holders for the consequences of such changes. Redemption may be subject to a notice period of between 15 and 60 days, and is in all cases subject to approval by the banking supervisory authorities.

The perpetual subordinated debt recognised at fair value through profit or loss consists of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) issued by BNP Paribas Fortis (previously Fortis Banque) in December 2007.

The CASHES are perpetual securities but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder's sole discretion at a price of EUR 239.40. However, as of 19 December 2014, the CASHES will be automatically exchanged into Ageas shares if their price is equal to or higher than EUR 359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.

Ageas and BNP Paribas Fortis have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on BNP Paribas Fortis of the relative difference between changes in the value of the CASHES and changes in the value of the Ageas shares.

On 7 May 2015, BNP Paribas and Ageas reached a new agreement which allows BNP Paribas to purchase outstanding CASHES under the condition that these are converted into Ageas shares, leading to a proportional settlement of the RPN. The agreement between Ageas and BNP Paribas expired on 31 December 2016 and was not renewed.

On 24 July 2015, BNP Paribas obtained the prior agreement from the European Central Bank to proceed to purchase CASHES within a limit of EUR 200 million nominal amount. In 2016, this agreement was used for EUR 164 million, converted into Ageas shares.

On 8 July 2016, BNP Paribas obtained a new agreement from the European Central Bank to proceed to purchase CASHES within a limit of EUR 200 million nominal amount. This agreement supersedes the previous one.

On 11 August 2017, the European Central Bank accepted the request formulated by BNP Paribas to cancel the agreement to purchase CASHES.

As at 31 December 2017, the subordinated liability is eligible to Tier 1 capital for EUR 205 million (considering the transitional period).

Maturity schedule of debt securities and redeemable subordinated debt designated as at fair value through profit or loss, by contractual maturity:

Maturity or call option date, in millions of euros	2018	2019	2020	2021	2022	2023 - 2027	After 2027	Total at 31 Dec. 2017
Debt securities	11,209	6,440	7,167	5,104	4,695	8,648	4,224	47,487
Redeemable subordinated debt	45	-	68	11	19	-	24	167
Total	**11,254**	**6,440**	**7,235**	**5,115**	**4,714**	**8,648**	**4,248**	**47,654**

Maturity or call option date, in millions of euros	2017	2018	2019	2020	2021	2022 - 2026	After 2026	Total at 31 Dec. 2016
Debt securities	11,658	6,443	6,051	6,476	4,877	8,375	3,830	47,710
Redeemable subordinated debt	262	43	-	67	10	20	22	424
Total	**11,920**	**6,486**	**6,051**	**6,543**	**4,887**	**8,395**	**3,852**	**48,134**

DEBT SECURITIES MEASURED AT AMORTISED COST

Issuer / Issue date In millions of euros	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment [1]	Amount [2] eligible to Tier 1	Amount [2] eligible to Tier 2	31 December 2017	31 December 2016
Debt securities									**148,156**	**153,422**
- Debt securities in issue with an initial maturity of less than one year									**72,337**	**78,726**
Negotiable debt securities									72,337	78,726
- Debt securities in issue with an initial maturity of more than one year									**75,819**	**74,696**
Negotiable debt securities									65,772	70,379
Bonds									10,047	4,317
Subordinated debt							**-**	**13,147**	**15,951**	**18,374**
- Redeemable subordinated debt			[3]				**-**	**12,348**	**14,116**	**16,511**
- Undated subordinated notes							**-**	**577**	**1,593**	**1,627**
BNP Paribas SA Oct. 85	EUR	305	-	TMO - 0.25%	-	B		254	254	254
BNP Paribas SA Sept. 86	USD	500	-	6 month-Libor + 0.075%	-	C		228	228	260
BNP Paribas Cardif Nov. 14	EUR	1,000	Nov. - 25	4.032%	3-month Euribor + 393 bp	D			1,000	1,000
Others								95	111	113
- Participating notes							**-**	**222**	**222**	**222**
BNP Paribas SA July 84 [4]	EUR	337	-	[5]	-			215	215	215
Others								7	7	7
- Expenses and commission, related debt							**-**	**-**	**20**	**14**

[1] Conditions precedent for coupon payment

B Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has officially noted that there is no income available for distribution, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume.

C Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has validated the decision not to pay out a dividend, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume. The bank has the option of resuming payment of interest arrears, even where no dividend is paid out.

D Payment of the interest is mandatory, except for cases of regulatory deficiency, in agreement with the regulator, or of suspension of payments. Interest payments are cumulative and are payable in full, once coupon payments resume, or, if these events occur before, when the issuance is redeemed or when the issuer is liquidated.

[2] Given the eligibility criteria and prudential adjustments, including amortisation of instruments.

[3] See reference relating to "Debt securities at fair value through profit or loss".

[4] The participating notes issued by BNP Paribas SA may be repurchased as provided for in the law of 3 January 1983. The number of notes in the market is 1,434,092.

[5] Depending on net income subject to a minimum of 85% of the TMO rate and a maximum of 130% of the TMO rate.

Maturity schedule of medium and long-term debt securities and redeemable subordinated debt carried at amortised cost with a maturity at issuance of more than one year, by contractual maturity:

Maturity or call option date, in millions of euros	2018	2019	2020	2021	2022	2023 - 2027	After 2027	Total at 31 Dec. 2017
Medium- and long-term debt securities	12,690	9,331	9,085	9,503	8,590	21,917	4,703	75,819
Redeemable subordinated debt	760	202	33	8	382	12,036	695	14,116
Total	**13,450**	**9,533**	**9,118**	**9,511**	**8,972**	**33,953**	**5,398**	**89,935**

Maturity or call option date, in millions of euros	2017	2018	2019	2020	2021	2022 - 2026	After 2026	Total at 31 Dec. 2016
Medium- and long-term debt securities	16,490	7,580	7,699	9,596	10,561	20,622	2,148	74,696
Redeemable subordinated debt	4,170	548	216	27	8	9,170	2,372	16,511
Total	**20,660**	**8,128**	**7,915**	**9,623**	**10,569**	**29,792**	**4,520**	**91,207**

4.j HELD-TO-MATURITY FINANCIAL ASSETS

In millions of euros	31 December 2017	31 December 2016
Treasury bills and government bonds	4,617	5,937
Other fixed-income securities	175	163
Total held-to-maturity financial assets	**4,792**	**6,100**

No held-to-maturity financial asset was impaired as at 31 December 2017, nor as at 31 December 2016.

Maturity schedule of held-to-maturity financial assets by contractual maturity:

In millions of euros, at 31 December 2017	< 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Held-to-maturity financial assets	440	139	44	3,074	1,095	**4,792**

In millions of euros, at 31 December 2016	< 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Held-to-maturity financial assets	-	160	1,393	3,460	1,087	**6,100**

4.k CURRENT AND DEFERRED TAXES

In millions of euros	31 December 2017	31 December 2016
Current taxes	1,538	1,869
Deferred taxes	5,030	6,097
Current and deferred tax assets	**6,568**	**7,966**
Current taxes	648	920
Deferred taxes	1,818	2,167
Current and deferred tax liabilities	**2,466**	**3,087**

Change in deferred tax over the period:

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Net deferred taxes at start of period	**3,930**	**4,211**
Net losses arising from deferred taxes (note 2.h)	(1,114)	(729)
Changes in deferred taxes linked to the revaluation and reversal through profit or loss of the revaluation of available-for-sale financial assets, including those reclassified as loans and receivables	183	241
Changes in deferred taxes linked to the revaluation and reversal through profit or loss of the revaluation of cash flow hedge derivatives	221	208
Changes in deferred taxes linked to items recognised directly in equity that will not be reclassified to profit and loss	(27)	98
Effect of exchange rate, scope and other movements	19	(99)
Net deferred taxes at end of period	**3,212**	**3,930**

Breakdown of deferred tax assets and liabilities by nature:

In millions of euros	31 December 2017	31 December 2016
Available-for-sale financial assets, including those reclassified as loans and receivables	(795)	(978)
Unrealised finance lease reserve	(414)	(613)
Provisions for employee benefit obligations	990	1,105
Provisions for credit risk	2,188	2,840
Other items	(395)	(375)
Tax loss carryforwards	1,638	1,951
Net deferred taxes	**3,212**	**3,930**
Deferred tax assets	5,030	6,097
Deferred tax liabilities	(1,818)	(2,167)

In order to determine the amount of the tax loss carryforwards recognised as assets, the Group conducts every year a specific review for each relevant entity based on the applicable tax regime, notably incorporating any time limit rules, and a realistic projection of their future revenue and charges in line with their business plan.

Deferred tax assets recognised on tax loss carryforwards are mainly related to BNP Paribas Fortis for EUR 1,303 million, with a 7-year expected recovery period (unlimited carryforward period).

Unrecognised deferred tax assets totalled EUR 1,167 million at 31 December 2017 compared with EUR 1,645 million at 31 December 2016.

4.l ACCRUED INCOME/EXPENSE AND OTHER ASSETS/LIABILITIES

In millions of euros	31 December 2017	31 December 2016
Guarantee deposits and bank guarantees paid	57,265	66,722
Settlement accounts related to securities transactions	15,392	14,584
Collection accounts	654	555
Reinsurers' share of technical reserves	3,002	2,866
Accrued income and prepaid expenses	6,145	5,618
Other debtors and miscellaneous assets	24,753	25,622
Total accrued income and other assets	**107,211**	**115,967**
Guarantee deposits received	40,612	54,249
Settlement accounts related to securities transactions	8,395	11,049
Collection accounts	717	695
Accrued expense and deferred income	8,731	7,674
Other creditors and miscellaneous liabilities	27,680	25,740
Total accrued expense and other liabilities	**86,135**	**99,407**

The movement in “Reinsurers’ share of technical reserves” breaks down as follows:

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Reinsurers' share of technical reserves at start of period	**2,866**	**2,909**
Increase in technical reserves borne by reinsurers	450	295
Amounts received in respect of claims and benefits passed on to reinsurers	(368)	(378)
Effect of changes in exchange rates and scope of consolidation	54	40
Reinsurers' share of technical reserves at end of period	**3,002**	**2,866**

4.m EQUITY-METHOD INVESTMENTS

Cumulated financial information of associates and joint ventures is presented in the following table:

In millions of euros	Year to 31 Dec. 2017			31 December 2017	Year to 31 Dec. 2016			31 December 2016
	Share of net income	*Share of changes in assets and liabilities recognised directly in equity*	Share of net income and changes in assets and liabilities recognised directly in equity	Equity-method investments	*Share of net income*	*Share of changes in assets and liabilities recognised directly in equity*	Share of net income and changes in assets and liabilities recognised directly in equity	Equity-method investments
Joint ventures	*48*	*(57)*	(9)	1,020	*36*	*11*	47	1,023
Associates [(1)]	*665*	*(292)*	373	5,792	*597*	*(108)*	489	5,887
Total equity-method entities	***713***	***(349)***	**364**	**6,812**	***633***	***(97)***	**536**	**6,910**

(1) Including controlled but non material entities consolidated under the equity method.

Financing and guarantee commitments given by the Group to joint ventures are listed in the note 7.h Other related parties.

The carrying amount of the Group's investment in the main joint ventures and associates is presented in the following table:

In millions of euros	Country of registration	Activity	31 December 2017		31 December 2016	
			Interest (%)	Equity-method investments	Interest (%)	Equity-method investments
Joint ventures						
Bpost banque	Belgium	Retail banking	50%	328	50%	366
Union de Creditos Inmobiliarios	Spain	Retail mortgage	50%	288	50%	267
Associates						
AG Insurance	Belgium	Insurance	25%	1,687	25%	1,613
Bank of Nanjing	China	Retail banking	18%	1,483	19%	1,448

4.n PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS USED IN OPERATIONS, INVESTMENT PROPERTY

In millions of euros	31 December 2017			31 December 2016		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Investment property	**7,878**	**(813)**	**7,065**	**2,203**	**(292)**	**1,911**
Land and buildings	7,443	(2,074)	5,369	7,800	(1,994)	5,806
Equipment, furniture and fixtures	6,947	(4,857)	2,090	7,024	(4,896)	2,128
Plant and equipment leased as lessor under operating leases	21,659	(5,870)	15,789	18,649	(5,063)	13,586
Other property, plant and equipment	1,961	(1,061)	900	2,088	(1,085)	1,003
Property, plant and equipment	**38,010**	**(13,862)**	**24,148**	**35,561**	**(13,038)**	**22,523**
Purchased software	3,366	(2,510)	856	3,332	(2,483)	849
Internally-developed software	4,139	(3,189)	950	4,309	(3,304)	1,005
Other intangible assets	1,990	(469)	1,521	1,815	(430)	1,385
Intangible assets	**9,495**	**(6,168)**	**3,327**	**9,456**	**(6,217)**	**3,239**

- **Investment property**

Land and buildings leased by the Group as lessor under operating leases, and land and buildings held as investments in connection with the life insurance business, are recorded in "Investment property". The carrying amount increase compared to 31 December 2016 is due to the full consolidation of funds representative of investments linked to the life insurance business, which were previously recorded as available-for-sale financial assets.

The estimated fair value of investment property accounted for at amortised cost at 31 December 2017 is EUR 8,129 million, compared with EUR 2,143 million at 31 December 2016.

- **Operating leases**

Operating leases and investment property transactions are in certain cases subject to agreements providing for the following minimum future payments:

In millions of euros	31 December 2017	31 December 2016
Future minimum lease payments receivable under non-cancellable leases	**6,224**	**5,676**
Payments receivable within 1 year	*2,680*	*2,503*
Payments receivable after 1 year but within 5 years	*3,496*	*3,121*
Payments receivable beyond 5 years	*48*	*52*

Future minimum lease payments receivable under non-cancellable leases are payments that the lessee is required to make during the lease term.

- **Intangible assets**

Other intangible assets include leasehold rights, goodwill and trademarks acquired by the Group.

- **Depreciation, amortisation and impairment**

Net depreciation and amortisation expense for the year ended 31 December 2017 was EUR 1,711 million, compared with EUR 1,713 million for the year ended 31 December 2016.

The net increase in impairment on property, plant, equipment and intangible assets taken to the profit and loss account in the year ended 31 December 2017 amounted to EUR 8 million, compared with a decrease of EUR 16 million for the year ended 31 December 2016.

4.o GOODWILL

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Carrying amount at start of period	**10,216**	**10,316**
Acquisitions	292	55
Divestments	(15)	(67)
Impairment recognised during the period	(208)	(182)
Exchange rate adjustments	(714)	91
Other movements	-	3
Carrying amount at end of period	**9,571**	**10,216**
Gross value	12,560	13,012
Accumulated impairment recognised at the end of period	(2,989)	(2,796)

Goodwill by cash-generating unit is as follows:

In millions of euros	Carrying amount		Impairment recognised during the period		Acquisitions during the period	
	31 December 2017	31 December 2016	Year to 31 Dec. 2017	Year to 31 Dec. 2016	Year to 31 December 2017	Year to 31 December 2016
Retail Banking & Services	**8,472**	**9,070**	**(208)**	**(182)**	**292**	**55**
Domestic Markets	**1,415**	**1,269**	**-**	**-**	**160**	**55**
Arval	*503*	*509*				*(38)*
Leasing Solutions	*135*	*136*				
New Digital Businesses	*159*				*159*	
Personal Investors	*612*	*618*			*1*	*93*
Others	*6*	*6*				
International Financial Services	**7,057**	**7,801**	**(208)**	**(182)**	**132**	**-**
Asset Management	*167*	*177*				
Insurance	*352*	*296*			*57*	
BancWest	*4,147*	*4,728*				
Bank BGŻ BNP Paribas				*(127)*		
Personal Finance	*1,329*	*1,342*			*36*	
Personal Finance - partnership tested individually	*348*	*384*	*(36)*	*(54)*		
Real Estate	*406*	*370*		*(1)*	*39*	
Turk Ekonomi Bankasi		*191*	*(172)*			
Wealth Management	*272*	*276*				
Others	*36*	*37*				
Corporate & Institutional Banking	**1,096**	**1,143**	**-**	**-**	**-**	**-**
Corporate Banking	*274*	*280*				
Global Markets	*407*	*438*				
Securities Services	*415*	*425*				
Other Activities	**3**	**3**				
Total goodwill	**9,571**	**10,216**	**(208)**	**(182)**	**292**	**55**
Negative goodwill			7			
Change in value of goodwill recognised in the profit and loss account			**(201)**	**(182)**		

The homogeneous groups of businesses to which goodwill is allocated are:

Arval: Specialist in vehicle long-term leasing, Arval offers corporates (from multinational companies to small business clients) tailored solutions that optimise their employees' mobility and outsource the risks associated with fleet management. Recently, clientele was expanded to include individuals.

Leasing Solutions : BNP Paribas Leasing Solutions uses a multi-channel partnership approach (sales *via* referrals, partnerships, direct sales and banking networks) to offer corporate and small business clients an array of leasing and rental solutions, ranging from equipment financing to fleet outsourcing.

New digital businesses: they include in particular the account management service "Compte-Nickel", open to all, without any conditions regarding income, deposits or personal wealth, and without any overdraft or credit facility. This service, which operates in real time using the latest technology, is available through over 2,900 tobacconists.

Personal Investors: BNP Paribas Personal Investors is a digital specialist of banking and investment services. Mainly based in Germany, Austria, Spain and India, it provides a wide range of banking, savings and long and short term investment services to individual clients via the internet, and also on the phone and face-to-face. In addition to its activities destined to private clients, Personal Investors offers its services and IT platform to independent financial consultants, asset managers and FinTechs.

Asset Management: BNP Paribas Asset Management is the dedicated asset management business line of the BNP Paribas Group and offers services to individual investors (through internal distributors – BNP Paribas private and retail banking – and external distributors), to corporates and to institutional investors (insurance companies, retirement funds, official institutions, consultants). Its aim is to offer an added value based on a broad range of expertise throughout its active management of equities and bonds, its activity of private debt and real assets management and its multi-asset, quantitative and solutions division.

Insurance: BNP Paribas Cardif, a world leader in personal insurance, has designed, developed and marketed savings and protection products and services to protect individuals, their projects and their assets.
BNP Paribas Cardif has developed new forms of insurance and extended its offer of protection to health insurance, budget insurance, revenue and means of payment insurance, unexpected event protection (unemployment, accident, death, theft or breakage) or the protection of private digital data to meet the evolution of customers' needs.

In 2017, BNP Paribas Cardif and State Bank of India launched an Initial Public Offer on their joint venture, SBI Life, selling 4 % of this life insurer in India. Following the offer, BNP Paribas Cardif holds a 22 % interest in SBI Life.

BancWest: In the United States, the Retail Banking business is conducted through Bank of the West and First Hawaiian Bank. Bank of the West markets a very broad range of retail banking products and services to individuals, small businesses and corporate clients, through branches and offices in 20 States in western and mid-western America. It also has strong positions across the USA in several specialized lending activities, such as marine, recreational vehicles, church lending and agribusiness, and develops its commercial set up particularly in Corporate Banking, Wealth Management and Small and Medium Enterprise businesses. First Hawaiian Bank is Hawaii's leading bank, offering banking services to a local clientele of private individuals and local and international corporates. In 2016, the Group launched an Initial Public Offer on First Hawaiian Inc and holds as at 31 December 2017 61.94 % of its capital.

Bank BGZ BNP Paribas: Bank BGZ is a universal commercial bank, one of the leading banks in Poland. Its merger in 2015 with BNP Paribas Bank Polska SA led to the creation of Bank BGZ BNP Paribas. The integration of these two entities continued in 2017 and the number of agencies in Poland reached 486 at the end of 2017.

Personal Finance: BNP Paribas Personal Finance is the Group's consumer credit specialist. Through its brands such as Cetelem, Cofinoga, Findomestic or AlphaCredit, Personal Finance provides a full range of consumer loans at point of sale (retail stores and car dealerships) or through its customer relation centres and online. The consumer credit business also operates within the Group's retail banking network in some countries, through the « PF Inside » set-up. Personal Finance offers insurance products tailored to local needs and practices in each of the countries where it operates. In Germany, Bulgaria, France, Hungary and Italy, the lending and insurance offer of Personal Finance has been complemented by savings products.

In 2017, BNP Paribas Personal Finance and Banque PSA Finance (PSA group) acquired the automotive finance activity of General Motors in Europe (Opel Vauxhall) and, as part of its strategy to expand to the Scandinavian countries, BNP Paribas Personal Finance acquired 100% of SevenDay Finans AB, consumer credit specialist in Sweden.

Real Estate: BNP Paribas Real Estate serves the needs of its clients, whether institutional investors, corporates, public entities or individuals, at all stages of the life cycle of their property (from the conception of a construction project to its daily management).

In 2017, BNP Paribas Real Estate reinforced its transaction activity with the acquisition of Strutt&Parker, one of UK's largest independent property actors.

Turk Ekonomi Bankasi: Present mostly in Turkey, Turk Ekonomi Bankasi offers its customers (Retail, Corporate and SME) a wide array of financial products and services, including retail and private banking, treasury and capital markets services, and financing.

Wealth Management: Wealth Management encompasses the private banking activities of BNP Paribas and serves a clientele of wealthy individuals, shareholder families and entrepreneurs seeking a one-stop shop for all their wealth management and financial needs.

Corporate Banking: Corporate Banking combines financing solutions to corporates, all transaction banking products, corporate finance advisory services in mergers and acquisitions and primary equity activities.

Global Markets: Global Markets provides investment, hedging, financing and research services across asset classes, to corporate and institutional clients – as well as private and retail banking networks. The sustainable, long-term business model of Global Markets connects clients to capital markets throughout EMEA (Europe, Middle East & Africa), Asia Pacific and the Americas, with innovative solutions and digital platforms. Global Markets includes activities of Fixed Income, Currencies & Commodities and Equity & Prime Services.

Securities Services: BNP Paribas Securities Services is one of the major global players in securities services and provides integrated solutions for all actors involved in the investment cycle, sell side, buy side and issuers.

Goodwill impairment tests are based on three different methods: observation of transactions related to comparable businesses, share price data for listed companies with comparable businesses, and discounted future cash flows (DCF).

If one of the two comparables-based methods indicates the need for impairment, the DCF method is used to validate the results and determine the amount of impairment required.

The DCF method is based on a number of assumptions in terms of future revenues, expenses and cost of risk (cash flows) based on medium-term business plans over a period of five years. Cash flow projections beyond the 5-year forecast period are based on a growth rate to perpetuity and are normalised when the short-term environment does not reflect the normal conditions of the economic cycle.

The key parameters which are sensitive to the assumptions made are the cost of capital, the cost/income ratio, the cost of risk and the growth rate to perpetuity.

Cost of capital is determined on the basis of a risk-free rate, an observed market risk premium weighted by a risk factor based on comparables specific to each homogeneous group of businesses. The values of these parameters are obtained from external information sources.

Allocated capital is determined for each homogeneous group of businesses based on the “Common Equity Tier One” regulatory requirements for the legal entity to which the homogeneous group of businesses belongs, with a minimum of 7%.

The growth rate to perpetuity used is 2% for mature economies. For CGUs implemented in countries with high levels of inflation, a specific add-on is taken into account (calculated according to inflation rates disclosed by external sources).

The following table shows the sensitivity of cash generating unit valuations to changes in the value of parameters used in the DCF calculation: the cost of capital, the cost/income ratio in terminal value, the cost of risk in terminal value and the growth rate to perpetuity.

In consideration of additional banking levies in Poland and the increase in regulatory capital requirements for BGZ, the allocated goodwill has been impaired in its entirety in 2016 (EUR 127 million).

In 2017, the downward revision in growth prospects of Turk Ekonomi Bankasi led to the full impairment of the TEB goodwill (EUR 172 million).

- **Sensitivity of the main goodwill valuations to a 10-basis point change in the cost of capital, a 1% change in the cost/income ratio in terminal value, a 5 % change of the cost of risk in terminal value and a 50-basis point change in the growth rate to perpetuity**

In millions of euros	BancWest	Personal Finance
Cost of capital	**8.5%**	**9.6%**
Adverse change (+10 basis points)	(188)	(220)
Positive change (- 10 basis points)	194	226
Cost/income ratio	**56.7%**	**45.5%**
Adverse change (+ 1 %)	(288)	(415)
Positive change (-1 %)	288	415
Cost of risk	**(250)**	**(1,764)**
Adverse change (+ 5 %)	(267)	(218)
Positive change (- 5 %)	267	218
Growth rate to perpetuity	**2.0%**	**2.0%**
Adverse change (-50 basis points)	(388)	(550)
Positive change (+50 basis points)	453	628

For the BancWest and Personal Finance homogeneous groups of businesses, there would be no grounds for goodwill impairment even if the four most adverse scenarios contained in the table were applied to the impairment test.

4.p TECHNICAL RESERVES OF INSURANCE COMPANIES

In millions of euros	31 December 2017	31 December 2016
Liabilities related to insurance contracts	**150,650**	**141,368**
Gross technical reserves		
Unit-linked contracts	59,712	52,314
Other insurance contracts	90,938	89,054
Liabilities related to financial contracts with discretionary participation feature	**35,838**	**34,719**
Policyholders' surplus reserve - liability	**16,948**	**17,539**
Total technical reserves of insurance companies	**203,436**	**193,626**
Liabilities related to unit-linked financial contracts (1)	3,534	3,624
Total liabilities related to contracts written by insurance companies	**206,970**	**197,250**

(1) Liabilities related to unit-linked financial contracts are included in "Due to customers" (note 4.g)

The policyholders' surplus reserve arises from the application of shadow accounting. It represents the interest of policyholders within French and Italian life insurance subsidiaries in unrealised gains and losses and impairment losses on assets where the benefit paid under the policy is linked to the return on those assets. It is obtained from stochastic calculations modelling the unrealised gains and losses attributable to policyholders based on economic scenarios and assumptions as regards rates paid to customers and new business inflows. For France, this resulted in an interest of 90% in 2017, unchanged from 2016.

The movement in liabilities related to insurance contracts breaks down as follows:

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Liabilities related to insurance contracts at start of period	**197,250**	**187,302**
Additions to insurance contract technical reserves and deposits taken on financial contracts related to life insurance	23,219	23,098
Claims and benefits paid	(16,830)	(14,694)
Effect of changes in value of admissible investments related to unit-linked business	3,393	979
Effect of movements in exchange rates	(566)	474
Effect of changes in the scope of consolidation	504	91
Liabilities related to insurance contracts at end of period	**206,970**	**197,250**

See note 4.l for details of reinsurers' share of technical reserves.

4.q PROVISIONS FOR CONTINGENCIES AND CHARGES

- **Provisions for contingencies and charges by type**

In millions of euros	31 Dec. 2016	Net additions to provisions	Provisions used	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	31 Dec. 2017
Provisions for employee benefits	**7,189**	**845**	**(1,007)**	**16**	**(303)**	**6,740**
of which post-employment benefits (note 6.b)	4,590	187	(240)	23	(221)	4,339
of which post-employment healthcare benefits (note 6.b)	155	2	(2)	(7)	(5)	143
of which provision for other long-term benefits (note 6.c)	1,267	236	(278)		(55)	1,170
of which provision for voluntary departure, early retirement plans, and headcount adaptation plan (note 6.d)	495	(7)	(89)		(10)	389
of which provision for share-based payments (note 6.e)	682	427	(398)		(12)	699
Provisions for home savings accounts and plans	**174**	**(18)**	**-**		**-**	**156**
Provisions for credit commitments (note 2.g)	**998**	**-**	**(47)**		**(45)**	**906**
Provisions for litigations	**1,635**	**656**	**(381)**		**(53)**	**1,857**
Other provisions for contingencies and charges (1)	**1,805**	**470**	**(875)**		**2**	**1,402**
Total provisions for contingencies and charges	**11,801**	**1,953**	**(2,310)**	**16**	**(399)**	**11,061**

(1) Other provisions for contingencies and charges include maintenance services related to operating leases, which amounted to EUR 655 million as at 31 December 2017 compared with EUR 632 million as at 31 December 2016, recognised in Net income from other activities (note 2.e).

- **Provisions and discount for home savings accounts and plans**

In millions of euros	31 December 2017	31 December 2016
Deposits collected under home savings accounts and plans	**18,137**	**17,938**
of which deposits collected under home savings plans	15,934	15,663
Aged more than 10 years	*3,914*	*3,230*
Aged between 4 and 10 years	*6,234*	*5,645*
Aged less than 4 years	*5,786*	*6,788*
Outstanding loans granted under home savings accounts and plans	**76**	**112**
of which loans granted under home savings plans	13	19
Provisions and discount recognised for home savings accounts and plans	**157**	**176**
provisions recognised for home savings plans	154	172
provisions recognised for home savings accounts	2	2
discount recognised for home savings accounts and plans	1	2

4.r OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The following tables present the amounts of financial assets and liabilities before and after offsetting. This information, required by IFRS 7, aims to enable the comparability with the accounting treatment applicable in accordance with generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IAS 32 as regards offsetting.

“Amounts set off on the balance sheet” have been determined according to IAS 32. Thus, a financial asset and a financial liability are offset and the net amount presented on the balance sheet when, and only when, the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Amounts set off derive mainly from repurchase agreements and derivative instruments traded with clearing houses.

The “impacts of master netting agreements and similar agreements” are relative to outstanding amounts of transactions within an enforceable agreement, which do not meet the offsetting criteria defined by IAS 32. This is the case of transactions for which offsetting can only be performed in case of default, insolvency or bankruptcy of one of the contracting parties.

“Financial instruments given or received as collateral” include guarantee deposits and securities collateral recognised at fair value. These guarantees can only be exercised in case of default, insolvency or bankruptcy of one of the contracting parties.

Regarding master netting agreements, the guarantee deposits received or given in compensation for the positive or negative fair values of financial instruments are recognised in the balance sheet in accrued income or expenses and other assets or liabilities.

