

**Third Supplement dated 18 February 2015**  
**to the Warrant and Certificate Programme Base Prospectus dated 22 August 2014**



**BNP PARIBAS**

**BNP Paribas Arbitrage Issuance B.V.**

*(incorporated in The Netherlands)*

*(as Issuer)*

**BNP Paribas**

*(incorporated in France)*

*(as Guarantor)*

**Warrant and Certificate Programme**

This Third supplement (the "**Third Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 22 August 2014 (the "**Base Prospectus**"), the first supplement to the Base Prospectus dated 15 September 2014 (the "**First Supplement**") and the second supplement to the Base Prospectus dated 18 December 2014 (the "**Second Supplement**"), in relation to the Warrant and Certificate Programme (the "**Programme**") of BNP Paribas Arbitrage Issuance B.V. ("**BNPP B.V.**").

The Base Prospectus, the First Supplement and the Second Supplement together constitute a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of 4 November 2003 (the "**Prospectus Directive**") as amended (which includes the amendments made by Directive 2010/73/EU) 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, the First Supplement and the Second Supplement on 22 August 2014, 15 September 2014 and 18 December 2014 respectively. Application has been made to the AFM on 18 February 2015 for approval of this Third Supplement in its capacity as competent authority. The AFM approved the Third Supplement on 18 February 2015.

BNP Paribas ("**BNPP**") (in respect of itself and BNPP B.V.) and BNPP B.V. (in respect of itself) accept responsibility for the information contained in this Third Supplement, 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 shall have the same meanings when used in this Third Supplement.

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

The Third Supplement is available via BNPP's website: [www.produitsdebourse.bnpparibas.fr](http://www.produitsdebourse.bnpparibas.fr); [www.bnpparibasmarkets.be](http://www.bnpparibasmarkets.be); [www.bnpparibasmarkets.nl](http://www.bnpparibasmarkets.nl).

This Third 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 Third Supplement has been prepared for the purposes of:

- (A) giving disclosure in respect of a press release and related presentation dated 5 february 2015 issued by BNP Paribas;
- (B) amending the "Programme Summary in relation to this Base Prospectus" and the "Pro Forma Issue Specific Summary of the Programme in relation to this Base Prospectus"; and
- (C) amending the General Information Section.

The amendments referred to in (B) and (C) above have been made to reflect the updated disclosure referred to in (A).

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 Third Supplement is published, have already agreed to purchase or subscribe for Securities issued under the Programme by BNPP B.V. have the right, exercisable before the end of the period of two working days beginning with the working day after the date of publication of this Third Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 20 February 2015.

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## **PRESS RELEASE AND RELATED PRESENTATION DATED 5 FEBRUARY 2015**

BNP Paribas have released the following press release and presentation dated 5 February 2015 relating to the unaudited financial information of BNP Paribas for the fourth quarter ended 31 December 2014 and the unaudited figures for the year ended 31 December 2014.



# 2014 FULL YEAR RESULTS

**PRESS RELEASE**  
Paris, 5 February 2015

- REVENUE GROWTH IN ALL THE OPERATING DIVISIONS
- VERY GOOD PERFORMANCE OF THE SPECIALISED BUSINESSES

**REVENUES: + 3.2%\* vs. 2013**

## **GROWTH IN GROSS OPERATING INCOME**

**GROSS OPERATING INCOME: +5.6%\* vs. 2013**

## **LOWER COST OF RISK**

**COST OF RISK: -2.5% vs. 2013**

## **NET INCOME EXCLUDING EXCEPTIONAL ITEMS**

**€7.0BN\***

## **VERY SIGNIFICANT ONE-OFF ITEMS IN 2014**

**-€7.4BN**

*OF WHICH COSTS RELATED TO THE SETTLEMENT WITH THE U.S. AUTHORITIES: -€6 BN*

⇒ **NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS: €157M**

## **ROCK-SOLID BALANCE SHEET: QUALITY OF THE ASSETS CONFIRMED BY THE AQR RESULTS**

**BASEL 3 CET 1 RATIO: 10.3%\*\***



## **GOOD OPERATING PERFORMANCE IN 2014**

\* EXCLUDING ONE-OFF ITEMS; \*\* AS AT 31 DECEMBER 2014, RATIO TAKING INTO ACCOUNT ALL THE RULES OF THE CRD4 DIRECTIVES WITH NO TRANSITORY PROVISIONS (FULLY LOADED)



The Board of Directors of BNP Paribas met on 4 February 2015. The meeting was chaired by Jean Lemierre and the Board examined the Group's results for the fourth quarter and endorsed the 2014 financial statements.

## **GOOD OPERATING PERFORMANCE BUT SIGNIFICANT IMPACT OF ONE-OFF ITEMS IN 2014**

The Group's results reflect this year the negative impact of significant one-off items. Excluding these items, the Group delivered a good operating performance thanks to its diversified business model and to the trust of its institutional, corporate and individual clients. The Group made three bolt-on acquisitions this year with the buyout of the remaining 50% equity interest in LaSer, as well as the acquisitions of Bank BGZ in Poland and of DAB Bank in Germany.

Revenues totalled 39,168 million euros, up 2.0% compared to 2013. They included this year one-off items that totalled -324 million euros (+147 million euros in 2013): a -459 million euro Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA), -166 million euros as a result of the introduction of the Funding Valuation Adjustment (FVA) at Fixed Income and +301 million euros in capital gains from the one-off sale of securities. Excluding one-off items, revenues rose by 3.2%.

The revenues of the operating divisions rose by 1.9%<sup>1</sup> compared to 2013, with in particular a very good performance by the specialised businesses. Revenues were up in all the operating divisions: +2.0%<sup>2</sup> at Retail Banking<sup>3</sup>, +3.7%<sup>2</sup> at Investment Solutions and +2.1%<sup>1</sup> for Corporate and Investment Banking.

Operating expenses, which amounted to 26,526 million euros, were up by 2.1%. They included the one-off impact of 717 million euros in Simple & Efficient transformation costs (661 million euros in 2013).

The operating expenses of the operating divisions were up 1.7%<sup>2</sup>. The increase related to the business development plans is limited thanks to the effects of Simple & Efficient. Operating expenses were up by 1.2%<sup>2</sup> at Retail Banking<sup>3</sup>, 2.9%<sup>2</sup> at Investment Solutions and 2.2%<sup>2</sup> for CIB.

Gross operating income was up 1.6% at 12,642 million euros (+5.6% excluding exceptional items). It was up by 2.2%<sup>1</sup> for the operating divisions.

The Group's cost of risk was down 2.5%, at 3,705 million euros (57 basis points of outstanding customer loans), reflecting the Group's good risk control. It includes a one-off 100 million euro provision due to the situation in Eastern Europe.

The Group booked the impact of the comprehensive settlement with the U.S. authorities regarding the review of certain USD transactions which included, among other things, the payment by BNP Paribas of a total of 8.97 billion dollars in penalties (6.6 billion euros). Given the amounts already provisioned, the Group booked this year a one-off charge for a total amount of 6 billion euros, of which 5,750 millions in penalties, and 250 million euros corresponding to the future costs of the remediation plan announced as part of the comprehensive settlement.

<sup>1</sup> At constant scope and exchange rates, excluding one-off items

<sup>2</sup> At constant scope and exchange rates

<sup>3</sup> Including 100% of Private Banking of the domestic markets, BancWest and TEB (excluding PEL/CEL effects)



Non operating items totalled 212 million euros. They included in particular this year a -297 million euro impairment of BNL bc's goodwill. Non operating items totalled +397 million euros in 2013 and included in particular -171 million euros in one-off items.

Pre-tax income thus came to 3,149 million euros compared to 8,239 millions in 2013. Excluding one-off items<sup>1</sup>, it was up by 8.9%.

The Group generated 157 million euros in net income attributable to equity holders (4,818 million euros in 2013). Excluding one-off items<sup>1</sup>, it totalled 7,049 million euros.

The Group's balance sheet is rock-solid. At 31 December 2014, the fully loaded Basel 3 common equity Tier 1 ratio<sup>2</sup>, which factors in the results of the banks' Asset Quality Review (AQR) performed by the European Central Bank (ECB) and the early introduction of Prudent Valuation Adjustment (PVA), was 10.3%. The fully loaded Basel 3 leverage ratio<sup>3</sup> came to 3.6%<sup>4</sup>. The Liquidity Coverage Ratio was 114%. Lastly, the Group's immediately available liquidity reserve was 291 billion euros (247 billion euros as at 31 December 2013), equivalent to over one year of room to manoeuvre in terms of wholesale funding.

The net book value per share<sup>5</sup> was 61.7 euros, or a compounded annualised growth rate of 4.5% since 31<sup>st</sup> December 2008.

The Board of Directors will propose to shareholders at the Shareholders' Meeting to pay out the same amount of dividend paid last year, i.e. €1.50 per share to be paid in cash.

Lastly, the Group is actively implementing the remediation plan agreed as part of the comprehensive settlement with the U.S. authorities and is reinforcing its internal control and compliance setup.

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\* \*

In the fourth quarter 2014, revenues came to 10,150 million euros, up 7.2% compared to the fourth quarter 2013. They benefited in particular from the scope effect as a result of LaSer becoming a wholly-owned company and the acquisition of Bank BGZ in Poland. One-off revenue items were negligible as in the fourth quarter 2013. At constant scope and exchange rates, revenues of the operating divisions were up by 1.1% with a 3.3% rise at Retail Banking<sup>6</sup> and a 1.5% increase at Investment Solutions, and a 3.9% decline for CIB.

Operating expenses were up 2.0%, at 7,004 million euros. They included this quarter -229 million euros in one-off Simple & Efficient transformation costs (-287 million euros in the fourth quarter 2013). The rise was 3.0% excluding one-off items. However, at constant scope and exchange rates, operating expenses of the operating divisions decreased by 1.2%.

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<sup>1</sup> See page 33

<sup>2</sup> Ratio taking in account all the CRD4 rules with no transitory provisions

<sup>3</sup> Ratio taking in account all the CRD4 rules with no transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014

<sup>4</sup> Including the forthcoming replacement of Tier 1 instruments that have become ineligible with equivalent eligible instruments

<sup>5</sup> Not revaluated

<sup>6</sup> Including 100% of Private Banking of the domestic markets, BancWest and TEB (excluding PEL/CEL effects)



Gross operating income came to 3,146 million euros, up by 20.8% compared to the fourth quarter 2013. It was up 16.6% excluding one-off items. At constant scope and exchange rates, it was up by 6.2% for the operating divisions.

The cost of risk, at 1,012 million euros, was stable overall (-0.4% compared to the fourth quarter 2013) and totalled 60 basis points of outstanding customer loans.

The Group booked the one-off impact of an additional 50 million euro provision related to the future costs of the remediation plan announced as part of the comprehensive settlement with the U.S. authorities. In the fourth quarter 2013, the Group had booked a 798 million euro provision (1.1 billion dollars), in anticipation of this settlement.

Non operating items totalled -190 million euros. They included in particular this quarter a -297 million euro impairment of BNL bc's goodwill. They were -30 million euros in the fourth quarter 2013 and included -252 million euros in one-off items.

Pre-tax income thus came to 1,894 million euros (761 million euros in the fourth quarter 2013). Excluding one-off items<sup>1</sup>, it was up 17.5% compared to the same period a year earlier.

Thus in the fourth quarter 2014, BNP Paribas posted 1,304 million euros in net income attributable to equity holders (110 million euros in the fourth quarter 2013). Excluding the impact of one-off items<sup>1</sup>, it totalled 1,785 million euros.

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<sup>1</sup> See page 33



**RETAIL BANKING****DOMESTIC MARKETS**

For the whole of 2014, Domestic Markets posted an overall good performance in a lacklustre environment. Deposits grew by 3.6% compared to 2013, with good growth in France, in Belgium and at Consorsbank in Germany. Outstanding loans declined slightly by 0.3% with the gradual stabilisation of demand. The sales and marketing drive of Domestic Markets was reflected in the number 1 position in cash management in Europe, as well as in France and in Belgium, and in the successful launch of Hello bank! which has already 800,000 clients in Germany, Belgium, France and Italy. Furthermore, Domestic Markets rolled out in all the networks new branch layouts with differentiated formats and new customer in-branch experience.

Revenues<sup>1</sup>, at 15,700 million euros, were up 1.3% compared to 2013, with good growth at BRB and in the specialised businesses (Arval, Leasing Solutions and Personal Investors) partly offset by the effects of a persistently low interest rate environment. Thanks to good cost containment, operating expenses<sup>1</sup>, at 9,981 million euros, were stable compared to a year earlier, helping Domestic Markets produce a positive 1.3 point jaws effect and continue improving its operating efficiency.

The cost/income ratio<sup>1</sup> thus again improved in France, Italy and Belgium, totalling 63.6% for the whole of Domestic Markets (-0.8 point compared to 2013).

Gross operating income<sup>1</sup> totalled 5,719 million euros, up 3.7% compared to a year earlier.

Given the rise in the cost of risk in Italy, and after allocating one-third of Private Banking's net income from Domestic Markets to the Investment Solutions division, pre-tax income<sup>2</sup> came to 3,372 million euros, down 3.7% compared to 2013.

In the fourth quarter 2014, revenues<sup>1</sup>, at 3,941 million euros, were up 2.0% compared to the fourth quarter 2013 due to the good growth in BRB and the specialised businesses, despite the impact of a persistently low interest rate environment. Operating expenses<sup>1</sup> totalled 2,603 million euros, up slightly 0.2% compared to the fourth quarter 2013. This good cost containment helped Domestic Markets produce a positive 1.8 point jaws effect. Gross operating income<sup>1</sup> totalled 1,338 million euros, up 5.7% compared to the same period a year earlier. The cost of risk totalled 506 million euros, down 3.6% compared to the fourth quarter 2013. Thus, after allocating one-third of Private Banking's net income from Domestic Markets to the Investment Solutions division, pre-tax income<sup>2</sup> came to 748 million euros, up 8.9% compared to the fourth quarter 2013.

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<sup>1</sup> Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg

<sup>2</sup> Excluding PEL/CEL effects

**French Retail Banking (FRB)**

For the whole of 2014, FRB held up well in a lacklustre environment. The business activity of FRB reflected in a good drive in deposits, which grew by 4.2% compared to 2013, with in particular strong growth in current accounts. Outstanding loans declined by 0.9% but rose by 0.1% in the fourth quarter 2014 compared to the fourth quarter 2013 with stabilisation in the individual customer segment and slight growth in the corporate customer segment. The commercial drive at FRB was illustrated by the good start of BNP Paribas Entrepreneurs 2016 (1,300 VSEs/SMEs supported at an international level) and by the support given to SMEs and innovative startups with the launch of the Innov&Connect programme and the success of the 14 Innovation Hubs which support already 1,000 start-up clients. BNP Paribas Factor strengthened its position by becoming number 1 in factoring in France and Private Banking confirmed its number 1 position in France posting a solid performance with assets under management up 6.0% compared to 2013.

Revenues<sup>1</sup> totalled 6,787 million euros, down 1.0% compared to 2013. Net interest income were down by 0.5% given a persistently low interest rate environment which compressed current account deposit margins. Fees were down by 1.7% due in particular to the capping of processing fees introduced by France's banking law since 1<sup>st</sup> January 2014.

Thanks to the continuing effect of operating efficiency measures, operating expenses<sup>1</sup> were down by 1.1% compared to 2013. The cost/income ratio<sup>1</sup> thus improved slightly by 0.1 point to 66.2%.

Gross operating income<sup>1</sup> totalled 2,294 million euros, down 0.8% compared to a year earlier.

The cost of risk<sup>1</sup> was still at a low level, at 28 basis points of outstanding customer loans. It was up 59 million euros compared to 2013.

Thus, after allocating one-third of French Private Banking's net income to the Investment Solutions division, FRB posted 1,753 million euros in pre-tax income<sup>2</sup> (-4.9% compared to 2013).

In the fourth quarter 2014, revenues<sup>1</sup> were down 1.8% compared to the fourth quarter 2013 with a 2.8% decrease in net interest income as a result of the persistently low interest rate environment and a slight 0.1% decline in fees due to the a decrease in processing fees. Operating expenses were down 1.5%<sup>1</sup> thanks to the continued improvement of the operating efficiency. Gross operating income<sup>1</sup> was thus down by 2.4%. The cost of risk<sup>1</sup> rose by 20 million euros compared to the fourth quarter 2013 and was still at a low level. FRB thus generated, after allocating one-third of French Private Banking's net income to the Investment Solutions division, 341 million euros in pre-tax income<sup>2</sup>, down 10.5% compared to the same period last year.

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<sup>1</sup> Excluding PEL/CEL effects, with 100% of French Private Banking

<sup>2</sup> Excluding PEL/CEL effects

**BNL banca commerciale (BNL bc)**

For the whole of 2014, BNL bc continued adapting its commercial model in a still challenging context. Outstanding loans declined by 2.2% compared to 2013 due to the selective repositioning on the corporate and small business segments and despite moderate rise in loans to individuals. Deposits were down by 6.8% due to a decline focused on the most costly deposits, in particular those of corporates. BNL bc posted good performance in off balance sheet savings with strong growth compared to 2013 of life insurance outstandings (+18.7%) and mutual funds (+24.9%) and Private Banking enjoyed a good business drive with 5.2% growth in assets under management. Lastly, in order to expand the distribution of savings products, BNL bc is launching this year *Promotori Finanziari*, its financial advisors' network.

Revenues<sup>1</sup> were down slightly (-0.6%) compared to 2013, at 3,219 million euros. Net interest income was down 0.3% due to the decrease in loan volumes partly offset by the favourable structural effect on deposits. Fees were down by 1.3% due to lower commissions from loans and despite the good performance of off balance savings.

Thanks to the effect of operating efficiency measures, operating expenses<sup>1</sup> were down by 0.7% compared to 2013, at 1,769 million euros.

Gross operating income<sup>1</sup> remained high at 1,450 million euros, down by only 0.5% compared to a year earlier. The cost/income ratio<sup>1</sup> was stable compared to 2013, at 55.0%.

The cost of risk<sup>1</sup>, at 179 basis points of outstanding customer loans, rose for its part by 193 million euros compared to 2013 due to the protracted recession in Italy. However, it stabilised in the second half of 2014.

After allocating one-third of Italian Private Banking's net income to the Investment Solutions division, BNL bc generated 23 million euros in pre-tax income, down by 90.2% compared to 2013.

In the fourth quarter 2014, revenues<sup>1</sup> were down by 2.3% compared to the fourth quarter 2013. Net interest income was down by 4.5%, an effect of the decline in volumes as a result of the selective repositioning on the corporate segment. Fees rose by 2.1% thanks to the very good performance of off balance sheet savings and despite lower fees from loans. Operating expenses<sup>1</sup> were down by 0.2% compared to the fourth quarter 2013 thanks to the effect of cost-cutting measures. The cost of risk<sup>1</sup>, at 167 basis points of outstanding customer loans, was stable compared to the fourth quarter 2013. Pre-tax income, at 3 million euros after allocating one-third of Italian Private Banking's net income to the Investment Solutions division, was thus down by 84.2% compared to the fourth quarter 2013.

**Belgian Retail Banking**

For the whole of 2014, Belgian Retail Banking had a good sales and marketing drive. Deposits rose by 5.1% compared to 2013 thanks in particular to the good growth of current and savings accounts. Loans were up by 2.1% over the period, due in particular to growth in loans to individual customers and the fact that loans to SMEs held up well. Moreover, BRB continued to develop digital banking with over 1 million downloads of the Easy Banking application for iPhone/iPad and Android since its launch in mid-2012.

<sup>1</sup> With 100% of Italian Private Banking



Revenues<sup>1</sup> were up 4.6% compared to 2013, at 3,385 million euros. Net interest income was up by 5.1%, as a result of increased volumes and the fact that margins held up well and fees were up by 3.3% due in particular to financial and credit fees.

Operating expenses<sup>1</sup> rose by 1.2% compared to 2013 due to the significant impact of systemic taxes, up 66 million euros compared to a year earlier, and partially offset by the significant improvement of operating efficiency in line with the Bank for the Future plan. The cost/income ratio<sup>1</sup> improved by 2.4 points at 71.9%.

At 951 million euros, gross operating income<sup>1</sup> was thus up significantly (+14.4%).

The cost of risk<sup>1</sup> was very low, at 15 basis points of outstanding customer loans, down 11 million euros compared to 2013.

Thus, after allocating one-third of Belgian Private Banking's net income to the Investment Solutions division, BRB generated 738 million euros in pre-tax income, up 15.7% compared to a year earlier.

In the fourth quarter 2014, revenues<sup>1</sup> rose by 8.7% due to the sharp rise in net interest income, as a result of increased volumes and the fact that margins held up well, and an increase in fees thanks to the good performance of financial and credit fees. Operating expenses<sup>1</sup> rose only by 1.7%, good cost containment reducing the significant impact of the increase in the systemic taxes. Gross operating income<sup>1</sup> rose by 60 million euros compared to the fourth quarter 2013. Given a cost of risk<sup>1</sup> down 20 million euros compared to the fourth quarter 2013, pre-tax income, after allocating one-third of Belgian Private Banking's net income to the Investment Solutions division, came to 194 million euros, up sharply (45.9%) compared to the fourth quarter 2013.

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

For the whole of 2014, the business activity of Domestic Markets' specialised businesses showed a good drive. At Arval, the financed fleet was up 3.0% compared to 2013, surpassing 700,000 vehicles. Leasing Solutions' outstandings were up by 1.2%<sup>2</sup> despite the continued reduction of the non-core portfolio. Lastly, at Personal Investors, there was strong growth in deposits (+18.6%), with a good level of new customers in Germany, and assets under management rose by 9.6% thanks to the performance effect and the business drive. Personal Investors also closed on the acquisition of DAB Bank in Germany on 17 December which will create the number 1 online broker and the 5<sup>th</sup> largest digital bank in Germany with 1.5 million customers and 63 billion euros in assets under management, of which 17 billion euros in deposits.

Luxembourg Retail Banking's outstanding loans grew by 1.4% compared to 2013 due to good growth in mortgage loans. Deposits were up by 3.6% with good asset inflows from corporate clients as a result of the development of cash management.

Revenues<sup>3</sup> were up 6.8% compared to 2013, at 2,309 million euros, due to a sharp rise in revenues from Arval (stemming from the development of business activity and a rise in used vehicle prices), from Leasing Solutions (in line with the increase in volumes and thanks to a selective policy in terms of profitability of transactions), and from Personal Investors (as a result of business development).

<sup>1</sup> With 100% of Belgian Private Banking

<sup>2</sup> At constant scope and exchange rates

<sup>3</sup> With 100% of Luxembourg Private Banking



Operating expenses<sup>1</sup> rose by 2.9% compared to 2013, at 1,285 million euros, as a result of business development, which helped produce a largely positive jaws effect (3.9 points). The cost/income ratio improved by 2.1 points, at 55.7%.

The cost of risk<sup>1</sup> was down 15 million euros compared to 2013.

On the whole, the contribution by these four business units to Domestic Markets' pre-tax income, after allocating one-third of Luxembourg Private Banking's net income to the Investment Solutions division, was up by 9.3% compared to 2013, at 858 million euros.

In the fourth quarter 2014, revenues<sup>1</sup> were up 10.2% compared to the fourth quarter 2013, at 604 million euros, thanks to the sharp rise in revenues from Arval, the good growth of Leasing Solutions' revenues and the sustained growth of Personal Investors. Operating expenses<sup>1</sup> rose by 4.3%, at 341 million euros as a result of business development. The cost of risk<sup>1</sup> was down 14 million euros compared to the same period a year earlier. On the whole, the contribution by these four business units to Domestic Markets' pre-tax income, after allocating one-third of Luxembourg Private Banking's net income to the Investment Solutions division, totalled 210 million euros, up sharply (36.4%) compared to the same period a year earlier.

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### **Europe-Mediterranean**

For the whole of 2014, Europe-Mediterranean maintained its strong sales and marketing drive. Deposits increased by 11.3%<sup>2</sup> compared to 2013, and were up across all countries with a sharp rise in Turkey. Loans grew by 12.1%<sup>2</sup>, driven by a rise in volumes in Turkey. The business closed this year on the acquisition of BGZ in Poland. This buyout will help create, along with BNP Paribas Polska and the Group's specialised businesses, a reference bank in this country with an over 4% market share.

Revenues<sup>3</sup>, at 2,104 million euros, rose by 10.2%<sup>2</sup> compared to 2013. Excluding the impact of new regulations on charging fees for overdrafts in Turkey and foreign exchange fees in Algeria since the beginning of the third quarter 2013 (159 million euros in lost income in 2014), it was up 14.6%<sup>2</sup>, with revenue growth in all regions, in particular thanks to increased volumes.

Operating expenses<sup>3</sup> rose by 6.6%<sup>2</sup> compared to a year earlier, at 1 467 million euros, due in particular to the bolstering of the commercial setup in Turkey and in Morocco. The cost/income ratio<sup>3</sup> came to 69.7%, a 2.4 point<sup>2</sup> improvement compared to 2013.

The cost of risk<sup>3</sup>, at 357 million euros, came to 119 basis points of outstanding customer loans, up 85 million euros compared to 2013 due to the situation in Eastern Europe.

Thus, after allocating one-third of Turkish Private Banking's net income to the Investment Solutions division, Europe-Mediterranean generated 385 million euros in pre-tax income, up 2.5%<sup>2</sup> compared to a year earlier.

<sup>1</sup> With 100% of Luxembourg Private Banking

<sup>2</sup> At constant scope and exchange rates

<sup>3</sup> With 100% of Private Banking in Turkey





In the fourth quarter 2014, revenues<sup>1</sup> grew by 18.7%<sup>2</sup> compared to the fourth quarter 2013, up in all regions, in particular thanks to higher volumes. Operating expenses<sup>1</sup> were up by 7.0%<sup>2</sup>, an effect in particular of the bolstering of the commercial setup in Turkey and in Morocco. Given a 72 million euro increase in the cost of risk, at 149 basis points of outstanding consumer loans, pre-tax income came to 82 million euros, down 3.7%<sup>2</sup> compared to the fourth quarter 2013.