In millions of euros, at 31 December 2017	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Trading securities	119,452		119,452			119,452
Loans	1,840		1,840			1,840
Repurchase agreements	272,885	(131,167)	141,718	(29,448)	(107,743)	4,527
Instruments designated as at fair value through profit or loss	96,946	(14)	96,932			96,932
Derivative financial instruments (including derivatives used for hedging purposes)	332,966	(88,980)	243,986	(176,988)	(27,154)	39,844
Loans and receivables due from customers and credit institutions	774,539	(1,194)	773,345	(492)	(1,801)	771,052
of which repurchase agreements	*2,368*		*2,368*	*(492)*	*(1,801)*	*75*
Accrued income and other assets	107,611	(400)	107,211		(31,872)	75,339
of which guarantee deposits paid	*57,265*		*57,265*		*(31,872)*	*25,393*
Other assets not subject to offsetting	475,768		475,768			475,768
TOTAL ASSETS	**2,182,007**	**(221,755)**	**1,960,252**	**(206,928)**	**(168,570)**	**1,584,754**

In millions of euros, at 31 December 2017	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Trading securities	69,313		69,313			69,313
Borrowings	4,499		4,499			4,499
Repurchase agreements	298,815	(131,167)	167,648	(28,875)	(132,188)	6,585
Instruments designated as at fair value through profit or loss	53,455	(14)	53,441			53,441
Derivative financial instruments (including derivatives used for hedging purposes)	332,681	(88,980)	243,701	(176,988)	(34,050)	32,663
Due to customers and to credit institutions	844,587	(1,194)	843,393	(1,065)	(4,872)	837,456
of which repurchase agreements	*6,182*		*6,182*	*(1,065)*	*(4,872)*	*245*
Accrued expense and other liabilities	86,535	(400)	86,135		(24,278)	61,857
of which guarantee deposits received	*40,612*		*40,612*		*(24,278)*	*16,334*
Other liabilities not subject to offsetting	384,913		384,913			384,913
TOTAL LIABILITIES	**2,074,798**	**(221,755)**	**1,853,043**	**(206,928)**	**(195,388)**	**1,450,727**

In millions of euros, at 31 December 2016	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Trading securities	123,679		123,679			123,679
Loans	525		525			525
Repurchase agreements	274,012	(122,295)	151,717	(26,537)	(121,424)	3,756
Instruments designated as at fair value through profit or loss	87,734	(90)	87,644			87,644
Derivative financial instruments (including derivatives used for hedging purposes)	481,412	(135,117)	346,295	(267,679)	(35,163)	43,453
Loans and receivables due from customers and credit institutions	760,831	(1,187)	759,644	(900)	(4,118)	754,626
of which repurchase agreements	*5,145*		*5,145*	*(900)*	*(4,118)*	*127*
Accrued income and other assets	117,254	(1,287)	115,967		(33,090)	82,877
of which guarantee deposits paid	*66,722*		*66,722*		*(33,090)*	*33,632*
Other assets not subject to offsetting	491,488		491,488			491,488
TOTAL ASSETS	**2,336,935**	**(259,976)**	**2,076,959**	**(295,116)**	**(193,795)**	**1,588,048**

In millions of euros, at 31 December 2016	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Trading securities	70,326		70,326			70,326
Borrowings	4,190		4,190			4,190
Repurchase agreements	301,311	(122,295)	179,016	(26,397)	(150,329)	2,290
Instruments designated as at fair value through profit or loss	54,166	(90)	54,076			54,076
Derivative financial instruments (including derivatives used for hedging purposes)	473,483	(135,117)	338,366	(267,679)	(35,230)	35,457
Due to customers and to credit institutions	842,800	(1,187)	841,613	(1,040)	(5,924)	834,649
of which repurchase agreements	*7,054*		*7,054*	*(1,040)*	*(5,924)*	*90*
Accrued expense and other liabilities	100,694	(1,287)	99,407		(30,918)	68,489
of which guarantee deposits received	*54,249*		*54,249*		*(30,918)*	*23,331*
Other liabilities not subject to offsetting	384,745		384,745			384,745
TOTAL LIABILITIES	**2,231,715**	**(259,976)**	**1,971,739**	**(295,116)**	**(222,401)**	**1,454,222**

4.s Transfers of financial assets

Financial assets that have been transferred but not derecognised by the Group are mainly composed of securities sold temporarily under repurchase agreements or securities lending transactions, as well as securitised assets. The liabilities associated to securities temporarily sold under repurchase agreements consist of debts recognised under the "repurchase agreements" heading. The liabilities associated to securitised assets consist of the securitisation notes purchased by third parties.

- **Securities lending, repurchase agreements and other transactions:**

	31 December 2017		31 December 2016	
In millions of euros, at	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Securities lending operations				
Securities at fair value through profit or loss	4,737		2,800	
Available-for-sale financial assets	872		5,546	
Repurchase agreements				
Securities at fair value through profit or loss	24,271	23,545	39,642	38,121
Securities classified as loans and receivables	9	9	356	314
Available-for-sale financial assets	12,077	12,072	8,967	8,960
Other transactions				
Securities at fair value through profit or loss	-	-	195	195
Total	**41,966**	**35,626**	**57,506**	**47,590**

- **Securitisation transactions partially refinanced by external investors, whose recourse is limited to the transferred assets:**

In millions of euros, at 31 December 2017	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Securitisation					
Loans and receivables	16,532	15,773	16,982	15,852	1,130
Available-for-sale financial assets	273	176	273	172	101
Total	**16,805**	**15,949**	**17,255**	**16,024**	**1,231**

In millions of euros, at 31 December 2016	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Securitisation					
Loans and receivables	15,002	13,596	15,477	13,617	1,860
Available-for-sale financial assets	277	131	279	127	152
Total	**15,279**	**13,727**	**15,756**	**13,744**	**2,012**

There have been no significant transfers leading to partial or full derecognition of the financial assets where the Bank has a continuing involvement in them.

5. FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS

5.a FINANCING COMMITMENTS GIVEN OR RECEIVED

Contractual value of financing commitments given and received by the Group:

In millions of euros	31 December 2017	31 December 2016
Financing commitments given		
- to credit institutions	**3,296**	**3,833**
- to customers	**284,277**	**283,326**
Confirmed financing commitments	220,654	219,320
Other commitments given to customers	63,623	64,006
Total financing commitments given	**287,573**	**287,159**
Financing commitments received		
- from credit institutions	**71,185**	**106,964**
- from customers	**1,785**	**2,145**
Total financing commitments received	**72,970**	**109,109**

5.b GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

In millions of euros	31 December 2017	31 December 2016
Guarantee commitments given		
- to credit institutions	**14,789**	**11,696**
- to customers	**126,971**	**117,281**
Property guarantees	1,968	1,392
Sureties provided to tax and other authorities, other sureties	48,552	46,661
Other guarantees	76,451	69,228
Total guarantee commitments given	**141,760**	**128,977**

5.c OTHER GUARANTEE COMMITMENTS

- **Financial instruments given as collateral**

In millions of euros	31 December 2017	31 December 2016
Financial instruments (negotiable securities and private receivables) lodged with central banks and eligible for use at any time as collateral for refinancing transactions after haircut	**102,906**	**121,349**
- Used as collateral with central banks	35,457	22,529
- Available for refinancing transactions	67,449	98,820
Securities sold under repurchase agreements	**301,764**	**322,308**
Other financial assets pledged as collateral for transactions with credit institutions, financial customers or subscribers of covered bonds issued by the Group (1)	**147,072**	**141,674**

(1) Notably including "Société de Financement de l'Économie Française" and "Caisse de Refinancement de l'Habitat" financing.

The fair value of financial instruments given as collateral or transferred under repurchase agreements by the Group that the beneficiary is authorised to sell or reuse as collateral amounted to EUR 408,380 million at 31 December 2017 (EUR 428,421 million at 31 December 2016).

- **Financial instruments received as collateral**

In millions of euros	31 December 2017	31 December 2016
Financial instruments received as collateral (excluding repurchase agreements)	**128,830**	**114,550**
of which instruments that the Group is authorised to sell and reuse as collateral	*102,543*	*90,959*
Securities received under repurchase agreements	**286,418**	**288,087**

The fair value of financial instruments received as collateral or under repurchase agreements that the Group effectively sold or reused as collateral amounted to EUR 272,788 million at 31 December 2017 (compared with EUR 245,149 million at 31 December 2016).

6. SALARIES AND EMPLOYEE BENEFITS

6.a SALARY AND EMPLOYEE BENEFIT EXPENSE

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Fixed and variable remuneration, incentive bonuses and profit-sharing	12,402	12,067
Employee benefit expense	3,542	3,787
Payroll taxes	552	548
Total salary and employee benefit expense	**16,496**	**16,402**

6.b POST-EMPLOYMENT BENEFITS

IAS 19 distinguishes between two categories of plans, each handled differently depending on the risk incurred by the entity. When the entity is committed to paying a fixed amount, stated as a percentage of the beneficiary's annual salary, for example, to an external entity handling payment of the benefits based on the assets available for each plan member, it is described as a defined-contribution plan. Conversely, when the entity's obligation is to manage the financial assets funded through the collection of contributions from employees and to bear the cost of benefits itself or to guarantee the final amount subject to future events, it is described as a defined-benefit plan. The same applies, if the entity entrusts management of the collection of premiums and payment of benefits to a separate entity, but retains the risk arising from management of the assets and/or from future changes in the benefits.

- **Defined-contribution pension plans for Group entities**

The BNP Paribas Group has implemented over the past few years a wide campaign of converting defined-benefit plans into defined-contribution plans.

Thus, in France, the BNP Paribas Group pays contributions to various nationwide basic and top-up pension schemes. BNP Paribas SA and certain subsidiaries have set up a funded pension plan under a company-wide agreement. Under this plan, employees will receive an annuity on retirement in addition to the pension paid by nationwide schemes.

Since defined-benefit plans have been closed to new employees in most countries outside France, they are offered the benefit of joining defined-contribution pension plans.

The amount paid into defined-contribution post-employment plans for the year to 31 December 2017 was EUR 616 million, compared with EUR 604 million for the year to 31 December 2016.

The breakdown by major contributors is determined as follows:

Contribution amount In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
France	315	306
Italy	60	62
UK	48	51
USA	45	43
Turkey	38	43
Others	110	99
TOTAL	**616**	**604**

In Italy, the plan introduced by BNL is funded by employer contributions (4% of salaries) and employee contributions (2% of salaries). Employees can also make additional voluntary contributions.

In the United Kingdom, the employer contributes 12% of salaries for the majority of employees; employees can make additional voluntary contributions.

In the US, the bank matches the voluntary contributions made by employees, within certain limits.

- **Main defined-benefit pension plans for Group entities, of which indemnities payable on retirement**

- Defined-benefit plans

In Belgium, BNP Paribas Fortis funds a defined-benefit plan, based on final salary and number of years of service, for its management and employees who joined the bank before its pension plans were harmonised on 1 January 2002. Actuarial liabilities under this scheme are pre-funded at 90 % at 31 December 2017 (compared with 94 % at 31 December 2016) through AG Insurance, in which the BNP Paribas Group owns a 25% equity interest.

BNP Paribas Fortis senior managers are covered by a top-up pension plan, paying a lump sum based on the number of years of service and final salary. This plan is pre-funded at 97 % as at 31 December 2017 (83 % at 31 December 2016) through AXA Belgium and AG Insurance. Since 1 January 2015, senior managers benefit from a defined-contribution scheme.

The other employees benefit as well from the defined-contribution scheme.

Since there is a legal obligation for the employer to guarantee a minimum return on financial assets invested under defined-benefit pension plans, a provision was recognised for these defined-contribution schemes, as this guarantee is not entirely covered by the insurance company.

In France, BNP Paribas pays a top-up banking industry pension arising from rights acquired to 31 December 1993 by retired employees and active employees in service at that date. At 31 December 2017, the Group's residual obligations for employees of BNP origin were recognised on the balance sheet in full.

The defined-benefit plans previously granted to Group executives formerly employed by BNP, Paribas or Compagnie Bancaire have all been closed to new employees and converted into top-up type schemes. The amounts allocated to residual beneficiaries, subject to their presence within the Group at retirement, were fixed when these schemes were closed. At 31 December 2017, 118 % of these pension plans were funded through insurance companies (96 % at 31 December 2016).

In the United Kingdom, defined-benefit pension plans (pension funds) still exist but are closed to new employees. Under these plans, the defined pension is generally based on final salary and number of years of service. Pension schemes are managed by independent management bodies (Trustees). At 31 December 2017, obligations for all UK entities were 107 % covered by financial assets, unchanged from 31 December 2016.

In Switzerland, liabilities relate to top-up pension plans based on the principle of defined-contribution schemes with guaranteed returns, paying an annuity under pre-defined terms. These schemes are managed by a foundation. At the end of 2017, obligations were 90 % covered by financial assets, compared with 85 % at the end of 2016.

In the United States, defined-benefit pension plans are based on annual vesting rights to a lump sum comprising a pension expressed as a percentage of annual salary and paying interest at a pre-defined rate. These plans are closed to new entrants and have offered almost no new vesting rights since 2012. At 31 December 2017, the obligation was 71 % covered by financial assets, (66 % at 31 December 2016).

In Turkey, the pension plan replaces the national pension scheme (these obligations are measured based on the terms of the eventual transfer to the Turkish State) and offers guarantees exceeding the minimal legal requirements. At the end of 2017, obligations under this plan are fully funded by financial assets held with an external foundation; these financial assets exceed the related obligations, but this surplus is not recognised as an asset by the Group.

- Other post-employment benefits

Group employees also receive various other contractual post-employment benefits, such as indemnities payable on retirement, determined according to minimal legal requirements (Labour Code, collective agreements) or according to specific company-level agreements.

In France, the obligations for these benefits are funded through a contract held with a third-party insurer. At 31 December 2017, this obligation was 98 % covered by financial assets, compared with 92 % at 31 December 2016.

In other countries, the gross obligations of the Group related to these benefits are mainly concentrated in Italy. They are representative of rights vested up to 31 December 2006, when pension reforms changed Italian termination indemnity schemes into defined-contribution plans.

- **Obligations under defined-benefit plans and other post-employment benefits**

- Assets and liabilities recognised on the balance sheet

In millions of euros, at 31 December 2017	*Defined-benefit obligation arising from wholly or partially funded plans*	*Defined-benefit obligation arising from unfunded plans*	Present value of defined-benefit obligation	Fair value of plan assets	Fair value of reimbursement rights [1]	Effect of asset ceiling	Net obligation	*of which asset recognised in the balance sheet for defined-benefit plans*	*of which net assets of defined-benefit plans*	*of which fair value of reimbursement rights*	*of which obligation recognised in the balance sheet for defined-benefit plans*
Belgium	*3,182*	*21*	3,203	(70)	(2,930)		203	(2,930)		*(2,930)*	3,133
UK	*1,681*	*1*	1,682	(1,802)			(120)	(130)	*(130)*		10
France	*1,225*	*117*	1,342	(1,223)			119	(50)	*(50)*		169
Switzerland	*1,059*	*10*	1,069	(951)			118				118
USA	*634*	*179*	813	(575)			238	(6)	*(6)*		244
Italy		*368*	368				368				368
Turkey	*270*	*27*	297	(422)		152	27				27
Others	*603*	*194*	797	(531)	(1)		265	(5)	*(4)*	*(1)*	270
TOTAL	***8,654***	***917***	**9,571**	**(5,574)**	**(2,931)**	**152**	**1,218**	**(3,121)**	***(190)***	***(2,931)***	**4,339**

In millions of euros, at 31 December 2016	*Defined-benefit obligation arising from wholly or partially funded plans*	*Defined-benefit obligation arising from unfunded plans*	Present value of defined-benefit obligation	Fair value of plan assets	Fair value of reimbursement rights [1]	Effect of asset ceiling	Net obligation	*of which asset recognised in the balance sheet for defined-benefit plans*	*of which net assets of defined-benefit plans*	*of which fair value of reimbursement rights*	*of which obligation recognised in the balance sheet for defined-benefit plans*
Belgium	*3,125*	*19*	3,144	(52)	(2,877)		215	(2,877)		*(2,877)*	3,092
UK	*1,678*	*1*	1,679	(1,797)			(118)	(133)	*(133)*		15
France	*1,327*	*125*	1,452	(1,227)			225				225
Switzerland	*1,143*	*12*	1,155	(972)			183				183
USA	*704*	*203*	907	(589)			318	(4)	*(4)*		322
Italy		*387*	387				387				387
Turkey	*270*	*35*	305	(460)		190	35				35
Others	*604*	*198*	802	(475)	(49)		278	(53)	*(4)*	*(49)*	331
TOTAL	***8,851***	***980***	**9,831**	**(5,572)**	**(2,926)**	**190**	**1,523**	**(3,067)**	***(141)***	***(2,926)***	**4,590**

[1] The reimbursement rights are principally found on the balance sheet of the Group's insurance subsidiaries and associated companies - notably AG Insurance with respect to BNP Paribas Fortis' defined-benefit plan - to hedge their commitments to other Group entities that were transferred to them to cover the post-employment benefits of certain employee categories.

- Change in the present value of the defined-benefit obligation

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Present value of defined-benefit obligation at start of period	**9,831**	**9,521**
Current service cost	257	270
Interest cost	147	201
Past service cost	(1)	(36)
Settlements	(7)	(65)
Actuarial (gains)/losses on change in demographic assumptions	(58)	7
Actuarial (gains)/losses on change in financial assumptions	210	734
Actuarial (gains)/losses on experience gaps	51	(86)
Actual employee contributions	24	24
Benefits paid directly by the employer	(106)	(112)
Benefits paid from assets/reimbursement rights	(479)	(441)
Exchange rate (gains)/losses on obligation	(352)	(229)
(Gains)/losses on obligation related to changes in the consolidation scope	54	43
Present value of defined-benefit obligation at end of period	**9,571**	**9,831**

- Change in the fair value of plan assets and reimbursement rights

	Plan assets		Reimbursement rights	
In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Fair value of assets at start of period	**5,572**	**5,365**	**2,926**	**2,939**
Expected return on assets	109	137	28	55
Settlements	(1)	(57)		
Actuarial gains/(losses) on assets	214	392	149	18
Actual employee contributions	14	14	10	10
Employer contributions	139	206	89	94
Benefits paid from assets	(259)	(234)	(220)	(207)
Exchange rate gains/(losses) on assets	(329)	(287)		
Gains/(losses) on assets related to changes in the consolidation scope	115	37	(51)	17
Others		(1)		
Fair value of assets at end of period	**5,574**	**5,572**	**2,931**	**2,926**

- Components of the cost of defined-benefit plans

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Service costs	**250**	**226**
Current service cost	257	270
Past service cost	(1)	(36)
Settlements	(6)	(8)
Net financial expense	**26**	**27**
Interest cost on obligation	147	201
Interest cost on asset celing	16	18
Interest income on plan assets	(109)	(137)
Interest income on reimbursement rights	(28)	(55)
Total recognised in salary and employee benefit expense	**276**	**253**

- Other items recognised directly in equity

In millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Other items recognised directly in equity	**194**	**(291)**
Actuarial (losses)/gains on plan assets or reimbursement rights	363	410
Actuarial (losses)/gains of demographic assumptions on the present value of obligations	58	(7)
Actuarial (losses)/gains of financial assumptions on the present value of obligations	(210)	(734)
Experience (losses)/gains on obligations	(51)	86
Variation of the effect of assets limitation	34	(46)

- Main actuarial assumptions used to calculate obligations

In the Eurozone, United Kingdom and United States, the Group discounts its obligations using the yields of high quality corporate bonds, with a term consistent with the duration of the obligations.

The ranges of rates used are as follows:

In %	31 December 2017		31 December 2016	
	Discount rate	Compensation increase rate (1)	Discount rate	Compensation increase rate (1)
Belgium	0.60%-1.90%	2.90%-3.40%	0.60%-1.40%	2.60%-3.20%
UK	1.50%-2.70%	2.00%-4.70%	1.50%-2.80%	2.00%-4.70%
France	0.50%-1.30%	2.15%-3.40%	0.10%-1.30%	2.00%
Switzerland	0.00%-0.80%	1.40%-1.50%	0.00%-0.60%	1.40%
USA	2.25%-3.75%	4.00%	1.95%-4.15%	4.00%
Italy	0.50%-1.80%	1.80%-2.70%	0.80%-1.80%	1.40%-1.70%
Turkey	11.80%	6.00%	10.00%-10.15%	6.00%

(1) Including price increases (inflation)

Observed weighted average rates are as follows:

- In the Eurozone: 1.06 % at 31 December 2017 (1.04 % at 31 December 2016),
- In the United Kingdom: 2.41 % at 31 December 2017 (2.61 % at 31 December 2016),
- In Switzerland: 0.60 % at 31 December 2017 (unchanged from 31 December 2016).

The impact of a 100 bp change in discount rates on the present value of post-employment benefit obligations is as follows:

Change in the present value of obligations In millions of euros	31 December 2017		31 December 2016	
	Discount rate -100bp	Discount rate +100bp	Discount rate -100bp	Discount rate +100bp
Belgium	309	(286)	337	(288)
UK	389	(286)	409	(299)
France	144	(122)	167	(139)
Switzerland	105	(143)	114	(155)
USA	95	(82)	111	(95)
Italy	27	(28)	35	(31)
Turkey	10	(8)	16	(13)

- Actual rate of return on plan assets and reimbursement rights over the period

In %	Year to 31 Dec. 2017		Year to 31 Dec. 2016	
	Range of value *(reflecting the existence of several plans in the same country)*	Weighted average rates	Range of value *(reflecting the existence of several plans in the same country)*	Weighted average rates
Belgium	1.25%-5.90%	2.94%	0.50%-5.00%	2.60%
UK	2.30%-9.70%	6.55%	3.10%-28.40%	23.30%
France	3.65%	3.65%	3.20%	3.20%
Switzerland	6.95%-7.85%	6.96%	1.80%-2.40%	1.82%
USA	8.40%-14.20%	11.37%	1.70%-6.00%	3.57%
Turkey	10.55%	10.55%	10.00%	10.00%

- Breakdown of plan assets

In %	31 December 2017						31 December 2016					
	Shares	Governmental bonds	Non-Governmental bonds	Real-estate	Deposit account	Others	Shares	Governmental bonds	Non-Governmental bonds	Real-estate	Deposit account	Others
Belgium	7%	52%	19%	1%	0%	21%	6%	51%	22%	2%	0%	19%
UK	26%	35%	9%	0%	1%	29%	30%	39%	8%	0%	2%	21%
France(1)	6%	68%	18%	8%	0%	0%	6%	67%	19%	8%	0%	0%
Switzerland	32%	29%	4%	18%	2%	15%	31%	37%	0%	17%	2%	13%
USA	33%	36%	18%	0%	8%	5%	38%	40%	16%	2%	3%	1%
Turkey	0%	0%	0%	5%	93%	2%	0%	0%	0%	5%	94%	1%
Others	13%	23%	9%	1%	12%	42%	6%	12%	9%	1%	16%	56%
GROUP	16%	41%	14%	4%	6%	18%	16%	43%	14%	4%	7%	16%

(1) In France, the breakdown of plan assets reflects the breakdown of the general fund of the insurance company through which the Group's obligations are funded.

The Group introduced an asset management governance for assets backing defined-benefit pension plan commitments, the main objectives of which are the management and control of the risks in terms of investment.

It sets out investment principles, in particular, by defining an investment strategy for plan assets, based on financial objectives and financial risk management, to specify the way in which plan assets have to be managed, via financial management servicing contracts.

The investment strategy is based on an assets and liabilities management analysis that should be realised at least on an annual basis for plans with assets in excess of EUR 100 million and every three years for plans with assets of between EUR 20 and EUR 100 million.

- **Post-employment healthcare benefits**

The Group offers some healthcare benefit plans for retired employees, mainly in the United States and Belgium. These plans are mainly closed to new entrants.

At the end of 2016, the healthcare benefit plan of Bank of the West in the United States was closed, rights have been frozen and conditions of eligibility have been modified for some employees.

The present value of post-employment healthcare benefit obligations stood at EUR 143 million at 31 December 2017, compared with EUR 155 million at 31 December 2016, i.e. an decrease of EUR 12 million in 2017, of which EUR 7 million recognised directly in shareholders’ equity.

6.c Other long-term benefits

BNP Paribas offers its employees various long-term benefits, mainly long-service awards, the ability to save up paid annual leave in time savings accounts, and certain guarantees protecting them in the event they become incapacitated. The net provision amounted to EUR 462 million at 31 December 2017 (EUR 533 million at 31 December 2016).

As part of the Group's variable compensation policy, annual deferred compensation plans are set up for certain high-performing employees or pursuant to special regulatory frameworks. Under these plans, payment is deferred over time and is subject to the performance achieved by the business lines, divisions and Group.

Since 2013, BNP Paribas has introduced a Group loyalty scheme with a cash payment, at the end of a three-year vesting period, which fluctuates according to the Group's intrinsic performance. The aim of this loyalty scheme is to make different categories of managerial staff partners in the Group's development and profitability objectives. These personnel are representative of the Group's talent and the breadth of its managerial framework i.e. senior managers, managers in key positions, line managers and experts, high-potential managers, high-performing young executives with good career development prospects and key contributors to the Group's results.

The amounts allocated under this plan are linked to changes in the Group's operational performance over three years (for 80%) and to the achievement of the Group's Corporate Social Responsibility (CSR) targets (for 20%). These nine targets are in line with the four pillars on which the Group's CSR policy is based. In addition, the final payment is subject to continuous service within the Group between the grant date and the payment date, provided that the Group's operating income and pre-tax income for the year prior to payment are strictly positive. For employees subject to special regulatory frameworks, this loyalty scheme is adjusted in accordance with the CRD4 European Directive.

The net obligation related to deferred compensation plans and loyalty schemes amounts to EUR 619 million at 31 December 2017 (EUR 635 million at 31 December 2016).

In millions of euros	31 December 2017	31 December 2016
Net provisions for other long-term benefits	**1,081**	**1,168**
Asset recognised in the balance sheet under the other long-term benefits	(89)	(99)
Obligation recognised in the balance sheet under the other long-term benefits	1,170	1,267

6.d TERMINATION BENEFITS

BNP Paribas has implemented a number of voluntary redundancy plans and headcount adaptation plans for employees who meet certain eligibility criteria. The obligations to eligible active employees under such plans are provided for as soon as a bilateral agreement or a bilateral agreement proposal for a particular plan is made.

In 2016, in France, CIB activities in BNP Paribas SA and BNP Paribas Arbitrage have set up in their respective scope a 3-year voluntary redundancy plan (from October 2016 to December 2018).

In millions of euros	31 December 2017	31 December 2016
Provision for voluntary departure, early retirement plans, and headcount adaptation plans	389	495

6.e SHARE-BASED PAYMENTS

SHARE-BASED LOYALTY, COMPENSATION AND INCENTIVE SCHEMES

Until 2012, BNP Paribas set up several share-based payment schemes for certain employees: performance shares plans and stock subscription or purchase plans.

After 2012, only some cash-settled long term compensation plans are still share price-linked, especially for employees whose activities are likely to have an impact on the Group's risk exposure.

- **Deferred share price-linked, cash-settled compensation plans**

As part of the Group’s variable remuneration policy, deferred annual compensation plans offered to certain high-performing employees or set up pursuant to special regulatory frameworks may entitle beneficiaries to variable compensation settled in cash but linked to the share price, payable over several years.

- Variable compensation for employees, subject to special regulatory frameworks

  Since the publication of the Decree by the French ministry of finance on 13 December 2010, and following the provisions of the European Directive CRD4 of 26 July 2013 transposed into the French law in the Monetary and Financial Code by the Order of 20 February 2014 as well as the Decrees and Orders of 3 November 2014 and the delegated European regulation of 4 March 2014, the variable compensation plans apply to Group employees performing activities that may have a material impact on the Group’s risk profile.

  Under these plans, payment is deferred over time and is contingent on the performance achieved by the business lines, core businesses and Group.

  Sums will mostly be paid in cash linked to the increase or decrease in the BNP Paribas share price.

- Deferred variable compensation for other Group employees

  Sums due under the annual deferred compensation plans for high-performing employees are partly paid in cash linked to the increase or decrease in the BNP Paribas share price.

- **Global Share-Based Incentive Plan (until 2012)**

BNP Paribas set up a Global Share-Based Incentive Plan for some Group employees, including stock options and performance share awards.

The option exercise price under these plans is determined at the time of issuance and no discount is offered. The duration of the options granted is 8 years.

Performance shares awarded between 2009 and 2012 vest after a period of 3 or 4 years, depending on the case and provided that the employee is still a member of the Group. The compulsory holding period for performance shares is two years for France-based employees.

Since 2010, the conditional portion granted had been set at 100% of the total award for members of the BNP Paribas Group Executive Committee and senior managers and 20% for other beneficiaries.

Under stock option plans set up between 2003 and 2011, the performance condition was not fully met on seven out of thirty occasions and the adjustments described above were therefore implemented. Under performance share plans awarded between 2009 and 2012, the performance condition was not met on three out of ten occasions and the relevant contingent portion therefore lapsed.

All unexpired plans settle in a potential subscription of BNP Paribas shares.

- Expense of share-based payment

Expense / (revenue) in millions of euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Prior deferred compensation plans	82	139
Deferred compensation plans for the year	345	327
Global Share-Based Incentive Plan	-	1
Total	**427**	**467**

- **Valuation of stock option plans and performance share plans**

As required under IFRS 2, BNP Paribas attributes a value to stock options and performance shares granted and recognises an expense, determined at the date of grant, calculated respectively on the basis of the fair value of the options and shares concerned. This initial fair value may not subsequently be adjusted for changes in the quoted market price of BNP Paribas shares. The only assumptions that may result in a revision of the fair value during the vesting period, and hence an adjustment in the expense, are those related to the population of beneficiaries (loss of rights) and internal performance conditions. The Group's share-based payment plans are valued by an independent specialist firm.

- **History of plans granted under the Global Share-Based Incentive Plan**

The tables below give details of the characteristics and terms of all unexpired plans at 31 December 2017:

- Stock subscription option plan

Characteristics of the plan							Options outstanding at end of period	
Originating company	Date of grant	Number of grantees	Number of options granted (1)	Start date of exercise period	Option expiry date	Adjusted exercise price *(in euros)* (1)	Number of options (1)	Remaining period until expiry of options (years)
BNP Paribas SA (2)	06/04/2009	1,397	2,437,234	08/04/2013	05/04/2017	35.11	-	-
BNP Paribas SA (2)	05/03/2010	1,820	2,423,700	05/03/2014	02/03/2018	51.20	814,312	0.2
BNP Paribas SA (2)	04/03/2011	1,915	2,296,820	04/03/2015	04/03/2019	56.45	1,463,131	1.2
Total options outstanding at end of period							**2,277,443**	

(1) The number of options and the exercise price have been adjusted, where appropriate, for the detachment of pre-emptive subscription rights on 30 September 2009, in accordance with the regulations in force.
(2) The plan is subject to vesting conditions under which a proportion of the options granted to employees is conditional upon the performance of the BNP Paribas share relative to the Dow Jones EURO STOXX Banks index during the applicable holding period.
Based on this relative performance condition, the adjusted exercise price for these options has been set at EUR 67.74 instead of EUR 56.45 for 208,311 options under the 4 March 2011 plan, outstanding at the year-end.

- Performance share plans

At 31 December 2017, 1,347 BNP Paribas SA shares granted via performance share plans from 2009 to 2012 were not yet delivered to their beneficiaries.

- **Movements in stock subscription option plans**

	Year to 31 Dec. 2017		Year to 31 Dec. 2016	
	Number of options	Weighted average exercise price (in euros)	Number of options	Weighted average exercise price (in euros)
Options outstanding at 1 January	**4,176,666**	**51.98**	**8,201,959**	**56.09**
Options exercised during the period	(1,856,733)	47.64	(682,500)	41.75
Options expired during the period	(42,490)		(3,342,793)	
Options outstanding at 31 December	**2,277,443**	**55.61**	**4,176,666**	**51.98**
Options exercisable at 31 December	**2,277,443**	**55.61**	**4,176,666**	**51.98**

The average quoted stock market price in 2017 is EUR 62.82 (EUR 54.07 in 2016).

7. ADDITIONAL INFORMATION

7.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

At 31 December 2017, the share capital of BNP Paribas SA amounted to EUR 2,497,718,772, and was divided into 1,248,859,386 shares. The nominal value of each share is EUR 2. At 31 December 2016, the share capital amounted to EUR 2,494,005,306 and was divided into 1,247,002,653 shares.

- **Ordinary shares issued by BNP Paribas and held by the Group**

	Proprietary transactions		Trading transactions [1]		Total	
	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)
Shares held at 31 December 2015	**1,623,873**	**81**	**(161,929)**	**(9)**	**1,461,944**	**72**
Acquisitions	1,365,397	61			1,365,397	61
Disposals	(1,407,897)	(63)			(1,407,897)	(63)
Shares delivered to employees	(731,055)	(35)			(731,055)	(35)
Capital decrease	(65,000)	(3)			(65,000)	(3)
Other movements			276,647	16	276,647	16
Shares held at 31 December 2016	**785,318**	**41**	**114,718**	**7**	**900,036**	**48**
Acquisitions	320,794	20			320,794	20
Disposals	(297,794)	(18)			(297,794)	(18)
Shares delivered to employees	(576)				(576)	
Other movements			(272,895)	(17)	(272,895)	(17)
Shares held at 31 December 2017	**807,742**	**43**	**(158,177)**	**(10)**	**649,565**	**33**

[1] Transactions realised in the framework of an activity of trading and arbitrage transactions on equity indices.

At 31 December 2017, the BNP Paribas Group was a holder of 649,565 BNP Paribas shares representing an amount of EUR 33 million, which was recognised as a decrease in equity.

Under the Bank's market-making agreement relating to the BNP Paribas share on the Italian market made with Exane BNP Paribas, and in line with the Code of Ethics recognised by the AMF, the Bank bought back 320,794 shares in 2017 at an average share price of EUR 61.78, and sold 297,794 shares at an average share price of EUR 62.08. At 31 December 2017, 80,500 shares worth EUR 5.2 million were held by BNP Paribas SA under this agreement.

From 1 January 2017 to 31 December 2017, 576 shares were delivered following the definitive award of performance shares to their beneficiaries.

- **Preferred shares and Undated Super Subordinated Notes eligible as Tier 1 regulatory capital**

- Preferred shares issued by the Group's foreign subsidiaries

BNP Paribas Personal Finance made in 2004 two issues of undated non-voting preferred shares through a structured entity governed by UK law and which is exclusively controlled. Since the first call date, these preferred shares are redeemable at par at the issuer's discretion at each quarterly coupon date.

Issuer	Date of issue	Currency	Amount (in millions of euros)	Rate and term before 1st call date		Rate after 1st call date
Cofinoga Funding II LP	January and May 2004	EUR	80	TEC 10 (1) +1.35%	10 years	TEC 10 (1) + 1.35%
Total at 31 December 2017			**73 (2)**			

(1) TEC 10 is the daily long-term government bond index, corresponding to the yield-to-maturity of a fictitious 10-year Treasury note.
(2) Value at the date of acquisition of control over the LaSer group.

These issues and the related dividends are recorded under "Minority interests" in the balance sheet.

- Undated Super Subordinated Notes issued by BNP Paribas SA

BNP Paribas has issued Undated Super Subordinated Notes which pay a fixed, fixed adjustable or floating rate coupon and are redeemable at the end of a fixed period and thereafter at each coupon date or every five years. If the notes are not redeemed at the end of this period, some of these issues will pay a coupon indexed to Euribor, Libor or a swap rate.

On 30 March 2016, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 1,500 million which pay a 7.625% fixed-rate coupon. The notes could be redeemed at the end of a 5-year period. If the notes are not redeemed in 2021, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 12 and 19 April 2016, BNP Paribas SA redeemed the April 2006 issues for a total amount of EUR 549 million and GBP 450 million at the first call date. These notes paid a 4.73% and 5.945% fixed-rate coupon.

On 13 July 2016, BNP Paribas SA redeemed the July 2006 issue for a total amount of GBP 163 million at the first call date. These notes paid a 5.954% fixed-rate coupon.

On 14 December 2016, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 750 million which pay a 6.75% fixed-rate coupon. These notes could be redeemed at the end of a period of 5 years and 3 months. If the notes are not redeemed in 2022, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 13 April 2017, BNP Paribas SA redeemed the April 2007 issue for a total amount of EUR 638 million at the first call date. These notes paid a 5.019% fixed-rate coupon.

On 23 October 2017, BNP Paribas SA redeemed the October 2007 issue, for an amount of GBP 200 million, at the first call date. These notes paid a 7.436% fixed-rate coupon.

On 15 November 2017, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 750 million which pay a 5.125% fixed-rate coupon. These notes could be redeemed at the end of a period of 5 years. If the notes are not redeemed in 2022, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

- The following table summarises the characteristics of these various issues

Date of issue	Currency	Amount (in millions of currency units)	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
October 2005	EUR	1,000	annual	4.875%	6 years	4.875%
October 2005	USD	400	annual	6.250%	6 years	6.250%
July 2006	EUR	150	annual	5.450%	20 years	3-month Euribor + 1.920%
June 2007	USD	600	quarterly	6.500%	5 years	6.500%
June 2007	USD	1,100	semi-annual	7.195%	30 years	USD 3-month Libor + 1.290%
June 2008	EUR	500	annual	7.781%	10 years	3-month Euribor + 3.750%
September 2008	EUR	100	annual	7.570%	10 years	3-month Euribor + 3.925%
December 2009	EUR	2	quarterly	3-month Euribor + 3.750%	10 years	3-month Euribor + 4.750%
December 2009	EUR	17	annual	7.028%	10 years	3-month Euribor + 4.750%
December 2009	USD	70	quarterly	USD 3-month Libor + 3.750%	10 years	USD 3-month Libor + 4.750%
December 2009	USD	0.5	annual	7.384%	10 years	USD 3-month Libor + 4.750%
June 2015	EUR	750	semi-annual	6.125%	7 years	EUR 5-year swap + 5.230%
August 2015	USD	1,500	semi-annual	7.375%	10 years	USD 5-year swap + 5.150%
March 2016	USD	1,500	semi-annual	7.625%	5 years	USD 5-year swap + 6.314%
December 2016	USD	750	semi-annual	6.750%	5.25 years	USD 5-year swap +4.916%
November 2017	USD	750	semi-annual	5.125%	5 years	USD 5-year swap +2.838%
Total euro-equivalent historical value at 31 December 2017		**8,172 (1)**				

(1) Net of shares held in treasury by Group entities

BNP Paribas has the option of not paying interest due on these Undated Super Subordinated Notes. Unpaid interest is not carried forward.

For the notes issued before 2015, the absence of coupon payment is conditional on the absence of dividend payment on BNP Paribas SA ordinary shares or on Undated Super Subordinated Note equivalents during the previous year. Interest due is payable once dividend payment on BNP Paribas SA ordinary shares resumes.

The contracts relating to these Undated Super Subordinated Notes contain a loss absorption clause. Under the terms of this clause, in the event of insufficient regulatory capital, the nominal value of the notes may be reduced in order to serve as a new basis for the calculation of the related coupons until the capital deficiency is made up and the nominal value of the notes is increased to its original amount.

The proceeds from these issues are recorded in equity under “Capital and retained earnings”. In accordance with IAS 21, issues denominated in foreign currencies are recognised at their historical value based on their translation into euros at the issue date. Interest on the instruments is treated in the same way as dividends.

At 31 December 2017, the BNP Paribas Group held EUR 15 million of Undated Super Subordinated Notes which were deducted from shareholders’ equity.

- **Earnings per share**

Basic earnings per share are calculated by dividing the net income for the period attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period. The net income attributable to ordinary shareholders is determined by deducting the net income attributable to holders of preferred shares.

Diluted earnings per share correspond to the net income for the period attributable to holders of ordinary shares, divided by the weighted average number of shares outstanding as adjusted for the maximum effect of the conversion of dilutive equity instruments into ordinary shares. In-the-money stock subscription options are taken into account in the diluted earnings per share calculation, as are performance shares granted under the Global Share-based Incentive Plan. Conversion of these instruments would have no effect on the net income figure used in this calculation.

	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Net profit used to calculate basic and diluted earnings per ordinary share *(in millions of euros)* [(1)]	**7,537**	**7,470**
Weighted average number of ordinary shares outstanding during the year	**1,246,386,807**	**1,244,469,997**
Effect of potentially dilutive ordinary shares	296,592	147,762
- Stock subscription option plan [(2)]	295,245	146,009
- Performance share attribution plan [(2)]	1,347	1,753
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,246,683,399**	**1,244,617,759**
Basic earnings per share (in euros)	**6.05**	**6.00**
Diluted earnings per share (in euros)	**6.05**	**6.00**

[(1)]The net profit used to calculate basic and diluted earnings per share is the net profit attributable to equity shareholders, adjusted for the remuneration on the Undated Super Subordinated Notes issued by BNP Paribas SA (treated as preferred share equivalents), which for accounting purposes is handled as dividends, as well as the related foreign exchange impact recognised directly in shareholders' equity.
[(2)]See note 6.e Share-based payments for the description of share-based plans and performance share attribution plans.

The dividend per share paid in 2017 out of the 2016 net income amounted to EUR 2.70, compared with EUR 2.31 paid in 2016 out of the 2015 net income.

7.b CONTINGENT LIABILITIES: LEGAL PROCEEDINGS AND ARBITRATION

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS"). These actions, known generally as "clawback claims", are similar to those brought by the BLMIS Trustee against numerous institutions, and seek recovery of amounts allegedly received by the BNP Paribas entities from BLMIS or indirectly through BLMIS-related "feeder funds" in which BNP Paribas entities held interests. The BLMIS Trustee claims in these actions that the amounts which BNP Paribas entities received are avoidable and recoverable under the U.S. Bankruptcy Code and New York state law. In the aggregate, the amount sought to be recovered in these actions approximates USD 1.3 billion. BNP Paribas has substantial and credible defenses to these actions and is defending against them vigorously. On 22 November 2016, the Bankruptcy Court issued a decision on the ability of the BLMIS Trustee to recover foreign transfers from foreign defendants in these actions. The decision resulted in the dismissals of the majority of the BLMIS Trustee's claims against BNP Paribas entities, which constitute most of the total amount sought to be recovered in these actions. These dismissals are subject to appeal.

Various litigations and investigations are ongoing relating to the restructuring of the Fortis group, now Ageas, of which BNP Paribas Fortis is no longer part, and to events having occurred before BNP Paribas Fortis became part of the BNP Paribas Group. Among these are litigations brought by shareholder groups in The Netherlands and Belgium against Ageas and, among others, against BNP Paribas Fortis, in relation to its role as global coordinator of Fortis (now Ageas)'s capital increase in October 2007 to partly finance its acquisition of ABN Amro Bank N.V. These shareholder groups mainly allege that there has been a breach in financial communication, regarding, inter alia, the disclosure on the exposure to subprime mortgages. On 14 March 2016, Ageas announced that it had entered into a proposed settlement with representatives of certain shareholder groups with respect to civil proceedings related to the former Fortis group for the events of 2007 and 2008. This settlement applies to all Fortis shareholders who held shares between 28 February 2007 and 14 October 2008, irrespective of whether they are members of a shareholder group that was represented in the negotiation of the settlement. The parties requested the Amsterdam Court of Appeals to declare the settlement to be binding on all Fortis shareholders who are eligible to participate in it, in accordance with the Dutch Act on Collective Settlement of Mass Claims ("Wet Collectieve Afwikkeling Massaschade" or "WCAM"). Since the first proposed settlement had not been declared binding by the Court, the parties submitted to the Court, on 12 December 2017, an amended WCAM settlement. BNP Paribas Fortis will be able to invoke this settlement, if it becomes final and binding. All ongoing civil litigations in Belgium and in the Netherlands involving BNP Paribas Fortis as per its aforementioned role are currently suspended.

Litigation was also brought in Belgium by minority shareholders of Fortis against the Société fédérale de Participations et d'Investissement, Ageas and BNP Paribas seeking (amongst other things) damages from BNP Paribas as restitution for part of the BNP Paribas Fortis shares that were contributed to BNP Paribas in 2009, on the ground that the transfer of these shares was null and void. On 29 April 2016 the Brussels Commercial court decided to stay the proceedings until the resolution of the pending Fortis criminal proceeding in Belgium. BNP Paribas does not have tangible elements to assess the duration of such suspension.

Regulatory and law enforcement authorities in multiple jurisdictions are conducting investigations or making inquiries of a number of financial institutions regarding trading on the foreign exchange markets, including, among other things, possible collusion among financial institutions to manipulate certain benchmark currency exchange rates. The Bank has to date received requests for information in this respect from regulatory and law enforcement authorities in the United Kingdom, the United States and several countries in the Asia-Pacific region as well as from the European Competition Commission. The Bank has been cooperating with the investigations and inquiries and has responded to the information requests. In November 2014 the Financial Conduct Authority in the United Kingdom, in December 2014 the Hong Kong Monetary Authority, in October 2015, the Financial Services Agency in Japan, on 17 November 2016 the US Commodity and Futures Trading Commission, and on 22 March 2017 the US Department of Justice Fraud Section, informed the Bank that they had discontinued their investigation as to BNP Paribas. Regarding the United States, on 24 May 2017, the New York Department of Financial Services ("DFS") announced that it had fined the Bank USD 350 million as part of a consent order for violations of New York banking law arising out of the Bank's global foreign exchange business. As part of that consent order, the Bank has also agreed to improve its internal policies and controls relating to its foreign exchange business. The Bank has cooperated with the DFS in resolving this matter and took remedial actions both before and after the DFS began its investigation into the Bank's FX trading business to address the issues arising from its FX trading business. On

17 July 2017 the Board of Governors of the Federal Reserve System ("FED") announced that it had fined the Bank and certain of its US subsidiaries USD 246 million as part of a consent order for unsafe and unsound practices in the foreign exchange market. As part of that consent order, the Bank has also agreed to improve its internal policies and controls relating to certain Designated Market Activities that include its foreign exchange business. As done with all relevant U.S. authorities, the Bank has cooperated with the FED in resolving this matter and took remedial actions both before and after the FED began its investigation into the Bank's FX trading business to address the issues arising from its FX trading business. The Bank continues to cooperate with the remaining investigations and inquiries and, in particular, with the U.S Department of Justice Antitrust Division. Finally, on 25 January 2018, BNP Paribas USA Inc. accepted to plead guilty in front of the Federal trial Court in Manhattan to a single violation of the Sherman Antitrust Act. As part of this plea, BNP Paribas USA Inc. has agreed to pay a criminal fine of USD 90 million, to strengthen (alongside certain related entities) its compliance and internal controls as required by the FED and the DFS, and to cooperate with the Department of Justice's ("DOJ" - Antitrust Division) ongoing criminal investigation into the FX market and to report relevant information to the DOJ. Both the DOJ and BNP Paribas USA Inc. have agreed to recommend no probation, in light of, among other factors, the Bank's substantial efforts relating to compliance and remediation to address and prevent the re-occurrence through its compliance and remediation program of the issues arising from its FX trading business. This plea constitutes the final step of and closes the current investigation by the US authorities into the FX activities of the Bank.

The US judicial and supervisory authorities are currently investigating or requesting information from a number of financial institutions in relation to certain activities as reported in the international financial press in relation to the US treasuries market or the ISDAFIX index. The Bank which has received some requests for information is cooperating with investigations and is responding to requests for information. The outcome and potential impact of these investigations or requests for information is difficult to predict before their close and the subsequent discussions with the US authorities. It should be noted that a number of financial institutions are involved in these investigations or requests for information and that reviews carried out in connection therewith have often led to settlements including in particular the payment of fines or significant penalties depending on the circumstances specific to each financial institution.

7.c BUSINESS COMBINATIONS

- **Operations realised in 2017**

  - Financière des Paiements Electroniques

On 13 July 2017, BNP Paribas acquired an 89.2% stake in Financière des Paiements Electroniques, which provides the "Compte-Nickel" payments account. This acquisition led the BNP Paribas Group to fully consolidate this entity.

This acquisition resulted in a EUR 0.4 billion increase of the Group balance sheet at the purchase date.

The goodwill on Financière des Paiements Electroniques amounts to EUR 159 million.

  - Opel Bank SA

On 1 November 2017, BNP Paribas Personal Finance and Banque PSA Finance (PSA group) closed their joint acquisition of all European activities of GM Financial, covering existing brands Opel Bank, Opel Financial Services and Vauxhall Finance.

BNP Paribas holds 50 % of Open Bank SA, the parent company of the Opel Vauxhall Finance group purchased. This entity is under exclusive control by BNP Paribas and is fully consolidated.

As at 31 December 2017, no material goodwill was identified.

This acquisition resulted in a EUR 10.2 billion increase of the Group balance sheet at the purchase date, of which a EUR 8.3 billion increase in Loans and receivables due from customers.

  - Cargeas Assicurazioni

On 28 December 2017, BNP Paribas Cardif obtained control of Italian non-life insurer Cargeas Assicurazioni, following the purchase of shares held by Ageas. BNP Paribas Group already had a significant influence on Cargeas Assicurazioni. This acquisition led to the full consolidation of this entity.

This acquisition resulted in a EUR 0.8 billion increase of the Group balance sheet at the purchase date.

The goodwill on Cargeas Assicurazioni amounts to EUR 57 million.

- **Operations realised in 2016**

  - Sharekhan group

BNP Paribas purchased on 23 November 2016, 100% of Sharekhan group. This acquisition led the BNP Paribas Group to fully consolidate Sharekhan.

Sharekhan is a retail brokerage firm in India offering broking solutions to more than 1 million private clients.

This acquisition resulted in a EUR 0.4 billion increase of the Group balance sheet at the purchase date.

The goodwill on Sharekhan amounted to EUR 93 million.

7.d MINORITY INTERESTS

- **Main minority interests**

The assessment of the material nature of minority interests is based on the contribution of the relevant subsidiaries to the Group balance sheet (before elimination of intra-group balances and transactions) and to the Group profit and loss account.

	31 December 2017	Year to 31 Dec. 2017						
In millions of euros	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
Contribution of the entities belonging to the BGL BNP Paribas group	76,278	1,495	561	455	34%	187	155	90
Other minority interests						261	77	84
TOTAL						448	232	174

	31 December 2016	Year to 31 Dec. 2016						
In millions of euros	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
Contribution of the entities belonging to the BGL BNP Paribas group	69,985	1,504	554	532	34%	183	178	69
Other minority interests						230	207	45
TOTAL						413	385	114

There are no particular contractual restrictions on the assets of BGL BNP Paribas Group related to the presence of the minority shareholder.

- **Internal restructuring that led to a change in minority shareholders' interest in the equity of subsidiaries**

No significant internal restructuring operation occurred during the year ended 31 December 2017, nor during the year ended 31 December 2016.

- **Acquisitions of additional interests and partial sales of interests leading to changes in minority interests in the equity of subsidiaries**

In millions of euros	31 December 2017		31 December 2016	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Cardif IARD				
Dillutive capital increase, reducing the Group interest percentage to 83.26%.	27	5		
Financière des Paiements Electroniques				
Additional acquisition, lifting the Group interest percentage to 95 %.	(10)	3		
Commerz Finanz GmbH				
Sale of 50.1% of the banking activity to Commerz Bank and simultaneous acquisition of 49.9 % of the credit activity.	(18)	(488)		
First Hawaiian Inc.				
On 6 February 2017, second offer on First Hawaiian Inc. for 20.6% of its capital at a 32-dollar price per share.	250	588		
On 4 August 2016, Initial Public Offer on First Hawaiian Inc. for 17.39% of its capital at a 23-dollar price per share.			87	460
UkrSibbank Public Joint Stock				
Sale of 40% of UkrSibbank's capital followed by a capital increase subscribed by all shareholders.			(102)	34
Others	**4**	**7**	**(17)**	
Total	**253**	**115**	**(32)**	**494**

- **Commitments to repurchase minority shareholders' interests**

In connection with the acquisition of certain entities, the Group granted minority shareholders put options on their holdings.
The total value of these commitments, which are recorded as a reduction in shareholders' equity, amounts to EUR 522 million at 31 December 2017, compared with EUR 615 million at 31 December 2016.

7.e SIGNIFICANT RESTRICTIONS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Significant restrictions related to the ability of entities to transfer cash to the Group
The ability of entities to pay dividends or to repay loans and advances depends, *inter alia*, on local regulatory requirements for capitalisation and legal reserves, as well as the entities' financial and operating performance. During 2016 and 2017, no BNP Paribas Group entity was subject to significant restrictions other than those related to regulatory requirements.

Significant restrictions relative to the Group's ability to use the assets lodged in consolidated structured entities
Access to the assets of consolidated structured entities in which third-party investors have invested is limited inasmuch as these entities' assets are reserved for the holders of units or securities. These assets total EUR 24 billion as at 31 December 2017 (EUR 20 billion as at 31 December 2016).

Significant restrictions related to the Group's ability to use assets pledged as collateral or under repurchase agreements
The financial instruments pledged by the BNP Paribas Group as collateral or under repurchase agreements are presented in notes 4.s and 5.c.

Significant restrictions related to liquidity reserves
Significant restrictions related to liquidity reserves correspond to the mandatory deposits placed with central banks presented in chapter 5 of the registration document under “Liquidity risk”.

Assets representative of unit-linked insurance contracts
Assets representative of unit-linked insurance contracts designated as at fair value through profit or loss, which amount to EUR 60 billion as at 31 December 2017 (compared with EUR 54 billion as at 31 December 2016), are held for the benefit of the holders of these contracts.

7.f STRUCTURED ENTITIES

The BNP Paribas Group is engaged in transactions with sponsored structured entities mainly through its activities of securitisation of financial assets - as either originator or sponsor -, fund management and specialised asset financing.

In addition, the BNP Paribas Group is also engaged in transactions with structured entities that it has not sponsored, notably in the form of investments in funds or securitisation vehicles.

The method for assessing control for structured entities is detailed in Note 1.b.2. “Consolidation methods”.

- **Consolidated structured entities**

The main categories of consolidated structured entities are:

ABCP (Asset-Backed Commercial Paper) conduits: the ABCP securitisation conduits Starbird, Matchpoint and Scaldis fund securitisation transactions managed by the BNP Paribas Group on behalf of its customers. Details on how these are financed and the Group's risk exposure are presented in Chapter 5 of the Registration Document under "Securitisation as sponsor on behalf of clients / Short-term refinancing".

Proprietary securitisation: proprietary securitisation positions originated and held by the BNP Paribas Group are detailed in Chapter 5 of the Registration Document under "Proprietary securitisation activities (originator)".

Funds managed by the Group: the BNP Paribas Group structures different types of funds for which it may act as fund manager, investor, custodian or guarantor. These funds are consolidated when the Group is both the manager and a significant investor, and is therefore exposed to variable returns.

- **Unconsolidated structured entities**

The BNP Paribas Group has entered into relations with unconsolidated structured entities in the course of its business activities to meet the needs of its customers.

Information relative to interests in sponsored structured entities

The main categories of unconsolidated sponsored structured entities are as follows:

Securitisation: the BNP Paribas Group structures securitisation vehicles for the purposes of offering customers financing solutions for their assets, either directly or through consolidated ABCP conduits. Each vehicle finances the purchase of customers' assets (receivables, bonds, etc.) primarily by issuing bonds backed by these assets and whose redemption is linked to their performance.

Funds: the Group structures and manages funds to offer investment opportunities to its customers. Dedicated or public funds are offered to institutional and individual customers, and are distributed and commercially monitored by the BNP Paribas Group. The entities of the BNP Paribas Group responsible for managing these funds may receive management fees and performance commission. The BNP Paribas Group may hold units in these funds, as well as units in funds dedicated to the insurance activity not managed by the BNP Paribas Group.

Asset financing: the BNP Paribas Group finances structured entities that acquire assets (aircraft, ships, etc.) intended for lease, and the lease payments received by the structured entity are used to repay the financing, which is guaranteed by the asset held by the structured entity.

Other: on behalf of its customers, the Group may also structure entities which invest in assets or are involved in debt restructuring.

An interest in an unconsolidated structured entity is a contractual or non-contractual link that exposes the BNP Paribas Group to variable returns from the performance of the entity.

The Group's assets and liabilities related to the interests held in sponsored structured entities are as follows:

In millions of euros, at 31 December 2017	Securitisation	Funds	Asset Financing	Others	Total
INTERESTS ON THE GROUP BALANCE SHEET					
ASSETS					
Trading book	206	885	102	1,143	2,336
Instruments designated as at fair value through profit or loss (1)		27,625	19	79	27,723
Available-for-sale financial assets	4	806	173	545	1,528
Loans and receivables	10,143	358	10,917	47	21,465
Other assets	13	375	1	21	410
TOTAL ASSETS	**10,366**	**30,049**	**11,212**	**1,835**	**53,462**
LIABILITIES					
Trading book	34	560	33	2,286	2,913
Instruments designated as at fair value through profit or loss				17	17
Financial liabilities carried at amortised cost	1,058	16,050	650	1,375	19,133
Other liabilities	2	323	97	35	457
TOTAL LIABILITIES	**1,094**	**16,933**	**780**	**3,713**	**22,520**
MAXIMUM EXPOSURE TO LOSS	**14,779**	**30,580**	**13,189**	**2,399**	**60,947**
SIZE OF STRUCTURED ENTITIES (2)	**99,956**	**251,589**	**39,111**	**1,160**	**391,816**

In millions of euros, at 31 December 2016	Securitisation	Funds	Asset Financing	Others	Total
INTERESTS ON THE GROUP BALANCE SHEET					
ASSETS					
Trading book	320	536	151	1,959	2,966
Instruments designated as at fair value through profit or loss (1)		24,118	10	73	24,201
Available-for-sale financial assets	11	3,540	188	549	4,288
Loans and receivables	11,702	305	14,403	97	26,507
Other assets	12	182	3	1	198
TOTAL ASSETS	**12,045**	**28,681**	**14,755**	**2,679**	**58,160**
LIABILITIES					
Trading book	117	447	37	2,359	2,960
Instruments designated as at fair value through profit or loss		16		31	47
Financial liabilities carried at amortised cost	1,035	20,445	1,130	1,889	24,499
Other liabilities		284	92	11	387
TOTAL LIABILITIES	**1,152**	**21,192**	**1,259**	**4,290**	**27,893**
MAXIMUM EXPOSURE TO LOSS	**15,346**	**29,478**	**17,451**	**3,202**	**65,477**
SIZE OF STRUCTURED ENTITIES (2)	**66,826**	**292,783**	**45,764**	**6,140**	**411,513**

(1) of which EUR 18,431 million representative of unit-linked insurance contracts as at 31 December 2017, invested in funds managed by the BNP Paribas Group (EUR 14,185 million as at 31 December 2016).

(2) the size of sponsored structured entities equals the total assets of the structured entity for securitisation vehicles, the net asset value for funds (excluding management mandates) and the structured entity's total assets or the amount of BNP Paribas Group's commitment for asset financing and other structures.

The BNP Paribas Group's maximum exposure to losses on sponsored structured entities is the carrying amount of the assets, excluding, for available-for-sale financial assets, changes in value taken directly to equity, as well as the nominal amount of the financing commitments and guarantee commitments given and the notional amount of credit default swaps (CDS) sold.