### **BancWest**

For the whole of 2014, BancWest reported strong business activity in a dynamic economy. Deposits grew by 6.7%<sup>2</sup> compared to 2013, with strong growth in current and savings accounts. Loans increased by 6.3%<sup>2</sup> due to sustained growth in corporate and consumer loans. BancWest continued to develop private banking with assets under management that totalled 8.6 billion dollars as at 31 December 2014 (+23% compared to 31 December 2013). The success of the Mobile Banking services was also confirmed with 279,000 monthly users (+25% compared to 31 December 2013).

Revenues<sup>3</sup>, at 2,229 million euros, were up by 1.0%<sup>2</sup> compared to 2013. Excluding the impact of lesser capital gains from sales of securities this year, it was up 3.6%<sup>2</sup>, as a result of the rise in volumes, although mitigated by unfavourable interest rates.

At 1,443 million euros, operating expenses<sup>3</sup> rose by 4.0%<sup>2</sup> compared to 2013 due primarily to the rise in regulatory costs (CCAR and setting up an Intermediate Holding Company), the impact of the bolstering of the commercial setups (Private Banking and consumer finance) being partly offset by savings stemming from the streamlining of the network. The cost/income ratio<sup>3</sup> thus rose by 1.8 points<sup>2</sup>, at 64.7%.

The cost of risk<sup>3</sup> was at a very low level (12 basis points of outstanding customer loans) and virtually stable (-4 million euros) compared to 2013.

Thus, after allocating one-third of U.S. Private Banking's net income to the Investment Solutions division, BancWest generated 732 million euros in pre-tax income, down 4.5%<sup>2</sup> compared to 2013.

In the fourth quarter 2014, revenues<sup>3</sup> rose by 5.3%<sup>2</sup> due to growth in loan and deposit volumes. Operating expenses<sup>3</sup> rose by 5.2%<sup>2</sup> due to increased regulatory costs and the impact of the bolstering of the commercial setups partly offset by the streamlining of the network. At 14 basis points of outstanding customer loans, the cost of risk was very low and increased only by 1 million euros compared to the fourth quarter 2013. Pre-tax income thus came to 197 million euros, up 4.6%<sup>2</sup> compared to the fourth quarter 2013.

### **Personal Finance**

For the whole of 2014, Personal Finance continued to grow rapidly.

Following Galeries Lafayette's exercising of the put option that it had under partnership agreements, Personal Finance increased on 25 July 2014 from 50% to 100% its stake in LaSer (4,700 employees, 9.3 billion euros in outstandings). Personal Finance thus strengthened its

<sup>1</sup> With 100% of Private Banking in Turkey

<sup>2</sup> At constant scope and exchange rates

<sup>3</sup> With 100% of U.S. Private Banking



position as the number 1 specialised player in Europe. The business unit also closed the acquisition of RCS, a point of sale credit specialist in South Africa, and the JD Group's consumer lending business.

Outstanding loans were thus up 10.4% compared to 2013. At constant scope and exchange rates, they rose by 2.8%, in particular in Germany, Belgium and Central Europe.

The business unit also continued to develop partnerships with retailers (Suning in China, Americanas in Brazil) and in car loans (PSA in Turkey, Toyota in Belgium) where its outstandings enjoyed good growth (+4.5%<sup>1</sup>).

Revenues rose by 10.4% compared to 2013, at 4,077 million euros. At constant scope and exchange rates, it rose by 2.4%<sup>2</sup>.

Operating expenses were up 12.2% compared to 2013, at 1,953 million euros. At constant scope and exchange rates, they rose by 1.2%. The cost/income ratio thus improved by 0.6 point<sup>1</sup> at 46.4%<sup>2</sup>.

The cost of risk was down by 4 million euros compared to 2013, at 219 basis points of outstanding customer loans. Excluding the scope effect related to the acquisition of LaSer (+67 million euros), it was down 71 million euros.

Personal Finance's pre-tax income was thus up sharply (+24.3%) compared to 2013, totalling 1,130 million euros.

In the fourth quarter 2014, revenues grew by 25.9% compared to the fourth quarter 2013 due in particular to the scope effect related to the stake being increased to 100% in LaSer. At constant scope and exchange rates, and excluding the one-off retrocession of handling fees in Germany, it rose by 4.6% thanks to a good business drive in Germany, Belgium and Central Europe. Operating expenses rose by 29.6%. They were up by only 0.4% at constant scope and exchange rates. The cost of risk rose by 24 million euros compared to the fourth quarter 2013. Excluding the scope effect related to the stake being increased to 100% in LaSer, it was down by 6 million euros. Pre-tax income thus came to 306 million euros, up sharply by 56.9% compared to the same period a year earlier.

### **Retail Banking's 2015 Action Plan**

#### **Domestic Markets**

In 2015, Domestic Markets will continue the implementation of multi-domestic retail banking centering on three major areas of focus: cross-selling with Private Banking and the specialised businesses; cross-border by supporting along with CIB corporate customers internationally thanks to the success of One Bank for Corporates and the leading position in Europe in cash management; and, lastly, cross-IT, by continuing to pool and secure IT applications.

The operating division will continue to invest in the bank of the future in particular by continuing digital innovations (digital banking, new payment solutions and distribution platforms) and will continue transforming the branch networks with differentiated and complementary branch formats.

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

<sup>2</sup> Excluding the one-off retrocession of handling fees in Germany (49.5 million euros)



Domestic Markets will continue adapting to the low interest rate environment by developing off balance sheet savings, by expanding the service offering as well as value-added financing solutions (Leasing Solutions, Arval) and by supporting the gradual recovery of demand for loans.

Lastly, the entity will continue to improve its operating efficiency thanks to strict cost control in conjunction with the implementation of the Simple & Efficient plan.

### **International Retail Banking**

BancWest will continue to expand its commercial offering in a favourable economic climate in the United States. It will speed up the pace of the deployment of the Private Banking and consumer finance setups by leveraging Group expertise. In the retail networks, BancWest will continue to expand digital banking services and to adapt the branch network. Lastly, with respect to corporate clients, the bank will continue to increase cooperation with CIB and keep developing cash management.

For its part, Europe-Mediterranean will continue focused business development. With regard to individual customers, the business will continue to deploy the digital offering and, in respect of corporate clients, will continue to strengthen the cash management offering. In Poland, the priority will be the integration of Bank BGZ, and in Turkey, TEB will continue its business development by leveraging in particular cross-selling with all the Group's business units. Lastly, in China, the Group will further strengthen its cooperation with the Bank of Nanjing.

### **Personal Finance**

Personal Finance will continue in 2015 to pursue the major strategic priorities of its 2014-2016 plan. The business will continue to develop business and strategic partnerships in certain targeted countries in Europe (in particular Germany, Central Europe and Italy) and in several countries with significant growth potential outside Europe (Brazil, South Africa, China). It will also extend the partnerships with automobile makers to include new countries, bolster the digital service offering in all regions and continue its strategy to expand client relationship to a wider range of savings and insurance products.

The integration of newly acquired companies will be one of this year's priorities with the implementation of the tie-up with LaSer and the integration of the RCS and JD Group consumer finance businesses in South Africa.

Lastly, Personal Finance will continue improving its operating efficiency, in particular through the ramping up of the consumer loan management IT system shared with the BPCE Group.

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## **INVESTMENT SOLUTIONS**

For the whole of 2014, Investment Solutions enjoyed good growth in its business. Assets under management<sup>1</sup> reached 917 billion euros as at 31 December 2014 and were up 7.4% compared to what they were as at 31 December 2013, due in particular to a performance effect of +48.4 billion euros, benefiting from the favourable trend of the equity markets and interest rates, and a +9.9 billion euro exchange rate effect due to the depreciation of the euro. Asset inflows were +6.7 billion euros for the year with good asset inflows in Wealth Management, in particular in Asia, France and Italy, strong asset inflows in Insurance, in particular in Italy and in Asia, and outflows in Asset Management but substantially reduced compared to 2013.

As at 31 December 2014, Investment Solutions assets under management<sup>1</sup> broke down as follows: 391 billion euros for Asset Management, 305 billion euros for Wealth Management, 202 billion euros for Insurance, and 19 billion euros for Real Estate Services.

Securities Services, which ranks number 1 in Europe and number 5 worldwide, continued its strong business development, which was illustrated this year by a 22.0% rise in assets under custody compared to 2013 as well as the winning of significant mandates.

Insurance also enjoyed good growth in its savings and protection businesses with gross written premiums up 8.5% compared to 2013, at 27.5 billion euros.

Investment Solutions' revenues, at 6,543 million euros, grew by 3.7%<sup>2</sup> compared to 2013. Insurance's revenues rose by 4.1%<sup>2</sup> due to the good growth of protection insurance outside of France, in particular in Asia and in Latin America, and of savings in Italy. Wealth and Asset Management's revenues were up 0.9%<sup>2</sup> due to growth at Wealth Management, in particular in domestic markets and in Asia, and the good performance of Real Estate Services. Lastly, Securities Services' revenues were up 8.8%<sup>2</sup> on the back of the sharp rise in the number of transactions and in assets under custody.

Investment Solutions' operating expenses, at 4,536 million euros, rose by 2.9%<sup>2</sup> compared to 2013, with a 1.7%<sup>2</sup> rise in Insurance due to continued business growth, a 2.4%<sup>2</sup> increase for Wealth and Asset Management because of the impact of business development investments, in particular for Wealth Management in Asia and for Real Estate Services, and a 5.0%<sup>2</sup> rise for Securities Services due to business growth. The cost/income ratio was thus down by 0.5 point<sup>2</sup>, at 69.3%, compared to a year earlier.

Given the rise in income from associated companies (+22.8%<sup>2</sup> compared to 2013) in particular in Insurance, Investment Solutions' 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, rose by 7.3%<sup>2</sup> compared to 2013, at 2,207 million euros.

In the fourth quarter 2014, Investment Solutions' revenues grew by 1.5%<sup>2</sup> compared to the fourth quarter 2013, with 9.9%<sup>2</sup> growth at Securities Services and 0.6%<sup>2</sup> in Insurance. Wealth and Asset Management's revenues were down by 1.9%<sup>2</sup> due to the impact of a one-off provision in Asset Management this quarter. Operating expenses rose by 1.7%<sup>1</sup> compared to the fourth quarter 2013: they were up 9.3%<sup>2</sup> at Securities Services, as a result of growth in the business, down 5.2%<sup>2</sup> in Insurance, due to a high base in the fourth quarter of last year and good cost control, and rose in Wealth and Asset Management by 1.2%<sup>2</sup> due to impact of business development investments at Wealth Management in Asia and in Real Estate Services. Given the rise in income from the

<sup>1</sup> Including assets under advisory on behalf of external clients, distributed assets

<sup>2</sup> At constant scope and exchange rates



associated companies, which totalled 31 million euros, and the increase of the other non operating items, which came to 26 million euros, 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, came to 521 million euros, up 8.1%<sup>1</sup> compared to the same period a year earlier.

### **Insurance and Wealth and Asset Management's 2015 Action Plan**

At Wealth and Asset Management, the objective of Wealth Management will be to consolidate its number 1 position in the Eurozone and number 5 worldwide: it will continue its international business development, in particular in Asia, and it will continue the digitalisation and the expansion of its product offering. Asset Management will aim to increase the asset inflows in the networks, in particular through the reinforcement of Parvest's product offering. It will also develop the product offering geared to institutional clients and will continue to consolidate its positions in key countries in Asia Pacific and in emerging countries (China, Brazil, South Korea and Indonesia). Lastly, Real Estate Services will continue to bolster its leading positions in real estate services, in particular in France, in the United Kingdom and in Germany.

In 2015, Insurance will pursue its expansion in Asia and in Latin America, in particular by expanding partnerships. The business unit will diversify its product offering, in particular in protection insurance and it will continue developing the digital offering geared to partners.

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

For the whole of 2014, revenues rose by 2.1%<sup>2</sup> compared to 2013, at 8,888 million euros<sup>3</sup>.

Revenues from Advisory and Capital Markets, at 5,596 million euros<sup>3</sup>, were up 2.9%<sup>2</sup>, reflecting good growth in the business and the strengthening of the franchise. They were driven by growth in client business in volatile markets. VaR remained at a very low level (32 million euros).

Revenues from Fixed Income, at 3,714 million euros<sup>3</sup>, were up 2.3%<sup>2</sup> compared to 2013 with growth in the Forex and Rates businesses and the Credit business was down. The bond origination business was good and the business unit ranked number 1 for all bonds issued in euros and number 9 for all international bonds issues.

At 1,882 million euros, Equities and Advisory's revenues rose by 4.2%<sup>1</sup> compared to 2013, with growth in equity derivatives, both in structured products and in flow businesses, an upswing in the merger & acquisitions activity and equity issues where the business ranked number 1 in Europe for the number of equity-linked transactions.

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

<sup>2</sup> At constant scope and exchange rates, excluding the one-off impact of -166 million euros from the introduction of Funding Valuation Adjustment (FVA) in the second quarter 2014

<sup>3</sup> Excluding FVA



Corporate Banking's revenues grew by 0.8%<sup>1</sup> compared to 2013, at 3 292 million euros, with strong growth in Asia Pacific and increase in the Americas. In Europe, revenues from the Energy and Commodities sector were down, but were up elsewhere. Loans, at 110 billion euros, were up 0.5%<sup>1</sup> compared to 2013 with growth in Asia and in the Americas. Deposits, at 78 billion euros, were up sharply (+21.6%<sup>1</sup>) compared to a year earlier thanks in particular to the development of international cash management where the business unit obtained several new significant mandates. Corporate Banking also confirmed its position as the number 1 bookrunner for EMEA syndicated loans<sup>2</sup>.

Operating expenses of CIB, at 6,137 million euros, rose by 2.2%<sup>1</sup> compared to 2013 due to the rise in regulatory costs (~+100 million euros compared to 2013), the continued business development investments (~+100 million euros compared to 2013), and increased Advisory & Capital Markets business, despite the effects of Simple & Efficient (~200 million euros of cost savings).

CIB's cost of risk was at a low level (81 million euros), down sharply compared to last year when it was at 515 million euros.

CIB's pre-tax income thus came to 2,525 million euros, up 13.7%<sup>1</sup> compared to 2013, reflecting good overall performance in a lacklustre environment in Europe.

In the fourth quarter 2014, CIB's revenues were down by 3.9%<sup>1</sup> compared to the same period in 2013, at 2,050 million euros. Revenues from Advisory and Capital Markets decreased by 6.6%<sup>1</sup> with good performance of Fixed Income (+8.7%<sup>1</sup>), due to good growth in Forex and bond issues, and a decline in Equities and Advisory (-30.6%<sup>1</sup>) compared to a high comparison basis in the fourth quarter 2013. VaR was maintained at a very low level. Corporate Banking had a good quarter with revenues down slightly (-0.2%<sup>1</sup>) compared to a high comparison basis in the fourth quarter 2013. They were down slightly in the EMEA region due to the slowdown of Energy and Commodities, stable in the Americas, and growing in Asia. Operating expenses were down 9.0%<sup>1</sup> due to a high seasonal effect and operating efficiency measures with a 12.0%<sup>1</sup> decline in Advisory & Capital Markets and a 2.2%<sup>1</sup> decrease at Corporate Banking. The cost of risk, at 32 million euros, was very low this quarter, down sharply compared to the fourth quarter 2013 when it was 167 million euros. Pre-tax income thus came to 566 million euros, a sharp rise (56.3%)<sup>1</sup> compared to the same quarter a year earlier.

### **Corporate and Investment Banking's 2015 Action Plan**

In 2015, Corporate and Investment Banking will put in effect its new organisation announced in November 2014 with the creation of Global Markets, which will group together all the market business units, the tie-up of Securities Services and CIB, and a simplified regional approach that focuses on three major regions (EMEA, Asia Pacific and the Americas).

CIB, now named Corporate and Institutional Banking, will aim to better meet the expectations of corporate and institutional clients. With respect to corporate clients, the division will adapt its organisation by strengthening the debt platforms and by simplifying the commercial setup in particular in Europe. With regard to institutional clients, CIB will expand the Group's footprint and the global offering through close cooperation between the market business units and Securities Services and strengthened coverage.

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

<sup>2</sup> Europe, Middle East, Africa. Source: Dealogic



CIB will continue to improve operating efficiency through a structural reduction of costs, industrialisation and sharing of platforms, and the development of the digital offering.

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### **CORPORATE CENTRE**

For the whole of 2014, Corporate Centre revenues were +375 million euros compared to +322 million euros in 2013. They factor in -459 million euros of own credit adjustment (OCA) and own credit risk included in derivatives (DVA) (-71 million euros in 2013), +301 million euros in net capital gains from one-off sales of securities, a very good contribution of BNP Paribas Principal Investment and of the investment portfolio products, the continued decrease of revenues from mortgage loans in connection with the plan to adapt this business, and the decreasing cost of surplus deposits placed with Central Banks. The Corporate Centre's revenues in 2013 also included +218 million euros capital gains from the sale of Royal park Investments assets.

Operating expenses totalled 1,275 million euros compared to 1,280 million euros in 2013. They include in particular 717 million euros in transformation costs related to the Simple & Efficient programme (661 million euros in 2013).

The cost of risk totalled 49 million euros (17 million euros in 2013) due to the impact of a specific file.

Following the comprehensive settlement with the U.S. authorities regarding the review of certain USD transactions, the Group booked in 2014 one-off charges of 6,000 million euros (5,750 million euros in penalties and 250 million euros related to the future costs of the overall remediation plan<sup>1</sup>). The Group had booked in 2013 798 million euros provision (1.1 billion dollars) in connection with this review<sup>2</sup>.

Non operating items totalled -196 million euros compared to -100 million euros in 2013. They include in particular -297 million euro goodwill impairment exclusively related to BNL bc (-252 million euros in 2013 of which -186 million euros on BNL bc).

The Corporate Centre's pre-tax income thus came to -7,145 million euros compared to -1,873 million euros last year.

In the fourth quarter 2014, Corporate Centre revenues totaled +254 million euros (+93 million euros in the fourth quarter 2013). They include in particular a good contribution of BNP Paribas Principal Investments. The own credit adjustment (OCA) and own credit risk included in derivatives (DVA) were -11 million euros (-13 million euros in the fourth quarter 2013).

Operating expenses totalled 394 million euros (446 million euros in the fourth quarter 2013). They included in particular 229 million euros in transformation costs related to the Simple & Efficient programme (287 million euros in the fourth quarter 2013) as well as 25 million euros in restructuring costs related to the acquisitions of LaSer, Bank BGZ, and DAB Bank (nothing in 2013).

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<sup>1</sup> See note 3.g in the 2014 consolidated financial statements

<sup>2</sup> See note 3.g in the 2013 consolidated financial statements



The cost of risk totalled -38 million euros due to the impact of a specific file (+5 million euros in the fourth quarter 2013).

The Group recorded the one-off impact of an additional 50 million euro provision related to the future costs of the remediation plan announced in connection with the comprehensive settlement with the U.S. authorities. In the fourth quarter 2013, the Group booked a 798 million euro provision (1.1 billion dollars) following the review of certain USD transactions involving parties subject to U.S. sanctions.

Non operating items totalled -291 million euros compared to -67 million euros in 2013. They include in particular a -297 million euro goodwill impairment exclusively related to BNL bc (-252 million euros in the fourth quarter 2013 of which -186 million euros on BNL bc).

Pre-tax income thus came to -519 million euros compared to -1,213 million euros for the same period a year earlier.

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## **FINANCIAL STRUCTURE**

The Group has a rock-solid balance sheet whose quality of assets has been confirmed by the results of the AQR performed by the European Central Bank (ECB).

The fully loaded Basel 3 common equity Tier 1 ratio<sup>1</sup> was 10.3% as at 31 December 2014, stable compared to what it was as at 31 December 2013. It factors in the results of the AQR and, by anticipation, the impact of regulation on prudent valuation that will come into force in 2015.

The fully loaded Basel 3 leverage ratio<sup>2</sup>, calculated on total Tier 1 capital<sup>3</sup>, was 3.6% as at 31 December 2014.

The Liquidity Coverage Ratio came to 114% as at 31 December 2014.

The Group's liquid and asset reserves immediately available totalled 291 billion euros (compared to 247 billion euros as at 31 December 2013), which is equivalent to over one year of room to manoeuvre in terms of wholesale funding.

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<sup>1</sup> 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

<sup>2</sup> Taking into account all the rules of the CRD4 directives with no transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014

<sup>3</sup> Including the forthcoming replacement of Tier 1 instruments that have become ineligible with equivalent eligible instruments





## **THE 2014-2016 BUSINESS DEVELOPMENT PLAN**

### **2014 confirmed the choices of the 2014-2016 business development plan.**

Major projects designed to prepare the retail bank of the future were implemented with in particular the successful launch of Hello bank! (already 800,000 clients in Europe), the international roll-out of digital banking (CEPTEB in Turkey or BGZ Optima in Poland), the adaptation of distribution platforms to customers' new practices and expectations and the launch of new multi-banking online payment solutions such as *PayLib* in France or *Sixdots* in Belgium.

The results of geographic business development plans were good with significant revenue growth compared to 2013 in all the target regions (+7%<sup>1</sup> in Asia Pacific, +9%<sup>1</sup> in CIB in North America, +15%<sup>1</sup> in Turkey, and +5%<sup>1</sup> in Germany).

In addition, the drivers of growth for the Group performed well: the revenues of Personal Finance, the number 1 specialty player in Europe, rose by 10% compared to 2013; Insurance, the 11<sup>th</sup> largest insurer in Europe, continued its business development with revenue growth of 2% compared to 2013; and Securities Services, number 1 in Europe and number 5 globally, pursued its growth drive with an 11% rise in revenues compared to 2013.

At CIB, the capital markets have successfully continued their adaptation to the new environment, marked by the continued credit disintermediation and by increasingly electronic and cleared markets, as evidenced by the success of the Cortex and Centric electronic client platforms at Fixed Income and Smart Derivatives for equity derivatives. Certain Energy and Commodities businesses are being rightsized relative to certain clients and certain countries. Corporate and Investment Banking is currently speeding up the evolution of its business model with the new organisation announced in November 2014.

### **Bolt-on acquisitions in 2014 that contribute to the achievement of the plan**

The Group made several bolt-on acquisitions in 2014 such as primarily Bank BGZ in Poland, which will enable it to achieve critical mass in a country with favourable growth prospects; the other 50% of LaSer that it did not already own, strengthening Personal Finance's position as the number 1 specialty player in Europe and making it possible to extend the business to new countries; and, lastly, DAB Bank in Germany which will make a significant contribution to the business development plan in this country as well as to the development of digital banking in Europe.

All of these acquisitions will give the Group an additional contribution in 2016 of approximately 1.6 billion in revenues, 900 million in operating expenses<sup>2</sup> and 300 million in cost of risk.

### **Additional compliance and control costs absorbed thanks to cost savings targets of the Simple and Efficient plan being revised upward**

The Group is continuing its policy to strictly control operating expenses.

It will, however, have to pay an additional 250 million euros in costs in 2016 over and above the initial plan: about 160 million euros earmarked for reinforcing resources of compliance and controls and 90 millions euros in connection with some new regulatory initiatives.

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

<sup>2</sup> Excluding restructuring costs estimated to be 100 million euros in 2016



Virtually all of these additional costs will be offset by the upward revision of the cost savings generated by the Simple & Efficient plan (+230 million euros) that the 2,597 projects, which are doing well, helped to identify with no additional transformation costs.

### **Rigorous credit risk management**

The Group is continuing its rigorous risk management, confirmed by a cost of risk stable at a moderate level in 2014 as well as by the results of the comprehensive assessment of bank assets conducted by the ECB (Asset Quality Review).

Given Italy's weaker than expected GDP growth (cumulative difference of 120 basis points in 2016 between the base scenario and the revised scenario), the decrease in BNL bc's cost of risk will turn out to be slower than expected in the initial plan. However, this difference should be offset by other business units as testified in particular by the more favourable than expected trend of Corporate Bankings' and Personal Finance's cost of risk in 2014.

### **A deteriorated economic and interest rate context compared to the base scenario**

The Group is facing a deteriorated economic and interest rate context compared to the base scenario.

Interate rates levels are particularly low, especially in the Eurozone and the difference, in terms of the interest rate hypothesis in 2016, between base scenario and the new projection is for example -130 basis points for the 3-month Euribor. This context has an adverse impact on the revenues generated on deposits in retail banking and has no real positive impact on credit margins due in particular to disintermediation and weak demand.

GDP growth is also weaker than expected in the Eurozone. The cumulative difference between the base scenario and the revised scenario is -60 basis points of growth in the Eurozone in 2016. This context has an unfavourable impact on loan volumes in retail banking and at CIB in particular.

### **New taxes and regulations**

The Group is also facing a sharp rise in taxes on banks in Europe, which will be reflected in 2016 by 370 million euros in additional costs above and beyond the initial plan, primarily related to the contribution to the Single Resolution Fund and to the Single Supervisory Mechanism (340 million euros). Taxes specific to the banking industry expected in 2016, including those already factored into the initial plan, will thus exceed 900 million euros. These taxes are, however, expected to decrease with the gradual suppression of France's systemic tax by 2019 and the end of the Single Resolution Fund contribution in 2022.

The Group also has to incorporate the additional costs stemming from new regulations that apply to foreign banks in the United States with the ongoing setting up of an Intermediate Holding Company (IHC) and the additional costs stemming from the introduction of the Comprehensive Capital Analysis and Review (CCAR) by 2016.

It also has to take into account the future introduction of the Total Loss Absorbing Capacity (TLAC) mechanism that was agreed in principle by the G20 in Brisbane, the specific terms of which are in the process of being evaluated (implementation expected at earliest in 2019), but which could add additional costs as soon as 2016.



All of these new taxes and regulations are expected to have an aggregate impact of the order of -500 million euros on the Group's net income in 2016, or approximately -70 basis points on the return on equity. This impact is expected to be reduced in the future with the reduction and then the suppression of certain taxes and contributions as well as some set up costs.

### Total capital management

The Group has a strong cash flow generation capacity.

It is expected to devote in 2015-2016 about 20% of net earnings to financing organic growth. The Group expects the growth of risk-weighted assets to be of the order of 2.5%<sup>1</sup> a year during this period compared to the 3% originally planned. The dividend pay-out ratio is expected to be about 45% of net earnings. The available free cash flow is thus expected to be of the order of 35% of net earnings, which could be used to finance additional organic risk-weighted asset growth in a scenario of higher than expected growth in Europe or bolt-on acquisitions and/or share buy-backs, depending on opportunities and market conditions.

The Group will implement its Tier 1 and Tier 2 instruments' issuance programme to meet total capital ratio requirements in 2019 with, depending on opportunities and market conditions, resumption in issuance of Tier 1 instruments (about 500 million euros a year) and Tier 2 instruments on the order of 2 to 3 billion euros a year.

### New presentation of the organisation of the operating divisions

Following the tie-up of Securities Services and CIB, the organisation of the Group's operating divisions now centers on two entities: Retail Banking & Services (~73% of the Group's revenues) and CIB (~27% of the Group's revenues).

Retail Banking & Services will include Domestic Markets (~39% of the Group's revenues with a scope that is unchanged) and a new entity, International Financial Services (34% of the Group's revenues) which includes BancWest, Europe-Mediterranean, Personal Finance, Wealth and Asset Management and Insurance.

Corporate and Institutional Banking (CIB) will include Corporate Banking, Global Markets and Securities Services.

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<sup>1</sup> Compounded annual growth rate





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

*“The Group’s results this year reflect the significant impact of one-off items, which includes in particular the costs relating to the comprehensive settlement with the U.S. authorities.*

*The Group delivered a good performance generating 7 billion euros in net income excluding one-offs and its common equity Tier 1 stood at a high level of 10.3%. Revenues grew in all the operating divisions and the good sales and marketing drive is testimony to the trust of our institutional, corporate and individual clients. The operating expenses containment is continuing and the cost of risk is down.*

*The Group has a rock-solid balance sheet and the quality of its assets was confirmed by the asset quality review (AQR) conducted by the European Central Bank.*

*I would like to take this opportunity to thank the employees of BNP Paribas whose efforts made this performance possible in a difficult year. Dedicated to serving its clients all over the world, the Group plays an active role in financing the economy and is preparing the bank of the future.”*

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### CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
<b>Revenues</b>	<b>10,150</b>	<b>9,469</b>	<b>+7.2%</b>	<b>9,537</b>	<b>+6.4%</b>	<b>39,168</b>	<b>38,409</b>	<b>+2.0%</b>
Operating Expenses and Dep.	-7,004	-6,864	+2.0%	-6,623	+5.8%	-26,526	-25,968	+2.1%
<b>Gross Operating Income</b>	<b>3,146</b>	<b>2,605</b>	<b>+20.8%</b>	<b>2,914</b>	<b>+8.0%</b>	<b>12,642</b>	<b>12,441</b>	<b>+1.6%</b>
Cost of Risk	-1,012	-1,016	-0.4%	-754	+34.2%	-3,705	-3,801	-2.5%
Costs related to the comprehensive settlement with US authorities	-50	-798	-93.7%	0	n.s.	-6,000	-798	n.s.
<b>Operating Income</b>	<b>2,084</b>	<b>791</b>	<b>n.s.</b>	<b>2,160</b>	<b>-3.5%</b>	<b>2,937</b>	<b>7,842</b>	<b>-62.5%</b>
Share of Earnings of Associates	78	78	+0.0%	85	-8.2%	408	361	+13.0%
Other Non Operating Items	-268	-108	n.s.	63	n.s.	-196	36	n.s.
<b>Non Operating Items</b>	<b>-190</b>	<b>-30</b>	<b>n.s.</b>	<b>148</b>	<b>n.s.</b>	<b>212</b>	<b>397</b>	<b>-46.6%</b>
<b>Pre-Tax Income</b>	<b>1,894</b>	<b>761</b>	<b>n.s.</b>	<b>2,308</b>	<b>-17.9%</b>	<b>3,149</b>	<b>8,239</b>	<b>-61.8%</b>
Corporate Income Tax	-513	-550	-6.7%	-705	-27.2%	-2,642	-2,742	-3.6%
Net Income Attributable to Minority Interests	-77	-101	-23.8%	-101	-23.8%	-350	-679	-48.5%
<b>Net Income Attributable to Equity Holders</b>	<b>1,304</b>	<b>110</b>	<b>n.s.</b>	<b>1,502</b>	<b>-13.2%</b>	<b>157</b>	<b>4,818</b>	<b>-96.7%</b>
<b>Cost/Income</b>	<b>69.0%</b>	<b>72.5%</b>	<b>-3.5 pt</b>	<b>69.4%</b>	<b>-0.4 pt</b>	<b>67.7%</b>	<b>67.6%</b>	<b>+0.1 pt</b>

*In order to ensure the comparability with 2014 results, pro-forma 2013 accounts have been prepared considering TEB group under full consolidation for the whole of 2013. This document includes these restated 2013 quarterly data. The difference between the use of the full integration method regarding TEB instead of the equity method is disclosed in the quarterly series below.*

### IMPACT ON GROUP 4Q13 AND 2013 RESULTS OF THE USE OF THE FULL INTEGRATION METHOD REGARDING TEB INSTEAD OF THE EQUITY METHOD

€m	4Q13 restated (*) with TEB consolidated using the equity method	Impact of the change from equity method to full consolidation for TEB	4Q13 restated (*) with TEB fully consolidated	2013 restated (*) with TEB consolidated using the equity method	Impact of the change from equity method to full consolidation for TEB	2013 restated (*) with TEB fully consolidated
<b>Revenues</b>	<b>9,223</b>	<b>246</b>	<b>9,469</b>	<b>37,286</b>	<b>1,123</b>	<b>38,409</b>
Operating Expenses and Dep.	-6,700	-164	-6,864	-25,317	-651	-25,968
<b>Gross Operating Income</b>	<b>2,523</b>	<b>82</b>	<b>2,605</b>	<b>11,969</b>	<b>472</b>	<b>12,441</b>
Cost of Risk	-978	-38	-1,016	-3,643	-158	-3,801
Costs related to the comprehensive settlement with U.S. authorities	-798	0	-798	-798	0	-798
<b>Operating Income</b>	<b>747</b>	<b>44</b>	<b>791</b>	<b>7,528</b>	<b>314</b>	<b>7,842</b>
Associated Companies	101	-23	78	537	-176	361
Other Non Operating Items	-108	0	-108	36	0	36
<b>Non Operating Items</b>	<b>-7</b>	<b>-23</b>	<b>-30</b>	<b>573</b>	<b>-176</b>	<b>397</b>
<b>Pre-Tax Income</b>	<b>740</b>	<b>21</b>	<b>761</b>	<b>8,101</b>	<b>138</b>	<b>8,239</b>
Corporate Income Tax	-540	-10	-550	-2,680	-62	-2,742
Net Income Attributable to Minority Interests	-90	-11	-101	-603	-76	-679
<b>Net Income Attributable to Equity Holders</b>	<b>110</b>	<b>0</b>	<b>110</b>	<b>4,818</b>	<b>0</b>	<b>4,818</b>

(\*) Following application of accounting standards IFRS 10, IFRS 11 and IAS 32 revised

*BNP Paribas' financial disclosures for the fourth quarter 2014 and 2014 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.*



### 4Q14 – RESULTS BY CORE BUSINESSES

	Retail Banking	Investment Solutions	CIB	Operating Divisions	Other Activities	Group
€m						
<b>Revenues</b>	<b>6,180</b>	<b>1,666</b>	<b>2,050</b>	<b>9,896</b>	<b>254</b>	<b>10,150</b>
%Change/4Q13	+9.1%	+19%	-12%	+5.5%	n.s.	+7.2%
%Change/3Q14	+4.0%	+1.7%	-2.5%	+2.2%	n.s.	+6.4%
Operating Expenses and Dep.	-3,935	-1,210	-1,465	-6,610	-394	-7,004
%Change/4Q13	+6.8%	+2.5%	-5.5%	+3.0%	-11.7%	+2.0%
%Change/3Q14	+7.5%	+5.6%	-3.2%	+4.6%	+29.6%	+5.8%
<b>Gross Operating Income</b>	<b>2,245</b>	<b>456</b>	<b>585</b>	<b>3,286</b>	<b>-140</b>	<b>3,146</b>
%Change/4Q13	+13.3%	+0.4%	+11.9%	+11.1%	-60.3%	+20.8%
%Change/3Q14	-16%	-7.3%	-0.7%	-2.3%	-68.8%	+8.0%
Cost of Risk	-950	8	-32	-974	-38	-1,012
%Change/4Q13	+8.9%	-55.6%	-80.8%	-4.6%	n.s.	-0.4%
%Change/3Q14	+13.2%	n.s.	n.s.	+29.0%	n.s.	+34.2%
Costs related to the comprehensive settlement with US authorities	0	0	0	0	-50	-50
%Change/4Q13	n.s.	n.s.	n.s.	n.s.	-93.7%	-93.7%
%Change/3Q14	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
<b>Operating Income</b>	<b>1,295</b>	<b>464</b>	<b>553</b>	<b>2,312</b>	<b>-228</b>	<b>2,084</b>
%Change/4Q13	+16.8%	-1.7%	+55.3%	+19.4%	-80.1%	n.s.
%Change/3Q14	-10.3%	-5.1%	-18.2%	-11.3%	-49.1%	-3.5%
Share of Earnings of Associates	58	31	17	106	-28	78
Other Non Operating Items	-27	26	-4	-5	-263	-268
<b>Pre-Tax Income</b>	<b>1,326</b>	<b>521</b>	<b>566</b>	<b>2,413</b>	<b>-519</b>	<b>1,894</b>
%Change/4Q13	+17.7%	+6.3%	+58.5%	+22.2%	-57.2%	n.s.
%Change/3Q14	-11.3%	-3.2%	-16.1%	-10.9%	+29.8%	-17.9%

	Retail Banking	Investment Solutions	CIB	Operating Divisions	Other Activities	Group
€m						
<b>Revenues</b>	<b>6,180</b>	<b>1,666</b>	<b>2,050</b>	<b>9,896</b>	<b>254</b>	<b>10,150</b>
4Q13	5,667	1,635	2,074	9,376	93	9,469
3Q14	5,941	1,638	2,103	9,682	-145	9,537
Operating Expenses and Dep.	-3,935	-1,210	-1,465	-6,610	-394	-7,004
4Q13	-3,686	-1,181	-1,551	-6,418	-446	-6,864
3Q14	-3,659	-1,146	-1,514	-6,319	-304	-6,623
<b>Gross Operating Income</b>	<b>2,245</b>	<b>456</b>	<b>585</b>	<b>3,286</b>	<b>-140</b>	<b>3,146</b>
4Q13	1,981	454	523	2,958	-353	2,605
3Q14	2,282	492	589	3,363	-449	2,914
Cost of Risk	-950	8	-32	-974	-38	-1,012
4Q13	-872	18	-167	-1,021	5	-1,016
3Q14	-839	-3	87	-755	1	-754
Costs related to the comprehensive settlement with US authorities	0	0	0	0	-50	-50
4Q13	0	0	0	0	-798	-798
3Q14	0	0	0	0	0	0
<b>Operating Income</b>	<b>1,295</b>	<b>464</b>	<b>553</b>	<b>2,312</b>	<b>-228</b>	<b>2,084</b>
4Q13	1,109	472	356	1,937	-1,146	791
3Q14	1,443	489	676	2,608	-448	2,160
Share of Earnings of Associates	58	31	17	106	-28	78
4Q13	29	26	-3	52	26	78
3Q14	32	48	0	80	5	85
Other Non Operating Items	-27	26	-4	-5	-263	-268
4Q13	-11	-8	4	-15	-93	-108
3Q14	20	1	-1	20	43	63
<b>Pre-Tax Income</b>	<b>1,326</b>	<b>521</b>	<b>566</b>	<b>2,413</b>	<b>-519</b>	<b>1,894</b>
4Q13	1,127	490	357	1,974	-1,213	761
3Q14	1,495	538	675	2,708	-400	2,308
Corporate Income Tax						-513
Net Income Attributable to Minority Interests						-77
<b>Net Income Attributable to Equity Holders</b>						<b>1,304</b>



### 2014 – RESULTS BY CORE BUSINESSES

		Retail Banking	Investment Solutions	CIB	Operating Divisions	Other Activities	Group
€m							
<b>Revenues</b>		<b>23,528</b>	<b>6,543</b>	<b>8,722</b>	<b>38,793</b>	<b>375</b>	<b>39,168</b>
	%Change/2013	+2.0%	+3.4%	+0.2%	+1.9%	+16.5%	+2.0%
Operating Expenses and Dep.		-14,578	-4,536	-6,137	-25,251	-1,275	-26,526
	%Change/2013	+1.8%	+3.4%	+2.7%	+2.3%	-0.4%	+2.1%
<b>Gross Operating Income</b>		<b>8,950</b>	<b>2,007</b>	<b>2,585</b>	<b>13,542</b>	<b>-900</b>	<b>12,642</b>
	%Change/2013	+2.5%	+3.5%	-5.1%	+1.1%	-6.1%	+1.6%
Cost of Risk		-3,571	-4	-81	-3,656	-49	-3,705
	%Change/2013	+9.3%	+100.0%	-84.3%	-3.4%	n.s.	-2.5%
Costs related to the comprehensive settlement with US authorities		0	0	0	0	-6,000	-6,000
	%Change/2013	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
<b>Operating Income</b>		<b>5,379</b>	<b>2,003</b>	<b>2,504</b>	<b>9,886</b>	<b>-6,949</b>	<b>2,937</b>
	%Change/2013	-1.6%	+3.4%	+13.3%	+2.8%	n.s.	-62.5%
Share of Earnings of Associates		178	178	38	394	14	408
Other Non Operating Items		5	26	-17	14	-210	-196
<b>Pre-Tax Income</b>		<b>5,562</b>	<b>2,207</b>	<b>2,525</b>	<b>10,294</b>	<b>-7,145</b>	<b>3,149</b>
	%Change/2013	-3.7%	+5.4%	+12.7%	+1.8%	n.s.	-61.8%
Corporate Income Tax							-2,642
Net Income Attributable to Minority Interests							-350
<b>Net Income Attributable to Equity Holders</b>							<b>157</b>



### QUARTERLY SERIES

€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>GROUP</b>								
<b>Revenues</b>	<b>10,150</b>	<b>9,537</b>	<b>9,568</b>	<b>9,913</b>	<b>9,469</b>	<b>9,179</b>	<b>9,789</b>	<b>9,972</b>
Operating Expenses and Dep.	-7,004	-6,623	-6,517	-6,382	-6,864	-6,383	-6,251	-6,470
<b>Gross Operating Income</b>	<b>3,146</b>	<b>2,914</b>	<b>3,051</b>	<b>3,531</b>	<b>2,605</b>	<b>2,796</b>	<b>3,538</b>	<b>3,502</b>
Cost of Risk	-1,012	-754	-855	-1,084	-1,016	-830	-1,044	-911
Costs related to the comprehensive settlement with US authorities	-50	0	-5,950	0	-798	0	0	0
<b>Operating Income</b>	<b>2,084</b>	<b>2,160</b>	<b>-3,754</b>	<b>2,447</b>	<b>791</b>	<b>1,966</b>	<b>2,494</b>	<b>2,591</b>
Share of Earnings of Associates	78	85	138	107	78	141	107	35
Other Non Operating Items	-268	63	16	-7	-108	13	112	19
<b>Pre-Tax Income</b>	<b>1,894</b>	<b>2,308</b>	<b>-3,600</b>	<b>2,547</b>	<b>761</b>	<b>2,120</b>	<b>2,713</b>	<b>2,645</b>
Corporate Income Tax	-513	-705	-621	-803	-550	-607	-757	-828
Net Income Attributable to Minority Interests	-77	-101	-96	-76	-101	-155	-191	-232
<b>Net Income Attributable to Equity Holders</b>	<b>1,304</b>	<b>1,502</b>	<b>-4,317</b>	<b>1,668</b>	<b>110</b>	<b>1,358</b>	<b>1,765</b>	<b>1,585</b>
<b>Cost/Income</b>	<b>69.0%</b>	<b>69.4%</b>	<b>68.1%</b>	<b>64.4%</b>	<b>72.5%</b>	<b>69.5%</b>	<b>63.9%</b>	<b>64.9%</b>



€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>RETAIL BANKING (including 100% of Private Banking DM, EM and BW)* Excluding PEL/CEL Effects</b>								
Revenues	6,321	6,115	5,859	5,815	5,783	5,833	5,948	5,912
Operating Expenses and Dep.	-4,004	-3,726	-3,577	-3,537	-3,753	-3,626	-3,633	-3,573
Gross Operating Income	2,317	2,389	2,282	2,278	2,030	2,207	2,315	2,339
Cost of Risk	-951	-841	-821	-962	-873	-755	-827	-817
Operating Income	1,366	1,548	1,461	1,316	1,157	1,452	1,488	1,522
Non Operating Items	31	53	49	51	17	55	179	60
Pre-Tax Income	1,397	1,601	1,510	1,367	1,174	1,507	1,667	1,582
Income Attributable to Investment Solutions	-64	-61	-63	-68	-51	-56	-53	-59
Pre-Tax Income of Retail Banking	1,333	1,540	1,447	1,299	1,123	1,451	1,614	1,523
Allocated Equity (€bn, year to date)	29.9	29.6	29.6	29.7	30.1	30.3	30.4	30.4
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>RETAIL BANKING (including 2/3 of Private Banking DM, EM and BW)</b>								
Revenues	6,180	5,941	5,725	5,682	5,667	5,722	5,873	5,799
Operating Expenses and Dep.	-3,935	-3,659	-3,511	-3,473	-3,686	-3,562	-3,567	-3,512
Gross Operating Income	2,245	2,282	2,214	2,209	1,981	2,160	2,306	2,287
Cost of Risk	-950	-839	-820	-962	-872	-754	-826	-815
Operating Income	1,295	1,443	1,394	1,247	1,109	1,406	1,480	1,472
Non Operating Items	31	52	49	51	18	54	179	60
Pre-Tax Income	1,326	1,495	1,443	1,298	1,127	1,460	1,659	1,532
Allocated Equity (€bn, year to date)	29.9	29.6	29.6	29.7	30.1	30.3	30.4	30.4
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>DOMESTIC MARKETS (including 100% of Private Banking in France, Italy, Belgium and Luxembourg)* Excluding PEL/CEL Effects</b>								
Revenues	3,941	3,923	3,907	3,929	3,864	3,889	3,878	3,862
Operating Expenses and Dep.	-2,603	-2,508	-2,445	-2,425	-2,598	-2,505	-2,460	-2,416
Gross Operating Income	1,338	1,415	1,462	1,504	1,266	1,384	1,418	1,446
Cost of Risk	-506	-493	-506	-569	-525	-442	-460	-421
Operating Income	832	922	956	935	741	942	958	1,025
Associated Companies	0	-4	-10	7	-2	13	25	19
Other Non Operating Items	-23	3	1	0	-2	-1	-2	1
Pre-Tax Income	809	921	947	942	737	954	981	1,045
Income Attributable to Investment Solutions	-61	-59	-60	-67	-50	-56	-53	-57
Pre-Tax Income of Domestic Markets	748	862	887	875	687	898	928	988
Allocated Equity (€bn, year to date)	18.5	18.6	18.7	18.8	19.0	19.2	19.3	19.5
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>DOMESTIC MARKETS (including 2/3 of Private Banking in France, Italy, Belgium and Luxembourg)</b>								
Revenues	3,810	3,758	3,781	3,803	3,755	3,784	3,809	3,756
Operating Expenses and Dep.	-2,541	-2,448	-2,384	-2,367	-2,537	-2,447	-2,400	-2,360
Gross Operating Income	1,269	1,310	1,397	1,436	1,218	1,337	1,409	1,396
Cost of Risk	-505	-491	-505	-569	-524	-441	-459	-419
Operating Income	764	819	892	867	694	896	950	977
Associated Companies	0	-5	-10	7	-1	12	25	19
Other Non Operating Items	-23	3	1	0	-2	-1	-2	1
Pre-Tax Income	741	817	883	874	691	907	973	997
Allocated Equity (€bn, year to date)	18.5	18.6	18.7	18.8	19.0	19.2	19.3	19.5

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



€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>FRENCH RETAIL BANKING (including 100% of Private Banking in France)*</b>								
<b>Revenues</b>	<b>1,657</b>	<b>1,662</b>	<b>1,700</b>	<b>1,711</b>	<b>1,698</b>	<b>1,755</b>	<b>1,757</b>	<b>1,712</b>
<i>Incl. Net Interest Income</i>	985	979	1,031	1,005	1,025	1,055	1,055	1,010
<i>Incl. Commissions</i>	672	683	669	706	673	700	702	702
Operating Expenses and Dep.	-1,182	-1,147	-1,086	-1,078	-1,200	-1,162	-1,097	-1,084
<b>Gross Operating Income</b>	<b>475</b>	<b>515</b>	<b>614</b>	<b>633</b>	<b>498</b>	<b>593</b>	<b>660</b>	<b>628</b>
Cost of Risk	-106	-85	-103	-108	-86	-90	-88	-79
<b>Operating Income</b>	<b>369</b>	<b>430</b>	<b>511</b>	<b>525</b>	<b>412</b>	<b>503</b>	<b>572</b>	<b>549</b>
Non Operating Items	0	1	1	1	0	1	1	2
<b>Pre-Tax Income</b>	<b>369</b>	<b>431</b>	<b>512</b>	<b>526</b>	<b>412</b>	<b>504</b>	<b>573</b>	<b>551</b>
Income Attributable to Investment Solutions	-35	-35	-32	-40	-27	-35	-32	-35
<b>Pre-Tax Income of French Retail Banking</b>	<b>334</b>	<b>396</b>	<b>480</b>	<b>486</b>	<b>385</b>	<b>469</b>	<b>541</b>	<b>516</b>
Allocated Equity (€bn, year to date)	6.7	6.7	6.7	6.8	6.9	7.0	7.0	7.0
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>FRENCH RETAIL BANKING (including 100% of Private Banking in France)* Excluding PEL/CEL Effects</b>								
<b>Revenues</b>	<b>1,664</b>	<b>1,707</b>	<b>1,704</b>	<b>1,712</b>	<b>1,694</b>	<b>1,746</b>	<b>1,712</b>	<b>1,703</b>
<i>Incl. Net Interest Income</i>	992	1,024	1,035	1,006	1,021	1,046	1,010	1,001
<i>Incl. Commissions</i>	672	683	669	706	673	700	702	702
Operating Expenses and Dep.	-1,182	-1,147	-1,086	-1,078	-1,200	-1,162	-1,097	-1,084
<b>Gross Operating Income</b>	<b>482</b>	<b>560</b>	<b>618</b>	<b>634</b>	<b>494</b>	<b>584</b>	<b>615</b>	<b>619</b>
Cost of Risk	-106	-85	-103	-108	-86	-90	-88	-79
<b>Operating Income</b>	<b>376</b>	<b>475</b>	<b>515</b>	<b>526</b>	<b>408</b>	<b>494</b>	<b>527</b>	<b>540</b>
Non Operating Items	0	1	1	1	0	1	1	2
<b>Pre-Tax Income</b>	<b>376</b>	<b>476</b>	<b>516</b>	<b>527</b>	<b>408</b>	<b>495</b>	<b>528</b>	<b>542</b>
Income Attributable to Investment Solutions	-35	-35	-32	-40	-27	-35	-32	-35
<b>Pre-Tax Income of French Retail Banking</b>	<b>341</b>	<b>441</b>	<b>484</b>	<b>487</b>	<b>381</b>	<b>460</b>	<b>496</b>	<b>507</b>
Allocated Equity (€bn, year to date)	6.7	6.7	6.7	6.8	6.9	7.0	7.0	7.0
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)</b>								
<b>Revenues</b>	<b>1,591</b>	<b>1,598</b>	<b>1,637</b>	<b>1,642</b>	<b>1,640</b>	<b>1,692</b>	<b>1,695</b>	<b>1,648</b>
Operating Expenses and Dep.	-1,151	-1,117	-1,056	-1,049	-1,171	-1,133	-1,067	-1,056
<b>Gross Operating Income</b>	<b>440</b>	<b>481</b>	<b>581</b>	<b>593</b>	<b>469</b>	<b>559</b>	<b>628</b>	<b>592</b>
Cost of Risk	-106	-85	-102	-108	-85	-90	-88	-78
<b>Operating Income</b>	<b>334</b>	<b>396</b>	<b>479</b>	<b>485</b>	<b>384</b>	<b>469</b>	<b>540</b>	<b>514</b>
Non Operating Items	0	0	1	1	1	0	1	2
<b>Pre-Tax Income</b>	<b>334</b>	<b>396</b>	<b>480</b>	<b>486</b>	<b>385</b>	<b>469</b>	<b>541</b>	<b>516</b>
Allocated Equity (€bn, year to date)	6.7	6.7	6.7	6.8	6.9	7.0	7.0	7.0
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>BNL banca commerciale (Including 100% of Private Banking in Italy)*</b>								
<b>Revenues</b>	<b>798</b>	<b>790</b>	<b>812</b>	<b>819</b>	<b>817</b>	<b>793</b>	<b>811</b>	<b>818</b>
Operating Expenses and Dep.	-466	-432	-439	-432	-467	-435	-441	-438
<b>Gross Operating Income</b>	<b>332</b>	<b>358</b>	<b>373</b>	<b>387</b>	<b>350</b>	<b>358</b>	<b>370</b>	<b>380</b>
Cost of Risk	-322	-348	-364	-364	-327	-287	-295	-296
<b>Operating Income</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>23</b>	<b>23</b>	<b>71</b>	<b>75</b>	<b>84</b>
Non Operating Items	0	0	0	0	0	0	0	0
<b>Pre-Tax Income</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>23</b>	<b>23</b>	<b>71</b>	<b>75</b>	<b>84</b>
Income Attributable to Investment Solutions	-7	-7	-8	-7	-4	-5	-5	-5
<b>Pre-Tax Income of BNL bc</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>16</b>	<b>19</b>	<b>66</b>	<b>70</b>	<b>79</b>
Allocated Equity (€bn, year to date)	5.6	5.7	5.8	5.9	6.0	6.1	6.1	6.2
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>BNL banca commerciale (Including 2/3 of Private Banking in Italy)</b>								
<b>Revenues</b>	<b>783</b>	<b>774</b>	<b>796</b>	<b>805</b>	<b>805</b>	<b>780</b>	<b>799</b>	<b>806</b>
Operating Expenses and Dep.	-458	-424	-431	-425	-460	-427	-434	-431
<b>Gross Operating Income</b>	<b>325</b>	<b>350</b>	<b>365</b>	<b>380</b>	<b>345</b>	<b>353</b>	<b>365</b>	<b>375</b>
Cost of Risk	-322	-347	-364	-364	-326	-287	-295	-296
<b>Operating Income</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>16</b>	<b>19</b>	<b>66</b>	<b>70</b>	<b>79</b>
Non Operating Items	0	0	0	0	0	0	0	0
<b>Pre-Tax Income</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>16</b>	<b>19</b>	<b>66</b>	<b>70</b>	<b>79</b>
Allocated Equity (€bn, year to date)	5.6	5.7	5.8	5.9	6.0	6.1	6.1	6.2