Information relative to interests in non-sponsored structured entities

The main interests held by the BNP Paribas Group when it acts solely as an investor in non-sponsored structured entities are detailed below:

– *Units in funds that are not managed by the Group, which are held by the Insurance business line:* as part of the asset allocation strategy corresponding to investments related to the premiums for unit-linked contracts or for the general fund, the Insurance business line subscribes to units of structured entities. These short- or medium-term investments are held for their financial performance and meet the risk diversification criteria inherent to the business. They amounted to EUR 31 billion as at 31 December 2017 (EUR 32 billion as at 31 December 2016). Changes in value and the majority of the risks associated with these investments are borne by policyholders in the case of assets representative of unit-linked contracts, and by the insurer in the case of assets representative of the general fund;

– *Other investments in funds not managed by the Group:* as part of its trading business, the BNP Paribas Group invests in structured entities without any involvement in either managing or structuring these entities (investments in mutual funds, securities funds or alternative funds), particularly as economic hedge for structured products sold to customers. The Group also invests in minority holdings in support of companies as part of its venture capital business. These investments amounted to EUR 8 billion as at 31 December 2017 (EUR 11 billion as at 31 December 2016).

– *Investments in securitisation vehicles:* the breakdown of the Group's exposure and the nature of the securities held are presented in Chapter 5 of the Registration Document in the section "Securitisation as investor".

7.g Compensation and benefits awarded to the Group's corporate officers

The remuneration and benefits policy relating to the Group's corporate officers, as well as the detailed information on an individual basis, are presented in chapter 2 Corporate Governance of the registration document.

- **Remuneration and benefits awarded to the Group's corporate officers**

	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Gross remuneration, including Directors' fees and benefits in kind		
- payable for the year	€6,236,607	€6,350,378
- paid during the year	€8,152,686	€6,227,427
Post-employment benefits		
Retirement bonuses: present value of the benefit obligation (payroll taxes excluded)	€255,440	€243,574
Defined contribution pension plan : contributions paid by BNP Paribas during the year	€1,295	€1,274
Welfare benefits: premiums paid by BNP Paribas during the year	€12,461	€8,914
Share-based payments		
Stock subscription options		
- value of stock options granted during the year	Nil	Nil
- number of options held at 31 December	66,840	107,854
Performance shares		
- value of shares granted during the year	Nil	Nil
- number of shares held at 31 December	Nil	Nil
Long-term compensation		
- fair value at grant date (*)	€785,765	€1,272,417

(*) Valuation according to the method described in note 1.i.

As at 31 December 2017, no corporate officer is eligible to a contingent collective defined-benefit top-up pension plan.

- **Directors' fees paid to members of the board of directors**

The directors' fees paid in 2017 to all members of the Board of Directors amount to EUR 1,300,000 (unchanged from the amount paid in 2016). The amount paid in 2017 to members other than corporate officers was EUR 1,175,312, compared with EUR 1,183,190 in 2016.

- **Remuneration and benefits awarded to directors representing the employees**

In euros	Year to 31 Dec. 2017	Year to 31 Dec. 2016
Gross remuneration paid during the year	85,685	77,471
Directors' fees (paid to the trade unions)	182,371	176,588
Premiums paid by BNP Paribas during the year into schemes related to Garantie Vie Professionnelle Accidents benefits and healthcare expense coverage	1,478	1,512
Contributions paid by BNP Paribas during the year into the defined-contribution plan	729	670

- **Loans, advances and guarantees granted to the Group's corporate officers**

At 31 December 2017, the total outstanding loans granted directly or indirectly to the Group's corporate officers and their spouses amounted to EUR 6,881,664 (EUR 1,197,628 at 31 December 2016). These loans representing normal transactions were carried out on an arm's length basis.

7.h OTHER RELATED PARTIES

Other related parties of the BNP Paribas Group comprise consolidated companies (including entities consolidated under the equity method) and entities managing post-employment benefit plans offered to Group employees (except for multi-employer and multi-industry schemes).

Transactions between the BNP Paribas Group and related parties are carried out on an arm's length basis.

RELATIONS BETWEEN CONSOLIDATED COMPANIES

A list of companies consolidated by the BNP Paribas Group is provided in note 7.j "Scope of consolidation". Transactions and outstanding balances between fully-consolidated entities are eliminated. The tables below show transactions with entities accounted for under the equity method.

- **Outstanding balances of related-party transactions:**

In millions of euros	31 December 2017		31 December 2016	
	Joint ventures	Associates (1)	Joint ventures	Associates (1)
ASSETS				
Loans, advances and securities				
On demand accounts	7	186	1	51
Loans	3,675	1,980	4,302	3,098
Securities	820		991	
Securities held in the non-trading portfolio	**8**	**-**	**14**	**-**
Other assets	**2**	**130**	**3**	**235**
Total	**4,512**	**2,296**	**5,311**	**3,384**
LIABILITIES				
Deposits				
On demand accounts	74	625	94	774
Other borrowings	45	2,303	195	2,431
Other liabilities	**16**	**41**	**23**	**81**
Total	**135**	**2,969**	**312**	**3,286**
FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS				
Financing commitments given	**162**	**822**	**207**	**821**
Guarantee commitments given	**3,001**	**111**	**3,401**	**371**
Total	**3,163**	**933**	**3,608**	**1,192**

(1) Including controlled but non material entities consolidated under the equity method.

The Group also carries out trading transactions with related parties involving derivatives (swaps, options and forwards, etc.) and financial instruments purchased or underwritten and issued by them (equities, bonds, etc.).

- **Related-party profit and loss items:**

In millions of euros	Year to 31 Dec. 2017		Year to 31 Dec. 2016	
	Joint ventures	Associates (1)	Joint ventures	Associates (1)
Interest income	14	33	28	43
Interest expense	(1)	(16)	(2)	(16)
Commission income	3	393	4	459
Commission expense	(1)	(13)	(8)	(44)
Services provided	1	17	1	9
Services received		(5)		(6)
Lease income		1		12
Total	**16**	**410**	**23**	**457**

(1) Including controlled but non material entities consolidated under the equity method.

GROUP ENTITIES MANAGING CERTAIN POST-EMPLOYMENT BENEFIT PLANS OFFERED TO GROUP EMPLOYEES

In Belgium, BNP Paribas Fortis funds a number of pension schemes managed by AG Insurance in which the BNP Paribas Group has a 25% equity interest.

In other countries, post-employment benefit plans are generally managed by independent fund managers or independent insurance companies, and occasionally by Group companies (in particular BNP Paribas Asset Management, BNP Paribas Cardif, Bank of the West and First Hawaiian Bank). In Switzerland, a dedicated foundation manages pension plans for BNP Paribas Suisse's employees.

At 31 December 2017, the value of plan assets managed by Group companies or by companies over which the Group exercises significant influence was EUR 3,916 million (EUR 3,883 million as at 31 December 2016). Amounts received by Group companies in 2017 totalled EUR 4.5 million, and were mainly composed of management and custody fees (compared with EUR 4.3 million in 2016).

7.i FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

The information supplied in this note must be used and interpreted with the greatest caution for the following reasons:

- These fair values are an estimate of the value of the relevant instruments as at 31 December 2017. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instrument to BNP Paribas as a going concern;
- Most of these fair values are not meaningful, and hence are not taken into account in the management of the commercial banking activities which use these instruments;
- Estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank. This means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful;
- The fair values shown below do not include the fair values of finance lease transactions, non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of the BNP Paribas Group.

In millions of euros 31 December 2017	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and receivables due from credit institutions (note 4.f)		45,729	30	45,759	45,670
Loans and receivables due from customers (note 4.g) [(1)]	448	44,639	665,318	710,405	698,307
Held-to-maturity financial assets (note 4.j)	5,476	29		5,505	4,792
FINANCIAL LIABILITIES					
Due to credit institutions (note 4.f)		76,356		76,356	76,503
Due to customers (note 4.g)		767,431		767,431	766,890
Debt securities (note 4.i)	49,530	100,495		150,025	148,156
Subordinated debt (note 4.i)	8,891	7,767		16,658	15,951

[(1)] Finance leases excluded

In millions of euros, at 31 December 2016	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and receivables due from credit institutions (note 4.f)		47,401	7	47,408	47,411
Loans and receivables due from customers (note 4.g) (1)	605	45,873	653,971	700,449	684,669
Held-to-maturity financial assets (note 4.j)	7,029	39		7,068	6,100
FINANCIAL LIABILITIES					
Due to credit institutions (note 4.f)		75,541		75,541	75,660
Due to customers (note 4.g)		766,904		766,904	765,953
Debt securities (note 4.i)	52,420	102,317		154,737	153,422
Subordinated debt (note 4.i)	9,098	9,227		18,325	18,374

(1) Finance leases excluded

The valuation techniques and assumptions used by BNP Paribas ensure that the fair value of financial assets and liabilities carried at amortised cost is measured on a consistent basis throughout the Group. Fair value is based on prices quoted in an active market when these are available. In other cases, fair value is determined using valuation techniques such as discounting of estimated future cash flows for loans, liabilities and held-to-maturity financial assets, or specific valuation models for other financial instruments as described in note 1, "Summary of significant accounting policies applied by the BNP Paribas Group". The description of the fair value hierarchy levels is also presented in the accounting principles (note 1.c.10). In the case of loans, liabilities and held-to-maturity financial assets that have an initial maturity of less than one year (including demand deposits) or of most regulated savings products, fair value equates to carrying amount. These instruments have been classified in Level 2, except for loans to customers, which are classified in Level 3.

7.j SCOPE OF CONSOLIDATION

		31 December 2017				31 December 2016			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNP Paribas SA	France								
BNPP SA (Argentina branch)	Argentina	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Australia branch)	Australia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Austria branch)	Austria	Full	100.0%	100.0%	E2				
BNPP SA (Bahrain branch)	Bahrain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Belgium branch)	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Bulgaria branch)	Bulgaria	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Canada branch)	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Cayman Islands branch)	Cayman Islands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Czech Republic branch)	Czech Republic	Full	100.0%	100.0%	E2				
BNPP SA (Denmark branch)	Denmark	Full	100.0%	100.0%	E2				
BNPP SA (Finland branch)	Finland	Full	100.0%	100.0%	E2				
BNPP SA (Germany branch)	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Hong Kong branch)	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Hungary branch)	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (India branch)	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Ireland branch)	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Italy branch)	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Japan branch)	Japan	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Jersey branch)	Jersey	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Kuwait branch)	Kuwait	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Luxembourg branch)	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Malaysia branch)	Malaysia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Monaco branch)	Monaco	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Netherlands branch)	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Norway branch)	Norway	Full	100.0%	100.0%	E2				
BNPP SA (Panama branch)	Panama	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Philippines branch)	Philippines	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Poland branch)	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Portugal branch)	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Qatar branch)	Qatar	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Republic of Korea branch)	Rep. of Korea	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Romania branch)	Romania	Full	100.0%	100.0%	E2				
BNPP SA (Saudi Arabia branch)	Saudi Arabia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Singapore branch)	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (South Africa branch)	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Spain branch)	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Sweden branch)	Sweden	Full	100.0%	100.0%	E2				
BNPP SA (Taiwan branch)	Taiwan	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Thailand branch)	Thailand	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (UK branch)	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (United Arab Emirates branch)	United Arab Emirates	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (USA branch)	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP SA (Viet Nam branch)	Viet Nam	Full	100.0%	100.0%		Full	100.0%	100.0%	
Retail Banking & Services									
Domestic Markets									
Retail Banking - France									
B*Capital	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Banque de Wallis et Futuna	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
BNPP Antilles Guyane	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Développement	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Factor	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Factor (Spain branch)	Spain	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Factor Sociedade Financeira de Credito SA	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Guadeloupe	France								S4
BNPP Guyane	France								S4
BNPP Nouvelle Calédonie	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Réunion	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Compagnie pour le Financement des Loisirs	France	Equity	46.0%	45.8%	E1				
Copartis	France	Equity	50.0%	50.0%	E1				
Portzamparc Société de Bourse	France	Full (1)	75.5%	75.5%	V1	Full (1)	51.0%	51.0%	
Société Alsacienne de Développement et d'Expansion	France								S4
Retail Banking - Belgium									
Alpha Card SCRL	Belgium				S2	Equity	50.0%	50.0%	
Banking Funding Company SA	Belgium	Equity	33.5%	33.5%	E1				
Belgian Mobile Wallet	Belgium								S3
BNPP Commercial Finance Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Factor AS	Denmark	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	
BNPP Factor Deutschland BV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Factor GmbH	Germany	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Factor NV	Netherlands	Full	100.0%	99.9%	E1				
BNPP Factoring Coverage Europe Holding NV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis	Belgium	Full	99.9%	99.9%		Full	99.9%	99.9%	
BNPP Fortis (Austria branch)	Austria				S1	Full	100.0%	99.9%	
BNPP Fortis (Czech Republic branch)	Czech Republic	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Denmark branch)	Denmark	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Finland branch)	Finland				S1	Full	100.0%	99.9%	
BNPP Fortis (Germany branch)	Germany								S1
BNPP Fortis (Netherlands branch)	Netherlands				S1	Full	100.0%	99.9%	
BNPP Fortis (Norway branch)	Norway				S1	Full	100.0%	99.9%	
BNPP Fortis (Romania branch)	Romania	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Spain branch)	Spain	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis (Sweden branch)	Sweden				S1	Full	100.0%	99.9%	
BNPP Fortis (USA branch)	USA	Full	100.0%	99.9%		Full	100.0%	99.9%	

		31 December 2017				31 December 2016			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNPP Fortis Factor NV	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis Funding SA	Luxembourg	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis Private Equity Belgium	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis Private Equity Expansion	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP Fortis Private Equity Management	Belgium	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	
Bpost Banque	Belgium	Equity (3)	50.0%	50.0%		Equity (3)	50.0%	50.0%	
Credissimo	Belgium	Full	100.0%	99.9%	E1				
Credissimo Hainaut SA	Belgium	Full	99.7%	99.7%	E1				
Crédit pour Habitations Sociales	Belgium	Full	81.7%	81.6%	E1				
Demetris NV	Belgium	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	
Favor Finance	Belgium	Full	51.0%	51.0%	E1				
Immobilière Sauveniere SA	Belgium	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	
Novy Invest	Belgium	Equity	33.7%	33.7%	E1				
Penne International	Belgium	Equity *	74.9%	74.9%	E1				
Studio 100	Belgium	Equity	32.5%	32.5%	E1				
Structured Entities									
BASS Master Issuer NV	Belgium	Full	-	-		Full	-	-	
Esmee Master Issuer	Belgium	Full	-	-		Full	-	-	
Retail Banking - Luxembourg									
BGL BNPP	Luxembourg	Full	66.0%	65.9%		Full	66.0%	65.9%	
BGL BNPP (Germany branch)	Germany	Full	100.0%	65.9%		Full	100.0%	65.9%	
BGL BNPP Factor SA	Luxembourg								S4
BNPP Lease Group Luxembourg SA	Luxembourg	Full	100.0%	65.9%		Full	100.0%	65.9%	
Cofhylux SA	Luxembourg	Full	100.0%	65.9%		Full	100.0%	65.9%	
Structured Entities									
Société Immobilière de Monterey SA	Luxembourg								S2
Retail Banking - Italy (BNL Banca Commerciale)									
Artigiancassa SPA	Italy	Full	73.9%	73.9%		Full	73.9%	73.9%	
Banca Nazionale Del Lavoro SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNL Finance SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNL Positivity SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	V1
Business Partner Italia SCPA	Italy	Full	99.9%	99.8%		Full	99.9%	99.8%	V3
International Factors Italia SPA	Italy	Full	99.7%	99.7%		Full	99.7%	99.7%	
Servizio Italia SPA	Italy	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	E1
Sviluppo HQ Tiburtina SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
EMF IT 2008 1 SRL	Italy	Full	-	-		Full	-	-	
Tierre Securitisation SRL	Italy	Full	-	-		Full	-	-	E2
Vela ABS SRL	Italy	Full	-	-		Full	-	-	
Vela Consumer 2 SRL	Italy	Full	-	-	E2				
Vela Consumer SRL	Italy	Full	-	-		Full	-	-	
Vela Home SRL	Italy	Full	-	-		Full	-	-	
Vela Mortgages SRL	Italy	Full	-	-		Full	-	-	
Vela OBG SRL	Italy	Full	-	-		Full	-	-	
Vela Public Sector SRL	Italy								S3
Vela RMBS SRL	Italy	Full	-	-		Full	-	-	
Arval									
Artel	France	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval AB	Sweden	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval AS	Denmark	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	V3
Arval Austria GmbH	Austria	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	V3
Arval Belgium NV SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Benelux BV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Brasil Ltda	Brazil	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval BV	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval CZ SRO	Czech Republic	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Deutschland GmbH	Germany	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Fleet Services	France	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Fleet Services BV	Netherlands				S4	Full	100.0%	99.9%	V3
Arval Hellas Car Rental SA	Greece	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval India Private Ltd	India	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Italy Fleet Services SRL	Italy				S4	Full	100.0%	99.9%	V3
Arval Jiutong Co Ltd	China	Equity	40.0%	40.0%		Equity	40.0%	40.0%	V3
Arval LLC (Ex- Arval OOO)	Russia	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Luxembourg SA	Luxembourg	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	V3
Arval Magyarorszag KFT	Hungary	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Maroc SA	Morocco	Equity *	100.0%	89.0%		Equity *	100.0%	89.0%	V3
Arval OY	Finland	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	V3
Arval Schweiz AG	Switzerland	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	V3
Arval Service Lease	France	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Service Lease Aluger Operational Automoveis SA	Portugal	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Service Lease Italia SPA	Italy	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Service Lease Polska SP ZOO	Poland	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Service Lease Romania SRL	Romania	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	V3
Arval Service Lease SA	Spain	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval Slovakia SRO	Slovakia	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	V3
Arval Trading	France	Full	100.0%	99.9%	D1	Equity *	100.0%	99.9%	V3
Arval UK Group Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval UK Leasing Services Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Arval UK Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
BNPP Fleet Holdings Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
Cofiparc	France	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
GE Auto Service Leasing GmbH	Germany								S4
GE Auto Service Leasing GmbH	Austria								S4
GE Capital Largo Plazo SL	Spain								S4
Greenval Insurance DAC (Ex- Greenval Insurance Co Ltd)	Ireland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds
E2 Incorporation
E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation
S1 Cessation of activity (dissolution, liquidation, ...)
S2 Disposal, loss of control or loss of significant influence
S3 Passing qualifying thresholds
S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest
V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council
(2) Insurance entities consolidated under the equity method in the prudential scope
(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope.

		31 December 2017					31 December 2016				
Name	Country	Method		Voting (%)	Interest (%)	Ref.	Method		Voting (%)	Interest (%)	Ref.
Itelcar Automoveis de Aluguer Unipessoal Lda	Portugal										S4
Locadif	Belgium	Full		100.0%	99.9%		Full		100.0%	99.9%	V3
Public Location Longue Durée	France	Full		100.0%	99.9%	D1	Equity *		100.0%	99.9%	V3
TEB Arval Arac Filo Kiralama AS	Turkey	Full		100.0%	75.0%		Full		100.0%	75.0%	V3
Leasing Solutions											
Ace Equipment Leasing	Belgium										S3
Albury Asset Rentals Ltd	UK	Full		100.0%	83.0%		Full		100.0%	83.0%	
All In One Vermietung GmbH	Austria										S3
All In One Vermietungsgesellschaft für Telekommunicationsanlagen mbH	Germany					S3	Equity *		100.0%	83.0%	
Aprolis Finance	France	Full		51.0%	42.3%		Full		51.0%	42.3%	
Arius	France	Full		100.0%	83.0%		Full		100.0%	83.0%	
Artegy	France	Full		100.0%	83.0%		Full		100.0%	83.0%	
BNPP Finansal Kiralama AS	Turkey	Full		100.0%	82.5%		Full		100.0%	82.5%	
BNPP Lease Group	France	Full	(1)	100.0%	83.0%		Full	(1)	100.0%	83.0%	
BNPP Lease Group (Germany branch)	Germany	Full	(1)	100.0%	83.0%		Full	(1)	100.0%	83.0%	
BNPP Lease Group (Italy branch)	Italy	Full	(1)	100.0%	83.0%		Full	(1)	100.0%	83.0%	
BNPP Lease Group (Portugal branch)	Portugal	Full	(1)	100.0%	83.0%		Full	(1)	100.0%	83.0%	
BNPP Lease Group (Spain branch)	Spain	Full	(1)	100.0%	83.0%		Full	(1)	100.0%	83.0%	
BNPP Lease Group Belgium	Belgium	Full		100.0%	83.0%		Full		100.0%	83.0%	
BNPP Lease Group KFT	Hungary					S3	Equity *		100.0%	83.0%	
BNPP Lease Group Leasing Solutions SPA	Italy	Full		100.0%	95.5%		Full		100.0%	95.5%	
BNPP Lease Group Lizing RT	Hungary					S3	Equity *		100.0%	83.0%	
BNPP Lease Group PLC	UK	Full		100.0%	83.0%		Full		100.0%	83.0%	
BNPP Lease Group Rentals Ltd	UK	Full		100.0%	83.0%		Full		100.0%	83.0%	
BNPP Lease Group SP ZOO	Poland	Full		100.0%	83.0%	D1	Equity *		100.0%	83.0%	
BNPP Leasing Services	Poland	Full		100.0%	88.3%	E1					
BNPP Leasing Solutions	Luxembourg	Full		100.0%	83.0%		Full		100.0%	83.0%	
BNPP Leasing Solutions IFN SA (Ex- BNPP Lease Group IFN SA)	Romania	Full		100.0%	83.0%	D1	Equity *		100.0%	83.0%	
BNPP Leasing Solutions Ltd	UK	Full		100.0%	83.0%		Full		100.0%	83.0%	
BNPP Leasing Solutions NV	Netherlands	Full		100.0%	83.0%		Full		100.0%	83.0%	
BNPP Leasing Solutions Suisse SA	Switzerland	Equity *		100.0%	83.0%		Equity *		100.0%	83.0%	
BNPP Rental Solutions Ltd	UK	Full		100.0%	83.0%	D1	Equity *		100.0%	83.0%	
BNPP Rental Solutions SPA (Ex- Locatrice Italiana SPA)	Italy	Equity *		100.0%	83.0%		Equity *		100.0%	83.0%	
Claas Financial Services	France	Full	(1)	51.0%	42.3%	V2	Full	(1)	60.1%	49.9%	
Claas Financial Services (Germany branch)	Germany	Full	(1)	100.0%	42.3%	V3	Full	(1)	100.0%	49.9%	
Claas Financial Services (Italy branch)	Italy	Full	(1)	100.0%	42.3%	V3	Full	(1)	100.0%	49.9%	
Claas Financial Services (Poland branch)	Poland	Full	(1)	100.0%	42.3%	V3	Full	(1)	100.0%	49.9%	
Claas Financial Services (Spain branch)	Spain	Full	(1)	100.0%	42.3%	V3	Full	(1)	100.0%	49.9%	
Claas Financial Services Inc	USA										S2
Claas Financial Services Ltd	UK	Full		51.0%	42.3%		Full		51.0%	42.3%	
CNH Industrial Capital Europe	France	Full	(1)	50.1%	41.6%		Full	(1)	50.1%	41.6%	
CNH Industrial Capital Europe (Belgium branch)	Belgium	Full	(1)	100.0%	41.6%		Full	(1)	100.0%	41.6%	
CNH Industrial Capital Europe (Germany branch)	Germany	Full	(1)	100.0%	41.6%		Full	(1)	100.0%	41.6%	
CNH Industrial Capital Europe (Italy branch)	Italy	Full	(1)	100.0%	41.6%		Full	(1)	100.0%	41.6%	
CNH Industrial Capital Europe (Poland branch)	Poland	Full	(1)	100.0%	41.6%		Full	(1)	100.0%	41.6%	
CNH Industrial Capital Europe (Spain branch)	Spain	Full	(1)	100.0%	41.6%		Full	(1)	100.0%	41.6%	
CNH Industrial Capital Europe BV	Netherlands	Full		100.0%	41.6%		Full		100.0%	41.6%	
CNH Industrial Capital Europe GmbH	Austria	Full		100.0%	41.6%		Full		100.0%	41.6%	
CNH Industrial Capital Europe Ltd	UK	Full		100.0%	41.6%		Full		100.0%	41.6%	
Commercial Vehicle Finance Ltd	UK	Full		100.0%	83.0%		Full		100.0%	83.0%	
ES Finance	Belgium	Full		100.0%	99.9%		Full		100.0%	99.9%	
Fortis Lease	France	Full	(1)	100.0%	83.0%		Full	(1)	100.0%	83.0%	
Fortis Lease Belgium	Belgium	Full		100.0%	83.0%		Full		100.0%	83.0%	
Fortis Lease Deutschland GmbH	Germany	Full		100.0%	83.0%	D1	Equity *		100.0%	83.0%	
Fortis Lease Iberia SA	Spain	Full		100.0%	86.6%	D1	Equity *		100.0%	86.6%	
Fortis Lease Operativ Lizing ZRT	Hungary										S1
Fortis Lease Portugal	Portugal	Full		100.0%	83.0%	D1	Equity *		100.0%	83.0%	
Fortis Lease UK Ltd	UK	Equity *		100.0%	83.0%		Equity *		100.0%	83.0%	
Fortis Lease UK Retail Ltd	UK										S3
Fortis Vastgoedlease BV	Netherlands	Equity *		100.0%	83.0%		Equity *		100.0%	83.0%	
HFGL Ltd	UK										S1
Humberclyde Commercial Investments Ltd	UK	Full		100.0%	83.0%		Full		100.0%	83.0%	
Humberclyde Commercial Investments N°1 Ltd	UK										S1
JCB Finance	France	Full	(1)	100.0%	41.6%		Full	(1)	100.0%	41.6%	
JCB Finance (Germany branch)	Germany	Full	(1)	100.0%	41.6%		Full	(1)	100.0%	41.6%	
JCB Finance (Italy branch)	Italy	Full	(1)	100.0%	41.6%		Full	(1)	100.0%	41.6%	
JCB Finance Holdings Ltd	UK	Full		50.1%	41.6%		Full		50.1%	41.6%	
Manitou Finance Ltd	UK	Full		51.0%	42.3%		Full		51.0%	42.3%	
MFF	France	Full	(1)	51.0%	42.3%		Full	(1)	51.0%	42.3%	
Natio Energie 2	France										S3
Natiocredibail	France	Full	(1)	100.0%	100.0%		Full	(1)	100.0%	100.0%	
RD Portofoliu SRL	Romania					S3	Equity *		100.0%	83.0%	
Same Deutz Fahr Finance	France	Full	(1)	100.0%	83.0%		Full	(1)	100.0%	83.0%	
Same Deutz Fahr Finance Ltd	UK	Full		100.0%	83.0%		Full		100.0%	83.0%	
SNC Natiocredimurs	France	Full	(1)	100.0%	100.0%		Full	(1)	100.0%	100.0%	
SREI Equipement Finance Ltd	India										S2
Structured Entities											
BNPP B Institutional II Short Term	Belgium					S3	Full		-	-	
BNPP B Institutional II Treasury 17	Belgium	Full		-	-	E1					
FL Zeebrugge	Belgium	Equity *		-	-	E1					
Folea Grundstucksverwaltungs und Vermietungs GmbH & Co	Germany	Equity *		-	-	E1					
New Digital Businesses											
Financière des Paiements Electroniques	France	Full		95.0%	95.0%	E3					
Lyf SA	France	Equity	(3)	43.5%	43.5%	E3					
Lyf SAS	France	Equity	(3)	43.3%	43.3%	E3					