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





€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium)*</b>								
Revenues	875	847	822	841	805	817	805	810
Operating Expenses and Dep.	-614	-612	-606	-602	-604	-602	-612	-588
<b>Gross Operating Income</b>	<b>261</b>	<b>235</b>	<b>216</b>	<b>239</b>	<b>201</b>	<b>215</b>	<b>193</b>	<b>222</b>
Cost of Risk	-28	-36	-15	-52	-48	-30	-43	-21
<b>Operating Income</b>	<b>233</b>	<b>199</b>	<b>201</b>	<b>187</b>	<b>153</b>	<b>185</b>	<b>150</b>	<b>201</b>
Associated Companies	2	2	2	3	-1	4	10	3
Other Non Operating Items	-23	3	1	0	0	-1	-3	1
<b>Pre-Tax Income</b>	<b>212</b>	<b>204</b>	<b>204</b>	<b>190</b>	<b>152</b>	<b>188</b>	<b>157</b>	<b>205</b>
Income Attributable to Investment Solutions	-18	-17	-18	-19	-19	-14	-15	-16
<b>Pre-Tax Income of Belgian Retail Banking</b>	<b>194</b>	<b>187</b>	<b>186</b>	<b>171</b>	<b>133</b>	<b>174</b>	<b>142</b>	<b>189</b>
Allocated Equity (€bn, year to date)	3.5	3.5	3.4	3.4	3.3	3.3	3.3	3.4
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)</b>								
Revenues	834	809	782	802	765	782	767	774
Operating Expenses and Dep.	-592	-592	-584	-582	-582	-582	-590	-569
<b>Gross Operating Income</b>	<b>242</b>	<b>217</b>	<b>198</b>	<b>220</b>	<b>183</b>	<b>200</b>	<b>177</b>	<b>205</b>
Cost of Risk	-27	-35	-15	-52	-49	-29	-42	-20
<b>Operating Income</b>	<b>215</b>	<b>182</b>	<b>183</b>	<b>168</b>	<b>134</b>	<b>171</b>	<b>135</b>	<b>185</b>
Associated Companies	2	2	2	3	-1	4	10	3
Other Non Operating Items	-23	3	1	0	0	-1	-3	1
<b>Pre-Tax Income</b>	<b>194</b>	<b>187</b>	<b>186</b>	<b>171</b>	<b>133</b>	<b>174</b>	<b>142</b>	<b>189</b>
Allocated Equity (€bn, year to date)	3.5	3.5	3.4	3.4	3.3	3.3	3.3	3.4
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)*</b>								
Revenues	604	579	569	557	548	533	550	531
Operating Expenses and Dep.	-341	-317	-314	-313	-327	-306	-310	-306
<b>Gross Operating Income</b>	<b>263</b>	<b>262</b>	<b>255</b>	<b>244</b>	<b>221</b>	<b>227</b>	<b>240</b>	<b>225</b>
Cost of Risk	-50	-24	-24	-45	-64	-35	-34	-25
<b>Operating Income</b>	<b>213</b>	<b>238</b>	<b>231</b>	<b>199</b>	<b>157</b>	<b>192</b>	<b>206</b>	<b>200</b>
Associated Companies	-2	-7	-13	3	-1	8	14	14
Other Non Operating Items	0	0	0	0	-2	0	1	0
<b>Pre-Tax Income</b>	<b>211</b>	<b>231</b>	<b>218</b>	<b>202</b>	<b>154</b>	<b>200</b>	<b>221</b>	<b>214</b>
Income Attributable to Investment Solutions	-1	0	-2	-1	0	-2	-1	-1
<b>Pre-Tax Income of Other Domestic Markets</b>	<b>210</b>	<b>231</b>	<b>216</b>	<b>201</b>	<b>154</b>	<b>198</b>	<b>220</b>	<b>213</b>
Allocated Equity (€bn, year to date)	2.7	2.7	2.7	2.7	2.8	2.8	2.9	2.9
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)</b>								
Revenues	602	577	566	554	545	530	548	528
Operating Expenses and Dep.	-340	-315	-313	-311	-324	-305	-309	-304
<b>Gross Operating Income</b>	<b>262</b>	<b>262</b>	<b>253</b>	<b>243</b>	<b>221</b>	<b>225</b>	<b>239</b>	<b>224</b>
Cost of Risk	-50	-24	-24	-45	-64	-35	-34	-25
<b>Operating Income</b>	<b>212</b>	<b>238</b>	<b>229</b>	<b>198</b>	<b>157</b>	<b>190</b>	<b>205</b>	<b>199</b>
Associated Companies	-2	-7	-13	3	-1	8	14	14
Other Non Operating Items	0	0	0	0	-2	0	1	0
<b>Pre-Tax Income</b>	<b>210</b>	<b>231</b>	<b>216</b>	<b>201</b>	<b>154</b>	<b>198</b>	<b>220</b>	<b>213</b>
Allocated Equity (€bn, year to date)	2.7	2.7	2.7	2.7	2.8	2.8	2.9	2.9

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



€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>PERSONAL FINANCE</b>								
Revenues	1,147	1,083	926	921	911	912	941	929
Operating Expenses and Dep.	-578	-505	-442	-428	-446	-413	-446	-436
<b>Gross Operating Income</b>	<b>569</b>	<b>578</b>	<b>484</b>	<b>493</b>	<b>465</b>	<b>499</b>	<b>495</b>	<b>493</b>
Cost of Risk	-292	-276	-249	-277	-268	-254	-293	-283
<b>Operating Income</b>	<b>277</b>	<b>302</b>	<b>235</b>	<b>216</b>	<b>197</b>	<b>245</b>	<b>202</b>	<b>210</b>
Associated Companies	34	13	22	15	9	19	17	18
Other Non Operating Items	-5	15	6	0	-11	-1	3	1
<b>Pre-Tax Income</b>	<b>306</b>	<b>330</b>	<b>263</b>	<b>231</b>	<b>195</b>	<b>263</b>	<b>222</b>	<b>229</b>
Allocated Equity (€bn, year to date)	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2

€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey)*</b>								
Revenues	621	543	489	451	476	476	572	562
Operating Expenses and Dep.	-429	-355	-348	-335	-364	-359	-381	-375
<b>Gross Operating Income</b>	<b>192</b>	<b>188</b>	<b>141</b>	<b>116</b>	<b>112</b>	<b>117</b>	<b>191</b>	<b>187</b>
Cost of Risk	-136	-66	-50	-105	-64	-59	-62	-87
<b>Operating Income</b>	<b>56</b>	<b>122</b>	<b>91</b>	<b>11</b>	<b>48</b>	<b>58</b>	<b>129</b>	<b>100</b>
Associated Companies	24	24	28	26	21	24	25	19
Other Non Operating Items	2	1	1	0	1	0	110	-1
<b>Pre-Tax Income</b>	<b>82</b>	<b>147</b>	<b>120</b>	<b>37</b>	<b>70</b>	<b>82</b>	<b>264</b>	<b>118</b>
Income Attributable to Investment Solutions	0	0	-1	0	1	0	1	-2
<b>Pre-Tax Income of EUROPE-MEDITERRANEAN</b>	<b>82</b>	<b>147</b>	<b>119</b>	<b>37</b>	<b>71</b>	<b>82</b>	<b>265</b>	<b>116</b>
Allocated Equity (€bn, year to date)	3.7	3.5	3.5	3.5	3.7	3.7	3.8	3.6

€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey)</b>								
Revenues	619	541	487	450	475	475	571	559
Operating Expenses and Dep.	-427	-353	-347	-334	-362	-358	-379	-374
<b>Gross Operating Income</b>	<b>192</b>	<b>188</b>	<b>140</b>	<b>116</b>	<b>113</b>	<b>117</b>	<b>192</b>	<b>185</b>
Cost of Risk	-136	-66	-50	-105	-64	-59	-62	-87
<b>Operating Income</b>	<b>56</b>	<b>122</b>	<b>90</b>	<b>11</b>	<b>49</b>	<b>58</b>	<b>130</b>	<b>98</b>
Associated Companies	24	24	28	26	21	24	25	19
Other Non Operating Items	2	1	1	0	1	0	110	-1
<b>Pre-Tax Income</b>	<b>82</b>	<b>147</b>	<b>119</b>	<b>37</b>	<b>71</b>	<b>82</b>	<b>265</b>	<b>116</b>
Allocated Equity (€bn, year to date)	3.7	3.5	3.5	3.5	3.7	3.7	3.8	3.6

€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>BANCWEST (Including 100% of Private Banking in United States)*</b>								
Revenues	612	566	537	514	532	556	557	559
Operating Expenses and Dep.	-394	-358	-342	-349	-345	-349	-346	-346
<b>Gross Operating Income</b>	<b>218</b>	<b>208</b>	<b>195</b>	<b>165</b>	<b>187</b>	<b>207</b>	<b>211</b>	<b>213</b>
Cost of Risk	-17	-6	-16	-11	-16	0	-12	-26
<b>Operating Income</b>	<b>201</b>	<b>202</b>	<b>179</b>	<b>154</b>	<b>171</b>	<b>207</b>	<b>199</b>	<b>187</b>
Associated Companies	0	0	0	0	0	0	0	0
Other Non Operating Items	-1	1	1	3	1	1	1	3
<b>Pre-Tax Income</b>	<b>200</b>	<b>203</b>	<b>180</b>	<b>157</b>	<b>172</b>	<b>208</b>	<b>200</b>	<b>190</b>
Income Attributable to Investment Solutions	-3	-2	-2	-1	-2	0	-1	0
<b>Pre-Tax Income of BANCWEST</b>	<b>197</b>	<b>201</b>	<b>178</b>	<b>156</b>	<b>170</b>	<b>208</b>	<b>199</b>	<b>190</b>
Allocated Equity (€bn, year to date)	4.3	4.2	4.2	4.2	4.2	4.2	4.2	4.1

€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>BANCWEST (Including 2/3 of Private Banking in United States)</b>								
Revenues	604	559	531	508	526	551	552	555
Operating Expenses and Dep.	-389	-353	-338	-344	-341	-344	-342	-342
<b>Gross Operating Income</b>	<b>215</b>	<b>206</b>	<b>193</b>	<b>164</b>	<b>185</b>	<b>207</b>	<b>210</b>	<b>213</b>
Cost of Risk	-17	-6	-16	-11	-16	0	-12	-26
<b>Operating Income</b>	<b>198</b>	<b>200</b>	<b>177</b>	<b>153</b>	<b>169</b>	<b>207</b>	<b>198</b>	<b>187</b>
Non Operating Items	-1	1	1	3	1	1	1	3
<b>Pre-Tax Income</b>	<b>197</b>	<b>201</b>	<b>178</b>	<b>156</b>	<b>170</b>	<b>208</b>	<b>199</b>	<b>190</b>
Allocated Equity (€bn, year to date)	4.3	4.2	4.2	4.2	4.2	4.2	4.2	4.1

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



€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>INVESTMENT SOLUTIONS</b>								
<b>Revenues</b>	1,666	1,638	1,660	1,579	1,635	1,539	1,593	1,558
Operating Expenses and Dep.	-1,210	-1,146	-1,105	-1,075	-1,181	-1,078	-1,068	-1,058
<b>Gross Operating Income</b>	456	492	555	504	454	461	525	500
Cost of Risk	8	-3	-3	-6	18	1	-14	-7
<b>Operating Income</b>	464	489	552	498	472	462	511	493
Associated Companies	31	48	50	49	26	40	44	40
Other Non Operating Items	26	1	1	-2	-8	1	8	4
<b>Pre-Tax Income</b>	521	538	603	545	490	503	563	537
Allocated Equity (€bn, year to date)	8.5	8.4	8.4	8.3	8.1	8.1	8.2	8.2
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>WEALTH AND ASSET MANAGEMENT</b>								
<b>Revenues</b>	716	700	710	679	723	665	696	696
Operating Expenses and Dep.	-575	-549	-529	-518	-563	-525	-518	-513
<b>Gross Operating Income</b>	141	151	181	161	160	140	178	183
Cost of Risk	4	0	-4	-3	3	0	-14	-3
<b>Operating Income</b>	145	151	177	158	163	140	164	180
Associated Companies	14	11	18	12	15	12	15	13
Other Non Operating Items	17	2	1	0	-5	1	6	0
<b>Pre-Tax Income</b>	176	164	196	170	173	153	185	193
Allocated Equity (€bn, year to date)	1.7	1.7	1.7	1.7	1.5	1.6	1.6	1.7
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>INSURANCE</b>								
<b>Revenues</b>	568	541	538	533	571	517	510	538
Operating Expenses and Dep.	-289	-270	-267	-253	-307	-257	-255	-257
<b>Gross Operating Income</b>	279	271	271	280	264	260	255	281
Cost of Risk	1	-4	0	-3	5	1	0	-4
<b>Operating Income</b>	280	267	271	277	269	261	255	277
Associated Companies	17	38	32	37	11	28	29	28
Other Non Operating Items	0	-1	0	-2	-3	0	2	4
<b>Pre-Tax Income</b>	297	304	303	312	277	289	286	309
Allocated Equity (€bn, year to date)	6.3	6.2	6.2	6.1	6.0	6.0	6.0	6.0
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>SECURITIES SERVICES</b>								
<b>Revenues</b>	382	397	412	367	341	357	387	324
Operating Expenses and Dep.	-346	-327	-309	-304	-311	-296	-295	-288
<b>Gross Operating Income</b>	36	70	103	63	30	61	92	36
Cost of Risk	3	1	1	0	10	0	0	0
<b>Operating Income</b>	39	71	104	63	40	61	92	36
Non Operating Items	9	-1	0	0	0	0	0	-1
<b>Pre-Tax Income</b>	48	70	104	63	40	61	92	35
Allocated Equity (€bn, year to date)	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6



€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>CORPORATE AND INVESTMENT BANKING</b>								
<b>Revenues</b>	2,050	2,103	2,232	2,337	2,074	2,043	2,114	2,470
Operating Expenses and Dep.	-1,465	-1,514	-1,550	-1,608	-1,551	-1,429	-1,405	-1,591
<b>Gross Operating Income</b>	585	589	682	729	523	614	709	879
Cost of Risk	-32	87	-40	-96	-167	-62	-206	-80
<b>Operating Income</b>	553	676	642	633	356	552	503	799
Associated Companies	17	0	25	-4	-3	10	0	16
Other Non Operating Items	-4	-1	-6	-6	4	3	1	0
<b>Pre-Tax Income</b>	566	675	661	623	357	565	504	815
Allocated Equity (€bn, year to date)	15.4	15.3	15.3	15.6	15.5	15.7	15.8	15.6
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>ADVISORY AND CAPITAL MARKETS</b>								
<b>Revenues</b>	1,154	1,323	1,373	1,580	1,195	1,273	1,267	1,691
Operating Expenses and Dep.	-992	-1,083	-1,115	-1,185	-1,077	-1,032	-947	-1,180
<b>Gross Operating Income</b>	162	240	258	395	118	241	320	511
Cost of Risk	-6	19	11	26	4	15	-83	-14
<b>Operating Income</b>	156	259	269	421	122	256	237	497
Associated Companies	9	-1	6	8	-5	4	-3	9
Other Non Operating Items	-4	-1	-6	-6	4	3	1	0
<b>Pre-Tax Income</b>	161	257	269	423	121	263	235	506
Allocated Equity (€bn, year to date)	7.8	7.8	7.8	8.0	8.1	8.2	8.1	7.9
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>CORPORATE BANKING</b>								
<b>Revenues</b>	896	780	859	757	879	770	847	779
Operating Expenses and Dep.	-473	-431	-435	-423	-474	-397	-458	-411
<b>Gross Operating Income</b>	423	349	424	334	405	373	389	368
Cost of Risk	-26	68	-51	-122	-171	-77	-123	-66
<b>Operating Income</b>	397	417	373	212	234	296	266	302
Non Operating Items	8	1	19	-12	2	6	3	7
<b>Pre-Tax Income</b>	405	418	392	200	236	302	269	309
Allocated Equity (€bn, year to date)	7.7	7.6	7.5	7.6	7.4	7.5	7.6	7.6
€m	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
<b>CORPORATE CENTRE</b>								
<b>Revenues</b>	254	-145	-49	315	93	-125	209	145
Operating Expenses and Dep.	-394	-304	-351	-226	-446	-314	-211	-309
<i>Incl. Restructuring and Transformation Costs</i>	-254	-154	-207	-142	-287	-145	-74	-155
<b>Gross Operating Income</b>	-140	-449	-400	89	-353	-439	-2	-164
Cost of Risk	-38	1	8	-20	5	-15	2	-9
Costs related to the comprehensive settlement with US authorities	-50	0	-5,950	0	-798	0	0	0
<b>Operating Income</b>	-228	-448	-6,342	69	-1,146	-454	0	-173
Associated Companies	-28	5	23	14	26	36	-4	-77
Other Non Operating Items	-263	43	12	-2	-93	10	-9	11
<b>Pre-Tax Income</b>	-519	-400	-6,307	81	-1,213	-408	-13	-239



### 4Q14 AND 2014 MAIN EXCEPTIONAL ITEMS

	4Q14	4Q13
<b>Revenues</b>		
Own credit adjustment and DVA ( <i>Corporate Centre</i> )	-€11m	-€13m
<b>Total one-off revenue items</b>	-€11m	-€13m
<b>Operating expenses</b>		
Simple & Efficient transformation costs ( <i>Corporate Centre</i> )	-€229m	-€287m
<b>Total one-off operating expenses</b>	-€229m	-€287m
<b>Costs related to the comprehensive settlement with U.S. authorities (<i>Corporate Centre</i>)</b>	-€50m	-€798m
<b>Non operating items</b>		
One-off impairments* (" <i>Corporate Centre</i> ")	-€297m	-€252m
<b>Total one-off non operating items</b>	-€297m	-€252m
<b>Total one-off items</b>	-€587m	-€1,350m

\* Of which BNL bc's goodwill adjustments: -€297m in 4Q14 and -€186m in 4Q13

	2014	2013
<b>Revenues</b>		
Own credit adjustment and DVA ( <i>Corporate Centre</i> )	-€459m	-€71m
Sale of Royal Park Investments' assets ( <i>Corporate Centre</i> )		+€218m
Introduction of FVA* ( <i>CIB - Advisory and Capital Markets</i> )	-€166m	
Net capital gains from exceptional equity investment sales ( <i>Corporate Centre</i> )	+€301m	
<b>Total one-off revenue items</b>	-€324m	+€147m
<b>Operating expenses</b>		
Simple & Efficient transformation costs ( <i>Corporate Centre</i> )	-€717m	-€661m
<b>Total one-off operating expenses</b>	-€717m	-€661m
<b>Cost of risk</b>		
Portfolio provision due to the exceptional situation in Eastern Europe**	-€100m	
<b>Total one-off cost of risk</b>	-€100m	
<b>Costs related to the comprehensive settlement with U.S. authorities (<i>Corporate Centre</i>)</b>		
Amount of penalties	-€5,750m	-€798m
Costs related to the remediation plan	-€250m	
<b>Total</b>	-€6,000m	-€798m
<b>Non operating items</b>		
Sale of BNP Paribas Egypt		+€81m
One-off impairments*** (" <i>Corporate Centre</i> ")	-€297m	-€252m
<b>Total one-off non operating items</b>	-€297m	-€171m
<b>Total one-off items</b>	-€7,438m	-€1,483m

\* Funding Valuation Adjustment; \*\* EM (-€43m), PF (-€7m), CIB-Corporate Banking (-€50m);

\*\*\* Of which BNL bc's goodwill adjustments: -€297m in 4Q14 and -€186m in 4Q13



<b>GOOD OPERATING PERFORMANCE BUT SIGNIFICANT IMPACT OF ONE-OFF ITEMS IN 2014 .....</b>	<b>2</b>
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*Figures included in this presentation are unaudited. On 14 March 2014, BNP Paribas issued a restatement of its quarterly results for 2013 reflecting, in particular, (i) the adoption of the accounting standards IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, which has, in particular, the effect of decreasing the Group’s 2013 net income attributable to equity holders by €14m, as well as the amended IAS 28 “Investments in Associates and Joint Ventures”; (ii) certain internal transfers of activities and results made as of 1 January 2014, in the context of the medium-term plan, (iii) the application of Basel 3 which modifies the capital allocation by division and business line and (iv) the evolution of allocation practices of the liquidity costs to the operating divisions in order to align them to the Liquidity Coverage Ratio approach. Moreover, in order to ensure the comparability with the 2014 results, pro-forma 2013 accounts have been prepared considering TEB group under full consolidation for the whole year. In these restated results, data pertaining to 2013 has been represented as though the transactions had occurred on 1st January 2013. This presentation is based on the restated 2013 quarterly data.*

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## **Investor Relations & Financial Information**

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

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

Thibaut de Clerck +33 (0)1 42 98 23 40

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

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

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Fax: +33 (0)1 42 98 21 22

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E-mail: [investor.relations@bnpparibas.com](mailto:investor.relations@bnpparibas.com)

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<http://invest.bnpparibas.com>



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# 2014 Full Year Results





# Disclaimer

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# 2014 Key Messages

- Revenue growth in all the operating divisions
- Very good performance of the specialised businesses

**Revenues: +3.2%\* vs. 2013**

**Growth of gross operating income**

**+5.6%\* vs. 2013**

**Lower cost of risk**

**-2.5% vs. 2013**

**Net income excluding exceptional items**

**€7.0bn\***

**Very substantial one-off items in 2014**  
*of which costs relating to the comprehensive settlement with U.S. authorities*

**-€7.4bn**  
**-€6.0bn**

**Net income Group share: €157m**

**A rock-solid balance sheet: quality of assets confirmed by AQR results**

**Basel 3 CET1 ratio: 10.3%\*\***

**Good operating performance in 2014**

*\* Excluding one-off items (see slide 7); \*\* As at 31 December 2014, CRD4 (fully loaded)*



# Group Results

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Division Results

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2014-2016 Business Development Plan

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4Q14 Detailed Results

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Appendix

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# Comprehensive Settlement with U.S. Authorities

- 30 June 2014: comprehensive settlement\* with the U.S. authorities regarding the review of certain USD transactions involving parties subject to U.S. sanctions
- Included among other things the payment by BNP Paribas of a total of USD 8.97bn (€6.6bn) in penalties
  - Given the amount already provisioned (USD 1.1bn or €798m), one-off cost of €5.75bn booked this year
- Remediation plan determined as part of the comprehensive settlement: two specific measures under implementation
  - All USD flows for the entire Group will be ultimately processed and controlled via the New York branch
  - Creation of a Group Financial Security department in the US, as part of the Group Compliance function, headquartered in New York (target staff size: ~50 people)
- One-off charge of €250m related to the costs of the overall remediation plan
  - Of which an additional €50m in 4Q14

*\* See note 3.g in the first half 2014 consolidated financial statements*



# Reinforcing of Compliance and Control Resources and Procedures

- Beyond the comprehensive settlement with the U.S. authorities, changes to the Group's internal control setup
  - Vertical integration of the Compliance and Legal functions, creation of a Group Supervisory and Control Committee, Group Conduct Committee in the process of being set up
  - New organisation and review of procedures under way
- Continue to increase resources earmarked for control and compliance
  - Increase staffing of the compliance organisation and of the General Inspection (target: +1,200 people vs. 2013)
  - Increase in the number of controls performed by the General Inspection with in particular the creation of a team specialised in compliance and financial security issues
  - Development of internal control tools (for example new transaction filtering software)
- Increase the number and expand the content of the Group's employee training programmes
- Reinforce mandatory periodic client portfolio review procedures (Know Your Customer)



# Main Exceptional Items - 2014

## ● Revenues

- Own credit adjustment and DVA *(Corporate Centre)*
- Sale of Royal Park Investments' assets *(Corporate Centre)*
- Introduction of FVA\* *(CIB - Advisory and Capital Markets)*
- Net capital gains from exceptional equity investment sales *(Corporate Centre)*

### *Total one-off revenue items*

## ● Operating expenses

- Simple & Efficient transformation costs *(Corporate Centre)*

### *Total one-off operating expenses*

## ● Cost of risk

- Portfolio provision due to the exceptional situation in Eastern Europe\*\*

### *Total one-off cost of risk*

## ● Costs related to the comprehensive settlement with U.S. authorities *(Corporate Centre)*

- Amount of penalties
- Costs related to the remediation plan

### *Total*

## ● Non operating items

- Sale of BNP Paribas Egypt
- One-off impairments\*\*\* *(Corporate Centre)*

### *Total one-off non operating items*

## ● Total one-off items

> 2014	> 2013
-€459m	-€71m
	+€218m
-€166m	
+€301m	
-€324m	+€147m
-€17m	-€661m
-€717m	-€661m
-€100m	
-€100m	
-€5,750m	-€798m
-€250m	
-€6,000m	-€798m
	+€31m
-€297m	-€252m
-€297m	-€171m
-€7,438m	-€1,483m

\* Funding Valuation Adjustment; \*\* EM (-€43m), PF (-€7m), CIB-Corporate Banking (-€50m); \*\*\* Of which BNL bc's goodwill adjustments: -€297m in 4Q14 and -€186m in 4Q13



# Consolidated Group - 2014

	> 2014	> 2014 vs. 2013	> 2014 vs. 2013 excluding exceptional items*
<b>Revenues</b>	€39,168m	+2.0%	+3.2%
Operating expenses	-€26,526m	+2.1%	+2.0%
<b>Gross operating income</b>	€12,642m	+1.6%	+5.6%
Cost of risk	-€3,705m	-2.5%	-5.2%
Costs related to the comprehensive settlement with U.S. authorities	-€6,000m	n.s.	n.s.
<b>Pre-tax income</b>	€3,149m	n.s.	+8.9%
<b>Net income attributable to equity holders</b>	€157m	n.s.	
<i>Net income attributable to equity holders excluding one-off items*</i>	€7,049m		

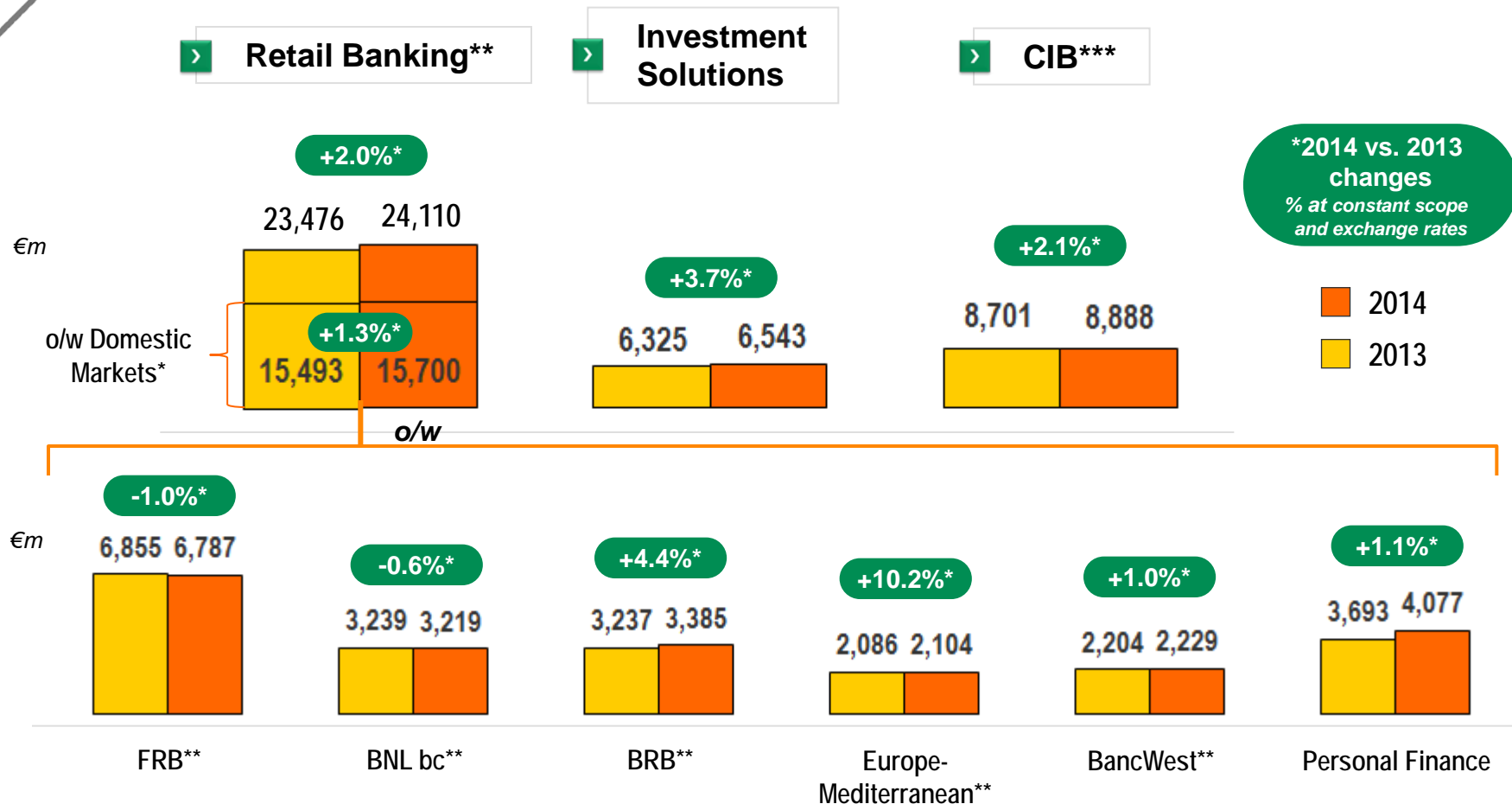


**Good performance excluding one-off items**





# Revenues of the Operating Divisions - 2014

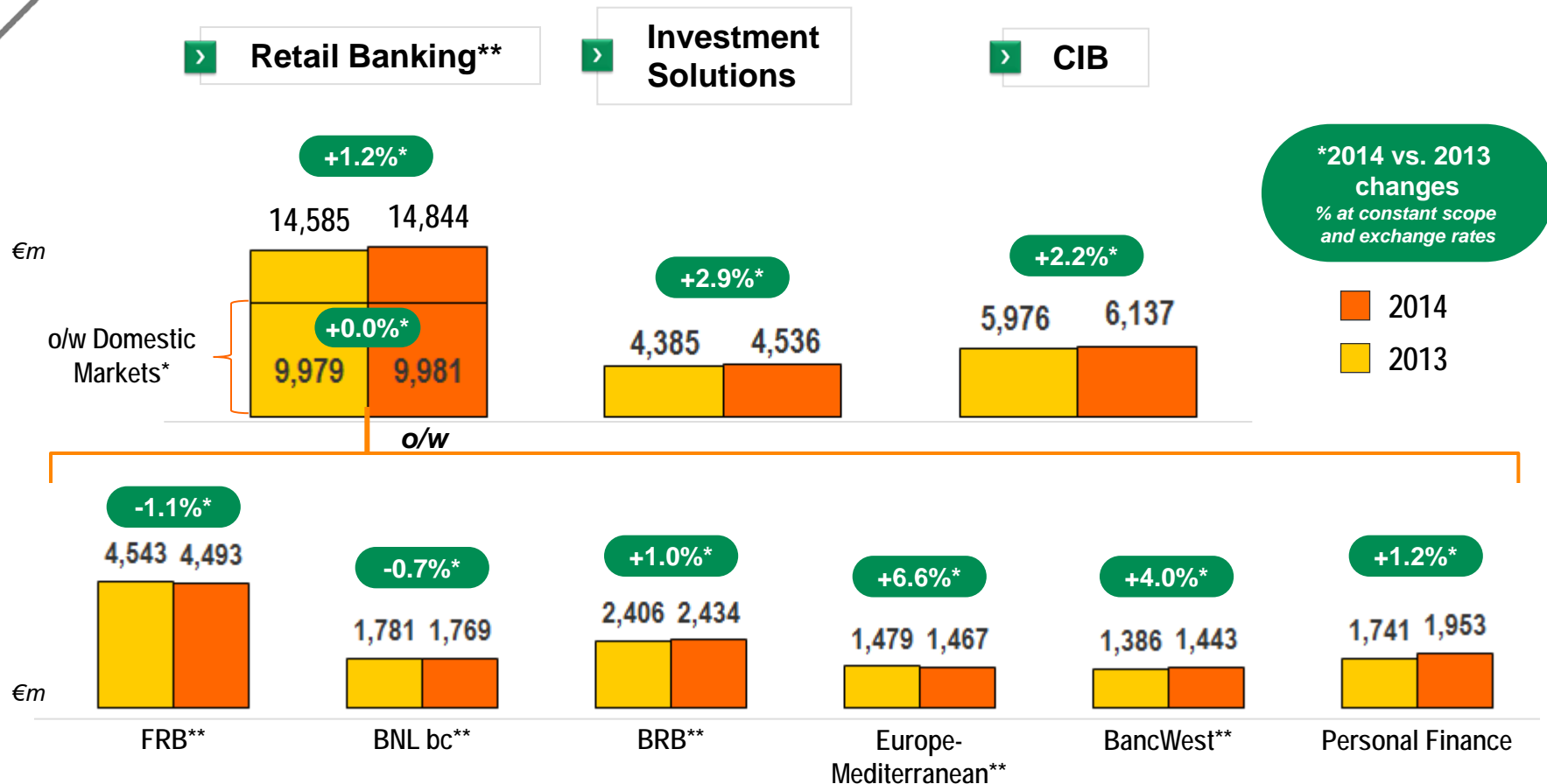


## > Revenue growth in all the operating divisions

\*\* Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium, Luxembourg, at BancWest and TEB; \*\*\* Excluding exceptional items



# Operating Expenses of the Operating Divisions - 2014



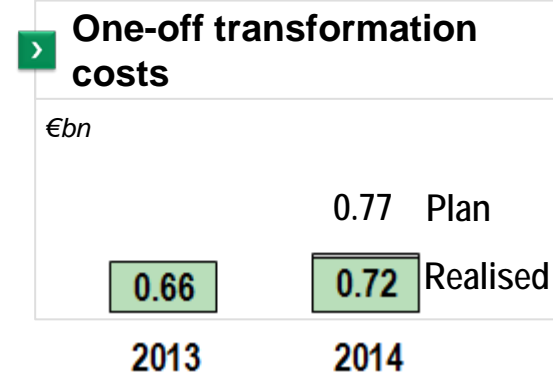
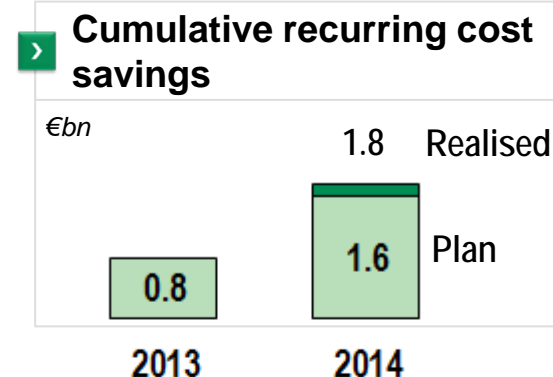
**Effects of Simple & Efficient  
and continued investment in business development plans**

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



# Simple & Efficient

- Continued the momentum throughout the entire Group
  - 1,345 programmes identified including 2,597 projects of which 97% are already under way
- Cost savings: €1,760m since the launch of the project
  - Beyond the initial €1.6bn target
  - Of which €285m booked in 4Q14
  - Of which €960m booked in 2014
- Transformation costs: €229m in 4Q14
  - €717m in 2014



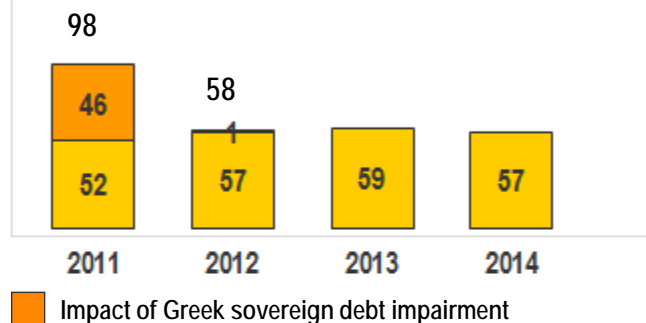
**Cost savings achieved above the plan**



# Cost of Risk - 2014 (1/2)

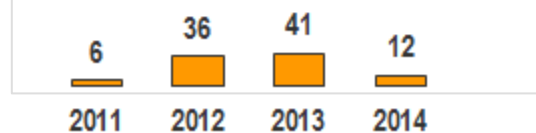
*Net provisions/Customer loans*

## > Group



- Cost of risk: €3,705m (-€96m vs. 2013)
- Cost of risk stable overall

## > CIB – Corporate Banking



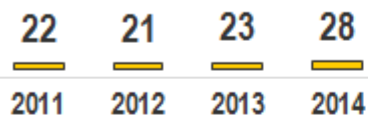
- €131m (-€306m vs. 2013)
- Cost of risk at a very low level



# Cost of Risk - 2014 (2/2)

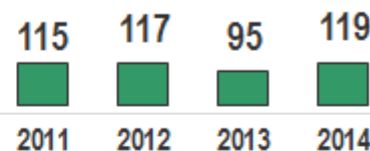
Net provisions/Customer loans

## > FRB



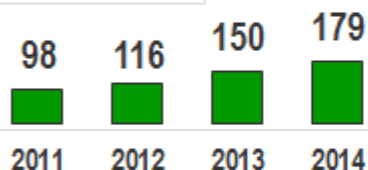
- €402m (+€59m vs. 2013)
- Cost of risk still low

## > Europe-Mediterranean



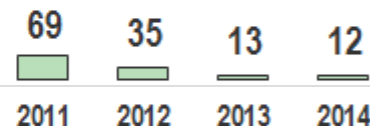
- €357m (+€85m vs. 2013)
- Rise in the cost of risk due to the situation in Eastern Europe

## > BNL bc



- €1,398m (+€193m vs. 2013)
- Cost of risk up due to the protracted recession in Italy

## > BancWest



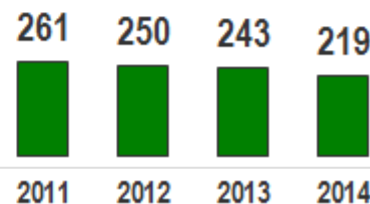
- €50m (-€4m vs. 2013)
- Cost of risk at a very low level

## > BRB



- €131m (-€11m vs. 2013)
- Cost of risk very low

## > Personal Finance



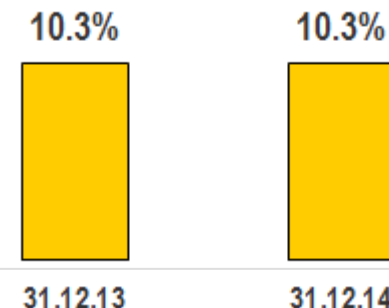
- €1,094m (-€4m vs. 2013)
- Scope effect related to the acquisition of LaSer: €67m
- Decline in the cost of risk



# Financial Structure

- Fully loaded Basel 3 CET1 ratio\*: 10.3% as at 31.12.14
  - Stable vs. 31.12.13
  - After taking into account AQR results
- Fully loaded Basel 3 leverage ratio\*\*: 3.6% as at 31.12.14
  - Calculated on total Tier 1 capital\*\*\*
- Liquidity Coverage Ratio: 114% as at 31.12.14
- Immediately available liquidity reserve: €291bn\*\*\*\* (€247bn as at 31.12.13)
  - Amounting to 179% (154% as at 31.12.13) of short-term wholesale funding, equivalent to over 1 year of room to manoeuvre

## > Basel 3 solvency ratio



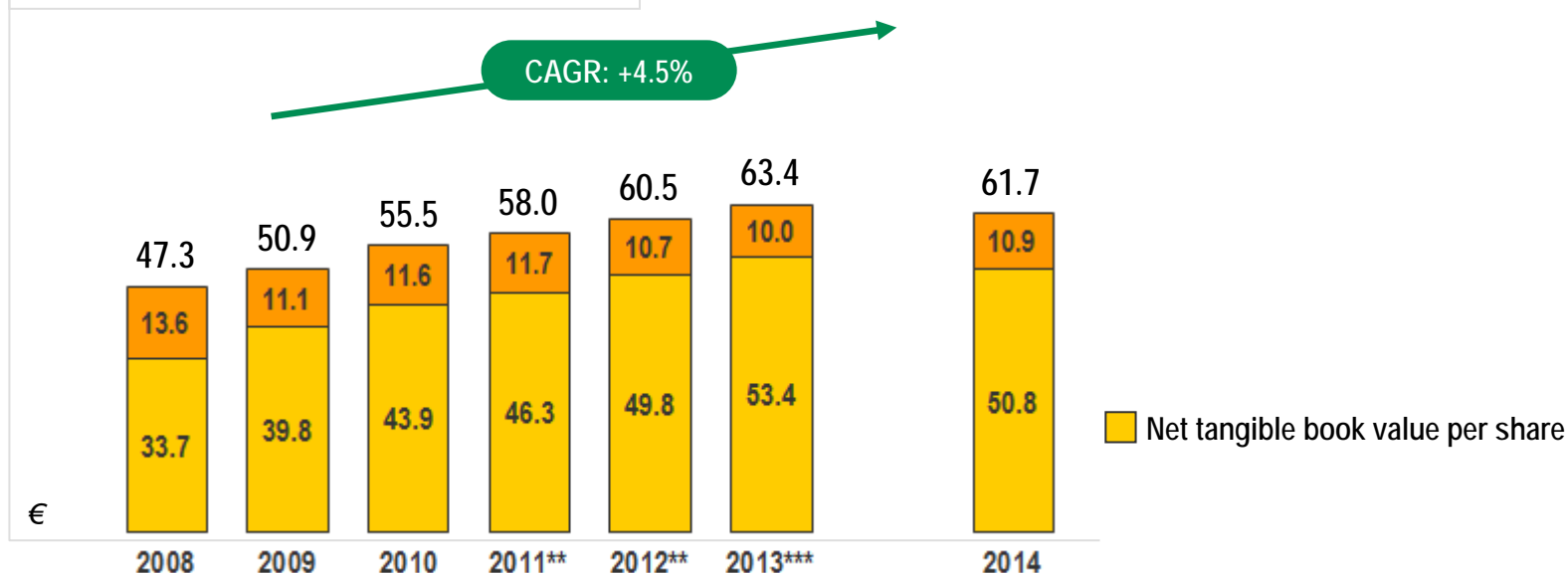
## A rock-solid balance sheet Quality of assets confirmed by AQR results

\* CRD4; \*\* CRD4, calculated according to the delegated act of the European Commission dated 10.10.2014; \*\*\* Including the forthcoming replacement of Tier 1 instruments that have become ineligible with equivalent eligible instruments; \*\*\*\* Deposits with central banks and unencumbered assets eligible to central banks, after haircuts



# Net Book Value per Share

## > Net book value per share\*



## > Net book value per share above €60 since 2012

\* Not revaluated; \*\* Restated following application of the IAS 19 amendment; \*\*\* Pro-forma data restated following application of IFRS 10 and 11

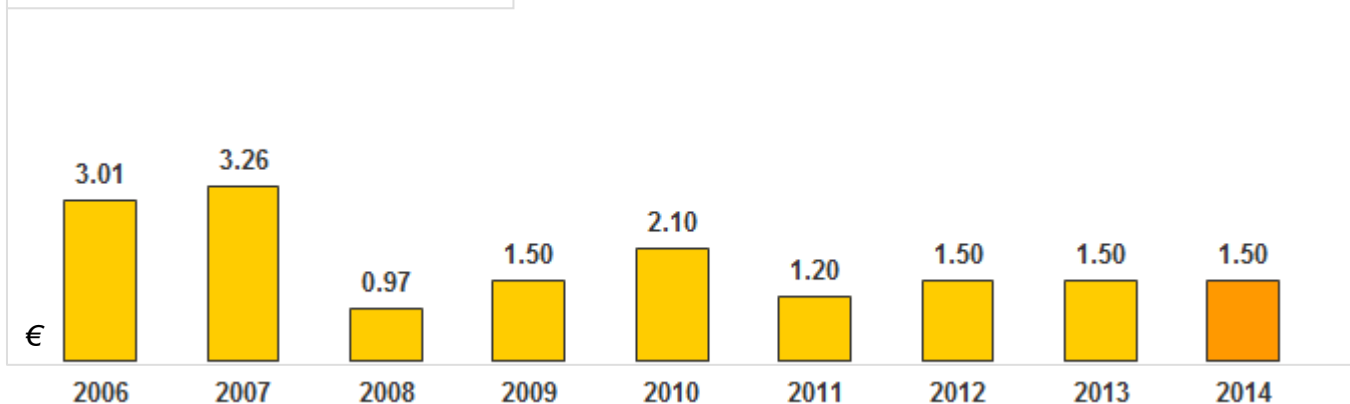




# Dividend

- Dividend\*: €1.50 per share
  - Paid in cash
  - Dividend yield: 3.0%\*\*

## > Dividend per share



**Dividend maintained at €1.50 per share**

*\* Subject to shareholder approval at the Shareholders' Meeting on 13 May 2015, shares will go ex-dividend on 20 May 2015, payment on 22 May 2015; \*\* Based on the closing share price on 31 December 2014 (€49.26)*



Group Results

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**Division Results**

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2014-2016 Business Development Plan

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4Q14 Detailed Results

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Appendix

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# Domestic Markets - 2014

- Business activity

- Deposits: +3.6% vs. 2013, good growth in France, Belgium and at Consorsbank in Germany
- Loans: -0.3% vs. 2013, gradual stabilisation of demand
- Cash management: #1 in Europe; #1 in France and in Belgium\*



- : already 800,000 clients in Germany, Belgium, France and Italy

- New branch layouts: roll out in all the networks

- Differentiated formats and new customer in-branch experience

- Revenues\*\*: €15.7bn (+1.3% vs. 2013)

- Driven by BRB and the specialised businesses (Arval, Leasing Solutions, Personal Investors)
- Persistently low interest rate environment

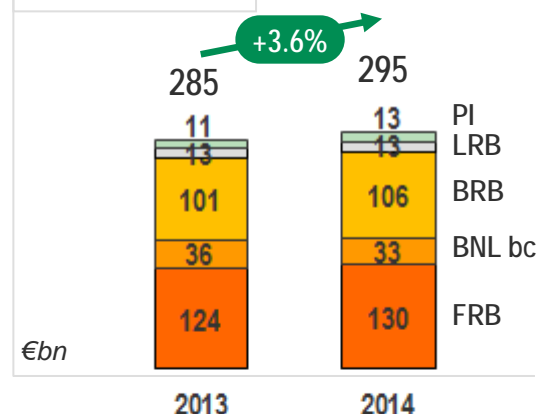
- Operating expenses\*\*: €10.0bn (stable vs. 2013)

- Very good cost containment
- Positive jaws effect (+1.3 pts)

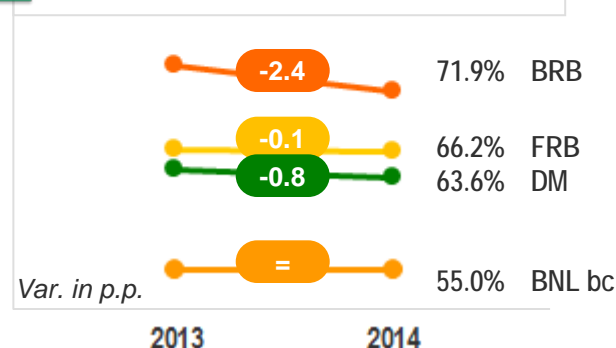
- GOI\*\*: €5.7bn (+3.7% vs. 2013)

- Pre-tax income\*\*\*: €3.4bn (-3.7% vs. 2013)

## > Deposits



## > Cost/Income\*\*



**Good overall performance in a lacklustre environment**  
**New improvement of the cost/income ratio**

\* Source: Greenwich; \*\* Including 100% of Private Banking, excluding PEL/CEL effects; \*\*\* Including 2/3 of Private Banking, excluding PEL/CEL effects



# French Retail Banking - 2014

## ● Business activity

- Deposits: +4.2% vs. 2013, strong growth in current accounts
- Loans: -0.9% vs. 2013 but +0.1% 4Q14 vs. 4Q13, stabilisation on the individual segment and slight growth in the corporate segment
- Good startup of *BNP Paribas Entrepreneurs 2016* (1,300 VSEs/SMEs supported on a global scale); supporting SMEs and innovative startups (launch of *Innov&Connect* and success of the 14 Innovation Hubs)
- BNP Paribas Factor became #1 for factoring in France\*
- Private Banking still #1 by assets under management (+6.0% vs. 31.12.13)

## ● Revenues\*\*: -1.0% vs. 2013

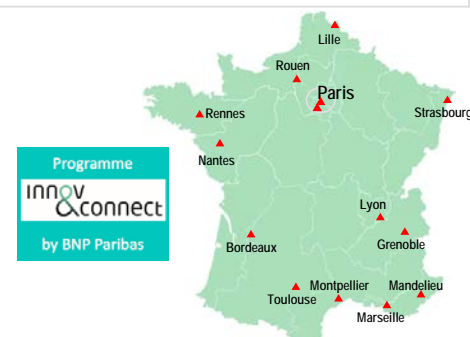
- Net interest income: -0.5%, persistently low interest rate environment
- Fees: -1.7%, decline in processing fees due to regulatory changes\*\*\*