		31 December 2017					31 December 2016				
Name	Country	Method		Voting (%)	Interest (%)	Ref.	Method		Voting (%)	Interest (%)	Ref.
Personal Investors											
Geojit BNPP Financial Services Ltd	India										S2
Geojit Technologies Private Ltd	India	Equity		35.0%	35.0%		Equity		35.0%	35.0%	
Hellobank BNPP Austria AG	Austria					S4	Full		100.0%	100.0%	
Human Value Developers Private Ltd	India	Full		100.0%	100.0%		Full		100.0%	100.0%	E3
Sharekhan Financial Services Private Ltd	India	Full		100.0%	100.0%	D1	Equity *		100.0%	100.0%	E3
Sharekhan Ltd	India	Full		100.0%	100.0%		Full		100.0%	100.0%	E3
International Financial Services											
BNP Paribas Personal Finance											
Alpha Crédit SA	Belgium	Full		100.0%	99.9%		Full		100.0%	99.9%	
Axa Banque Financement	France	Equity		35.0%	35.0%		Equity		35.0%	35.0%	
Banco BNPP Personal Finance SA	Portugal	Full		100.0%	100.0%		Full		100.0%	100.0%	
Banco Cetelem Argentina SA	Argentina	Full		100.0%	100.0%		Full		100.0%	100.0%	
Banco Cetelem SA	Brazil	Full		100.0%	100.0%		Full		100.0%	100.0%	
Banco Cetelem SAU	Spain	Full		100.0%	100.0%		Full		100.0%	100.0%	
Banco de Servicios Financieros SA	Argentina	Equity		40.0%	40.0%		Equity		40.0%	40.0%	
Banque Solfea	France	Equity	(3)	45.0%	45.0%		Equity	(3)	45.0%	45.0%	V4
BGN Mercantil E Servicos Ltda	Brazil	Full		100.0%	100.0%	D1	Equity *		100.0%	100.0%	
BNPP Personal Finance	France	Full		100.0%	100.0%		Full		100.0%	100.0%	
BNPP Personal Finance (Austria branch)	Austria	Full		100.0%	100.0%		Full		100.0%	100.0%	E2
BNPP Personal Finance (Czech Republic branch)	Czech Republic	Full		100.0%	100.0%		Full		100.0%	100.0%	
BNPP Personal Finance (Slovakia branch)	Slovakia	Full		100.0%	100.0%		Full		100.0%	100.0%	E2
BNPP Personal Finance BV	Netherlands	Full		100.0%	100.0%		Full		100.0%	100.0%	
BNPP Personal Finance EAD	Bulgaria	Full		100.0%	100.0%		Full		100.0%	100.0%	
BNPP Personal Finance SA de CV	Mexico	Full		100.0%	100.0%		Full		100.0%	100.0%	
BNPP Personal Finance South Africa Ltd (Ex- RCS Investment Holdings Ltd)	South Africa	Full		100.0%	100.0%		Full		100.0%	100.0%	
Cafineo	France	Full	(1)	51.0%	50.8%		Full	(1)	51.0%	50.8%	
Carrefour Banque	France	Equity		40.0%	40.0%		Equity		40.0%	40.0%	
Cetelem America Ltda	Brazil	Full		100.0%	100.0%		Full		100.0%	100.0%	
Cetelem Bank LLC	Russia	Equity		20.8%	20.8%		Equity		20.8%	20.8%	
Cetelem IFN	Romania	Full		100.0%	100.0%		Full		100.0%	100.0%	
Cetelem Servicos Ltda	Brazil	Equity *		100.0%	100.0%		Equity *		100.0%	100.0%	D1
Cetelem Slovensko AS	Slovakia										S4
CMV Mediforce	France	Full	(1)	100.0%	100.0%		Full	(1)	100.0%	100.0%	
Cofica Bail	France	Full	(1)	100.0%	100.0%		Full	(1)	100.0%	100.0%	
Cofiplan	France	Full	(1)	100.0%	100.0%		Full	(1)	100.0%	100.0%	
Commerz Finanz	Germany					S4	Full		50.1%	50.1%	
Creation Consumer Finance Ltd	UK	Full		100.0%	100.0%		Full		100.0%	100.0%	
Creation Financial Services Ltd	UK	Full		100.0%	100.0%		Full		100.0%	100.0%	
Crédit Moderne Antilles Guyane	France	Full	(1)	100.0%	100.0%		Full	(1)	100.0%	100.0%	
Crédit Moderne Océan Indien	France	Full	(1)	97.8%	97.8%		Full	(1)	97.8%	97.8%	
Direct Services EAD	Bulgaria					S4	Full		100.0%	100.0%	
Domofinance	France	Full	(1)	55.0%	55.0%		Full	(1)	55.0%	55.0%	
Effico	France	Equity		24.5%	24.5%	V2	Full		100.0%	100.0%	
Ekspres Bank AS	Denmark	Full		100.0%	100.0%		Full		100.0%	100.0%	
Ekspres Bank AS (Norway branch)	Norway	Full		100.0%	100.0%		Full		100.0%	100.0%	
Eos Aremas Belgium SA NV	Belgium	Equity		50.0%	49.9%		Equity		50.0%	49.9%	
Fidecom	France					S4	Full		82.4%	82.4%	
Fimestic Expansion SA	Spain										S4
Findomestic Banca SPA	Italy	Full		100.0%	100.0%		Full		100.0%	100.0%	
Findomestic Banka AD	Serbia					S2	Equity *		100.0%	100.0%	D1
GCC Consumo Establecimiento Financiero de Credito SA	Spain	Full		51.0%	51.0%	D1	Equity *		51.0%	51.0%	E1
Genius Auto Finance Co Ltd	China	Equity	(3)	20.0%	20.0%	E1					
Gesellschaft für Capital & Vermögensverwaltung GmbH	Germany	Equity *		100.0%	99.9%		Equity *		100.0%	99.9%	
Inkasso Kodat GmbH & Co KG	Germany	Equity *		100.0%	99.9%		Equity *		100.0%	99.9%	
International Development Resources AS Services SA (ex Effico Iberia)	Spain	Equity *		100.0%	100.0%		Equity *		100.0%	100.0%	
Laser ABS 2017 Holding Ltd	UK	Full		100.0%	100.0%	E1					
Leval 20	France	Full		100.0%	100.0%		Full		100.0%	100.0%	
Loisirs Finance	France	Full	(1)	51.0%	51.0%		Full	(1)	51.0%	51.0%	
Magyar Cetelem Bank ZRT	Hungary	Full		100.0%	100.0%		Full		100.0%	100.0%	
Norrsken Finance	France	Full	(1)	100.0%	100.0%		Full	(1)	100.0%	100.0%	V1
Olympia SAS	France	Full		50.0%	50.0%	E2					
Oney Magyarorszag ZRT	Hungary	Equity		40.0%	40.0%		Equity		40.0%	40.0%	
Opel Bank	France	Full		50.0%	50.0%	E3					
Opel Bank GmbH	Germany	Full		100.0%	50.0%	E3					
Opel Bank GmbH (Greece branch)	Greece	Full		100.0%	50.0%	E3					
Opel Bank GmbH (Ireland branch)	Ireland	Full		100.0%	50.0%	E3					
Opel Finance	Belgium	Equity *		100.0%	50.0%	E3					
Opel Finance AB	Sweden	Equity *		100.0%	50.0%	E3					
Opel Finance Germany Holdings GmbH	Germany	Full		100.0%	50.0%	E3					
Opel Finance International BV	Netherlands	Full		100.0%	50.0%	E3					
Opel Finance NV	Netherlands	Equity *		100.0%	50.0%	E3					
Opel Finance NV (Belgium branch)	Belgium	Equity *		100.0%	50.0%	E3					
Opel Finance SA	Switzerland	Equity *		100.0%	50.0%	E3					
Opel Finance SPA	Italy	Full		100.0%	50.0%	E3					
Opel Leasing GmbH	Germany	Full		100.0%	50.0%	E3					
Opel Leasing GmbH (Austria branch)	Austria	Full		100.0%	50.0%	E3					
OPVF Europe Holdco Ltd	UK	Full		100.0%	50.0%	E3					
OPVF Holdings UK Ltd	UK	Full		100.0%	50.0%	E3					
Prêts et Services SAS	France					S4	Full	(1)	100.0%	100.0%	
Projeo	France	Full	(1)	100.0%	100.0%		Full	(1)	100.0%	100.0%	
RCS Cards Pty Ltd	South Africa	Full		100.0%	100.0%		Full		100.0%	100.0%	
Retail Mobile Wallet	France					S4	Full		100.0%	100.0%	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds
E2 Incorporation
E3 Purchase, gain of control or significant influence
Removals (S) from the scope of consolidation
S1 Cessation of activity (dissolution, liquidation, ...)
S2 Disposal, loss of control or loss of significant influence
S3 Passing qualifying thresholds
S4 Merger, Universal transfer of assets and liabilities
Variance (V) in voting or ownership interest
V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council
(2) Insurance entities consolidated under the equity method in the prudential scope
(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope.

		31 December 2017				31 December 2016			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Servicios Financieros Carrefour EFC SA	Spain	Equity	37.3%	40.0%		Equity	37.3%	40.0%	
Sevenday Finans AB	Sweden	Full	100.0%	100.0%	E3				
Sundaram BNPP Home Finance Ltd	India	Equity (3)	49.9%	49.9%		Equity	49.9%	49.9%	
Suning Consumer Finance Co Ltd	China	Equity	15.0%	15.0%		Equity	15.0%	15.0%	E1
Sygma Funding Two Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Symag	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
TEB Finansman AS	Turkey	Full	100.0%	92.8%		Full	100.0%	92.8%	
UCB Ingatlanhitel ZRT	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
Union de Creditos Inmobiliarios SA	Spain	Equity (3)	50.0%	50.0%		Equity (3)	50.0%	50.0%	
Vauxhall Finance PLC	UK	Full	100.0%	50.0%	E3				
Von Essen Bank GmbH	Germany	Full	100.0%	99.9%		Full	100.0%	99.9%	
Structured Entities									
B Carat	Belgium	Equity *	-	-	E3				
Cartolarizzazione Auto Receivable's SRL	Italy	Full	-	-	E3				
Cofinoga Funding Two LP	UK	Full	-	-		Full	-	-	
Ecarat 4 PLC	UK	Full	-	-	E3				
Ecarat 5 PLC	UK	Full	-	-	E3				
Ecarat 6 PLC	UK	Full	-	-	E3				
Ecarat 7 PLC	UK	Full	-	-	E3				
Ecarat 8 PLC	UK	Full	-	-	E3				
Ecarat SA	Luxembourg	Full	-	-	E3				
FCC Retail ABS Finance Noria 2009	France				S1	Full	-	-	
FCT F Carat	France	Full	-	-	E3				
Florence 1 SRL	Italy	Full	-	-		Full	-	-	
Florence SPV SRL	Italy	Full	-	-		Full	-	-	
I Carat SRL	Italy	Full	-	-	E3				
Laser ABS 2017 PLC	UK	Full	-	-	E1				
Noria 2015	France				S1	Full	-	-	
Phedina Hypotheken 2010 BV	Netherlands	Full	-	-		Full	-	-	
Phedina Hypotheken 2011 I BV	Netherlands								S1
Phedina Hypotheken 2013 I BV	Netherlands	Full	-	-		Full	-	-	
Securely Transferred Auto Receivables II SA	Luxembourg	Full	-	-	E3				
Securitisation funds Autonoria (a)	France	Full	-	-		Full	-	-	
Securitisation funds Domos (b)	France	Full	-	-		Full	-	-	
Securitisation funds UCI and Prado (c)	Spain	Equity (3)	-	-		Equity (3)	-	-	
Vault Funding Ltd	UK	Full	-	-	E3				
Warf 2012 Ltd	UK	Full	-	-	E3				
International Retail Banking - BancWest									
1897 Services Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BancWest Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
BancWest Holding Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
BancWest Investment Services Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Bank of the West	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Bank of the West (Cayman Islands branch)	Cayman Islands								S1
Bishop Street Capital Management Corp	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
Center Club Inc	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
CFB Community Development Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Claas Financial Services LLC	USA	Full	51.0%	51.0%		Full	51.0%	51.0%	V2
Commercial Federal Affordable Housing Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Commercial Federal Community Development Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Commercial Federal Insurance Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Commercial Federal Investment Service Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
FHB Guam Trust Co	USA				S1	Full	100.0%	82.6%	V3
FHL SPC One Inc	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
First Bancorp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
First Hawaiian Bank	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
First Hawaiian Inc	USA	Full	61.9%	61.9%	V2	Full	82.6%	82.6%	V2
First Hawaiian Leasing Inc	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
First National Bancorporation	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
First Santa Clara Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Liberty Leasing Co	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Mountain Falls Acquisition Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Real Estate Delivery 2 Inc	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
The Bankers Club Inc	USA	Full	100.0%	61.9%	V3	Full	100.0%	82.6%	V3
Ursus Real Estate Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
Bank of the West Auto Trust 2014-1	USA	Full	-	-		Full	-	-	
Bank of the West Auto Trust 2015-1	USA	Full	-	-		Full	-	-	
Bank of the West Auto Trust 2016-2	USA	Full	-	-		Full	-	-	E2
Bank of the West Auto Trust 2017-1 (Ex- Bank of the West Auto Trust 2016-1)	USA	Full	-	-		Full	-	-	
BOW Auto Receivables LLC	USA	Full	-	-		Full	-	-	
Equipment Lot FH	USA								S2
Equipment Lot Siemens 1998A FH	USA								S3
Glendale Corporate Center Acquisition LLC	USA	Full	-	-		Full	-	-	
LACMTA Rail Statutory Trust FH1	USA	Full	-	-		Full	-	-	
Lexington Blue LLC	USA								S2
Riverwalk Village Three Holdings LLC	USA				S1	Full	-	-	
Santa Rita Townhomes Acquisition LLC	USA				S1	Full	-	-	
ST 2001 FH 1 Statutory Trust	USA	Full	-	-		Full	-	-	
SWB 99-1	USA								S2
VTA 1998 FH	USA	Full	-	-		Full	-	-	

(a) As at 31 December 2017 and 31 December 2016, the securitisation funds Autonoria includes 1 silo (Autonoria 2014)

(b) As at 31 December 2017, the securitisation funds Domos include 3 funds: Domos 2008, Domos 2011 with its 2 silos (Domos 2011-A and Domos 2011-B) and Domos 2017, Versus 2 funds: Domos 2008, Domos 2011 with its 2 silos (Domos 2011-A and Domos 2011-B) as at 31 December 2016

(c) As at 31 December 2017, the securitisation funds UCI and Prado include 14 funds (FCC UCI 9 to 12, 14 to 18 and RMBS Prado I to V), versus 14 funds (FCC UCI 7 to 12, 14 to 18 and RMBS Prado I to III) as at 31 December 2016

		31 December 2017				31 December 2016			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
International Retail Banking - Europe-Mediterranean									
Bank BGZ BNPP SA	Poland	Full	88.3%	88.3%		Full	88.3%	88.3%	
Bank of Nanjing	China	Equity	18.2%	18.2%	V2	Equity	18.9%	18.9%	V1
Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire	Ivory Coast	Full	59.8%	59.8%		Full	59.8%	59.8%	
Banque Internationale pour le Commerce et l'Industrie de la Guinée	Guinea	Full	55.6%	55.6%		Full	55.6%	55.6%	D1
Banque Internationale pour le Commerce et l'Industrie du Burkina Faso	Burkina Faso	Full	51.0%	51.0%		Full	51.0%	51.0%	
Banque Internationale pour le Commerce et l'Industrie du Gabon	Gabon	Equity	47.0%	47.0%		Equity	47.0%	47.0%	
Banque Internationale pour le Commerce et l'Industrie du Mali	Mali	Full	85.0%	85.0%		Full	85.0%	85.0%	
Banque Internationale pour le Commerce et l'Industrie du Sénégal	Senegal	Full	54.1%	54.1%		Full	54.1%	54.1%	
Banque Marocaine pour le Commerce et l'Industrie	Morocco	Full	67.0%	67.0%		Full	67.0%	67.0%	V4
Banque Marocaine pour le Commerce et l'Industrie Banque Offshore	Morocco	Full	100.0%	67.0%		Full	100.0%	67.0%	V4
BGZ BNPP Faktoring Spolka ZOO	Poland	Full	100.0%	100.0%	E1				
BICI Bourse	Ivory Coast	Equity *	90.0%	53.5%		Equity *	90.0%	53.5%	
BMCI Asset Management	Morocco				S3	Equity *	100.0%	67.0%	V4
BMCI Assurance SARL	Morocco				S3	Equity *	100.0%	67.0%	V4
BMCI Leasing	Morocco	Full	86.9%	58.2%		Full	86.9%	58.2%	V4
BNPP El Djazair	Algeria	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Fortis Yatirimlar Holding AS	Turkey	Full	100.0%	99.9%		Full	100.0%	99.9%	
BNPP IRB Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Yatirimlar Holding AS	Turkey	Full	100.0%	100.0%		Full	100.0%	100.0%	
IC Axa Insurance JSC	Ukraine	Equity	49.8%	29.9%		Equity	49.8%	29.9%	V2
Sygma Bank Polska SA	Poland								S4
TEB Faktoring AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	V4
TEB Holding AS	Turkey	Full	50.0%	50.0%		Full	50.0%	50.0%	
TEB Portfoy Yonetimi AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	
TEB SH A	Serbia	Full	100.0%	50.0%		Full	100.0%	50.0%	
TEB Yatirim Menkul Degerler AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	V4
Turk Ekonomi Bankasi AS	Turkey	Full	100.0%	72.5%		Full	100.0%	72.5%	V4
UkrSibbank Public JSC	Ukraine	Full	60.0%	60.0%		Full	60.0%	60.0%	V2
Union Bancaire pour le Commerce et l'Industrie	Tunisia	Full	50.1%	50.1%		Full	50.1%	50.1%	
Structured Entities									
BGZ Poland ABS1 DAC	Ireland	Full	-	-	E1				
Insurance									
AG Insurance	Belgium	Equity	25.0%	25.0%		Equity	25.0%	25.0%	
BNPP Cardif	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif BV	Netherlands	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Compania de Seguros y Reaseguros SA (Ex- Cardif del Peru Compania de Seguros SA)	Peru	Equity *	100.0%	100.0%	E1				
BNPP Cardif Emeklilik AS	Turkey	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	D1
BNPP Cardif General Insurance Co Ltd	Rep. of Korea	Equity *	90.0%	90.0%	V1	Equity *	79.6%	79.6%	V4
BNPP Cardif Hayat Sigorta AS	Turkey	Equity *	100.0%	100.0%	E1				
BNPP Cardif Levensverzekeringen NV	Netherlands	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Pojistovna AS	Czech Republic	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif PSC Ltd	UK								S3
BNPP Cardif Schadeverzekeringen NV	Netherlands	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Seguros de Vida SA	Chile	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Seguros Generales SA	Chile	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BNPP Cardif Servicios y Asistencia Ltda	Chile	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Cardif TCB Life Insurance Co Ltd	Taiwan	Equity	49.0%	49.0%		Equity	49.0%	49.0%	
BNPP Cardif Vita Compagnia di Assicurazione E Riassicurazione SPA	Italy	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
BOB Cardif Life Insurance Co Ltd	China	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
Capital France Hotel	France	Full (2)	98.6%	98.6%	E1				
Cardif Assurance Vie	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Austria branch)	Austria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Belgium branch)	Belgium	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Bulgaria branch)	Bulgaria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Germany branch)	Germany	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Italy branch)	Italy	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Japan branch)	Japan	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Portugal branch)	Portugal	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Romania branch)	Romania	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Spain branch)	Spain	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Switzerland branch)	Switzerland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurance Vie (Taiwan branch)	Taiwan	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Austria branch)	Austria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Belgium branch)	Belgium	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Bulgaria branch)	Bulgaria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Germany branch)	Germany	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Italy branch)	Italy	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Japan branch)	Japan	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Luxembourg branch)	Luxembourg	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Poland branch)	Poland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	

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E1 Passing qualifying thresholds
E2 Incorporation
E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

S1 Cessation of activity (dissolution, liquidation, ...)
S2 Disposal, loss of control or loss of significant influence
S3 Passing qualifying thresholds
S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

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(3) Jointly controlled entities under proportional consolidation in the prudential scope
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		31 décembre 2017					31 December 2016				
Name	Country	Method		Voting (%)	Interest (%)	Ref.	Method		Voting (%)	Interest (%)	Ref.
Cardif Assurances Risques Divers (Portugal branch)	Portugal	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Romania branch)	Romania	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Spain branch)	Spain	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Switzerland branch)	Switzerland	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Cardif Assurances Risques Divers (Taiwan branch)	Taiwan	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Cardif Biztosito Magyarorszag ZRT	Hungary										S3
Cardif Colombia Seguros Generales SA	Colombia	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Cardif do Brasil Seguros e Garantias SA	Brazil	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Cardif do Brasil Vida e Previdencia SA	Brazil	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Cardif El Djazair	Algeria	Equity *		100.0%	100.0%		Equity *		100.0%	100.0%	
Cardif Forsakring AB	Sweden	Equity *		100.0%	100.0%		Equity *		100.0%	100.0%	
Cardif Forsakring AB (Denmark branch)	Denmark	Equity *		100.0%	100.0%		Equity *		100.0%	100.0%	
Cardif Forsakring AB (Norway branch)	Norway	Equity *		100.0%	100.0%		Equity *		100.0%	100.0%	
Cardif I Services	France					S3	Equity *		100.0%	100.0%	
Cardif IARD	France	Equity *		83.3%	83.3%	E1					
Cardif Insurance Co LLC	Russia	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Cardif Life Insurance Co Ltd	Rep. of Korea	Full	(2)	85.0%	85.0%		Full	(2)	85.0%	85.0%	
Cardif Livforsakring AB	Sweden	Equity *		100.0%	100.0%		Equity *		100.0%	100.0%	
Cardif Livforsakring AB (Denmark branch)	Denmark	Equity *		100.0%	100.0%		Equity *		100.0%	100.0%	
Cardif Livforsakring AB (Norway branch)	Norway	Equity *		100.0%	100.0%		Equity *		100.0%	100.0%	
Cardif Lux Vie	Luxembourg	Full	(2)	66.7%	55.3%		Full	(2)	66.7%	55.3%	
Cardif Mexico Seguros de Vida SA de CV	Mexico	Equity *		100.0%	100.0%		Equity *		100.0%	100.0%	
Cardif Mexico Seguros Generales SA de CV	Mexico	Equity *		100.0%	100.0%		Equity *		100.0%	100.0%	
Cardif Nordic AB	Sweden	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Cardif Osiguranje Dionicko Drustvo ZA	Croatia					S2	Equity *		100.0%	100.0%	
Cardif Pinnacle Insurance Holdings PLC	UK	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Cardif Pinnacle Insurance Management Services PLC	UK	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Cardif Polska Towarzystwo Ubezpieczen Na Zycie SA	Poland	Equity *		100.0%	100.0%		Equity *		100.0%	100.0%	D1
Cardif Seguros SA	Argentina	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Cardif Services SAS	France										S3
Cardif Servicios SA	Argentina	Equity *		100.0%	100.0%	E1					
Cardimmo	France	Full	(2)	100.0%	100.0%		Full	(2)	-	-	
Cargeas Assicurazioni SPA	Italy	Full	(2)	100.0%	100.0%	V1	Equity		50.0%	50.0%	
Carma Grand Horizon SARL	France	Full	(2)	100.0%	100.0%	E1					
CB UK Ltd	UK	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
CFH Algonquin Management Partners France Italia	Italy	Full	(2)	100.0%	98.6%	E1					
CFH Bercy	France	Full	(2)	100.0%	98.6%	E1					
CFH Bercy Hotel	France	Full	(2)	100.0%	98.6%	E1					
CFH Bercy Intermédiaire	France	Full	(2)	100.0%	98.6%	E1					
CFH Boulogne	France	Full	(2)	100.0%	98.6%	E1					
CFH Cap d'Ail	France	Full	(2)	100.0%	98.6%	E1					
CFH Milan Holdco SRL	Italy	Full	(2)	100.0%	98.6%	E1					
CFH Montmartre	France	Full	(2)	100.0%	98.6%	E1					
CFH Montparnasse	France	Full	(2)	100.0%	98.6%	E1					
Corosa	France	Full	(2)	100.0%	100.0%	E1					
Darnell DAC (Ex- Darnell Ltd)	Ireland	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
GIE BNPP Cardif	France	Full	(2)	100.0%	99.0%		Full	(2)	100.0%	99.0%	
Hibernia France	France	Full	(2)	100.0%	98.6%	E1					
Icare	France	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Icare Assurance	France	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Luizaseg	Brazil	Equity		50.0%	50.0%		Equity		50.0%	50.0%	
Natio Assurance	France	Equity		50.0%	50.0%		Equity		50.0%	50.0%	
NCVP Participacoes Societarias SA	Brazil	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Pinnacle Insurance PLC	UK	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
Pocztylion Arka Powszechne Towarzystwo Emerytalne SA	Poland										S3
Poistovna Cardif Slovakia AS	Slovakia	Equity *		100.0%	100.0%		Equity *		100.0%	100.0%	
Reumal Investissements	France	Full	(2)	100.0%	100.0%	E1					
Rueil Ariane	France	Full	(2)	100.0%	100.0%	E1					
SAS HVP	France	Full	(2)	100.0%	98.6%	E1					
SCI 68 70 Rue de Lagny Montreuil	France	Full	(2)	100.0%	100.0%	E1					
SCI BNPP Pierre I	France	Full	(2)	100.0%	100.0%	E1					
SCI BNPP Pierre II	France	Full	(2)	100.0%	100.0%	E1					
SCI Bobigny Jean Rostand	France	Full	(2)	100.0%	100.0%	E1					
SCI Cardif Logement	France	Full	(2)	100.0%	100.0%	E1					
SCI Citylight Boulogne	France	Full	(2)	100.0%	100.0%	E1					
SCI Défense Etoile	France	Full	(2)	100.0%	100.0%	E1					
SCI Défense Vendome	France	Full	(2)	100.0%	100.0%	E1					
SCI Etoile du Nord	France	Full	(2)	100.0%	100.0%	E1					
SCI Fontenay Plaisance	France	Full	(2)	100.0%	100.0%	E1					
SCI Le Mans Gare	France	Full	(2)	100.0%	100.0%	E1					
SCI Nanterre Guilleraies	France	Full	(2)	100.0%	100.0%	E1					
SCI Nantes Carnot	France	Full	(2)	100.0%	100.0%	E1					
SCI Odyssée	France	Full	(2)	100.0%	100.0%		Full	(2)	-	-	
SCI Pantin Les Moulins	France	Full	(2)	100.0%	100.0%	E1					
SCI Paris Batignolles	France	Full	(2)	100.0%	100.0%	E1					
SCI Paris Cours de Vincennes	France	Full	(2)	100.0%	100.0%	E1					
SCI Porte d'Asnières	France	Full	(2)	100.0%	100.0%	E1					
SCI Portes de Claye	France	Equity		45.0%	45.0%		Equity		45.0%	45.0%	
SCI Rue Moussorgski	France	Full	(2)	100.0%	100.0%	E1					
SCI Rueil Caudron	France	Full	(2)	100.0%	100.0%	E1					
SCI Saint Denis Landy	France	Full	(2)	100.0%	100.0%	E1					
SCI Saint Denis Mitterrand	France	Full	(2)	100.0%	100.0%	E1					

		31 December 2017					31 December 2016				
Name	Country	Method		Voting (%)	Interest (%)	Ref.	Method		Voting (%)	Interest (%)	Ref.
SCI Scoo	France	Equity		46.4%	46.4%		Equity		46.4%	46.4%	
SCI Villeurbanne Stalingrad	France	Full	(2)	100.0%	100.0%	E1					
Société Francaise d'Assurances sur la Vie	France	Equity		50.0%	50.0%	E1					
Société Immobilière du Royal Building SA	Luxembourg	Full	(2)	100.0%	55.3%		Full	(2)	-	-	
State Bank of India Life Insurance Co Ltd	India	Equity		22.0%	22.0%	V2	Equity		26.0%	26.0%	
Valeur Pierre Epargne	France	Full	(2)	100.0%	100.0%	E1					
Structured Entities											
BNPP Actions Euroland	France	Full	(4)	-	-		Full	(2)	-	-	
BNPP Aqua	France	Full	(4)	-	-		Full	(2)	-	-	
BNPP Convictions	France	Full	(4)	-	-		Full	(2)	-	-	
BNPP CP Cardif Alternative	France	Full	(4)	-	-	E1					
BNPP CP Cardif Private Debt	France	Full	(4)	-	-	E1					
BNPP Développement Humain	France	Full	(4)	-	-		Full	(2)	-	-	
BNPP Diversipierre	France	Full	(2)	-	-	E1					
BNPP France Crédit	France	Full	(4)	-	-	E1					
BNPP Global Senior Corporate Loans	France	Full	(4)	-	-		Full	(2)	-	-	
BNPP Indice Euro	France	Full	(4)	-	-	E1					
Camgestion Obliflexible	France	Full	(4)	-	-	E1					
Cardif Alternatives Part I	France	Full	(4)	-	-	E1					
Cardif BNPP IP Convertibles World	France	Full	(4)	-	-	E1					
Cardif BNPP IP Equity Frontier Markets	France	Full	(4)	-	-	E1					
Cardif BNPP IP Signatures	France	Full	(4)	-	-	E1					
Cardif BNPP IP Smid Cap Euro	France	Full	(4)	-	-	E1					
Cardif BNPP IP Smid Cap Europe	France	Full	(4)	-	-	E1					
Cardif CPR Base Crédit	France	Full	(4)	-	-	E1					
Cardif Edrim Signatures	France	Full	(4)	-	-	E1					
Cardif Vita Convex Fund Eur	France	Full	(4)	-	-	E1					
Cedrus Carbon Initiative Trends	France	Full	(4)	-	-	E1					
EP L	France	Full	(2)	-	-	E1					
FP Cardif Convex Fund USD	France	Full	(4)	-	-	E1					
Fundamenta	Italy	Full	(2)	-	-	E1					
G C Thematic Opportunities II	Ireland	Full	(4)	-	-	E1					
Natio Fonds Ampère 1	France	Full	(4)	-	-		Full	(2)	-	-	
Natio Fonds Athenes Investissement N 1	France	Full	(4)	-	-	E1					
Natio Fonds Athenes Investissement N 5	France	Full	(4)	-	-	E1					
Natio Fonds Colline International	France	Full	(4)	-	-	E1					
Natio Fonds Collines Investissement N 3	France	Full	(4)	-	-	E1					
New Alpha Cardif Incubator Fund	France	Full	(4)	-	-	E1					
Opéra Rendement	France	Full	(2)	-	-	E1					
Permal Cardif Co Investment Fund	France	Full	(4)	-	-	E1					
Theam Quant Equity Europe Guru	France										S2
Tikehau Cardif Loan Europe	France	Full	(4)	-	-	E1					
Valtitres FCP	France	Full	(4)	-	-	E1					
Wealth Management											
Bank Insinger de Beaufort NV	Netherlands										S2
Bank Insinger de Beaufort NV (UK branch)	UK										S2
BNPP Espana SA	Spain	Full		99.7%	99.7%		Full		99.7%	99.7%	
BNPP Wealth Management	France										S4
BNPP Wealth Management (Hong Kong branch)	Hong Kong										S4
BNPP Wealth Management (Singapore branch)	Singapore										S4
BNPP Wealth Management Monaco	Monaco	Full	(1)	100.0%	100.0%		Full	(1)	100.0%	100.0%	
SNC Conseil Investissement	France					S3	Equity *		100.0%	100.0%	
Asset Management (Ex- Investment Partners)											
Alfred Berg Asset Management AB	Sweden	Full		100.0%	98.3%		Full		100.0%	98.3%	
Alfred Berg Asset Management AB (Denmark branch)	Denmark										S1
Alfred Berg Asset Management AB (Finland branch)	Finland					S1	Full		100.0%	98.3%	
Alfred Berg Asset Management AB (Norway branch)	Norway					S1	Full		100.0%	98.3%	
Alfred Berg Fonder AB	Sweden					S3	Full		100.0%	98.3%	
Alfred Berg Kapitalforvaltning AB	Sweden	Full		100.0%	98.3%		Full		100.0%	98.3%	
Alfred Berg Kapitalforvaltning AS	Norway	Full		100.0%	98.3%		Full		100.0%	98.3%	
Alfred Berg Kapitalforvaltning Finland AB	Finland					S2	Full		100.0%	98.3%	
Alfred Berg Rahastoyhtio OY	Finland					S2	Full		100.0%	98.3%	
Bancoestado Administradora General de Fondos SA	Chile	Equity		50.0%	49.1%		Equity		50.0%	49.1%	
BNPP Asset Management Asia Ltd	Hong Kong	Full		100.0%	98.3%		Full		100.0%	98.3%	
BNPP Asset Management Australia Ltd	Australia					S3	Equity *		100.0%	98.3%	
BNPP Asset Management Be Holding	Belgium	Full		100.0%	98.3%		Full		100.0%	98.3%	
BNPP Asset Management Belgium	Belgium	Full		100.0%	98.3%		Full		100.0%	98.3%	
BNPP Asset Management Belgium (Germany branch)	Germany	Full		100.0%	98.3%		Full		100.0%	98.3%	
BNPP Asset Management Brasil Ltda	Brazil	Full		100.0%	99.6%		Full		100.0%	99.6%	
BNPP Asset Management France	France	Full		100.0%	98.3%		Full		100.0%	98.3%	
BNPP Asset Management France (Austria branch)	Austria	Full		100.0%	98.3%		Full		100.0%	98.3%	
BNPP Asset Management Holding	France	Full		100.0%	98.3%		Full		100.0%	98.3%	
BNPP Asset Management India Private Ltd	India	Equity *		100.0%	98.3%		Equity *		100.0%	98.3%	
BNPP Asset Management Japan Ltd	Japan	Full		100.0%	98.3%		Full		100.0%	98.3%	
BNPP Asset Management Luxembourg	Luxembourg	Full		99.7%	98.0%		Full		99.7%	98.0%	
BNPP Asset Management Nederland NV	Netherlands	Full		100.0%	98.3%		Full		100.0%	98.3%	
BNPP Asset Management Netherlands NV	Netherlands	Full		100.0%	98.3%		Full		100.0%	98.3%	
BNPP Asset Management NL Holding NV	Netherlands	Full		100.0%	98.3%		Full		100.0%	98.3%	
BNPP Asset Management Singapore Ltd	Singapore					S3	Equity *		100.0%	98.3%	
BNPP Asset Management UK Ltd	UK	Full		100.0%	98.3%		Full		100.0%	98.3%	
BNPP Asset Management USA Holdings Inc	USA	Full		100.0%	100.0%		Full		100.0%	100.0%	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

E1 Passing qualifying thresholds
E2 Incorporation
E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

S1 Cessation of activity (dissolution, liquidation, ...)
S2 Disposal, loss of control or loss of significant influence
S3 Passing qualifying thresholds
S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous

D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council
(2) Insurance entities consolidated under the equity method in the prudential scope
(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope.