## ● Operating expenses\*\*: -1.1% vs. 2013

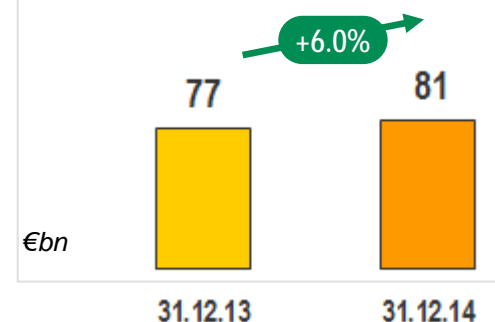
- Continuing effect of operating efficiency measures

## ● Pre-tax income\*\*\*\*: 1,753m (-4.9% vs. 2013)

### > 14 Innovation Hubs Over 1,000 start-up clients



### > Assets under management Private Banking



## Good resilience in a lacklustre environment

\* Source: Association des Sociétés Financières; \*\* Including 100% of FPB, excluding PEL/CEL effects; \*\*\* Certain processing fees (commissions d'intervention) capped starting on 1<sup>st</sup> January 2014 (Banking Law); \*\*\*\* Including 2/3 of FPB, excluding PEL/CEL effects



# BNL banca commerciale - 2014

## ● Business activity

- Loans: -2.2% vs. 2013, selective repositioning on the corporate and small business segments, moderate rise in loans to individuals
- Deposits: -6.8% vs. 2013, decline focused on the most costly deposits, in particular those of corporates
- Off balance sheet savings: strong growth of outstandings in life insurance (+18.7% vs. 2013) and mutual funds (+24.9% vs. 2013)
- Private Banking: growth in assets under management (+5.2% vs. 2013)
- Launch of a financial advisors' network (*Promotori Finanziari*) to expand the distribution of savings products

## ● Revenues\*: -0.6% vs. 2013

- Net interest income: -0.3% vs. 2013, impact of lower volumes partly offset by a favourable structural effect on deposits
- Fees: -1.3% vs. 2013, lower fees from loans but good performance of off balance savings

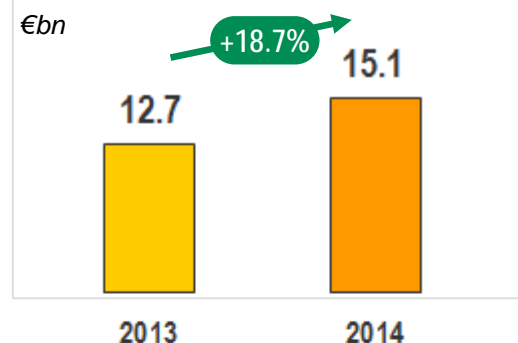
## ● Operating expenses\*: -0.7% vs. 2013

- Effect of operating efficiency measures

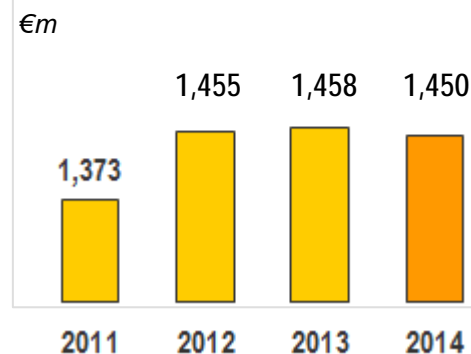
## ● Pre-tax income\*\*: €23m (-90.2% vs. 2013)

- Cost of risk increased (+16.0% vs. 2013) but stabilised towards the end of the year

### > Off balance sheet savings (Life insurance outstandings)



### > GOI\*



**Continuing adaptation of the commercial model  
in a still challenging economic context**



# Belgian Retail Banking - 2014

- Business activity

- Deposits: +5.1% vs. 2013, good growth in current and savings accounts
- Loans: +2.1% vs. 2013, growth in loans to individual customers; loans to SMEs held up well
- Development of digital banking: > 1 million downloads of the Easy Banking application for iPhone/iPad and Android since launch in mid-2012, of which > 450,000 in 2014

- Revenues\*: +4.6% vs. 2013

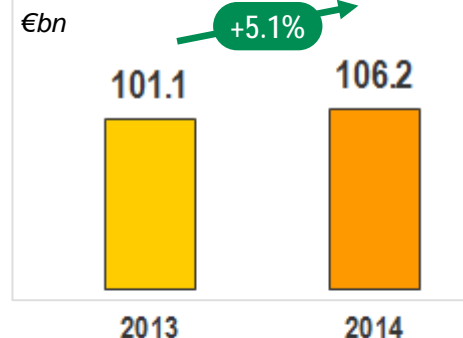
- Net interest income: +5.1% vs. 2013, in line with increased volumes and margins holding up well
- Fees: +3.3% vs. 2013, good performance due in particular to financial and credit fees

- Operating expenses\*: +1.2% vs. 2013

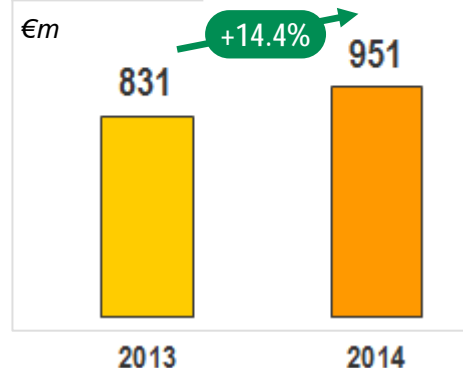
- Significant impact of the increase in systemic taxes (+€66m vs. 2013)
- Substantial improvement of operating efficiency in line with Bank for the Future

- Pre-tax income\*\*: €738m (+15.7% vs. 2013)

## > Deposits



## > GOI\*



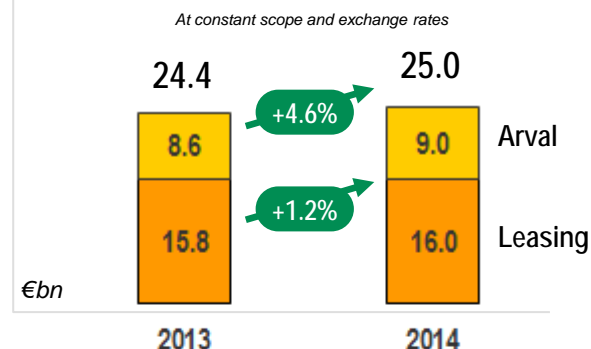
**Good sales and marketing drive and strong income growth**



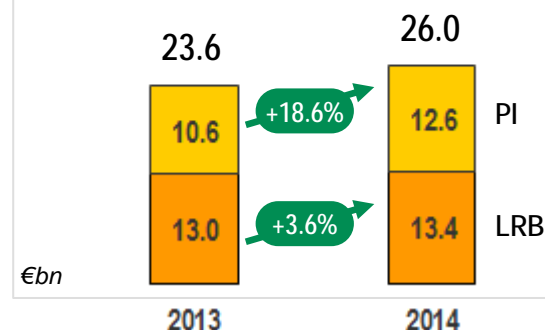
# Domestic Markets: Other Activities - 2014

- Acquisition\* of DAB Bank in Germany (Personal Investors)
  - With Consorsbank, creation of the #1 online broker and the 5th largest digital bank in Germany with 1.5 million customers and €63bn in assets under management, of which €17bn in deposits\*\*
- Domestic Markets' specialised businesses
  - Arval: good growth in the financed fleet (>700,000 vehicles)
  - Leasing Solutions: rise in outstandings despite the continued reduction of the non-core portfolio
  - Personal Investors: strong increase in deposits sustained by a good a level of new customers and the success of Hello bank! in Germany
- Luxembourg Retail Banking: good deposit inflows, growth in mortgage loans
- Revenues\*\*\*: +6.8% vs. 2013
  - Strong growth at Arval, Leasing Solutions and Personal Investors
- Operating expenses\*\*\*: +2.9% vs. 2013
  - In line with the development of business activities
  - Largely positive jaws effect (+3.9 pts)
- Pre-tax income\*\*\*\*: €858m (+9.3% vs. 2013)

## Consolidated outstandings Arval and Leasing Solutions



## Deposits



## Strong sales and marketing drive Acquisition of DAB Bank in Germany

\* 91.7% ownership interest in DAB Bank after the public offering (closing on 17 December); \*\* As at 30.09.14, Consorsbank is a trademark of Hello bank! In Germany;

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

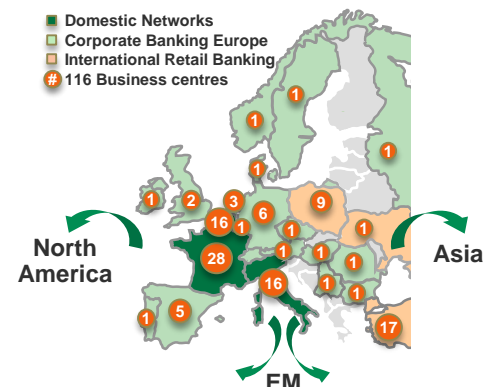


# Domestic Markets

## 2015 Action Plan

- Continue implementation of multi-domestic retail banking
  - Cross-selling: with Private Banking, the specialised businesses, etc.
  - Cross-border: with CIB, expand on the success of One Bank for Corporates and the leading position in Europe in cash management
  - Cross-IT: continue pooling IT applications (distribution platforms (MIB), electronic money, securities and brokerage)
- Invest in the omni-channel bank of the future
  - Continue digital innovations: digital banking (Hello bank!), new payment solutions (Paylib, Sixdots) and distribution platforms (e-MIB)
  - Continue transforming the branch networks with differentiated and complementary branch formats: *Preference Client* programme in France, *Bank for the Future* in Belgium and *Matin* in Italy
- Adapt the commercial offering to the low interest rate environment
  - Continue developing off-balance sheet savings
  - Expand the service offering as well as value-added financing solutions (Leasing Solutions, Arval)
  - Support the gradual recovery of demand for loans
- Continuous improvement of operating efficiency
  - Strict cost containment with implementation of the Simple & Efficient plan

### > One Bank for Corporates in Europe

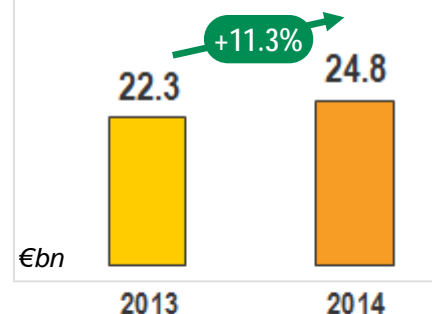




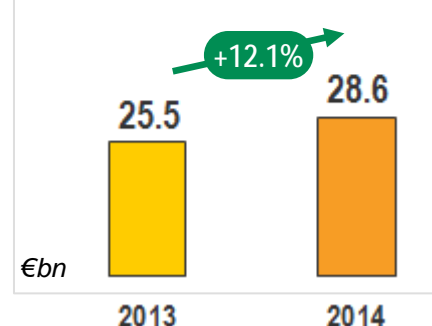
# Europe-Mediterranean - 2014

- Acquisition\* of Bank BGZ in Poland
  - With BNP Paribas Polska and the Group's specialised businesses, creation of a reference bank in Poland with over 4% market share
- Very good business drive
  - Deposits: +11.3%\*\* vs. 2013, up in most countries, strong increase in Turkey
  - Loans: +12.1%\*\* vs. 2013, driven in particular by Turkey
  - Roll-out of the multi-channel offering throughout all the networks
- Revenues\*\*\*: +10.2%\*\* vs. 2013
  - +14.6%\*\* excluding the impacts of regulatory changes since 3Q13\*\*\*\*
  - Up in all regions
- Operating expenses\*\*\*: +6.6%\*\* vs. 2013
  - Bolstering of the commercial setup in Turkey and in Morocco
- Pre-tax income\*\*\*\*\*: €385m (+2.5%\*\* vs. 2013)
  - Rise in the cost of risk due to the situation in Eastern Europe

## > Deposits\*\*



## > Loans\*\*



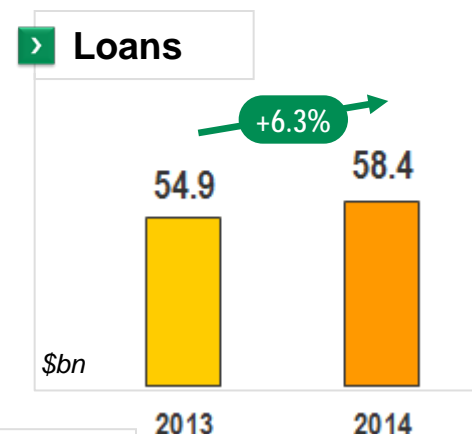
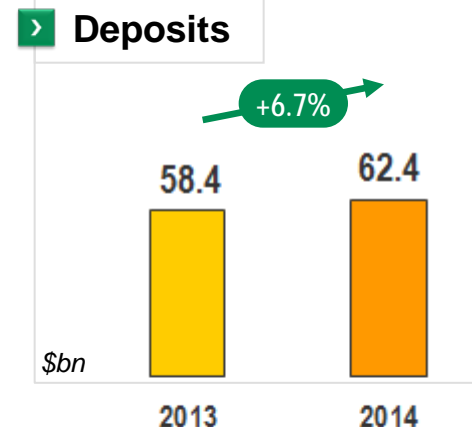
## Strong sales and marketing drive Acquisition of Bank BGZ in Poland

\* Closing on 15 September, 89% ownership interest in BGZ at the close of the public offering ; \*\* At constant scope and exchange rates; \*\*\* Including 100% of Turkish Private Banking; \*\*\*\* New regulations on charging fees for overdrafts in Turkey and foreign exchange fees in Algeria (impact of -€159m in 2014); \*\*\*\*\* Including 2/3 of Turkish Private Banking



# BancWest - 2014

- Strong business activity
  - Deposits: +6.7%\* vs. 2013, strong rise in current and savings accounts
  - Loans: +6.3%\* vs. 2013, continued strong growth in corporate and consumer loans
  - Private Banking: +23% increase in assets under management vs. 31.12.13 (\$8.6bn as at 31.12.14)
  - Mobile Banking offering: 279,000 monthly users (+25% vs. December 2013)
- Revenues\*\*: +1.0%\* vs. 2013
  - Lower capital gains on securities sales (+3.6% excl. these elements)
  - Rise in volumes but low interest rate environment
- Operating expenses\*\*: +4.0%\* vs. 2013
  - Increase in regulatory costs\*\*\*
  - Impact of the strengthening of the commercial setup (Private Banking and consumer finance) partially offset by savings generated by streamlining the network
- Pre-tax income\*\*\*\*: €732m (-4.5%\* vs. 2013)



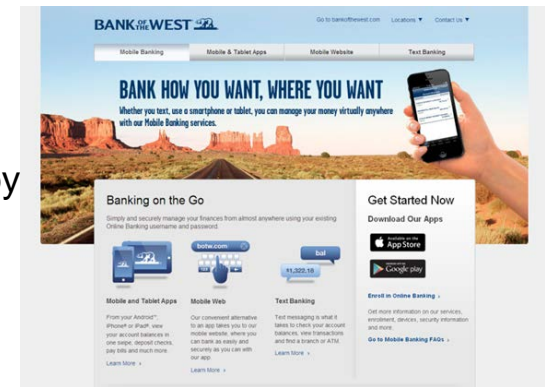
**Strong sales and marketing drive  
in a dynamic economy**

\* At constant scope and exchange rates; \*\* Including 100% of Private Banking in the United States; \*\*\* CCAR and Intermediate Holding Company in particular;  
\*\*\*\* Including 2/3 of Private Banking

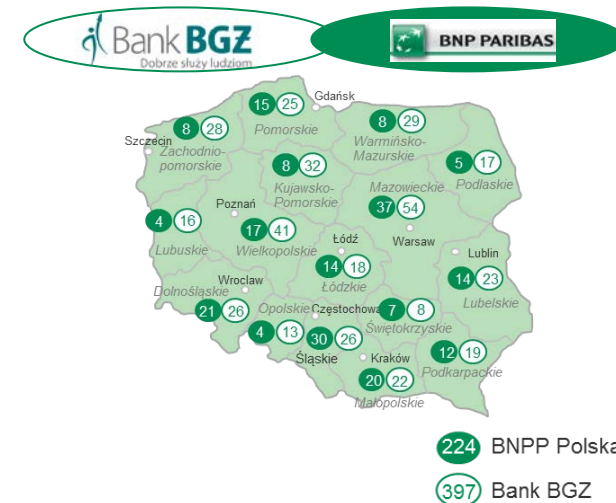


# International Retail Banking 2015 Action Plan

- BancWest: further expand the product offering in a favourable environment
  - Further deploy the private banking and consumer loan setups, by leveraging Group expertise
  - Retail networks: continue to develop the digital banking services and to adapt the branch network
  - Corporates: increase the cooperation with CIB and keep developing cash management
- Europe-Mediterranean: continue focused business development
  - Individuals: continue the roll-out of the digital offering
  - Corporates: strengthen cash management
  - Successfully complete the integration of Bank BGZ in Poland
  - Continue growth in Turkey, in particular by leveraging cross-selling with the Group's businesses
  - Further develop partnerships with Bank of Nanjing



## Poland – Branch network\*



\* Number of branches as at 30.09.14

# Personal Finance - 2014

- Good growth dynamic

- LaSer now wholly-owned\*: ~4,700 persons and €9.3bn in outstandings  
Position as the #1 specialty player in Europe strengthened
- Acquisitions of the consumer finance businesses of RCS and JD Group\*\*\* in South Africa
- Development of partnerships with retailers (Suning in China, Americanas in Brazil, etc.)
- Car loans: new partnership agreements (PSA in Turkey, Toyota in Belgium, etc.) and good growth in outstandings (+4.5%\*\* vs. 2013)

- Revenues: €4,077m (+10.4% vs. 2013)

- +2.4% vs. 2013 at constant scope and exchange rates\*\*\*\*
- Good business growth in particular in Germany, Belgium and Central Europe

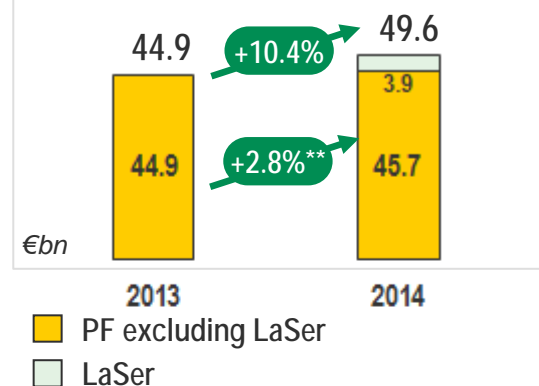
- Operating expenses: €1,953m (+12.2% vs. 2013)

- +1.2% vs. 2013 at constant scope and exchange rates: positive jaws effect of 1.2 pts\*\*\*\*

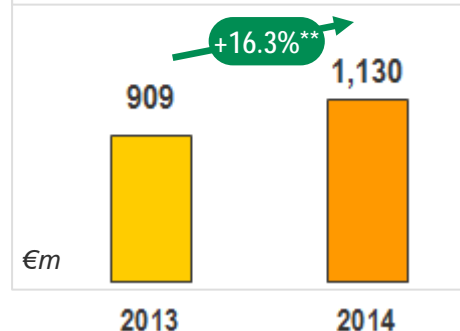
- Pre-tax income: €1,130m (+24.3% vs. 2013)

- +16.3% at constant scope and exchange rates
- Decline in cost of risk

## > Consolidated outstandings



## > Pre-tax income



## Good growth drive and strong rise in income

\* Closed on 25 July 2014 the acquisition of Galeries Lafayette's stake (50%) in LaSer; \*\* At constant scope and exchange rates;

\*\*\* Steinhoff Group; \*\*\*\* Excluding the one-off retrocession of handling fees in Germany (€49.5m)



# Personal Finance 2015 Action Plan

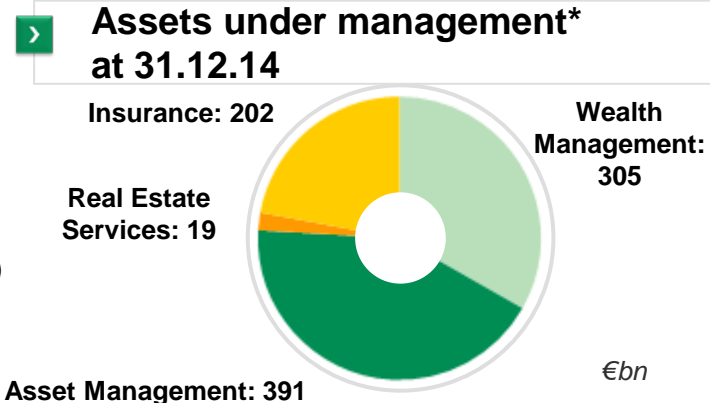
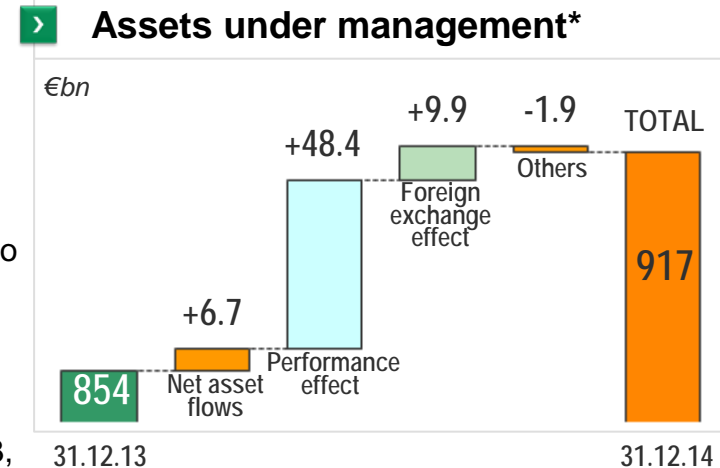
- Pursue the major strategic priorities of the 2014-2016 plan
  - Develop the business and strategic partnerships in Europe (Germany, Central Europe, Italy, etc.) and in several countries with significant growth potential (Brazil, South Africa, China)
  - Extend to new countries the partnerships with automobile makers
  - Bolster the digital offering in all regions
  - Expand client relationship to a wider range of savings and insurance products (Cetelem Bank model)
- Integration of new acquisitions
  - Implement the tie-up with LaSer and integrate the consumer finance businesses of RCS and JD Group in South Africa
- Continue improving the operating efficiency
  - In particular through the ramping up of the consumer loan management IT system shared with the BPCE Group



# Investment Solutions

## Asset Flows and Assets under Management - 2014

- Assets under management\*: €917bn as at 31.12.14
  - +7.4% vs. 31.12.13 (+1.3% vs. 30.09.14)
  - Performance effect on the back of the favourable evolution in equity markets and interest rates
  - Positive foreign exchange effect due to the depreciation of the euro
- Net asset flows: +€6.7bn in 2014
  - Wealth Management: good asset inflows, particularly in Asia (Hong Kong), France and Italy
  - Asset Management: asset outflows substantially reduced vs. 2013, asset inflows in bond funds and stability of money market funds
  - Insurance: strong asset inflows in Italy and Asia
- Securities Services: very good business development
  - #1 in Europe and #5 globally
  - Assets under custody: +22.0% vs. 2013
  - Gained new significant mandates (Generali Group in Europe, etc.)
- Insurance: growth in the savings and protection businesses
  - Gross written premiums: €27.5bn (+8.5% vs. 2013)



> **Rise in assets under management**  
**Good development of the business**

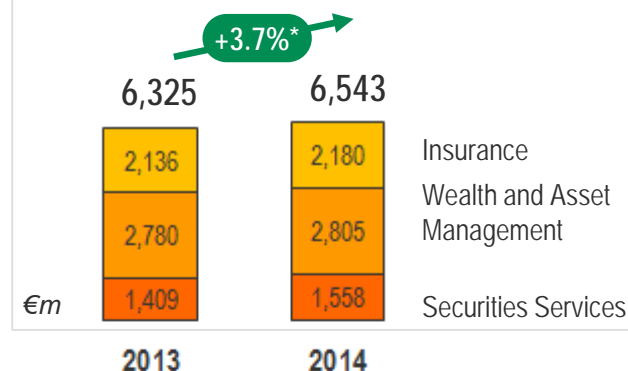
\* Including assets under advisory on behalf of external clients and distributed assets



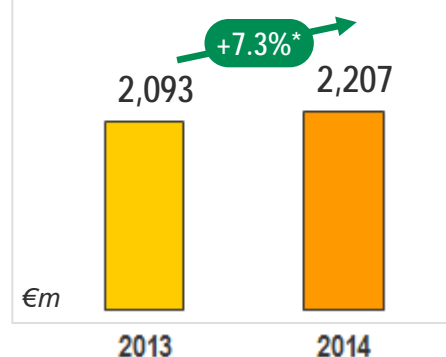
# Investment Solutions - 2014

- Revenues: €6,543m (+3.7%\* vs. 2013)
  - Insurance: +4.1%\* vs. 2013, good growth in international protection insurance (Asia, Latin America) and savings in Italy
  - WAM\*\*: +0.9%\* vs. 2013, growth in Wealth Management, in particular in the domestic markets and in Asia; good performance of Real Estate Services
  - Securities Services: +8.8%\* vs. 2013, due to the sharp rise in the number of transactions and assets under custody
- Operating expenses: €4,536m (+2.9%\* vs. 2013)
  - Insurance: +1.7%\* vs. 2013, as a result of continued growth in the business
  - WAM\*\*: +2.4%\* vs. 2013, impact of business development investments (Wealth Management in Asia, Real Estate Services)
  - Securities Services: +5.0%\* vs. 2013, due to business growth
- Pre-tax income: €2,207m (+7.3%\* vs. 2013)
  - Associated companies: +22.8%\* vs. 2013, in particular in Insurance