Name	Country	31 December 2017				31 December 2016			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNPP Asset Management USA Inc (Ex- Fischer Francis Trees & Watts Inc)	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Capital Partners	France	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Dealing Services	France	Full (1)	100.0%	98.3%	V3	Full (1)	100.0%	100.0%	
BNPP Dealing Services (UK branch)	UK	Full (1)	100.0%	98.3%	V3	Full (1)	100.0%	100.0%	
BNPP Dealing Services Asia Ltd	Hong Kong				S3	Full	100.0%	100.0%	
BNPP Investment Partners Argentina SA	Argentina				S3	Equity *	100.0%	99.6%	
BNPP Investment Partners Australia Holdings Pty Ltd	Australia				S3	Full	100.0%	98.3%	
BNPP Investment Partners Latam SA de CV	Mexico				S3	Equity *	99.1%	97.4%	
BNPP Investment Partners PT	Indonesia	Full	100.0%	98.3%		Full	100.0%	98.3%	
BNPP Investment Partners SGR SPA	Italy	Full	100.0%	98.3%	V3	Full	100.0%	100.0%	
Camgestion	France				S4	Full	100.0%	98.3%	
Elite Asset Management PLC	Finland	Equity	19.0%	18.7%	E3				
Fischer Francis Trees & Watts UK Ltd	UK								S3
Fund Channel	Luxembourg	Equity	50.0%	49.1%		Equity	50.0%	49.1%	
Fundquest Advisor	France	Equity *	100.0%	98.3%		Equity *	100.0%	98.3%	
FundQuest Advisor (UK branch)	UK	Equity *	100.0%	98.3%		Equity *	100.0%	98.3%	
Haitong Fortis Private Equity Fund Management Co Ltd	China	Equity	33.0%	32.4%		Equity	33.0%	32.4%	
HFT Investment Management Co Ltd	China	Equity	49.0%	48.2%		Equity	49.0%	48.2%	
Impax Asset Management Group PLC	UK	Equity	25.0%	24.6%	E1				
Shinhan BNPP Asset Management Co Ltd	Rep. of Korea	Equity	35.0%	34.4%		Equity	35.0%	34.4%	
Theam	France				S4	Full	100.0%	98.3%	
Real Estate Services									
99 West Tower GmbH & Co KG	Germany	Full	100.0%	100.0%	E3				
99 West Tower GP GmbH	Germany	Full	100.0%	100.0%	E3				
Auguste Thouard Expertise	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Promotion Immobilier d'Entreprise	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Promotion Résidentiel	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Résidences Services	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Résidentiel	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Résidentiel Service Clients	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Immobilier Résidentiel Transaction & Conseil	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate (United Arab Emirates branch)	United Arab Emirates	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory & Property Management Luxembourg SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory & Property Management UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory and Property Management Ireland Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory Belgium SA	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory Netherlands BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory SA	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Advisory Spain SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate APM CR SRO (Ex- BNPP Real Estate Advisory & Property Management Czech Republic SRO)	Czech Republic	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Consult France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Consult GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Facilities Management Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Financial Partner	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Holding Benelux SA	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Holding GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Holding Netherlands BV (Ex-Atisreal Netherlands BV)	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Hotels France	France				S4	Full	100.0%	96.3%	V4
BNPP Real Estate Investment Management Belgium	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	V1
BNPP Real Estate Investment Management Germany GmbH	Germany	Full	94.9%	94.9%		Full	94.9%	94.9%	
BNPP Real Estate Investment Management Germany GmbH (Italy branch)	Italy	Full	94.9%	94.9%		Full	100.0%	94.9%	
BNPP Real Estate Investment Management Germany GmbH (Spain branch)	Spain	Full	94.9%	94.9%		Full	100.0%	94.9%	
BNPP Real Estate Investment Management Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management Luxembourg SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management Spain SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Management UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Investment Services	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Italy SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Jersey Ltd	Jersey				S2	Full	100.0%	100.0%	
BNPP Real Estate Magyarorszag Tanacsado Es Ingatlankezelo ZRT (Ex- BNPP Real Estate Advisory & Property Management Hungary Ltd)	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Poland SP ZOO	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	

Name	Country	31 December 2017				31 December 2016			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNPP Real Estate Property Development UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Developpement Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management Belgium	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management France SAS	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management Italy SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Property Management Spain SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Real Estate Transaction France	France	Full	96.1%	96.1%	V2	Full	96.3%	96.3%	V1
BNPP Real Estate Valuation France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
FG Ingénierie et Promotion Immobilière	France				S4	Full	100.0%	100.0%	
GIE Siège Issy	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Horti Milano SRL	Italy	Full	100.0%	100.0%	E1				
Immobilière des Bergues	France				S4	Full	100.0%	100.0%	
Locchi SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Meunier Hispania	Spain								S1
Parker Tower Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Partner's & Services	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Pyrotex GB 1 SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
Pyrotex SARL	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
REPD Parker Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
San Basilio 45 SRL	Italy								S2
Construction-Sale Companies (Real Estate programs) (d)	France	Full / Equity	-	-		Full / Equity	-	-	
Sviluppo Residenziale Italia SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Corporate & Institutional Banking									
Securities services									
BNPP Fund Administration Services Ireland Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Fund Services Australasia Pty Ltd	Australia	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Fund Services Australasia Pty Ltd (New Zealand branch)	New Zealand	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Fund Services France	France								S4
BNPP Global Securities Operations Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Services	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Australia branch)	Australia	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Belgium branch)	Belgium	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Germany branch)	Germany	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Greece branch)	Greece	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Guernsey branch)	Guernsey	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Hong Kong branch)	Hong Kong	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Hungary branch)	Hungary	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Ireland branch)	Ireland	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Italy branch)	Italy	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Jersey branch)	Jersey	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Luxembourg branch)	Luxembourg	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Netherlands branch)	Netherlands	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Poland branch)	Poland	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Portugal branch)	Portugal	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Singapore branch)	Singapore	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Spain branch)	Spain	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (Switzerland branch)	Switzerland	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Securities Services (UK branch)	UK	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
CIB EMEA (Europ, Middle East, Africa)									
France									
BNPP Arbitrage	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Arbitrage (UK branch)	UK	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Esomet	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Laffitte Participation 22	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Opéra Trading Capital	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Opéra Trading Capital (Hong Kong branch)	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
Opéra Trading Capital (UK branch)	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Parilease	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
SNC Taitbout Participation 3	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Verner Investissements	France	Equity	40.0%	50.0%		Equity	40.0%	50.0%	
Structured Entities									
Antin Participation 8	France								S4
Atargatis	France	Full	-	-		Full	-	-	
Austin Finance	France	Full	-	-		Full	-	-	
Compagnie d'Investissement Italiens	France	Full	-	-		Full	-	-	
Compagnie d'Investissement Opéra	France	Full	-	-		Full	-	-	
Financière des Italiens	France	Full	-	-		Full	-	-	
Financière Paris Haussmann	France	Full	-	-		Full	-	-	
Financière Taitbout	France	Full	-	-		Full	-	-	
Mediterranea	France	Full	-	-		Full	-	-	
Optichamps	France	Full	-	-		Full	-	-	
Participations Opéra	France	Full	-	-		Full	-	-	
Other European countries									
Alpha Murcia Holding BV	Netherlands	Equity *	100.0%	99.9%		Equity *	100.0%	99.9%	
BNP PUK Holding Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Bank JSC	Russia	Full	100.0%	100.0%		Full	100.0%	100.0%	

(d) As at 31 December 2017, 96 Construction-Sale Companies (Real Estate programs) (81 full and 15 equity) versus 81 as at 31 December 2016 (70 full and 11 equity)

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds
E2 Incorporation
E3 Purchase, gain of control or significant influence
Removals (S) from the scope of consolidation
S1 Cessation of activity (dissolution, liquidation, ...)
S2 Disposal, loss of control or loss of significant influence
S3 Passing qualifying thresholds
S4 Merger, Universal transfer of assets and liabilities
Variance (V) in voting or ownership interest
V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council
(2) Insurance entities consolidated under the equity method in the prudential scope
(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope.

Name	Country	31 December 2017 Method	31 December 2017 Voting (%)	31 December 2017 Interest (%)	31 December 2017 Ref.	31 December 2016 Method	31 December 2016 Voting (%)	31 December 2016 Interest (%)	31 December 2016 Ref.
BNPP Commodity Futures Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Emissions Und Handels GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Invest Holdings BV	Netherlands	Full	100.0%	100.0%	E1				
BNPP Ireland Unlimited Co	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Islamic Issuance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Issuance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Net Ltd	UK	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
BNPP Prime Brokerage International Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP UK Holdings Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Vartry Reinsurance DAC	Ireland	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Financière Hime SA	Luxembourg	Equity	22.5%	22.5%	E1				
FScholen	Belgium	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
Greenstars BNPP	Luxembourg	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Harewood Holdings Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
Hime Holding 1 SA	Luxembourg	Equity	26.4%	26.4%	E1				
Hime Holding 2 SA	Luxembourg	Equity	21.0%	21.0%	E1				
Hime Holding 3 SA	Luxembourg	Equity	20.6%	20.6%	E1				
Landspire Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
SC Nueva Condo Murcia SL	Spain				S2	Equity *	100.0%	99.9%	
Utexam Logistics Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
Utexam Solutions Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
Alectra Finance PLC	Ireland	Full	-	-		Full	-	-	
Alleray SARL	Luxembourg								S1
Aquarius + Investments PLC	Ireland	Full	-	-		Full	-	-	
Aries Capital DAC	Ireland	Full	-	-	E1				
BNPP International Finance Dublin	Ireland	Full	-	-		Full	-	-	
BNPP Investments N 1 Ltd	UK	Full	-	-		Full	-	-	
BNPP Investments N 2 Ltd	UK	Full	-	-		Full	-	-	
Boug BV	Netherlands	Full	-	-		Full	-	-	
Boug BV (UK branch)	UK	Full	-	-		Full	-	-	
Crossen SARL	Luxembourg								S3
Harewood Financing Ltd	UK								S3
Madison Arbor Ltd	Ireland	Full	-	-		Full	-	-	
Matchpoint Finance PLC	Ireland	Full	-	-		Full	-	-	
Omega Capital Funding Ltd	Ireland				S1	Full	-	-	
Omega Capital Investments PLC	Ireland				S1	Full	-	-	
Royale Neuve I SARL	Luxembourg								S1
Scaldis Capital Ireland Ltd	Ireland								S3
Scaldis Capital Ltd	Jersey	Full	-	-		Full	-	-	
Middle East									
BNPP Investment Co KSA	Saudi Arabia	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
Africa									
BNPP Securities South Africa Holdings Pty Ltd	South Africa				S3	Equity *	60.0%	60.0%	
BNPP Securities South Africa Pty Ltd	South Africa				S3	Equity *	100.0%	60.0%	
CIB Americas									
Banco BNPP Brasil SA	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
Banexi Holding Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Canada Corp	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Canada Valeurs Mobilières Inc	Canada				S3	Equity *	100.0%	100.0%	
BNPP Capital Services Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP CC Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Colombia Corporacion Financiera SA	Colombia	Full	100.0%	100.0%	D1	Equity *	100.0%	100.0%	
BNPP Energy Trading Canada Corp	Canada								S3
BNPP Energy Trading GP	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Energy Trading Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Energy Trading LLC	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP FS LLC	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP IT Solutions Canada Inc	Canada	Full	100.0%	100.0%	D1	Equity *	100.0%	100.0%	
BNPP Leasing Corp	USA				S1	Equity *	100.0%	100.0%	D1
BNPP Mortgage Corp	USA								S4
BNPP Prime Brokerage Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP RCC Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP US Wholesale Holdings Corp (Ex- BNPP North America)	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP USA Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
FB Transportation Capital LLC	USA								S1
Fortis Funding LLC	USA								S3
French American Banking Corp	USA				S1	Full	100.0%	100.0%	
FSI Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Via North America Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
BNPP EQD Brazil Fund Fundo de Investmento Multimercado	Brazil	Full	-	-		Full	-	-	
BNPP Finance Inc	USA								S3
BNPP Proprietario Fundo de Investimento Multimercado	Brazil	Full	-	-		Full	-	-	
BNPP VPG Adonis LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Brookfin LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Brookline Cre LLC	USA	Full	-	-		Full	-	-	
BNPP VPG CT Holdings LLC	USA	Full	-	-		Full	-	-	
BNPP VPG EDMC Holdings LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Express LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Freedom Communications LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Legacy Cabinets LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Mark IV LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Master LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Medianews Group LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Northstar LLC	USA	Full	-	-		Full	-	-	
BNPP VPG Pacex LLC	USA	Full	-	-		Full	-	-	
BNPP VPG PCMC LLC	USA	Full	-	-		Full	-	-	
BNPP VPG SBX Holdings LLC	USA	Full	-	-		Full	-	-	
BNPP VPG SDI Media Holdings LLC	USA				S1	Full	-	-	
Matchpoint Master Trust	USA								S1
Ozcar Multi Strategies LLC	USA				S3	Equity *	-	-	E1
Starbird Funding Corp	USA	Full	-	-		Full	-	-	
VPG SDI Media LLC	USA				S1	Equity *	-	-	
CIB Pacific Asia									
Bank BNPP Indonesia PT	Indonesia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNP Pacific Australia Ltd	Australia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Amber Holdings Pty Ltd	Australia	Full	100.0%	100.0%	E1				
BNPP Arbitrage Hong Kong Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP China Ltd	China	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Commodities Trading Shanghai Co Ltd	China	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Finance Hong Kong Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP India Holding Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP India Solutions Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Malaysia Berhad	Malaysia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Asia Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities India Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Japan Ltd	Japan	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Korea Co Ltd	Rep. of Korea	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Singapore Pte Ltd	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Securities Taiwan Co Ltd	Taiwan	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Sekuritas Indonesia PT (Ex- BNPP Securities Indonesia PT)	Indonesia	Full	99.0%	99.0%		Full	99.0%	99.0%	
BNPP SJ Ltd	Hong Kong				S3	Equity *	100.0%	100.0%	
BNPP SJ Ltd (Japan branch)	Japan				S3	Equity *	100.0%	100.0%	
BPP Holdings Pte Ltd	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
Other Business Units									
BNPP Suisse SA	Switzerland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Suisse SA (Guernsey branch)	Guernsey	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Suisse SA (Jersey branch)	Jersey								S1
Private Equity (BNP Paribas Capital)									
Cobema	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
Compagnie Financière Ottomane SA	Luxembourg	Full	97.3%	97.2%	V1	Full	97.2%	97.2%	V1
Property companies (property used in operations)									
Antin Participation 5	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Société Immobilière du Marché Saint Honoré	France	Full	100.0%	100.0%	V1	Full	99.9%	99.9%	
Investment companies and other subsidiaries									
BNPP Home Loan SFH	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP Partners for Innovation	France	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
BNPP Public Sector SCF	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNPP SB Re	Luxembourg	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Financière du Marché Saint Honoré	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
GIE Groupement Auxiliaire de Moyens	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Le Sphinx Assurances Luxembourg SA	Luxembourg	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	D1
Lion International Investments SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
Plagefin SA	Luxembourg	Full	100.0%	65.9%		Full	100.0%	65.9%	
Sagip	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
Société Auxiliaire de Construction Immobilière	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Société Orbaisienne de Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
UCB Bail 2	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Structured Entities									
BNPP B Institutional II Court Terme	Belgium	Full	-	-		Full	-	-	
BNPP SME 1	France	Full	-	-		Full	-	-	
BNPP US Medium Term Notes Program LLC	USA								S3
FCT Laffitte 2016	France	Full	-	-		Full	-	-	E2
FCT Opéra 2014	France	Full	-	-		Full	-	-	

As requested by the ANC 2016 regulation, the list of entities that are controlled by the Group, jointly controlled or under significant influence, but excluded from the scope of consolidation since their contribution to the consolidated financial statements would be immaterial to the Group, and the list of equity investments, are available on the "Regulated Information" page of the https://invest.bnpparibas.com website.

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds
E2 Incorporation
E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation
S1 Cessation of activity (dissolution, liquidation, ...)
S2 Disposal, loss of control or loss of significant influence
S3 Passing qualifying thresholds
S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest
V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest

Prudential scope of consolidation

(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council
(2) Insurance entities consolidated under the equity method in the prudential scope
(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope.

7.k FEES PAID TO THE STATUTORY AUDITORS

Year to 31 Dec. 2017	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
Excluding tax, in thousands of euros	Total	%	Total	%	Total	%	Total	%
Statutory audits and contractual audits, including	16,683	68%	16,667	64%	11,261	92%	44,611	71%
- Issuer	3,840		4,730		2,448		11,018	
- Consolidated subsidiaries	12,843		11,937		8,813		33,593	
Services other than those required for their statutory audit engagement, including	7,906	32%	9,513	36%	935	8%	18,354	29%
- Issuer	3,534		2,622		535		6,691	
- Consolidated subsidiaries	4,372		6,891		400		11,663	
TOTAL	**24,589**	**100%**	**26,180**	**100%**	**12,196**	**100%**	**62,965**	**100%**
of which fees paid to statutory auditors in France for the statutory audit and contractual audit	*5,883*		*4,623*		*4,730*		*15,236*	
of which fees paid to statutory auditors in France for services other than those required for their statutory audit engagements	*987*		*1,388*		*549*		*2,924*	

Year to 31 Dec. 2016	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
Excluding tax, in thousands of euros	Total	%	Total	%	Total	%	Total	%
Statutory audits and contractual audits, including	13,051	62%	14,537	64%	9,595	88%	37,183	68%
- Issuer	3,133		4,145		1,829		9,107	
- Consolidated subsidiaries	9,918		10,392		7,766		28,076	
Services other than those required for their statutory audit engagement, including	7,967	38%	8,134	36%	1,349	12%	17,450	32%
- Issuer	3,240		2,369		157		5,766	
- Consolidated subsidiaries	4,727		5,765		1,192		11,684	
TOTAL	**21,018**	**100%**	**22,671**	**100%**	**10,944**	**100%**	**54,633**	**100%**

The audit fees paid to auditors which are not members of the network of one of the auditors certifying the consolidated financial statements and the non-consolidated financial statements of BNP Paribas SA, mentioned in the table above, amount to EUR 909 thousand for the year ended 31 December 2017 (EUR 687 thousand for the year ended 31 December 2016).

Services other than those required for their statutory audit engagement are mainly composed this year of reviews of the entity's compliance with regulatory requirements, and reviews of internal control quality by comparison with international standards (such as ISAE 3402) as part of services provided to customers, particularly in the Securities and Asset Management businesses, and the expertise in the bank transformation projects.

BNP Paribas SA

Statutory Auditors' report
on the consolidated financial statements

(For the year ended 31 December 2017)

Deloitte & Associés
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex,
France

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine,
France

Mazars
61, rue Henri Regnault
92400 Courbevoie,
France

Statutory Auditors' report
on the consolidated financial statements

(For the year ended 31 December 2017)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BNP Paribas SA
16, boulevard des Italiens
75009 Paris,
France

To the Shareholders of BNP Paribas,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of BNP Paribas SA for the year ended 31 December 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Financial Statements Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from 1 January 2017 to the date of our report and in particular we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Identification and assessment of credit risk
(See Notes 1.c.1, 1.c.5, 2.g, 4.f, 4.g, 4.h and 4.q to the consolidated financial statements)

Description of risk	**How our audit addressed this risk**
As part of its banking intermediation activities, BNP Paribas is exposed to credit risk. It recognises impairment losses to cover known credit risks which are inherent to its operations. Impairment losses either take the form of individual impairment losses recognised against the related on- and off-balance sheet commitments or of collective impairment losses recognised against loan portfolios presenting similar risks which are not individually impaired. Collective provisions are determined using statistical models which require judgement at each stage of the calculation, particularly with respect to building similar portfolios and determining the inputs for the applicable risks and the obligating event of the provisions. Under certain circumstances, additional collective sectoral or geographic provisions are recognised in order to take into account any risks identified by BNP Paribas which are not covered by the above-mentioned individual or collective provisions. At 31 December 2017, total balance sheet outstandings due from customers exposed to credit risk amounted to €752.4 billion while total impairment losses stood at €24.7 billion. We deemed the identification and assessment of credit risk to be a key audit matter because management is required to exercise judgement and make estimates to assess credit risk, in particular as regards credit granted to companies given the potentially material amounts of the outstandings of loans to corporate counterparties.	We assessed the relevance of BNP Paribas' control system and tested the manual and computerised controls for identifying and measuring impairment. We also examined the most significant outstandings and/or portfolios at the reporting date as well as on the credit granted to companies operating in more sensitive economic sectors or geographic regions. More specifically, our work consisted in: - rating corporate counterparties: we assessed the risk presented by the material counterparties whose periodic rating review had not been carried out by BNP Paribas at 31 December 2017 as well as the risk level of a sample of outstandings deemed to be performing by management; - measuring provisions recorded individually: we verified that a periodic review of the counterparties under surveillance had been carried out by BNP Paribas and based on a sample, assessed the assumptions and data used by management to estimate impairment; - measuring collective provisions: assisted by our credit risk experts, we assessed the methods used by BNP Paribas across the various scopes and the effectiveness of the data quality controls. In addition, we examined the disclosures in the notes to the consolidated financial statements with respect to credit risk.

<table>
<tr><td colspan="2">Assessment of the impacts of the first-time application of IFRS 9 – Financial instruments
(See Note 1.a.2 to the consolidated financial statements)</td></tr>
<tr><td>Description of risk</td><td>How our audit addressed this risk</td></tr>
<tr><td>The entry into force of IFRS 9 – Financial instruments on 1 January 2018 has resulted in significant changes to the rules for classifying, valuing and impairing financial assets. Calculating expected credit losses requires management to exercise judgement, in particular in order to:
- determine the criteria used to identify significant increases in credit risk;
- measure expected credit losses;
- determine how forward-looking macroeconomic information will affect the above.

On 31 December 2017, BNP Paribas published an estimate of the impacts on equity of the application from 1 January 2018 of IFRS 9 (see Note 1.a.2). This estimate was prepared based on numerous assumptions and judgements and using a new internal control system (IT system, data, governance, reporting, accounting controls).

Given the complexity of the application of IFRS 9 and the significance of the information published, we deemed the assessment of the impacts of the first-time application of IFRS 9 to be a key audit matter.</td><td>We assessed the procedures deployed by BNP Paribas to implement the new standard. We asked our experts to assess the analyses performed and the models used by BNP Paribas to apply the new IFRS 9 accounting principles.

With respect to classification and valuation, our work consisted in:
- validating the analyses performed and the accounting principles defined by the Group and their implementation by the main business lines;
- based on a sample of contracts, verifying that the estimate of the analysis was correctly prepared by BNP Paribas;
- assessing the valuation models used for reclassified assets.

With respect to impairment, our work consisted in:
- assessing the compliance of BNP Paribas' accounting principles with IFRS 9 and the methods implemented by the business lines by examining independent reviews performed internally where appropriate;
- based on a sample of models, assessing the implementation of said models in IT systems and the financial reporting system.

In addition, we verified the consistency of the disclosures in the notes to the consolidated financial statements with the individual data published by each business line/entity.</td></tr>
</table>

Valuation of financial instruments
(See Notes 1.c.10, 4.a, 4.b and 4.d to the consolidated financial statements)

Description of risk	**How our audit addressed this risk**
As part of its trading activities, BNP Paribas holds financial instruments (assets and liabilities) which are recognised in the balance sheet at market value. Market value is determined according to different approaches, depending on the type of instrument and its complexity: (i) using directly observable quoted prices (instruments classified in level 1 of the fair value hierarchy); (ii) using valuation models whose main inputs are observable (instruments classified in level 2); and (iii) using valuation models whose main inputs are unobservable (instruments classified in level 3). The valuations obtained may be subject to additional value adjustments to take into account certain specific trading, liquidity or counterparty risks. The techniques adopted by management to measure these instruments may therefore involve significant judgement as regards the models and data used. At 31 December 2017, financial instruments represented €836 billion (of which €15.4 billion with respect to instruments classified in level 3) under assets and €539 billion (of which €23.5 billion with respect to instruments classified in level 3) under liabilities. In light of the materiality of the outstandings and the judgement used to determine market value, we deemed the measurement of financial instruments to be a key audit matter, in particular the measurement of level 3 instruments given the use of unobservable inputs.	Assisted by our valuation experts, we verified that the key controls used by the Group with respect to the valuation of financial instruments function properly, in particular those relating to: - the approval and regular review by management of the risks of the valuation models; - the independent verification of the valuation inputs; - the determination of value adjustments. Based on a sample, our valuation experts: - analysed the relevance of the assumptions and inputs used; - analysed the results of the independent review of the inputs by BNP Paribas; - performed independent counter valuations using our own models. We also analysed on a sample basis any differences between the valuations obtained and collateral calls with counterparties. In addition, we examined the disclosures in the notes to the consolidated financial statements with respect to the valuation of financial instruments.

Goodwill impairment
(See Notes 1.b.4 and 4.o to the consolidated financial statements)

Description of risk	**How our audit addressed this risk**
When recognising acquisitions, BNP Paribas records goodwill under assets, corresponding to the excess of the acquisition price of the shares over the value of the Group's interest. At 31 December 2017, goodwill amounted to €9.6 billion. Goodwill is tested for impairment at least once a year or more frequently if there is an indication of impairment. Comparing the carrying amount of the cash-generating units to which goodwill is allocated with their recoverable amount is a key step in the process of determining if an impairment charge should be recorded. We deemed goodwill impairment to be a key audit matter because management is required to exercise judgement to measure the recoverable amount of the cash-generating units, which involves making assumptions as regards the future earnings of acquirees and the discount rates applied to projected cash flows.	Our audit approach consisted in assessing the procedures implemented within BNP Paribas to test goodwill for impairment as well as the controls designed to identify indications of goodwill impairment. Assisted by our valuation experts, our work on the goodwill balances at 31 December 2017 consisted primarily in: - analysing the methods adopted by BNP Paribas; - critically reviewing the provisional business plans approved by Executive Management to ensure the reasonableness of the future cash flow estimates set out therein (in particular when projections do not match past performance); - critically analysing the main assumptions and inputs used (growth rate, cost of capital and discount rate) with respect to available external information; - assessing the analyses of the sensitivity of estimates to key inputs (in particular when the recoverable amount approximates the carrying amount). Lastly, we verified the appropriateness of the disclosures in the notes to the consolidated financial statements with respect to the results of impairment and sensitivity tests.

Analysis of legal risk with respect to regulatory and administrative investigations and to class actions
(See Notes 2.g, 4.q and 7.b to the consolidated financial statements)

Description of risk	**How our audit addressed this risk**
In each of the countries where it is present, BNP Paribas is subject to the regulations applicable to the sectors in which it operates. If the Group does not comply with the applicable laws and regulations, it may be exposed to significant fines and other administrative and criminal sanctions. It may also incur losses as a result of private legal disputes in connection with or unrelated to these sanctions. Any provision recognised to cover the consequences of investigations into non-compliance with certain regulations requires judgement due to the difficulty in estimating the outcome of regulatory procedures. Any provisions with respect to class actions or other private legal disputes also requires management to exercise judgement. In light of the increase in regulatory and administrative investigations and class actions brought against financial establishments in recent years and of the significant judgement exercised by management to determine the amount of provisions recognised, we deemed this risk to be a key audit matter.	We were informed of the procedure for identifying and assessing legal risk with respect to regulatory and administrative investigations and to class actions, in particular through quarterly interviews with BNP Paribas' legal functions. Our work consisted primarily in: - obtaining an understanding of the analyses prepared by the financial and legal departments at the end of each quarterly accounting period; - interviewing the specialised law firms with which BNP Paribas works when subject to legal disputes.

Deferred tax assets with respect to tax loss carryforwards *(See Notes 1.k, 2.h and 4.k to the consolidated financial statements)*	
Description of risk	**How our audit addressed this risk**
Deferred tax assets are recognised for tax loss carryforwards to the extent that it is probable that the entity in question will generate future taxable profits against which these tax losses can be utilised. At 31 December 2017, €5 billion was recorded on the consolidated balance sheet with respect to deferred tax assets, of which €1.6 billion represented tax loss carryforwards. At that same date, unrecognised deferred tax assets with respect to tax loss carryforwards amounted to €1.2 billion. We deemed this subject to be a key audit matter because management is required to exercise judgement when deciding whether to recognise a deferred tax asset for tax loss carryforwards as well as when assessing the recoverability of recognised deferred tax assets.	Assisted by our tax experts, our audit approach consisted in assessing the relevance of the forecasts used and thereby the probability of BNP Paribas Group entities being able to utilise their tax loss carryforwards in the future. In particular, we: - verified that the applicable tax rates were taken into account (in particular for Belgium, France and the United States) and assessed the duration of the tax loss carryforwards; - examined earnings forecasts and their underlying assumptions.

General IT controls	
Description of risk	**How our audit addressed this risk**
The reliability and security of IT systems plays a key role in the preparation of BNP Paribas' consolidated financial statements. We thus deemed the assessment of the general IT controls and the application controls specific to the information processing chains that contribute to the preparation of accounting and financial information to be a key audit matter. In particular, a system for controlling access rights to IT systems and authorisation levels based on employee profiles represents a key control for limiting the risk of inappropriate changes to applications' settings or underlying data.	For the main systems used to prepare accounting and financial information, assisted by our IT specialists, our work notably consisted in: - obtaining an understanding of the systems, processes and controls which underpin accounting and financial data; - assessing the general IT controls (application and data access management, application changes/developments management and IT operations management) on material systems (in particular, accounting, consolidation and automatic reconciliation applications); - examining the control for the authorisation of manual accounting entries.

<table>
<tr><td colspan="2">Technical reserves of insurance companies
(See Notes 4.p to the consolidated financial statements)</td></tr>
<tr><td>Description of risk</td><td>How our audit addressed this risk</td></tr>
<tr><td>At the year-end, a liability adequacy test is performed for BNP Paribas' insurance activities.

This test consists in comparing insurance liabilities (or technical reserves) recognised in the balance sheet with projected net future cash flows. In the hypothetical event that the carrying amount of the insurance liabilities were not sufficient, an additional liability would have to be recognised.

At 31 December 2017, total technical insurance reserves amounted to €203 billion.

The end-2017 test confirmed that the carrying amount of the reserves was sufficient.

We deemed the implementation of the liability adequacy test for the Savings business to be a key audit matter because it involves using actuarial models as well as modelling options and guarantees which are specific to BNP Paribas and requires management to exercise judgement to determine certain key assumptions (e.g., return on assets, surrender rate and fees).</td><td>Based on a sample, we assessed the amount of net future cash flows used in the calculation, in particular by:
- assessing the validity of the data on asset portfolios and contracts used as a starting point for the modelling exercise;
- identifying the main changes made to the actuarial models, assessing the relevance of said changes and obtaining an understanding of their impact on the result of the test;
- analysing differences in the model results between 2016 and 2017 using analyses prepared by BNP Paribas. We verified that the most material differences were justified by changes in the portfolio, the assumptions or the models.

We also examined the disclosures in the notes to the consolidated financial statements with respect to insurance liabilities.</td></tr>
</table>

Verification of the information pertaining to the Group presented in the management report

As required by law and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of BNP Paribas SA by the Annual General Meetings held on 23 May 2006 for Deloitte & Associés, 26 May 1994 for PricewaterhouseCoopers Audit and 23 May 2000 for Mazars.

At 31 December 2017, Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars were in the twelfth year, the twenty-fourth year and the eighteenth year of total uninterrupted engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements presenting a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the company or to cease operations.

The Financial Statements Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors of BNP Paribas SA.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements.

- Assess the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion.

- Evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Financial Statements Committee

We submit a report to the Financial Statements Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Financial Statements Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Financial Statements Committee with the declaration provided for in article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Financial Statements Committee.

Neuilly-sur-Seine and Courbevoie, 6 March 2018

The Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
Damien Leurent	Etienne Boris	Hervé Helias

AMENDMENTS TO THE SUMMARY IN RELATION TO THE BASE PROSPECTUS

The section "**SUMMARY IN RELATION TO THIS BASE PROSPECTUS**" on pages 8 to 62 of the Base Prospectus is amended as follows:

(a) Element B.12 in relation to BNPP is amended by the deletion of the table entitled "**Comparative Annual Financial Data – In millions of EUR**" immediately above the heading "**Comparative Interim Financial Data for the six-month period ended 30 June 2017 – In millions of EUR**" and its replacement with the following:

B.12	Selected historical key financial information in relation to the Issuer:		
	Comparative Annual Financial Data– In millions of EUR		
		31/12/2017 (audited)	**31/12/2016 (audited)**
	Revenues	43,161	43,411
	Cost of risk	(2,907)	(3,262)
	Net income, Group share	7,759	7,702
		31/12/2017	**31/12/2016**
	Common equity Tier 1 Ratio (Basel 3 fully loaded, CRD 4)	11.8%	11.5%
		31/12/2017 (audited)	**31/12/2016 (audited)**
	Total consolidated balance sheet	1,960,252	2,076,959
	Consolidated loans and receivables due from customers	727,675	712,233
	Consolidated items due to customers	766,890	765,953
	Shareholders' equity (Group share)	101,983	100,665

(b) In Element B.12, the two tables under the heading "***In relation to BNPP:"*** and immediately above the heading "***Statements of no significant or material adverse change***" entitled "**Comparative Interim Financial Data for the six-month period ended 30 June 2017 – In millions of EUR**" and "**Comparative Interim Financial Data for the nine-month period ended 30 September 2017 – In millions of EUR**" are deleted.

(c) In Element B.12, under the heading "***Statements of no significant or material adverse change***" the paragraph below the sub-heading "***In relation to BNPP:"*** is deleted in its entirety and replaced with the following:

"There has been no significant change in the financial or trading position of the BNPP Group since 31 December 2017 (being the end of the last financial period for which audited financial statements have been published). There has been no material adverse change in the prospects of BNPP or the BNPP Group since 31 December 2017 (being the end of the last financial period for which audited financial statements have been published)."

(d) Element B.13 is deleted in its entirety and replaced with the following:

B.13	Events impacting the Issuer's solvency	Not applicable, as at 20 September 2017 (in the case of BNPP B.V.) and as at 15 March 2018 (in the case of BNPP) and to the best of the Issuers' knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 30 June 2017 (in the case of BNPP B.V.) and 31 December 2017 (in the case of BNPP). ***Issue Specific Summary*** [Not applicable, as at [*insert in the case of BNPP B.V.*: 20 September 2017]/[*insert in the case of BNPP*: 15 March 2018] and to the best of the Issuer's knowledge there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since [*Insert in the case of BNPP B.V.*: 30 June 2017]/[*Insert in the case of BNPP* : 31 December 2017]].*[specify any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency]*.

(e) Element B.19/B.12 is amended by the deletion of the table entitled "**Comparative Annual Financial Data – In millions of EUR**" immediately above the heading "**Comparative Interim Financial Data for the six-month period ended 30 June 2017 – In millions of EUR**" and its replacement with the following:

B.19/B.12	Selected historical key financial information in relation to the Guarantor:		
	Comparative Annual Financial Data– In millions of EUR		
		31/12/2017 (audited)	**31/12/2016 (audited)**
	Revenues	43,161	43,411
	Cost of risk	(2,907)	(3,262)
	Net income, Group share	7,759	7,702
		31/12/2017	**31/12/2016**
	Common equity Tier 1 Ratio (Basel 3 fully loaded, CRD 4)	11.8%	11.5%
		31/12/2017 (audited)	**31/12/2016 (audited)**
	Total consolidated balance sheet	1,960,252	2,076,959

	Consolidated loans and receivables due from customers	727,675	712,233
	Consolidated items due to customers	766,890	765,953
	Shareholders' equity (Group share)	101,983	100,665

(f) In Element B.19/B.12, the two tables immediately above the heading "***Statements of no significant or material adverse change***" entitled "**Comparative Interim Financial Data for the six-month period ended 30 June 2017 – In millions of EUR**" and "**Comparative Interim Financial Data for the nine-month period ended 30 September 2017 – In millions of EUR**" are deleted.

(g) In Element B.19/B.12, the paragraphs under the heading "***Statements of no significant or material adverse change***" are deleted in their entirety and replaced with the following:

"There has been no significant change in the financial or trading position of the BNPP Group since 31 December 2017 (being the end of the last financial period for which audited financial statements have been published). There has been no material adverse change in the prospects of BNPP or the BNPP Group since 31 December 2017 (being the end of the last financial period for which audited financial statements have been published).

Issue Specific Summary

There has been no significant change in the financial or trading position of the BNPP Group since [31 December 2017 (being the end of the last financial period for which audited financial statements have been published)]. There has been no material adverse change in the prospects of BNPP or the BNPP Group since [31 December 2017 (being the end of the last financial period for which audited financial statements have been published)]."

(h) Element B.19/B.13 is deleted in its entirety and replaced with the following:

B.19/B.13	Events impacting the Guarantor's solvency	Not applicable, as at 15 March 2018 and to the best of the Guarantor's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since 31 December 2017. ***Issue Specific Summary*** [Not applicable, as at 15 March 2018 and to the best of the Guarantor's knowledge there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since [31 December 2017]]. [*specify any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency.*]

(i) Element D.2 is amended as follows:

1. By the deletion of sub-paragraph (a) and it's replacement with the following:

D.2	Key risks regarding the Issuer [and the Guarantor]	(a)	Difficult market and economic conditions have in the past had and may in the future have a material adverse effect on the operating environment for financial institutions and hence on the BNPP's financial condition, results of operations and cost of risk.

2. By the deletion of sub-paragraph (k) and its replacement with the following:

D.2	Key risks regarding the Issuer [and the Guarantor]	(k)	Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact BNPP and the financial and economic environment in which it operates.

3. By the deletion of sub-paragraph (n) and it's replacement with the following:

D.2	Key risks regarding the Issuer [and the Guarantor]	(n)	There are risks related to the implementation of BNPP's strategic plans and commitment to environmental responsibility.

4. By the deletion of sub-paragraph (u) and it's replacement with the following:

D.2	Key risks regarding the Issuer [and the Guarantor]	(u)	The expected changes in accounting principles relating to financial instruments may have an impact on BNPP's balance sheet, income statement and regulatory capital ratios and result in additional costs.

AMENDMENTS TO THE RISK FACTORS SECTION

The "Risk Factors" section on pages 63 to 97 of the Base Prospectus is amended as follows:

The paragraph entitled "Risks Relating to BNPP and its Industry" is deleted in its entirety and replaced with the following:

"**Risks Relating to BNPP and its Industry**

See the “Risk Factors” section on pages 244 to 253 of the BNPP 2016 Registration Document, pages 68 to 73 of the First Update to the BNPP 2016 Registration Document, pages 159 to 167 of the Second Update to the BNPP 2016 Registration Document and pages 79 to 89 of the Third Update to the BNPP 2016 Registration Document which are incorporated by reference in this Base Prospectus and which disclose all material risks relating to BNPP's ability to fulfil its obligations under the Securities.

Risks Related to the Macroeconomic and Market Environment

Difficult market and economic conditions have in the past had and may in the future have a material adverse effect on the operating environment for financial institutions and hence on the Bank’s financial condition, results of operations and cost of risk.

The Bank’s businesses are highly sensitive to changes in financial markets and economic conditions globally and especially in Europe. In recent years, the Bank was, and may again in the future be, confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting sovereign debt and capital markets, the availability of credit or liquidity, regional or global recessions, sharp fluctuations in commodity prices, currency exchange rates or interest rates, volatility in prices of financial derivatives, inflation or deflation, counterparty restructurings or defaults, corporate or sovereign debt rating downgrades or adverse political and geopolitical events (such as natural disasters, pandemics, societal unrest, geopolitical tensions, acts of terrorism, cyber-attacks, military conflicts or threats thereof and related risks). Such disruptions, which may develop quickly and hence not be fully hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on the Bank’s financial condition, results of operations or cost of risk.

Economies in the Bank’s principal markets and generally speaking globally experienced growth in 2017 and the cyclical recovery may continue in 2018. There are nonetheless downside risks arising from factors such as evolving monetary policies (and in particular the risk of sharper than expected tightening leading to financial turbulence), trends in inflation, geopolitical tensions, protectionist tendencies, and possible volatility in financial or commodity markets.

Moreover, a resurgence of sovereign debt tensions cannot be ruled out, particularly in a rising interest rate environment with increasing funding costs. In particular, European markets experienced significant disruptions at various points in recent years from this source, initially originating from concerns regarding the ability of certain countries or institutions in the euro zone to refinance their debt obligations. These disruptions have in certain periods caused tightened credit markets, increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the economic prospects of certain countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union. The Bank holds and may in the future hold substantial portfolios of sovereign debt and has and may in the future have substantial amounts of loans outstanding to sovereign borrowers; a new sovereign debt crisis could cause it to incur impairment charges or losses on sales. The Bank also participates in the interbank financial market and as a result, is indirectly exposed to risks relating to financial institutions with which it does business. More generally, the sovereign debt crisis had, and could again in the future have, an indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and more generally on the environment in which the Bank operates.

If economic conditions generally or in Europe in particular (the latter due to any of the above generally applicable factors or to heightened risk of or even the occurrence of a sovereign default, the failure of a significant financial institution or the exit of a country or territory from the euro zone or the European Union) were to deteriorate, the resulting market disruptions could have a significant adverse impact on the credit quality of the Bank's customers and financial institution counterparties, on market parameters such as interest rates, foreign exchange rates and stock market indices, and on the Bank's results of operations, liquidity, ability to raise financing on acceptable terms and financial condition.

The United Kingdom's referendum to leave the European Union may lead to significant uncertainty, volatility and disruption in European and broader financial and economic markets and hence may adversely affect the Bank's operating environment.

On 23 June 2016, the United Kingdom held a referendum in which a majority of its voters opted to leave the European Union ("**Brexit**") and on 29 March 2017, the government of the United Kingdom invoked Article 50 of the Treaty on European Union (the "**Lisbon Treaty**") relating to withdrawal. Pursuant to Article 50, the Lisbon Treaty and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement, or, failing that, two years after the relevant state notifies the European Council of its intention to withdraw, although this period may be extended in certain circumstances. Negotiations between the United Kingdom and the European Union to determine their relationship going forward, including regarding trade, financial and legal arrangements, are ongoing. The nature, timing and economic and political effects of Brexit remain highly uncertain and will depend upon the results of future negotiations between the United Kingdom and the European Union, and hence may adversely affect the Bank's operating environment and therefore its results and financial condition.

Due to the geographic scope of its activities, the Bank may be vulnerable to country or regional-specific political, macroeconomic and financial environments or circumstances.

The Bank is exposed to country risk, meaning the risk that economic, financial, political or social conditions of a foreign country, especially a country in which it operates, will affect its financial interests. The Bank monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements. Moreover, factors specific to a particular country or region in which the Bank operates could create difficult operating conditions, leading to operating losses or asset impairments.

The Bank's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in credit spreads or other factors.

The financial crisis, the euro zone sovereign debt crisis as well as the general macroeconomic environment have at times adversely affected the availability and cost of funding for European banks in recent years. This was due to several factors, including a sharp increase in the perception of bank credit risk due to exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including the Bank, at various points experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the European Central Bank (the "**ECB**") at times increased substantially. If such adverse credit market conditions were to reappear in the event of prolonged stagnation of growth, deflation, resurgence of the financial crisis, the sovereign debt crisis or new forms of financial crises, factors relating to the financial industry in general or to the Bank in particular, the effect on the liquidity of the European financial sector in general and the Bank in particular could be materially adverse and have a negative impact on the Bank's results of operations and financial condition.

Downgrades in the credit ratings of France or of the Bank may increase the Bank's borrowing cost.

The Bank's cost of obtaining long-term unsecured funding from market investors is also directly related to its credit spreads, which in turn depend to a certain extent on its credit ratings. Increases in credit spreads can significantly increase the Bank's cost of funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of creditworthiness of the Bank.

Significant interest rate changes could adversely affect the Bank's revenues or profitability.

The amount of net interest income earned by the Bank during any given period significantly affects its overall revenues and profitability for that period. Interest rates are affected by many factors beyond the Bank's control, such as the level of inflation and the monetary policies of states, and government decisions relating to regulated savings rates.

Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in the Bank's net interest income from its lending activities. In addition, maturity mismatches and interest rates rises relating to the Bank's short-term financing may adversely affect the Bank's profitability.

The prolonged low interest rate environment carries inherent systemic risks, and an exit from such environment also carries risks.

Since the 2008-2009 financial crisis, global markets have been characterized by an extended period of low interest rates. During such periods, interest rate spreads tend to tighten, and the Bank may be unable to lower interest rates on deposits sufficiently to offset reduced income from lending at lower interest rates. In addition, the Bank has been facing an increase in early repayment and refinancing of mortgages and other fixed-rate consumer and corporate loans as clients take advantage of lower borrowing costs. This, along with the issuance of new loans at the low prevailing market interest rates, has resulted in a decrease in the average interest rate of the Bank's portfolio of loans thereby causing a decline in the Bank's net interest income from its lending activities. Moreover, an environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premium generated by the Bank from its funding activities. Additionally, the prolonged period of low interest rates may have contributed to, and may continue to contribute to, excessive risk-taking by financial market participants such as lengthening maturities of financings and assets held, more lenient lending standards and increased leveraged lending. Certain of the market participants that may have taken or may take additional or excessive risk are of systemic importance, and any unwinding of their positions during periods of market turbulence or stress (and hence reduced liquidity) could have a destabilizing effect on markets and could lead the Bank to record operating losses or asset impairments.

The end of a period of prolonged low interest rates, in particular due to tightening monetary policy, also carries risks. In this respect, the U.S. Federal Reserve has been tightening its monetary policy since 2015 and the ECB has announced that it will significantly reduce asset purchases between January and September 2018, and reductions could continue thereafter. Any sharper or more rapid than expected tightening could have a negative impact on the economic recovery. On the lending side, it could in particular cause stress in loan and bond portfolios, possibly leading to an increase in non-performing exposures and defaults. Moreover, it may cause additional financial strain on sovereigns with particularly high debt to GDP ratios, such as countries on the periphery of the Eurozone as well as in Africa, with attendant increased asset quality concerns for their lenders. The Bank's underwriting activity could also be affected particularly in relation to non-investment grade lending. On the borrowing side, should the Bank's hedging strategies prove ineffective or provide only a partial hedge, the Bank could incur losses due to higher refinancing costs. More generally, the ending of accommodative monetary policies (including liquidity infusions from central bank asset purchases) may lead to severe corrections in certain markets or asset classes (e.g., non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefitted (including from very low risk premia as compared to historical averages) from the prolonged low interest rate and high liquidity environment, and such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility.

The soundness and conduct of other financial institutions and market participants could adversely affect the Bank.

The Bank's ability to engage in financing, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumours or questions about, one or more financial services institutions, or the financial services industry generally, may lead to market-wide liquidity problems and could lead to further losses or defaults. The Bank has exposure to many counterparties in the financial industry, directly and indirectly, including clearing houses, brokers and dealers, commercial banks, investment banks, mutual and alternative investment funds, and other institutional clients with which it regularly executes transactions. The Bank may also be exposed to risks related to the increasing involvement in the financial sector of players and the introduction of new types of transactions subject to little or no regulation (e.g., unregulated funds, trading venues or crowdfunding platforms). The Bank is exposed to credit and counterparty risk in the event of default or financial distress of the Bank's counterparties or clients. This risk could be exacerbated if the collateral held by the Bank cannot be realised upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to the Bank or in case of a failure of a significant financial market participant such as a central counterparty. It is worth noting in this respect that regulatory changes requiring mandatory clearing of standardized over-the-counter ("**OTC**") derivatives through central counterparties have resulted in an increase of the exposure of financial market participants to such central counterparties.

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due in particular to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous financial institutions globally, including the Bank, announced losses or exposure to losses in substantial amounts. The Bank remains the subject of various claims in connection with the Madoff matter; see Note 7.b "Contingent liabilities: legal proceedings and arbitration".

There can be no assurance that any losses resulting from the risks summarised above will not materially and adversely affect the Bank's results of operations.

The Bank may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

The Bank maintains trading and investment positions in the debt, currency, commodity and equity markets, and in unlisted securities, real estate and other asset classes, including through derivative contracts. These positions could be adversely affected by extreme volatility in these markets, i.e., the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. Moreover, volatility trends that prove substantially different from the Bank's expectations may lead to losses relating to a broad range of other products that the Bank uses, including swaps, forward and future contracts, options and structured products.

To the extent that the Bank owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that the Bank has sold assets that it does not own, or has net short positions in any of those markets, a market upturn could, in spite of the existing limitation of risks and control systems, expose it to potentially substantial losses as it attempts to cover its net short positions by acquiring assets in a rising market. The Bank may from time to time hold a long position in one asset and a short position in another, in order to hedge transactions with clients and/or from which it expects to gain based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the Bank did not anticipate or against which it is not hedged, the Bank might realise a loss on those paired positions. Such losses, if significant, could adversely affect the Bank's results and financial condition.

The Bank may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.

Financial and economic conditions affect the number and size of transactions for which the Bank provides securities underwriting, financial advisory and other investment banking services. The Bank's revenues, which include fees from these services, are directly related to the number and size of the transactions in which it participates and can thus be significantly affected by economic or financial changes that are unfavourable to its Investment Banking business and clients. In addition, because the fees that the Bank charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues the Bank receives from its asset management, equity derivatives and private banking businesses. Independently of market changes, below-market performance by the Bank's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues the Bank receives from its asset management business. The Bank experienced some or all of these effects during the sharp market downturns of recent years and could experience them again in future market downturns, which may occur periodically and unexpectedly.

Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.

In some of the Bank's businesses, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Bank cannot close out deteriorating positions in a timely way. This is particularly true for assets that are intrinsically illiquid. Assets that are not traded on stock exchanges or other public trading markets, such as certain derivative contracts between financial institutions, may have values that the Bank calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to significant losses that the Bank did not anticipate.

Regulatory Risks

Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact the Bank and the financial and economic environment in which it operates.

Laws and regulations have been enacted in the past few years or could be adopted, in particular in France, Europe and the United States, with a view to introducing a number of changes, some permanent, in the financial environment. The impact of the new measures has changed substantially the environment in which the Bank and other financial institutions operate. The new measures that have been or may be proposed and adopted include more stringent capital and liquidity requirements (particularly for large global banking groups such as the Bank), taxes on financial transactions, restrictions and increased taxes on employee compensation over specified levels, restrictions on certain types of activities considered as speculative undertaken by commercial banks that will be prohibited or need to be ring-fenced in subsidiaries (particularly proprietary trading), restrictions or prohibitions on certain types of financial products or activities, enhanced recovery and resolution regimes, changes to risk-weighting methodologies and the methods of using internal models that could lead to increased capital requirements, increased internal control and reporting requirements with respect to certain activities, more stringent governance and conduct of business rules, more extensive market abuse regulations, measures to improve the transparency and efficiency of financial markets and in particular to regulate high frequency trading, increased regulation of certain types of financial products including mandatory reporting of derivative and securities financing transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over-the-counter derivative transactions (including through posting of collateral in respect of non-centrally cleared derivatives), enhanced privacy and cybersecurity requirements and the creation of new and strengthened supervisory bodies. Most of these measures have been adopted and are already applicable to the Bank; the principal such measures are summarized below. Other similar or new measures may be proposed and adopted.

French and European Laws and regulations

In 2013 and 2014, France made significant changes to its legal and regulatory framework applicable to banking institutions. The French banking law of 26 July 2013 on the separation and regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) and the related implementing decrees and orders specified the required separation between financing operations activities and so-called "speculative" operations that have been, since 1 July 2015, conducted by ring-fenced subsidiaries subject to specific capital and liquidity requirements on a stand-alone basis. This banking law also introduced a mechanism for preventing and resolving banking crises, which is supervised by the French banking regulator ("*Autorité de Contrôle Prudentiel et de Résolution*", "**ACPR**") with expanded powers. In the event of a failure, the law provides for mechanisms such as the power to require banks to adopt structural changes, issue new securities, cancel outstanding equity or subordinated debt securities and convert subordinated debt into equity, and to require the intervention of the French Deposit Guarantee and Resolution Fund ("*Fonds de Garantie des Dépôts et de Résolution*"). The Ordinance of 20 February 2014 provided in particular for the strengthening of the governance rules within banking institutions, a reinforced and harmonised at the EU level sanctions regime, an extended scope of prudential surveillance with in particular additional prudential requirements, a harmonisation of the rules relating to the approval of credit institutions within the European Union, and an update of the rules relating to the consolidated surveillance and the exchange of information.

At the European level, many of the provisions of the EU Directive and Regulation on prudential requirements (the "**CRD 4/CRR**") dated 26 June 2013, implementing the Basel III capital requirements, took effect as of 1 January 2014 and many delegated and implementing acts provided for in the Directive and Regulation CRD 4/CRR were adopted in 2014. The prudential ratio requirements and the designation of the Bank as a systemically important financial institution increased the Bank's prudential requirements and may limit its ability to extend credit or to hold certain assets, particularly those with longer maturities. In addition, the Financial Stability Board published on 9 November 2015 the final principles and term sheet regarding total loss absorbing capacity ("**TLAC**", and such term sheet, the "**FSB TLAC Term Sheet**"), which will require "**Global Systemically Important Banks**" or "**G-SIBs**" (including the Bank), in addition to the Basel III capital requirements, to maintain a significant amount of liabilities and instruments readily available for bail-in in order to enable authorities to implement an orderly resolution that minimises impacts on financial stability, maintains the continuity of critical functions, and avoids exposing public funds to loss. Given the timing and manner of their adoption, the full impact of TLAC requirements on the Bank cannot be accurately predicted and could cause its financing costs to increase.

Regarding the European "Banking Union", the European Union adopted, in October 2013, a single supervisory mechanism (the "**SSM**") under the supervision of the ECB; as a consequence, since November 2014, the Bank, along with all institutions qualified as important in the euro zone, are now under the direct supervision of the ECB, with respect to prudential regulation matters entrusted to the ECB by Council Regulation dated 15 October 2013. Within the SSM, the ECB is, in particular, tasked with carrying out an annual supervisory review and evaluation process ("**SREP**"), stress tests and specific reviews (such as the targeted review of internal models), in connection with which it has powers to require banks to hold capital in excess of minimum capital requirements, and more generally to impose additional liquidity requirements or other supervisory measures. Such measures could have an adverse impact on the Bank's results of operations and financial condition.

In addition to the SSM, the EU Bank Recovery and Resolution Directive of 15 May 2014 ("**BRRD**"), implemented in France by the Ordinance of 20 August 2015, strengthens the tools to prevent and resolve banking crises, in particular in order to ensure that any losses are borne in priority by banks' creditors and shareholders and to minimize taxpayers' exposure to losses and provides for the implementation of resolution funds at the national levels.

Under the BRRD and the Ordinance of 20 August 2015, the ACPR or the single resolution board (the "**SRB**"), which was established by Regulation of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism (the "**SRM**") and a single resolution fund (the "**SRF**"), may commence resolution proceedings in respect of a banking institution, such as the Bank, with a view to ensure the continuity of critical functions, to avoid the risks of contagion and to recapitalize or restore the viability of the institution.

Resolution powers are to be implemented so that, subject to certain exceptions, losses are borne first by shareholders, then by holders of additional capital instruments qualifying as tier 1 and tier 2 (such as subordinated bonds), then by the holders of senior non preferred debt and finally by the holders of senior preferred debt, all in accordance with the order of their claims in normal insolvency proceedings.

Resolution authorities have broad powers to implement resolution measures with respect to institutions and groups subject to resolution proceedings, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a special manager (*administrateur spécial*).

Certain powers, including the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity of additional capital instruments qualifying as tier 1 and tier 2 (such as subordinated bonds), can also be exercised as a precautionary measure, outside of resolution proceedings and/or pursuant to the European Commission's State Aid framework if the institution requires exceptional public financial support.

The implementation of these tools and powers may result in significant structural changes to the relevant financial institutions and their groups (including as a result of asset or business sales or the creation of bridge institutions) and in a partial or total write-down, modification or variation of claims of shareholders and creditors. Such powers may also result, after any transfer of all or part of the Bank's business or separation of any of its assets, in the holders of securities (even in the absence of any such write-down or conversion) being left as the creditors of the Bank whose remaining business or assets are insufficient to support the claims of all or any of the creditors of the Bank.

Pursuant to the SRM, on 19 December 2014, the Council adopted the proposal for a Council implementing act to calculate the contributions of banks to the SRF, which replaces national resolution funds as from 1 January 2016 and provides for annual contributions to the SRF to be made by banks calculated on the basis of their liabilities, excluding own funds and covered deposits and adjusted for risks. Moreover, the European Commission Regulation dated 21 October 2014, adopted pursuant to the BRRD provides for an obligation for banks to have adequate financial resources to ensure the effective application of the resolution tools and powers by the relevant resolution authority. In this context, the resolution authorities, such as the ACPR or the SRB, determined the annual contributions that must be paid to resolution financing arrangements by each banking institution in proportion to its risk profile. As a consequence, contributions to the SRF and to resolution financing arrangements are significant for the Bank and hence weigh on its results of operations.