## Revenues by business unit



## Pre-tax income



**Good overall performance,  
driven by Insurance and Securities Services**

\* At constant scope and exchange rates; \*\* Asset Management, Wealth Management, Real Estate Services





# Insurance and Wealth and Asset Management 2015 Action Plan

## ▶ Wealth and Asset Management

### ● Wealth Management

- Consolidate the #1 position in the Eurozone and #5 globally; continue international business development, in particular in Asia
- Continue the digitalisation of the business and broaden the product offering

### ● Asset Management

- Increase asset inflows in the networks (strengthen the Parvest offering)
- Institutionals: develop the European equities offering and the new areas of expertise (loans and CLO)
- Asia Pacific and emerging markets: consolidate positions in key countries (China, Brazil, South Korea and Indonesia)

### ● Real Estate Services

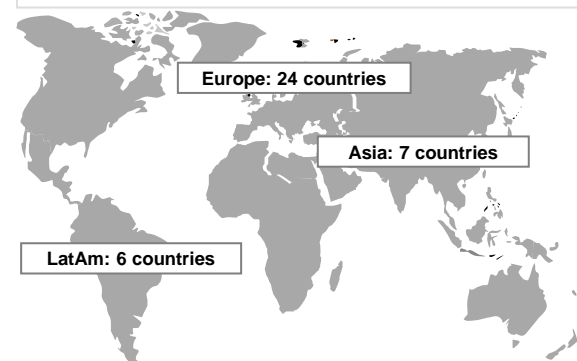
- Bolster leading positions in Real Estate Services, in particular in France, in the UK and in Germany

## ▶ Insurance

- Continue growth in Asia and Latin America by increasing the number of partnerships
- Diversify the product offering, in particular in protection insurance
- Continue developing the digital offering geared to banking partners



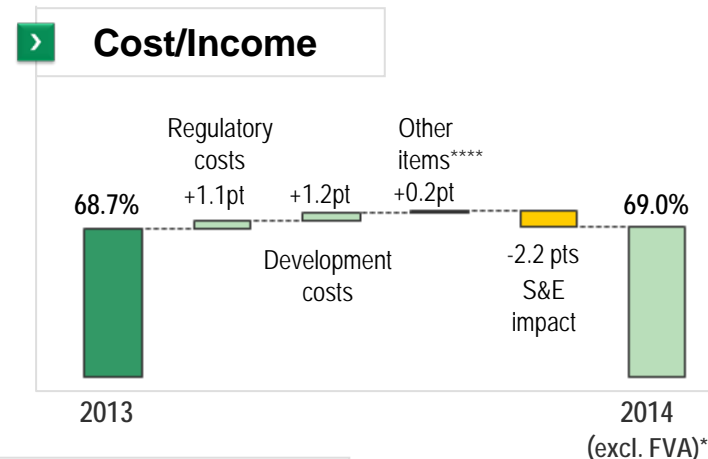
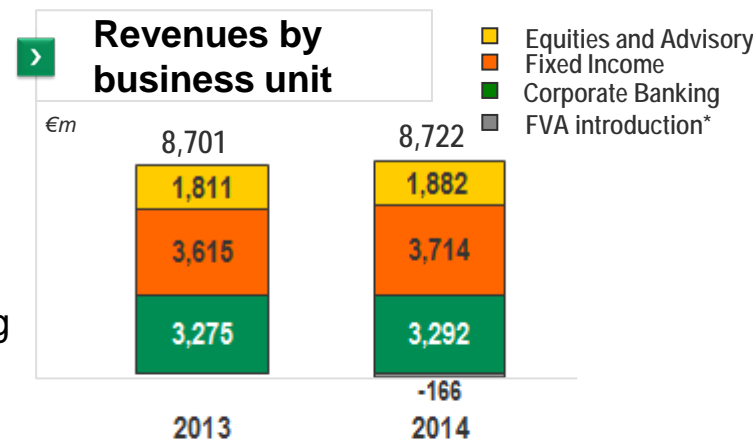
## ▶ Insurance: BNPP Cardif geographical locations





# Corporate and Investment Banking - 2014

- Revenues: €8,888m excluding FVA\* (+2.1%\*\* vs. 2013)
  - Advisory & Capital Markets: +2.9%\*\* vs. 2013, growth in the Fixed Income and Equities & Advisory businesses
  - Corporate Banking: +0.8%\*\*\* vs. 2013, driven by strong growth in Asia and increased business in the Americas
- Operating expenses: €6,137m (+2.2%\*\*\* vs. 2013)
  - Rise in regulatory costs (~+€100m vs. 2013)
  - Continued business development investments (~+€100m vs. 2013)
  - Increase in business activity in Advisory & Capital Markets
  - Effect of Simple & Efficient (~€200m of savings)
- Pre-tax income: €2,525m (+13.7%\*\*\* vs. 2013)
  - Cost of risk down



**Good overall performance  
in a lacklustre environment in Europe**

\* Impact of the introduction of Funding Value Adjustment (-€166m); \*\* At constant scope and exchange rates, excluding the impact of the introduction of FVA;

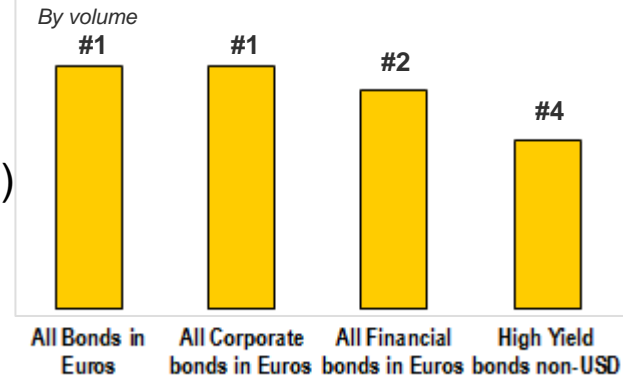
\*\*\* At constant scope and exchange rates; \*\*\*\* Inflation, increase in business activity, interim adaptation costs



# Corporate and Investment Banking Advisory and Capital Markets - 2014

- Revenues: €5,596m excl. FVA impact (+2.9%\* vs. 2013)
  - Revenues driven by client business in volatile markets
  - VaR at a very low level (€32m on average)
- Fixed Income: €3,714m excl. FVA impact (+2.3%\* vs. 2013)
  - Growth in forex and rate businesses, weaker credit business
  - Good bond origination business: #1 for bonds in euros and #9 for all international bonds\*\*
- Equities & Advisory: €1,882m (+4.2%\*\*\* vs. 2013)
  - Equity derivatives: growth both in structured products and in flow businesses
  - Upswing in M&A activity and equity issues, #1 by number of equity-linked transactions in Europe\*\*\*\*
- Pre-tax income: €1,110m (+0.8%\*\*\* vs. 2013)

## > 2014 bond issuance rankings\*\*



## > Growth of the business and strengthening of the franchise



\* At constant scope and exchange rates, excluding the impact of the introduction of FVA; \*\* Source: Thomson Reuters 2014; \*\*\* At constant scope and exchange rates; \*\*\*\* Source: Dealogic 2014

# Corporate and Investment Banking

## Corporate Banking - 2014

- Business activity

- #1 for syndicated financing in Europe again\*
- Client loans: +0.5%\*\* vs. 2013, growth in Asia and in the Americas
- Client deposits: +21.6%\*\* vs. 2013, development of cash management (with several significant mandates)

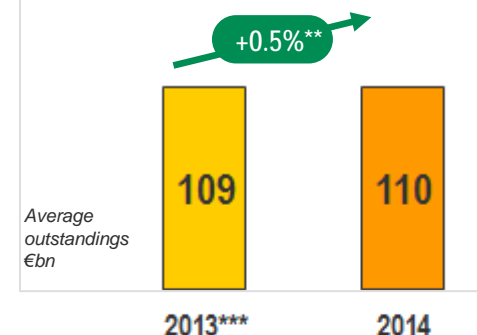
- Revenues: €3,292m (+0.8%\*\* vs. 2013)

- Strong growth in Asia Pacific and increase in the Americas
- In Europe, reduction in the Energy & Commodities business; slight increase elsewhere

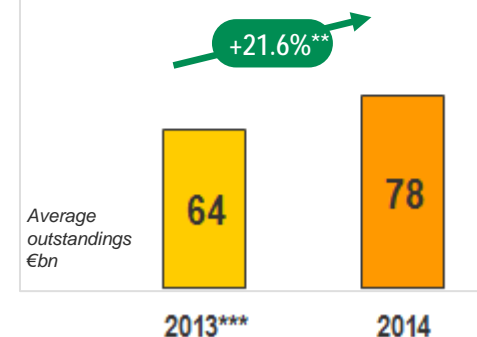
- Pre-tax income: €1,415m (+26.4%\*\* vs. 2013)

- Substantial decline in the cost of risk

### > Client loans



### > Client deposits



**Strong rise in income**  
**Good momentum in Asia Pacific and in the Americas**



# Corporate and Investment Banking 2015 Action Plan

- Implementation of a new organisation: CIB becomes Corporate and Institutional Banking
  - Creation of Global Markets, grouping all the market activities
  - Securities Services part of the new CIB
  - Simplified regional approach with 3 major regions (EMEA\*, Asia Pacific, the Americas)
- Better meet the expectations of corporate and institutional clients
  - Institutional clients: expand the Group's coverage and the global offering through a close cooperation between the market business units and Securities Services
  - Corporate clients: adapt the organisation by strengthening the debt platforms and by simplifying the commercial setup in Europe
- Improve operating efficiency
  - Structural reduction of costs
  - Industrialisation and sharing of platforms
  - Development of the digital offering

	Corporate clients	Institutional clients	
EMEA CIB	Corporate Banking EMEA*	Global Markets	Securities Services
APAC CIB	Corporate Banking Asia Pacific		
Americas CIB	Corporate Banking Americas		

\* Europe, Middle East, Africa



Group Results

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Division Results

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**2014-2016 Business Development Plan**

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4Q14 Detailed Results

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Appendix

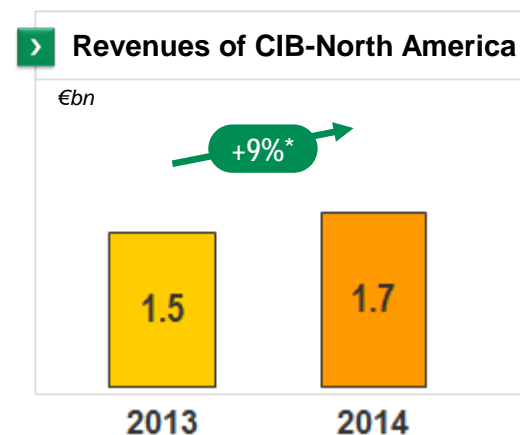
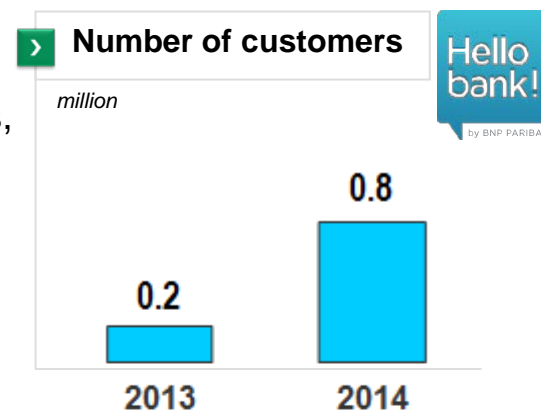
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# 2014-2016 Business Development Plan

## 2014 confirmed the choices of the business development plan (1/2)

- Retail banking: major projects that are preparing the bank of the future
  - Successful launch of Hello bank! in Europe: already 800,000 clients, not counting Consors' 500,000 brokerage clients
  - International roll-out of digital banking (CEPTETEB in Turkey, BGZ Optima in Poland)
  - Omni-channel banking: adapting distribution platforms to customers' new practices and expectations
  - Wallet and e-payment: launch of new multi-banking online payment solutions (*PayLib* in France, *Sixdots* in Belgium, *PayU Express* in Poland)
- Good results of the geographic business development plans
  - Asia Pacific: a region with fast-paced growth (Revenues: €2.7bn; +7%\* vs. 2013)
  - CIB – North America: consolidating our presence in a key market (Revenues: €1.7bn; +9%\* vs. 2013)
  - Turkey: continuing business development in a growing market (Revenues: €1.1bn; +15%\* vs. 2013)
  - Germany: a target market for our growth in Europe (Revenues: €1.2bn; +5%\* vs. 2013)



\* At constant exchange rates

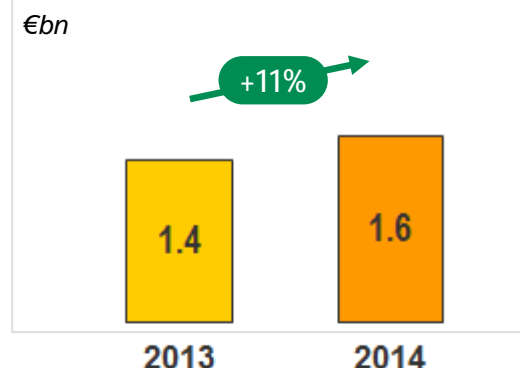


# 2014-2016 Business Development Plan

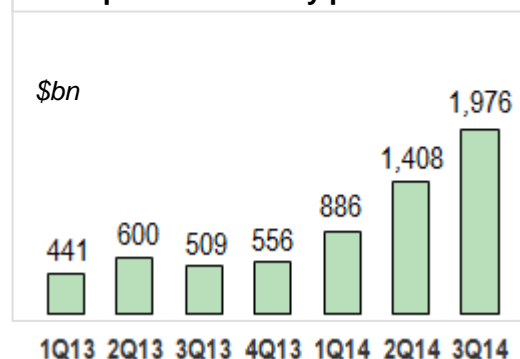
## 2014 confirmed the choices of the business development plan (2/2)

- Good performance of the growth drivers
  - Personal Finance: #1 specialty player in Europe; good growth drive (Revenues: €4.1bn; +10% vs. 2013)
  - Insurance: 11<sup>th</sup> largest in Europe; continuing business development (Revenues: €2.2bn; +2% vs. 2013)
  - Securities Services: #1 in Europe and #5 globally; good growth leveraging strong positions (Revenues: €1.6bn; +11% vs. 2013)
- Capital markets: adaptation to a new environment
  - Continuing credit disintermediation
  - Increasingly electronic and cleared markets
  - Success of the Cortex and Centric electronic client platforms (Fixed Income) and Smart Derivatives (Equities)
- Rightsizing however of certain Energy and Commodities businesses
  - Reassessment of the business with some customers and in certain countries

### Revenues of Securities Services



### Nominal amounts of USD interest rate swaps electronically processed\*



\* Volumes traded between the dealer and the final client (i.e. excluding inter-dealers) on the Bloomberg and Tradeweb platforms. Source: BNPP Fixed Income



# 2014-2016 Business Development Plan

CIB: a new organisation to speed up the evolution of the business model



## Corporate and Institutional Banking: a new organisation



**Creation of Global Markets, grouping together all the market activities**



**Securities Services part of the new CIB**



**Simplified regional approach with three major regions:  
EMEA\*, Asia Pacific, the Americas**



## Objectives



### **Institutional clients:**

- Reinforce the Group's coverage and the global service offering



### **Corporate clients:**

- Simplify the organisation and adapt the financing platforms



### **Improve operating efficiency:**

- Structural reduction of costs
- Industrialisation and sharing of platforms





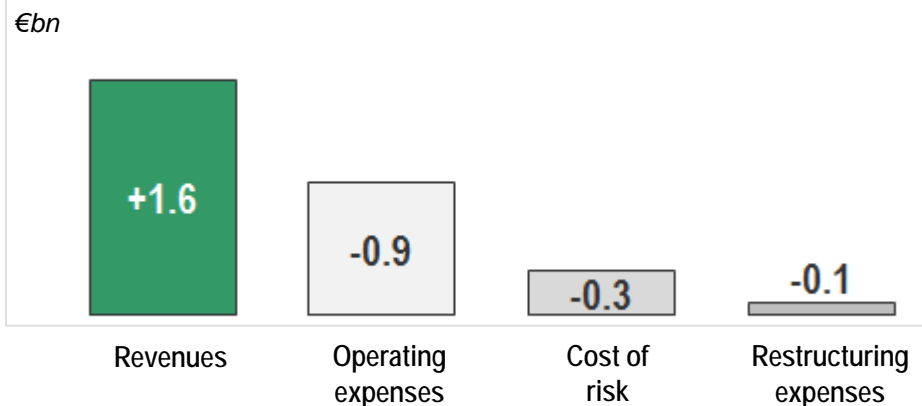
# 2014-2016 Business Development Plan

## Bolt-on acquisitions made in 2014

### Main acquisitions in 2014

> <b>Bank BGZ</b> Poland	<ul style="list-style-type: none"> <li>• Towards critical mass and 5% market share</li> <li>• A wide footprint in a country with growth outpacing that of the Eurozone</li> </ul>
> <b>50% of LaSer</b> Europe - France	<ul style="list-style-type: none"> <li>• Strengthened Personal Finance's position as the #1 specialised player in Europe</li> <li>• Business expanded into 3 new countries (United Kingdom, Denmark, Norway)</li> </ul>
> <b>DAB Bank</b> Germany	<ul style="list-style-type: none"> <li>• Significant contribution to the business development plan in Germany</li> <li>• Development of digital banking in Europe</li> </ul>

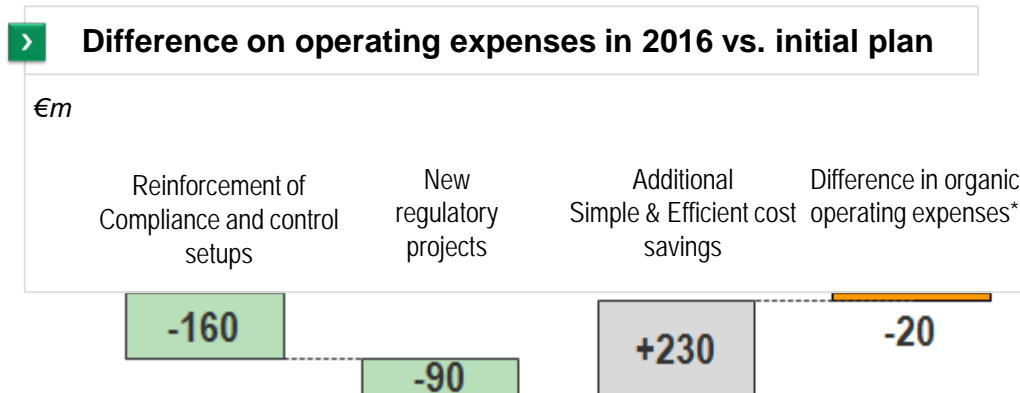
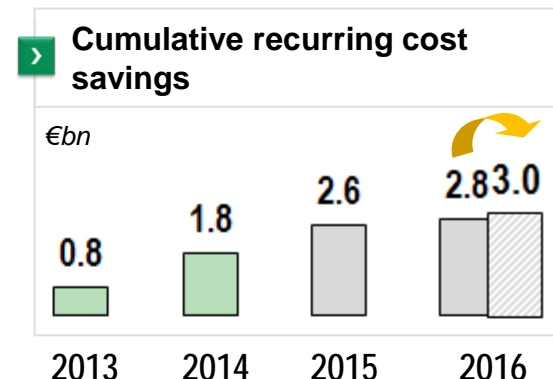
### > Contribution of acquisitions in 2016



# 2014-2016 Business Development Plan

Operating expenses: additional compliance and control costs absorbed

- Reinforcing resources of compliance and controls: ~+€160m\* vs. initial plan
- Additional costs stemming from some new regulatory plans\*\*: ~+€90m\* vs. initial plan
- Simple & Efficient plan revised upward
  - Cost savings: target of €2.8bn raised to €3.0bn
  - Transformation costs: target unchanged
- Additional regulatory and control costs absorbed



\* Estimated 2016 impact; \*\* European Automatic Information Exchange Mechanism and other additional costs



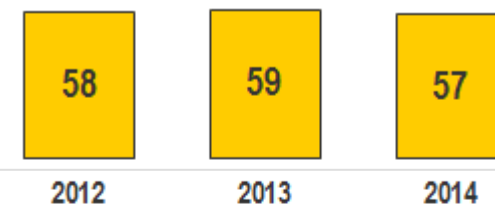
# 2014-2016 Business Development Plan

## Rigorous credit risk management

- Good control of risks
  - Cost of risk stable at a moderate level
  - Rigorous risk management policy confirmed by AQR results
- Italy's GDP growth weaker than expected in the base scenario
- Decline in BNL's cost of risk slower than expected in the initial plan
- Difference in BNL's cost of risk should be offset by other businesses
  - In particular, more favourable trend in the cost of risk of Corporate Banking and Personal Finance in 2014

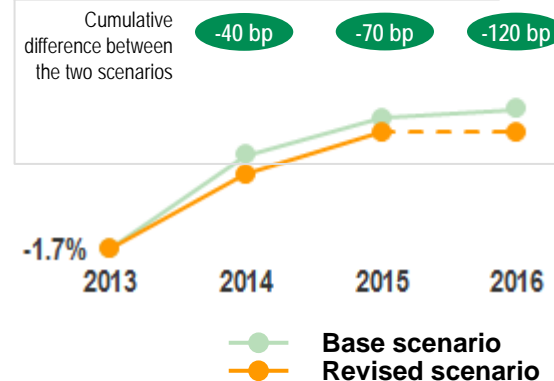
### > Group cost of risk

*In bp*



### > Italy GDP (in %)

Cumulative difference between the two scenarios

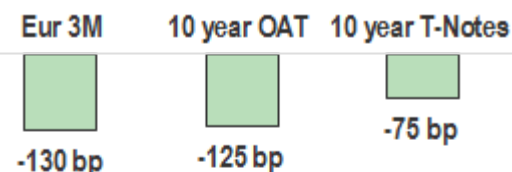


# 2014-2016 Business Development Plan

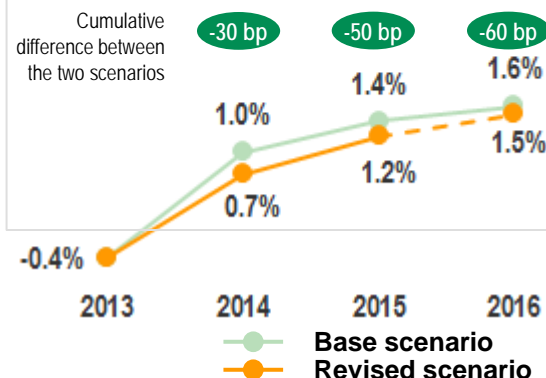
A deteriorated economic and interest rate context compared to the base scenario

- Very low interest rate levels, especially on the euro
  - Adverse impact on the revenues generated on deposits in retail banking
  - No positive impact on credit margins due in particular to disintermediation and weak demand
- Weaker GDP growth in the Eurozone
  - Cumulative difference 2014-2016 between the base scenario and the revised scenario: Eurozone (-60 bp), France (-140 bp), Italy (-120 bp)
  - Unfavourable impact on loan volumes in retail banking and at CIB in particular

## > Difference on rate hypothesis in 2016 between base scenario and new projection



## > Eurozone GDP (in %)



# 2014-2016 Business Development Plan

## New taxes and regulations

- Rise in systemic taxes on banks in Europe: ~+€370m\* vs. initial plan
  - Of which primarily the contribution to the Single Resolution Fund and for the Single Supervisory Mechanism: ~+€340m\*\*
  - In total, taxes specific to the banking industry expected in 2016, including those already factored into the initial plan, exceed €900m
  - Reminder: gradual suppression of France's systemic tax by 2019 and end of the Single Resolution Fund contribution in 2022
- New regulations applicable to foreign banks in the United States
  - In the process of setting up an Intermediate Holding Company (IHC)
  - Additional costs stemming from the introduction by 2016 of Comprehensive Capital Analysis and Review (CCAR)
- Total Loss Absorbing Capacity (TLAC)
  - Agreement in principle by the G20 in Brisbane: specific terms in the process of being evaluated; FSB's final proposal expected by the end of 2015 for implementation at earliest on 1<sup>st</sup> January 2019
  - Requirement to hold equity and debt instruments that can be converted into equity in case of resolution (*bail-inable* debt)
  - Gradual replacement of part of the senior debt with *bail-inable* debt (not necessarily Tier 1 or Tier 2)

**Total estimated additional impact of new taxes and regulations:**

**~€500m on the Net income attributable to equity holders in 2016\*\*\*, or ~70 bp on the ROE**

**Gradual reduction thereafter**

\* Estimated 2016 impact (operating expenses); \*\* Net of the expected decrease in the systemic tax in France and the unfavourable impact on the systemic tax in the United Kingdom (Double Taxation Relief);

\*\*\* Impact limited in 2014 to the set up of the IHC



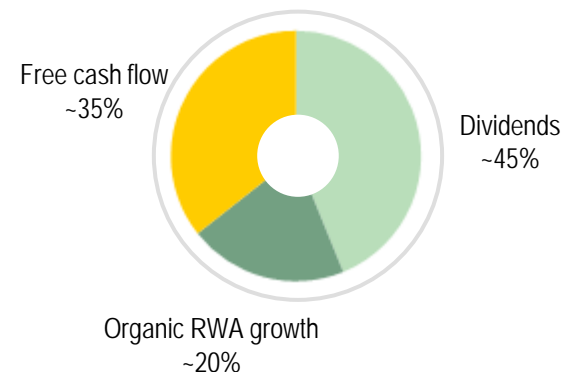
# 2014-2016 Business Development Plan

## Total capital management

- Strong cash flow generation
- Dividend pay-out ratio: ~45% of net earnings
- Financing organic growth: ~20% of net earnings
  - 2014-2016 RWA growth: +2.5% CAGR\* (vs. +3% CAGR originally forecasted)
- Available free cash flow: ~35% of net earnings
  - Finance additional organic RWA growth in a scenario of higher than expected growth in Europe
  - Targeted external growth and/or share buy-backs, depending on opportunities and market conditions
- Tier 1 and Tier 2 instruments' issuance programme to meet total capital ratio requirements in 2019
  - Tier 1: resume issuance (~€0.5bn on average/year)
  - Tier 2: €2bn to €3bn/year
  - Depending on opportunities and market conditions