Moreover, the Directive of 16 April 2014 on deposit guarantee schemes, transposed into French law by the Ordinance of 20 August 2015, created national deposit guarantee schemes. Other proposals for legislative and regulatory reforms could also have an impact if they were enacted into law. Thus, a draft European Parliament Regulation dated 24 November 2015 completed such Directive of 16 April 2014 through a step plan to create a European deposit insurance scheme that will progressively cover all or part of participating national deposit guarantee schemes.

On 23 November 2016, the European Commission issued several legislative proposals proposing to amend a number of key EU banking directives and regulations, including CRD 4/CRR, BRRD and the SRM, the purpose of which is inter alia to reflect more accurately long-term funding risk and excessive leverage, increase the loss-absorption capacity of globally significant institutions, improve the treatment of market risks by increasing the risk sensitivity of the existing rules and increase convergence within the European Union in the area of insolvency law and restructuring proceedings, particularly through the introduction of a moratorium tool. On November 8, 2017, the ECB published two opinions on these proposals. These proposals remain subject to amendments by the Parliament and the Council and are scheduled to be adopted in 2019. It is not yet possible to assess whether these proposals will be adopted in full or what their impact will be.

In December 2017, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision ("**GHOS**"), endorsed the outstanding Basel III post-crisis regulatory reforms. The reforms endorsed by the GHOS include a revised standardized approach for credit risk, revisions to the internal ratings-based approach for credit risk, revisions to the credit valuation adjustment ("**CVA**") framework, a revised standardized approach for operational risk, revisions to the measurement of the leverage ratio and a leverage ratio buffer for G-SIBs (including the Bank), which will take the form of a Tier 1 capital buffer set at 50% of a G-SIB's risk-weighted capital buffer; and an aggregate output floor, which will ensure that banks' risk-weighted assets ("**RWAs**") generated by internal models are no lower than 72.5% of RWAs as calculated by the Basel III framework's standardized approaches. These new rules are expected to come into effect in 2022 and the output floor is expected to be implemented gradually beginning in January 2022 and reaching its final level in 2027. This agreement will be subject to consultation and impact assessment before it is implemented into EU law.

Finally, new regulations designed to enhance the transparency and soundness of financial markets, such as the so-called "**EMIR**" Regulation of 4 July 2012 on OTC derivatives, central counterparties and trade repositories and the measures adopted or to be adopted thereunder (including in relation to the Commission delegated Regulation of 4 October 2016 that specifies how margin should be calculated and exchanged in respect of non-cleared OTC derivative contracts), Regulation of 25 November 2015 on transparency of securities financing transactions and Directive and Regulation of 15 May 2014 on markets in financial instruments ("**MiFID 2**") may be a source of additional uncertainty and compliance risk and, more generally, the costs incurred due to the implementation of such regulations may have a negative impact on the profitability of certain activities currently conducted by the Bank and weigh on the Bank's results of operations and financial condition.

In May and June 2017, the Commission published two proposed regulations amending EMIR. Among the proposed changes, the EU authorities' power to supervise third country central counterparties would be strengthened and, when a third country central counterparty poses significant risks to the financial stability of the Member States, EU authorities could request that such central counterparty be established and authorized in the EU (so-called "**location policy**"). While the full implications of such location policy, particularly in the context of Brexit, remain uncertain, it could, if implemented, entail operational risks and increased costs and therefore weigh on the Bank's results of operations and financial condition.

U.S Laws and Regulations

Bank regulation in the United States has been substantially changed and expanded in the wake of the financial crisis, including as follows. A final rule issued by the Board of Governors of the U.S. Federal Reserve System (the "**Federal Reserve Board**") imposing enhanced prudential standards on the U.S. operations of large foreign banks required the Bank to designate or create an intermediate holding company ("**IHC**") for its U.S. subsidiaries by 1 July 2016. The Bank's IHC, BNP Paribas USA, Inc., must comply with risk-based and leverage capital requirements, liquidity requirements, long-term debt requirements, supervisory stress testing and capital planning requirements as well as other prudential requirements on a consolidated basis at the IHC level. In addition, on 4 March 2016, the Federal Reserve Board re-proposed single counterparty credit limits that would apply to both the U.S. IHCs and the combined U.S. operations (including U.S. branch operations) of systemically important foreign banking organizations (such as the Bank). Under proposals that remain under consideration, the IHC and the combined U.S. operations of the Bank may become subject to limits on credit exposures to any single counterparty, and the combined U.S. operations of the Bank may also become subject to an early remediation regime which could be triggered by risk-based capital, leverage, stress tests, liquidity, risk management and market indicators. The Federal Reserve Board has also indicated that it is considering future rulemakings that could apply the U.S. rules implementing the Basel III liquidity coverage ratio and net stable funding ratio to the combined U.S. operations (including U.S. branch operations) of certain large foreign banking organizations. The scope and timing for the implementation of these liquidity requirements as well as additional expected changes to the capital and stress testing requirements and their impact on the Bank is difficult to predict at this point. On 15 December 2016, the Federal Reserve Board issued final rules that implement in the United States the Financial Stability Board's standards for a TLAC framework (the "**U.S. TLAC rules**"). The final rules require, among other things, the Bank's U.S. IHC to maintain minimum levels of TLAC, consisting of the IHC's Tier 1 capital plus a minimum amount of long-term debt satisfying certain eligibility criteria, and a related TLAC buffer. The Bank will be subject to these requirements commencing 1 January 2019. The Bank's U.S. IHC will be required to issue this long-term debt internally to the Bank or any foreign affiliate that is wholly owned, directly or indirectly, by the Bank, for so long as the Bank's U.S. IHC is considered a "non-resolution covered IHC" under the U.S. TLAC rules, meaning the Bank is subject to a single-point-of-entry resolution strategy that does not involve the U.S. IHC entering to resolution or similar proceedings in the United States. The rules also impose limitations on the types and amount of other financial transactions that the Bank's U.S. IHC may engage in. On 23 September 2016, the Federal Reserve Board proposed additional prudential requirements with respect to the physical commodity activities of financial holding companies ("**FHCs**") (such as the Bank), including significantly elevated capital requirements for physical commodity activities (and for investments in merchant banking companies that engage in physical commodity activities) that, according to the Federal Reserve Board, have the potential to expose an FHC to environmental liability. Finally, the "Volcker Rule", adopted by the U.S. regulatory authorities in December 2013, places certain restrictions on the ability of U.S. and non-U.S. banking entities, including the Bank and its affiliates, to engage in proprietary trading and to sponsor or invest in private equity and hedge funds. The Bank was generally required to come into compliance with the Volcker Rule by July 2015, although the Federal Reserve Board extended the conformance deadline for pre-2014 "legacy" investments in and relationships with private equity funds and hedge funds until 21 July 2017. In June 2017, the Federal Reserve Board granted the Bank an extended transition period to conform investments in certain illiquid funds under the Volcker Rule for an additional five years (i.e., until 21 July 2022). The Volcker Rule's implementing regulations are highly complex and may be subject to further regulatory amendments, interpretation and guidance, and its full impact will not be known with certainty for some time. U.S. regulators have also recently adopted or proposed new rules regulating OTC derivatives activities under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"). In late 2015, the Federal Reserve Board and other U.S. banking regulators finalized margin requirements applicable to uncleared swaps and security-based swaps entered into by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants that are regulated by one of the U.S. banking regulators, including the Bank. These margin requirements, which began to come into effect in phases beginning in September 2016, require the Bank to post and collect additional, high-quality collateral for certain transactions, increasing the costs of uncleared swaps and security-based swaps offered by the Bank to its customers who are "U.S. persons" as defined under the rules which apply globally. The U.S. Commodity Futures Trading Commission also finalized rules in 2016 that will require additional interest rate swaps to be cleared, which are expected to come into effect in phases based on the implementation of parallel clearing requirements in non-U.S. jurisdictions and in any event by October 2018, and has also proposed rules that would apply position limits to certain physical commodity swaps. The U.S. Securities and Exchange Commission also finalized rules in 2015 and 2016 regarding the registration of security-based swap dealers and major security-based swap participants, business conduct and trade acknowledgment and verification requirements for such entities, and obligations relating to transparency and mandatory reporting of security-based swap transactions. Further rules and regulations are expected in 2018 to complete this regulatory framework. The scope and timing for the implementation of these requirements, and therefore their impact on the Bank's swap business, is difficult to predict at this stage.

In sum, extensive legislative and regulatory reform in respect of financial institutions has been enacted in recent years and some remains in progress. In addition, following the 2016 U.S. presidential election, there is uncertainty surrounding the regulatory agenda of the administration which includes proposals to repeal or significantly reduce a number of elements of the Dodd-Frank Act. It is impossible to accurately predict which additional measures will be adopted or to determine the exact content of such measures and, given the complexity and uncertainty of a number of these measures, their ultimate impact on the Bank. The overall effect of these measures, whether already adopted or in the process of being adopted, has been and may further be to restrict the Bank's ability to allocate and apply capital and funding resources, limit its ability to diversify risk, reduce the availability of certain funding and liquidity resources, increase its funding costs, increase the cost for or reduce the demand for the products and services it offers, result in the obligation to carry out internal reorganizations, structural changes or divestitures, affect its ability to conduct (or impose limitations on) certain types of business as currently conducted, limit its ability to attract and retain talent, and, more generally, affect its competitiveness and profitability, which would in turn have an adverse effect on its business, financial condition, and results of operations.

The Bank is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates.

The Bank faces the risk of changes in legislation or regulation in all of the countries in which it operates, including, but not limited to, the following:

- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which the Group operates;
- changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable governance, remunerations, capital adequacy and liquidity frameworks, restrictions on activities considered as speculative and recovery and resolution frameworks;
- changes in securities regulations as well as in financial reporting, disclosure and market abuse regulations;
- changes in the regulation of certain types of transactions and investments, such as derivatives and securities financing transactions and money market funds;
- changes in the regulation of market infrastructures, such as trading venues, central counterparties, central securities depositories, and payment and settlement systems;
- changes in the regulation of payment services, crowdfunding and fintech;
- changes in the regulation of data privacy and cybersecurity;
- changes in tax legislation or the application thereof;
- changes in accounting norms;
- changes in rules and procedures relating to internal controls, risk management and compliance; and
- expropriation, nationalisation, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect the Bank and have an adverse effect on its business, financial condition and results of operations. Some reforms not aimed specifically at financial institutions, such as measures relating to the funds industry or promoting technological innovation (such as open data projects), could facilitate the entry of new players in the financial services sector or otherwise affect the Bank's business model, competitiveness and profitability, which could in turn affect its financial condition and results of operations.

The Bank may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties.

The Bank is exposed to regulatory compliance risk, i.e. the failure to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging and even conflicting legal or regulatory requirements. Besides damage to the Bank's reputation and private rights of action (including class actions introduced into French law in 2014), non-compliance could lead to material legal proceedings, fines and expenses (including fines and expenses in excess of recorded provisions), public reprimand, enforced suspension of operations or, in extreme cases, withdrawal by the authorities of operating licenses. This risk is further exacerbated by continuously increasing regulatory scrutiny of financial institutions as well as substantial increases in the quantum of applicable fines and penalties. Moreover, litigation by private parties against financial institutions has substantially increased in recent years. Accordingly, the Bank faces significant legal risk in its business, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms have substantially increased in recent years and may increase further.

In this respect, on 30 June 2014 the Bank entered into a series of agreements with, and was the subject of several orders issued by, U.S. federal and New York state government agencies and regulatory authorities including the U.S. Department of Justice, the New York County District Attorney's Office, the U.S. Attorney's Office for the Southern District of New York, the Board of Governors of the Federal Reserve System, the Office of Foreign Assets Control of the U.S. Department of the Treasury and the New York State Department of Financial Services, in settlement of investigations into violations of U.S. laws and regulations regarding economic sanctions. The fines and penalties imposed on the Bank as part of this settlement included, among other things, the payment of monetary penalties amounting in the aggregate to $8.97 billion (€6.6 billion), guilty pleas by BNP Paribas S.A., the parent company of the BNP Paribas group, to charges of having violated U.S. federal criminal law (conspiracy to violate the Trading with the Enemy Act and the International Emergency Economic Powers Act) and New York State criminal law (conspiracy and falsifying business records), and the suspension of the New York branch of BNP Paribas for (a) a one-year period (2015) of USD direct clearing focused mainly on the Oil & Gas Energy and Commodity Finance business line in certain locations and (b) a two-year period of U.S. dollar clearing as a correspondent bank for unaffiliated third party banks in New York and London. Following this settlement, the Bank remains subject to increased scrutiny by regulatory authorities (including via the presence within the Bank of an independent consultant) who are monitoring its compliance with a remediation plan agreed with them.

The Bank is currently involved in various litigations and investigations as summarized in Note 7.b "Contingent liabilities: legal proceedings and arbitration" to its 2017 consolidated financial statements. It may become involved in further such matters at any point. No assurance can be given that an adverse outcome in one or more of such matters would not have a material adverse effect on the Bank's operating results for any particular period.

Risks Related to the Bank, its Strategy, Management and Operations

Risks related to the implementation of the Bank's strategic plans and commitment to environmental responsibility.

The Bank has announced a strategic plan for the 2017-2020 period presented on 7 February 2017. This plan contemplates a number of initiatives, including the implementation of new customer pathways, the digital transformation of the Bank, continuing to improve operating efficiency and various business development initiatives.

The plan includes a number of financial targets and objectives relating to net banking income, operating costs, net income, capital adequacy ratios and return on equity, among other things. These financial targets and objectives were established primarily for purposes of internal planning and allocation of resources, and are based on a number of assumptions with regard to business and economic conditions.

The Bank's actual results could vary significantly from these targets and objectives for a number of reasons, including the occurrence of one or more of the risk factors described elsewhere in this section.

Additionally, as part of the Bank's commitment to environmental responsibility within its Corporate Social Responsibility (CSR) policy, it has announced a number of initiatives to support the energy transition towards a low-carbon economy, including a reduction in financing for energies with the most negative environmental impact. These measures (and any future ones along similar lines) may in certain cases adversely affect the Bank's results in the relevant sectors.

The Bank may experience difficulties integrating acquired companies and may be unable to realise the benefits expected from its acquisitions.

The Bank makes acquisitions on a regular basis. Integrating acquired businesses is a long and complex process. Successful integration and the realisation of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realisation. Moreover, the integration of the Bank's existing operations with those of the acquired operations could interfere with the respective businesses and divert management's attention from other aspects of the Bank's business, which could have a negative impact on the business and results of the Bank. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

Although the Bank undertakes an in-depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. As a result, the Bank may increase its exposure to doubtful or troubled assets and incur greater risks as a result of its acquisitions, particularly in cases in which it was unable to conduct comprehensive due diligence prior to the acquisition.

Intense competition by banking and non-banking operators could adversely affect the Bank's revenues and profitability.

Competition is intense in all of the Bank's primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the banking industry could intensify as a result of consolidation in the financial services area or as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding platforms. In particular, competitors subject to less extensive regulatory requirements or to less strict capital requirements (*e.g.*, debt funds, shadow banks), or benefiting from economies of scale, data synergies or technological innovation (*e.g.*, internet and mobile operators, digital platforms, fintechs), could be more competitive. If the Bank is unable to respond to the competitive environment in France or in its other major markets by offering attractive and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the Bank and its competitors. It is also possible that the presence in the global marketplace of State-owned financial institutions, or financial institutions benefiting from State guarantees or other similar advantages, or the imposition of more stringent requirements (particularly capital requirements and business restrictions) on large or systemically significant financial institutions, could lead to distortions in competition in a manner adverse to large private-sector institutions such as the Bank.

A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect the Bank's results of operations and financial condition.

In connection with its lending activities, the Bank regularly establishes provisions for loan losses, which are recorded in its profit and loss account under "cost of risk". The Bank's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. Although the Bank seeks to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of deteriorating economic conditions or other causes. Any significant increase in provisions for loan losses or a significant change in the Bank's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on the Bank's results of operations and financial condition.

The Bank also establishes provisions for contingencies and charges including in particular provisions for litigations. Any loss arising from a risk that has not already been provisioned or that is greater than the amount of the provision would have a negative impact on the Bank's results of operation and, potentially, its financial condition.

The Bank's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.

The Bank has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, the Bank's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic and market environments or against all types of risk, particularly risks that the Bank may have failed to identify or anticipate. The Bank's ability to assess the creditworthiness of its customers or to estimate the values of its assets may be impaired if, as a result of market turmoil such as that experienced in recent years, the models and approaches it uses become less predictive of future behaviour, valuations, assumptions or estimates. Some of the Bank's qualitative tools and metrics for managing risk are based on its use of observed historical market behaviour. The Bank applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process the Bank uses to estimate losses inherent in its credit exposure or estimate the value of certain assets requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of its borrowers to repay their loans or impact the value of assets, which may, during periods of market disruption, be incapable of accurate estimation and, in turn, impact the reliability of the process. These tools and metrics may fail to predict future risk exposures, e.g., if the Bank does not anticipate or correctly evaluate certain factors in its statistical models, or upon the occurrence of an event deemed extremely unlikely by the tools and metrics. This would limit the Bank's ability to manage its risks. The Bank's losses could therefore be significantly greater than the historical measures indicate. In addition, the Bank's quantified modelling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.

The Bank's hedging strategies may not prevent losses.

If any of the variety of instruments and strategies that the Bank uses to hedge its exposure to various types of risk in its businesses is not effective, the Bank may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the Bank holds a long position in an asset, it may hedge that position by taking a short position in another asset where the short position has historically moved in a direction that would offset a change in the value of the long position. However, the hedge may only be partial, or the strategies used may not protect against all future risks or may not be fully effective in mitigating the Bank's risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of the Bank's hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the Bank's reported earnings.

Adjustments to the carrying value of the Bank's securities and derivatives portfolios and the Bank's own debt could have an impact on its net income and shareholders' equity.

The carrying value of the Bank's securities and derivatives portfolios and certain other assets, as well as its own debt, in its balance sheet is adjusted as of each financial statement date. Most of the adjustments are made on the basis of changes in fair value of its assets or its debt during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect its consolidated revenues and, as a result, its net income. All fair value adjustments affect shareholders' equity and, as a result, its capital adequacy ratios. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.

The expected changes in accounting principles relating to financial instruments may have an impact on the Bank's balance sheet, income statement and regulatory capital ratios and result in additional costs.

In July 2014, the International Accounting Standards Board published International Financial Reporting Standard 9 ("**IFRS 9**") "Financial Instruments" adopted by the European Union, which replaced IAS 39 as from 1 January 2018. The standard amends and complements the rules on the classification and measurement of financial instruments and will lead the Bank to record certain reclassifications in substantial amounts on its balance sheet. The new standard includes an impairment model based on expected credit losses ("**ECL**"), while the IAS 39 model was based on provisions for incurred losses, and new rules on general hedge accounting. The new approach based on ECL will result in substantial additional impairment charges for the Bank and could add volatility to its regulatory capital ratios, and the costs incurred by the Bank relating to the implementation of such norms may have a negative impact on its results of operations; see note 1 to the 31 December 2017 financial statements for a detailed discussion of the transition to IFRS 9.

The Bank's competitive position could be harmed if its reputation is damaged.

Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to the Bank's ability to attract and retain customers. The Bank's reputation could be harmed if it fails to adequately promote and market its products and services. The Bank's reputation could also be damaged if, as it increases its client base and the scale of its businesses, the Bank's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address conflicts of interest properly. At the same time, the Bank's reputation could be damaged by employee misconduct, fraud or misconduct by market participants to which the Bank is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action such as the settlement the Bank entered into in with the U.S. authorities for violations of U.S. laws and regulations regarding economic sanctions. Such risks to reputation have recently increased as a result of the growing use of social networks within the economic sphere. The loss of business that could result from damage to the Bank's reputation could have an adverse effect on its results of operations and financial position.

An interruption in or a breach of the Bank's information systems may result in material losses of client or customer information, damage to the Bank's reputation and lead to financial losses.

As with most other banks, the Bank relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services, and the development of cloud computing and blockchain technologies. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Bank's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems. The Bank cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. An increasing number of companies (including financial institutions) have in recent years experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorised access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognised until launched against a target, the Bank and its third-party service providers may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. Any failures of or interruptions in the Bank's information systems or those of its providers and any subsequent disclosure of confidential information related to any client, counterpart or employee of the Bank (or any other person) or any intrusion or attack against the Bank's communication system could cause significant losses and have an adverse effect on the Bank's reputation, financial condition and results of operations.

Unforeseen external events may disrupt the Bank's operations and cause substantial losses and additional costs.

Unforeseen events such as an adverse change in the political, military or diplomatic environments, political and social unrest, severe natural disasters or climate change-related events, a pandemic, terrorist attacks, military conflicts, cyber-attacks or other states of emergency could affect the demand for the products and services offered by the Bank, or lead to an abrupt interruption of the Bank's operations, in France or abroad, and could cause substantial losses that may not necessarily be covered by an insurance policy. Such losses can relate to property, financial assets, trading positions, personal data and key employees. Such unforeseen events could also lead to temporary or longer-term business interruption, additional costs (such as relocation of employees affected) and increase the Bank's costs (particularly insurance premiums)."

AMENDMENTS TO THE FRENCH TAXATION SECTION

The section "**FRENCH TAXATION**" on pages 468 to 470 of the Base Prospectus is deleted in its entirety and replaced with the following:

"*This overview is based on the laws and regulations in full force and effect in France as at the date of this Base Prospectus, which may be subject to change in the future, potentially with retroactive effect. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. Prospective investors are therefore advised to consult their own qualified advisers so as to determine, in the light of their individual situation, the tax consequences of the subscription, purchase, holding, redemption or disposal of the Securities.*

Withholding tax on Securities issued by BNPP

The treatment regarding withholding tax on payments in relation to Securities issued by BNPP will depend on the nature and characterisation of the relevant Securities.

Securities constituting debt instruments for French tax purposes

The following may be relevant to holders of Securities issued by BNPP who do not concurrently hold shares of BNPP.

Securities which are not consolidated (*assimilables* for the purpose of French law) with Securities issued before 1 March 2010

Payments of interest and other revenues with respect to Securities issued by BNPP which constitute debt instruments for French tax purposes (other than Securities which are consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Securities are made outside France in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues with respect to such Securities will not be deductible from BNPP's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to an account held with a financial institution established in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of (i) 12.8 per cent. for payments benefiting individuals who are not French tax residents, (ii) 30 per cent. (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons who are not French tax residents or (iii) 75 per cent. for payments made outside France in a Non-Cooperative State (subject to certain exceptions described below and the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the Deductibility Exclusion will apply in respect of an issue of Securities if BNPP can prove that the principal purpose and effect of such issue of Securities was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 n°550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 n°70 and 80 and BOI-IR-DOMIC-10-20-20-60-20150320 n°10, an issue of Securities will benefit from the Exception without BNPP having to provide any proof of the purpose and effect of such issue of Securities, if such Securities are:

(a) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(b) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(c) admitted, at the time of their issue, to the operations of a central depositary or of a securities delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier,* or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Securities which are consolidated (*assimilables* for the purpose of French law) with Securities issued before 1 March 2010

Payments of interest and other revenues with respect to Securities issued by BNPP which constitute debt instruments for French tax purposes and which are consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts* will be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Securities issued before 1 March 2010, whether denominated in Euro or in any other currency, constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the *Bulletin Officiel des Finances Publiques-Impôts* BOI-RPPM-RCM-30-10-30-30-20140211, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside France for the purpose of Article 131 *quater* of the French *Code général des impôts,* in accordance with the above mentioned *Bulletin Officiel des Finances Publiques-Impôts*.

In addition, interest and other revenues paid by BNPP on Securities which constitute debt instruments for French tax purposes, which are issued from 1 March 2010 and which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Securities issued before 1 March 2010 will not be subject to the Deductibility Exclusion, and hence will not be subject to the withholding tax set out in Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Securities held by individuals who are fiscally domiciled in France

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A I of the French *Code général des impôts*, subject to certain exceptions, interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8 per cent.

withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of 17.2 per cent. on such interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

Securities issued by BNPP not constituting debt instruments for French tax purposes

Payments with respect to Securities issued by BNPP which do not constitute debt instruments for French tax purposes should not be subject to, or should be exempt from, withholding tax provided that the beneficial owner of such Securities and the payments thereunder is resident or domiciled in a country which has entered into an appropriate double tax treaty with France, fulfils the relevant requirements provided in such treaty and payments under the relevant Securities are not paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State.

In addition, payments in respect of such Securities may, in certain circumstances, be non-deductible (in whole or in part) for French tax purposes if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, and subject to the more favourable provisions of an applicable double tax treaty, such non-deductible payments may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts* subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* at a rate of up to 75 per cent..

Potential purchasers of Securities who are resident or domiciled in a country which has not entered into an appropriate double tax treaty with France or who are domiciled or established in a Non-Cooperative State are advised to consult their own appropriate independent and professionally qualified tax advisors as to the tax consequences of any investment in, ownership of, or transactions involving the Securities.

Transfer tax and other taxes

The following may be relevant in connection with Securities which may be settled or redeemed by way of physical delivery of (i) certain French listed shares (or assimilated securities) or (ii) securities representing such listed shares (or assimilated securities).

Pursuant to Article 235 *ter* ZD of the French *Code général des impôts*, a financial transaction tax (the "**French FTT**") is applicable to any acquisition for consideration of an equity security (*titre de capital*) as defined by Article L.212-1 A of the French *Code monétaire et financier* or of an assimilated equity security (*titre de capital assimilé*) as defined by Article L.211-41 of the French *Code monétaire et financier*, admitted to trading on a recognised stock exchange where such acquisition results in a transfer of ownership and the said security is issued by a company whose registered office is located in France and whose market capitalisation exceeds 1 billion Euros on 1 December of the year preceding the year in which the imposition occurs (the "**French Shares**"). The French FTT also applies to the acquisition of securities (*titres*) representing the French Shares (irrespective of the location of the registered office of the issuer of such securities). The French FTT could apply in certain circumstances to the acquisition of French Shares (or securities representing the French Shares) in connection with the exercise, settlement or redemption of any Securities.

There are a number of exemptions from the French FTT and investors should consult their counsel to identify whether they can benefit from them.

The rate of the French FTT is 0.3 per cent. of the acquisition value of the securities (or securities representing the French Shares).

If the French FTT applies to an acquisition of shares, this transaction is exempt from transfer taxes (*droits de mutation à titre onéreux*) which generally apply at a rate of 0.1 per cent. to the sale of shares issued by a company whose registered office is located in France, provided that in case of shares listed on a recognised stock exchange, transfer taxes are due only if the transfer is evidenced by a written deed or agreement."

AMENDMENTS TO THE GENERAL INFORMATION SECTION

The section "**GENERAL INFORMATION**" on pages 493 to 498 of the Base Prospectus is amended as follows:

(a) the first paragraph under the heading "**5. Material Adverse Change**" is deleted in its entirety and replaced with the following:

"There has been no material adverse change in the prospects of BNPP or the Group since 31 December 2017 (being the end of the last financial period for which audited financial statements have been published)."

(b) the first paragraph under the heading "**7. Significant Change**" is deleted in its entirety and replaced with the following:

"There has been no significant change in the financial or trading position of BNPP or the BNPP Group since 31 December 2017 (being the end of the last financial period for which audited financial statements have been published)."

(c) The heading "**16. Capitalization of BNPP and the BNP Paribas Group**" and the table below such heading on pages 497 to 498 of the Base Prospectus are deleted and replaced with the following:

16. Capitalization and Medium and Long Term Debt Indebtedness Over One Year of BNPP and the BNP Paribas Group

BNP Paribas consolidated capitalization and medium and long term debt indebtedness over one year Group accounting method		
In Millions of Euros	**BNP PARIBAS GROUP** 31 December 2017 **(audited)**	**BNP PARIBAS GROUP** 31 December 2016 **(audited)**
Senior preferred debt at fair value through profit or loss	36,278	36,053
Senior preferred debt at amortised cost	52,154	58,205
Total Senior Preferred Debt............	**88,432**	**94,258**
Senior non-preferred debt at amortised cost	10,964	0
Total Senior Non-Preferred Debt	**10,964**	**0**
Redeemable subordinated debt at amortised cost	13,357	12,341
Undated subordinated notes at amortised cost	1,593	1,627

Undated participating subordinated notes at amortised cost	222	222
Redeemable subordinated notes at fair value through profit or loss	122	162
Perpetual subordinated debt at fair value through profit or loss[1]	669	588
Preferred shares and equivalent instruments	8,172	8,430
Total Subordinated Debt	**24,135**	**23,370**
Issued capital	2,498	2,494
Additional paid-in capital	24,553	24,454
Retained earnings	59,861	55,754
Unrealised or deferred gains and losses attributable to Shareholders	3,130	6,169
Total Shareholders' Equity and Equivalents (net of proposed dividends)	**90,042**	**88,871**
Minority interests (net of proposed dividends)..	**5,127**	**4,431**
Total Capitalization and Medium-to-Long Term Indebtedness	**218,700**	**210,930**

1 Carrying amount of cash, of which the amount eligible for Tier 1 is EUR162 million in 2016 and 2017.

RESPONSIBILITY STATEMENT

Each of BNPP B.V. (in respect of itself) and BNPP (in respect of itself and BNPP B.V.) accepts responsibility for the information contained in this Fourth Supplement. To the best of the knowledge of each of BNPP B.V. and BNPP (who have taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Information contained in this Fourth Supplement which is sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.