### Capital management

as % of 2015-2016 cumulative net earnings



# Organisation of the Operating Divisions

## New presentation

- Following the tie-up of Securities Services and CIB, the organisation of the Group's operating divisions now centres on:
  - Retail Banking & Services, including Domestic Markets and a new entity, International Financial Services
  - CIB, now Corporate and Institutional Banking

### > 2014 revenues of the operating divisions (in %)

#### > CIB: 27%

- Corporate Banking
- Global Markets
- Securities Services

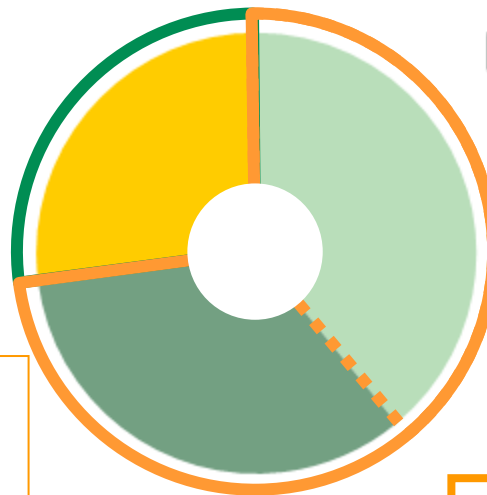
#### > Domestic Markets: 39%

- FRB
- BNL
- BRB
- Other Domestic Market activities

#### > International Financial Services: 34%

- BancWest
- Europe-Mediterranean
- Personal Finance
- Insurance
- Wealth and Asset Management

#### > Retail Banking & Services: 73%



# Conclusion



**Good sales and marketing drive confirming the trust of institutional, corporate and individual clients**



**Revenue growth in all the operating divisions**



**Very significant impact of one-off items this year**



**Rock-solid balance sheet: CET1 ratio at 10.3%  
Quality of assets confirmed by AQR results**





Group Results

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Division Results

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2014-2016 Business Development Plan

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**4Q14 Detailed Results**

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Appendix

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# Main Exceptional Items - 4Q14

- Revenues

- Own credit adjustment and DVA (*Corporate Centre*)

***Total one-off revenues***

- Operating expenses

- Simple & Efficient transformation costs (*Corporate Centre*)

***Total one-off operating expenses***

- Costs related to the comprehensive settlement with the U.S. authorities (*Corp. Centre*)

- Non operating items

- One-off impairments\* (*Corporate Centre*)

***Total one-off non operating items***

- Total one-off items

> 4Q14	> 4Q13
-€11m	-€13m
-€11m	-€13m
-€229m	-€287m
-€229m	-€287m
-€50m	-€798m
-€297m	-€252m
-€297m	-€252m
-€587m	-€1 350m



# Consolidated Group - 4Q14

	> 4Q14	> 4Q14 vs. 4Q13	> 4Q14 vs. 4Q13 excluding exceptional items*
<b>Revenues</b>	€10,150m	+7.2%	+7.2%
Operating expenses	-€7,004m	+2.0%	+3.0%
<b>Gross operating income</b>	€3,146m	+20.8%	+16.6%
Cost of risk	-€1,012m	-0.4%	-0.4%
Costs related to the comprehensive settlement with U.S. authorities	-€50m	n.s.	n.s.
<b>Pre-tax income</b>	€1,894m	n.s.	+17.5%
<b>Net income attributable to equity holders</b>	€1,304m	n.s.	
<b>Net income attributable to equity holders excluding one-off items</b>	€1,785m		

\* See previous slide



# BNP Paribas Group - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	10,150	9,469	+7.2%	9,537	+6.4%	39,168	38,409	+2.0%
Operating Expenses and Dep.	-7,004	-6,864	+2.0%	-6,623	+5.8%	-26,526	-25,968	+2.1%
Gross Operating Income	3,146	2,605	+20.8%	2,914	+8.0%	12,642	12,441	+1.6%
Cost of Risk	-1,012	-1,016	-0.4%	-754	+34.2%	-3,705	-3,801	-2.5%
Costs related to the comprehensive settlement with US authorities	-50	-798	-93.7%	0	n.s.	-6,000	-798	n.s.
Operating Income	2,084	791	n.s.	2,160	-3.5%	2,937	7,842	-62.5%
Share of Earnings of Associates	78	78	+0.0%	85	-8.2%	408	361	+13.0%
Other Non Operating Items	-268	-108	n.s.	63	n.s.	-196	36	n.s.
Non Operating Items	-190	-30	n.s.	148	n.s.	212	397	-46.6%
Pre-Tax Income	1,894	761	n.s.	2,308	-17.9%	3,149	8,239	-61.8%
Corporate Income Tax	-513	-550	-6.7%	-705	-27.2%	-2,642	-2,742	-3.6%
Net Income Attributable to Minority Interests	-77	-101	-23.8%	-101	-23.8%	-350	-679	-48.5%
Net Income Attributable to Equity Holders	1,304	110	n.s.	1,502	-13.2%	157	4,818	-96.7%
Cost/Income	69.0%	72.5%	-3.5 pt	69.4%	-0.4 pt	67.7%	67.6%	+0.1 pt

*With TEB fully consolidated in 4Q13 and 2013. The difference between results with TEB consolidated using the equity method in 4Q13 and 2013 and results with TEB restated using full consolidation is shown in the next slide.*

- Corporate income tax
  - Average tax rate: 30%\* in 2014

*\* Excluding the costs related to the comprehensive settlement with the U.S. authorities*



# BNP Paribas Group - 4Q14

- Impact on Group 4Q13 and 2013 results of the full consolidation method regarding TEB instead of the equity method

€m	4Q13 restated (*) with TEB consolidated using the equity method	Impact of the change from equity method to full consolidation for TEB	4Q13 restated (*) with TEB fully consolidated	2013 restated (*) with TEB consolidated using the equity method	Impact of the change from equity method to full consolidation for TEB	2013 restated (*) with TEB fully consolidated
Revenues	9,223	246	9,469	37,286	1,123	38,409
Operating Expenses and Dep.	-6,700	-164	-6,864	-25,317	-651	-25,968
Gross Operating Income	2,523	82	2,605	11,969	472	12,441
Cost of Risk	-978	-38	-1,016	-3,643	-158	-3,801
Costs related to the comprehensive settlement with U.S. authorities	-798	0	-798	-798	0	-798
Operating Income	747	44	791	7,528	314	7,842
Associated Companies	101	-23	78	537	-176	361
Other Non Operating Items	-108	0	-108	36	0	36
Non Operating Items	-7	-23	-30	573	-176	397
Pre-Tax Income	740	21	761	8,101	138	8,239
Corporate Income Tax	-540	-10	-550	-2,680	-62	-2,742
Net Income Attributable to Minority Interests	-90	-11	-101	-603	-76	-679
Net Income Attributable to Equity Holders	110	0	110	4,818	0	4,818

\* Following application of accounting standards IFRS 10, IFRS 11 and IAS 32 revised



# Retail Banking - 4Q14

	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
€m								
Revenues	6,321	5,783	+9.3%	6,115	+3.4%	24,110	23,476	+2.7%
Operating Expenses and Dep.	-4,004	-3,753	+6.7%	-3,726	+7.5%	-14,844	-14,585	+1.8%
Gross Operating Income	2,317	2,030	+14.1%	2,389	-3.0%	9,266	8,891	+4.2%
Cost of Risk	-951	-873	+8.9%	-841	+13.1%	-3,575	-3,272	+9.3%
Operating Income	1,366	1,157	+18.1%	1,548	-11.8%	5,691	5,619	+1.3%
Associated Companies	58	28	n.s.	33	+75.8%	179	207	-13.5%
Other Non Operating Items	-27	-11	n.s.	20	n.s.	5	104	-95.2%
Pre-Tax Income	1,397	1,174	+19.0%	1,601	-12.7%	5,875	5,930	-0.9%
Income Attributable to Investment Solutions	-64	-51	+25.5%	-61	+4.9%	-256	-219	+16.9%
Pre-Tax Income of Retail Banking	1,333	1,123	+18.7%	1,540	-13.4%	5,619	5,711	-1.6%
Cost/Income	63.3%	64.9%	-1.6 pt	60.9%	+2.4 pt	61.6%	62.1%	-0.5 pt
Allocated Equity (€bn)						29.9	30.1	-0.8%

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



# Domestic Markets - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	3,941	3,864	+2.0%	3,923	+0.5%	15,700	15,493	+1.3%
Operating Expenses and Dep.	-2,603	-2,598	+0.2%	-2,508	+3.8%	-9,981	-9,979	+0.0%
Gross Operating Income	1,338	1,266	+5.7%	1,415	-5.4%	5,719	5,514	+3.7%
Cost of Risk	-506	-525	-3.6%	-493	+2.6%	-2,074	-1,848	+12.2%
Operating Income	832	741	+12.3%	922	-9.8%	3,645	3,666	-0.6%
Associated Companies	0	-2	n.s.	-4	n.s.	-7	55	n.s.
Other Non Operating Items	-23	-2	n.s.	3	n.s.	-19	-4	n.s.
Pre-Tax Income	809	737	+9.8%	921	-12.2%	3,619	3,717	-2.6%
Income Attributable to Investment Solutions	-61	-50	+22.0%	-59	+3.4%	-247	-216	+14.4%
Pre-Tax Income of Domestic Markets	748	687	+8.9%	862	-13.2%	3,372	3,501	-3.7%
Cost/Income	66.0%	67.2%	-1.2 pt	63.9%	+2.1 pt	63.6%	64.4%	-0.8 pt
Allocated Equity (€bn)						18.5	19.0	-2.8%

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

- Revenues: +2.0% vs. 4Q13
  - Good growth in BRB and in the specialised businesses (Arval, Leasing Solutions, Personal Investors)
  - Persistently low interest rate environment
- Operating expenses: +0.2% vs. 4Q13
  - Good cost containment
  - Positive jaws effect (+1.8 pts)



# French Retail Banking - 4Q14

## Excluding PEL/CEL Effects

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	1,664	1,694	-1.8%	1,707	-2.5%	6,787	6,855	-1.0%
Incl. Net Interest Income	992	1,021	-2.8%	1,024	-3.1%	4,057	4,078	-0.5%
Incl. Commissions	672	673	-0.1%	683	-1.6%	2,730	2,777	-1.7%
Operating Expenses and Dep.	-1,182	-1,200	-1.5%	-1,147	+3.1%	-4,493	-4,543	-1.1%
Gross Operating Income	482	494	-2.4%	560	-13.9%	2,294	2,312	-0.8%
Cost of Risk	-106	-86	+23.3%	-85	+24.7%	-402	-343	+17.2%
Operating Income	376	408	-7.8%	475	-20.8%	1,892	1,969	-3.9%
Non Operating Items	0	0	n.s.	1	n.s.	3	4	-25.0%
Pre-Tax Income	376	408	-7.8%	476	-21.0%	1,895	1,973	-4.0%
Income Attributable to Investment Solutions	-35	-27	+29.6%	-35	+0.0%	-142	-129	+10.1%
Pre-Tax Income of French Retail Banking	341	381	-10.5%	441	-22.7%	1,753	1,844	-4.9%
Cost/Income	71.0%	70.8%	+0.2 pt	67.2%	+3.8 pt	66.2%	66.3%	-0.1 pt
Allocated Equity (€bn)						6.7	6.9	-3.0%

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

- Revenues: -1.8% vs. 4Q13
  - Net interest income: -2.8%, persistently low interest rate environment
  - Fees: -0.1%, decline in processing fees due to regulatory changes\*\*
- Operating expenses: -1.5% vs. 4Q13
  - Continuing improvement of operating efficiency

\* Significant PEL/CEL effect in 2014: -€57m (+€67m in 2013); \*\* Certain processing fees (commissions d'intervention) capped starting on 1<sup>st</sup> January 2014 (Banking Law)





# French Retail Banking Volumes

Average outstandings (€bn)	Outstandings 4Q14	%Var/4Q13	%Var/3Q14	Outstandings 2014	%Var/2013
<b>LOANS</b>	<b>145.3</b>	<b>+0.1%</b>	<b>+0.5%</b>	<b>144.7</b>	<b>-0.9%</b>
Individual Customers	77.6	-0.4%	+0.5%	77.3	-1.6%
Incl. Mortgages	67.4	-0.6%	+0.4%	67.3	-1.7%
Incl. Consumer Lending	10.2	+0.7%	+1.2%	10.0	-1.2%
Corporates	67.7	+0.8%	+0.4%	67.4	-0.1%
<b>DEPOSITS AND SAVINGS</b>	<b>130.3</b>	<b>+3.2%</b>	<b>+0.5%</b>	<b>129.6</b>	<b>+4.2%</b>
Current Accounts	57.6	+7.2%	+1.4%	56.0	+7.8%
Savings Accounts	58.8	+0.7%	-1.6%	59.6	+1.9%
Market Rate Deposits	13.9	-1.4%	+5.4%	14.1	+0.2%
	<b>31.12.14</b>	<b>%Var/ 31.12.13</b>	<b>%Var/ 30.09.14</b>		
€bn					
<b>OFF BALANCE SHEET SAVINGS</b>					
Life Insurance	78.0	+3.6%	+0.2%		
Mutual Funds <sup>(1)</sup>	43.2	-1.6%	+5.6%		

(1) FRB network customers, excluding life insurance.

- Loans: +0.1% vs. 4Q13, growth in loans to corporates
  - +0.5% vs. 3Q14, recovery in demand in the second half
- Deposits: +3.2% vs. 4Q13, strong growth in current accounts
- Off balance sheet savings: lower money market fund outstandings in conjunction with the rise in current accounts



# BNL banca commerciale - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	798	817	-2.3%	790	+1.0%	3,219	3,239	-0.6%
Operating Expenses and Dep.	-466	-467	-0.2%	-432	+7.9%	-1,769	-1,781	-0.7%
Gross Operating Income	332	350	-5.1%	358	-7.3%	1,450	1,458	-0.5%
Cost of Risk	-322	-327	-1.5%	-348	-7.5%	-1,398	-1,205	+16.0%
Operating Income	10	23	-56.5%	10	+0.0%	52	253	-79.4%
Non Operating Items	0	0	n.s.	0	n.s.	0	0	n.s.
Pre-Tax Income	10	23	-56.5%	10	+0.0%	52	253	-79.4%
Income Attributable to Investment Solutions	-7	-4	+75.0%	-7	+0.0%	-29	-19	+52.6%
Pre-Tax Income of BNL bc	3	19	-84.2%	3	+0.0%	23	234	-90.2%
Cost/Income	58.4%	57.2%	+1.2 pt	54.7%	+3.7 pt	55.0%	55.0%	+0.0 pt
Allocated Equity (€bn)						5.6	6.0	-6.6%

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

- Revenues: -2.3% vs. 4Q13
  - Net interest income: -4.5% vs. 4Q13, effect of decline in volumes as a result of the selective repositioning on the corporate segment
  - Fees: +2.1% vs. 4Q13, very good performance of off balance sheet savings, but lesser fees from loans
- Operating expenses: -0.2% vs. 4Q13
  - Effect of cost reduction measures



# BNL banca commerciale

## Volumes

Average outstandings (€bn)	Outstandings 4Q14	%Var/4Q13	%Var/3Q14	Outstandings 2014	%Var/2013
<b>LOANS</b>	<b>77.3</b>	<b>-1.5%</b>	<b>-0.5%</b>	<b>77.9</b>	<b>-2.2%</b>
Individual Customers	37.9	+1.9%	+0.0%	37.7	+1.4%
Incl. Mortgages	25.0	+0.3%	-0.6%	25.0	+0.5%
Incl. Consumer Lending	3.9	+8.3%	+1.2%	3.8	+9.4%
Corporates	39.4	-4.6%	-1.1%	40.2	-5.3%
<b>DEPOSITS AND SAVINGS</b>	<b>32.8</b>	<b>-7.3%</b>	<b>-0.5%</b>	<b>33.4</b>	<b>-6.8%</b>
Individual Deposits	21.2	-1.8%	-0.1%	21.4	-0.8%
Incl. Current Accounts	20.8	-0.5%	+0.1%	20.8	+0.0%
Corporate Deposits	11.6	-16.1%	-1.4%	12.0	-15.9%

€bn	31.12.14	%Var/ 31.12.13	%Var/ 30.09.14
<b>OFF BALANCE SHEET SAVINGS</b>			
Life Insurance	15.1	+18.7%	+2.7%
Mutual Funds	10.9	+24.9%	+3.6%

- Loans: -1.5% vs. 4Q13
  - Individuals: +1.9% vs. 4Q13, rise in mortgage loans but decline on the small business segment
  - Corporates: -4.6% vs. 4Q13, selective repositioning in a still challenging environment
- Deposits: -7.3% vs. 4Q13
  - Individuals and Corporates: focused reduction on the most costly deposits
- Off balance sheet savings: very good asset inflows



# Belgian Retail Banking - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	875	805	+8.7%	847	+3.3%	3,385	3,237	+4.6%
Operating Expenses and Dep.	-614	-604	+1.7%	-612	+0.3%	-2,434	-2,406	+1.2%
Gross Operating Income	261	201	+29.9%	235	+11.1%	951	831	+14.4%
Cost of Risk	-28	-48	-41.7%	-36	-22.2%	-131	-142	-7.7%
Operating Income	233	153	+52.3%	199	+17.1%	820	689	+19.0%
Non Operating Items	-21	-1	n.s.	5	n.s.	-10	13	n.s.
Pre-Tax Income	212	152	+39.5%	204	+3.9%	810	702	+15.4%
Income Attributable to Investment Solutions	-18	-19	-5.3%	-17	+5.9%	-72	-64	+12.5%
Pre-Tax Income of Belgian Retail Banking	194	133	+45.9%	187	+3.7%	738	638	+15.7%
Cost/Income	70.2%	75.0%	-4.8 pt	72.3%	-2.1 pt	71.9%	74.3%	-2.4 pt
Allocated Equity (€bn)						3.5	3.3	+5.7%

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

- Revenues: +8.7% vs. 4Q13
  - Net interest income: strong increase in line with increased volumes and the fact that margins held up well
  - Fees: increase due to the good performance of financial and credit fees
- Operating expenses: +1.7% vs. 4Q13
  - Good cost containment despite the impact of increased systemic taxes
- Non-operating items
  - One-off depreciation of a building



# Belgian Retail Banking Volumes

Average outstandings (€bn)	Outstandings 4Q14	%Var/4Q13	%Var/3Q14	Outstandings 2014	%Var/2013
<b>LOANS</b>	<b>88.6</b>	<b>+2.9%</b>	<b>+0.7%</b>	<b>88.0</b>	<b>+2.1%</b>
Individual Customers	59.2	+2.5%	+0.8%	58.5	+2.3%
Incl. Mortgages	41.8	+3.4%	+1.2%	41.1	+3.2%
Incl. Consumer Lending	0.2	+40.2%	+4.6%	0.2	+2.0%
Incl. Small Businesses	17.2	+0.0%	-0.1%	17.2	+0.3%
Corporates and Local Governments*	29.4	+3.7%	+0.3%	29.5	+1.5%
<b>DEPOSITS AND SAVINGS</b>	<b>106.6</b>	<b>+3.8%</b>	<b>-0.4%</b>	<b>106.2</b>	<b>+5.1%</b>
Current Accounts	34.9	+11.7%	+0.1%	34.0	+12.0%
Savings Accounts	64.6	+2.4%	+0.2%	64.3	+3.6%
Term Deposits	7.1	-15.1%	-7.0%	8.0	-8.2%

\* Including €0.8bn in 1Q14 due to the integration of FCF Germany and United Kingdom (factoring).

€bn	31.12.14	%Var/ 31.12.13	%Var/ 30.09.14
<b>OFF BALANCE SHEET SAVINGS</b>			
Life Insurance	25.4	+0.3%	-0.1%
Mutual Funds	26.6	+7.6%	+1.7%

- Loans: +2.9% vs. 4Q13
  - Individuals: +2.5% vs. 4Q13, growth in mortgages
  - Corporates: +3.7% vs. 4Q13, good growth of loans to SMEs
- Deposits: +3.8% vs. 4Q13
  - Individuals: growth in current and savings accounts
  - Corporates : sharp rise in current accounts



# Domestic Markets: Other Activities - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	604	548	+10,2%	579	+4,3%	2 309	2 162	+6,8%
Operating Expenses and Dep.	-341	-327	+4,3%	-317	+7,6%	-1 285	-1 249	+2,9%
Gross Operating Income	263	221	+19,0%	262	+0,4%	1 024	913	+12,2%
Cost of Risk	-50	-64	-21,9%	-24	n.s.	-143	-158	-9,5%
Operating Income	213	157	+35,7%	238	-10,5%	881	755	+16,7%
Associated Companies	-2	-1	+100,0%	-7	-71,4%	-19	35	n.s.
Other Non Operating Items	0	-2	n.s.	0	n.s.	0	-1	n.s.
Pre-Tax Income	211	154	+37,0%	231	-8,7%	862	789	+9,3%
Income Attributable to Investment Solutions	-1	0	n.s.	0	n.s.	-4	-4	+0,0%
Pre-Tax Income of Other Domestic Markets	210	154	+36,4%	231	-9,1%	858	785	+9,3%
Cost/Income	56,5%	59,7%	-3,2 pt	54,7%	+1,8 pt	55,7%	57,8%	-2,1 pt
Allocated Equity (€bn)						2,7	2,8	-4,3%

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

- Revenues: +10.2% vs. 4Q13
  - Strong revenue growth at Arval due to business development and the rise in used vehicle prices
  - Good revenue growth at Leasing Solutions due to the increase in volumes and the selective policy in terms of the profitability of transactions
  - Sustained growth in Personal Investors, driven by the increase in volumes
- Operating expenses: +4.3% vs. 4Q13
  - In line with the development of business activities



# Luxembourg Retail Banking Personal Investors

## ► Luxembourg Retail Banking

Average outstandings (€bn)	Outstandings 4Q14	%Var/4Q13	%Var/3Q14	Outstandings 2014	%Var/2013
<b>LOANS</b>	8.1	+1.6%	+1.3%	8.0	+1.4%
Individual Customers	5.8	+3.3%	+1.0%	5.7	+3.0%
Corporates and Local Governments	2.3	-2.4%	+2.1%	2.3	-2.4%
<b>DEPOSITS AND SAVINGS</b>	14.1	+9.6%	+4.0%	13.4	+3.6%
Current Accounts	5.9	+20.9%	+6.0%	5.4	+10.2%
Savings Accounts	5.7	+0.2%	+5.2%	5.6	-1.3%
Term Deposits	2.4	+8.9%	-3.0%	2.5	+1.9%
€bn	31.12.14	%Var/ 31.12.13	%Var/ 30.09.14		
<b>OFF BALANCE SHEET SAVINGS</b>					
Life Insurance	0.9	-7.4%	-0.9%		
Mutual Funds	1.7	-17.1%	-5.0%		

- Loans vs. 4Q13: growth in mortgages partly offset by a decline in the corporate client segment
- Deposits vs. 4Q13: good deposit inflows, particularly in the corporate client segment, on the back of the development of cash management

## ► Personal Investors\*

Average outstandings (€bn)	Outstandings 4Q14	%Var/4Q13	%Var/3Q14	Outstandings 2014	%Var/2013
<b>LOANS</b>	0.4	-9.1%	-3.3%	0.4	-2.4%
<b>DEPOSITS</b>	13.3	+19.1%	+4.3%	12.6	+18.6%
€bn	31.12.14	%Var/ 31.12.13	%Var/ 30.09.14		
<b>ASSETS UNDER MANAGEMENT</b>	41.1	+9.6%	+2.2%		
European Customer Orders (millions)	2.3	+8.6%	+15.3%		

- Deposits vs. 4Q13: strong increase still sustained by a good level of new customer acquisitions and the development of Consorsbank\*\* in Germany
- Assets under management vs. 4Q13: good sales and marketing drive and performance effect
- Acquisition of DAB Bank closed on 17 December: ~€36bn in assets under management, of which €5.0bn in deposits\*\*\*

\* Data excluding DAB Bank; \*\* Consorsbank is the trademark of Hello bank! In Germany; \*\*\* As at 30.09.14



# Arval Leasing Solutions

## > Arval

Average outstandings (€bn)	Outstandings 4Q14	%Var*/4Q13	%Var*/3Q14	Outstandings 2014	%Var*/2013
Consolidated Outstandings	9.4	+8.3%	+2.7%	9.0	+4.6%
Financed vehicles ('000 of vehicles)	725	+5.8%	+2.5%	704	+3.0%

- Consolidated outstandings: +8.3%\* vs. 4Q13, continued international business development
- Financed fleet: +5.8%\* vs. 4Q13
- Over 400,000 used vehicles resold via MotorTrade (BtoB internet platform) since its creation in 2009

## > Leasing Solutions

Average outstandings (€bn)	Outstandings 4Q14	%Var*/4Q13	%Var*/3Q14	Outstandings 2014	%Var*/2013
Consolidated Outstandings	16.1	+2.0%	+0.0%	16.0	+1.2%

- Consolidated outstandings: +2.0%\* vs. 4Q13, rise in outstandings despite the continued reduction of the non-core portfolio





# Europe-Mediterranean - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	621	476	+30.5%	543	+14.4%	2,104	2,086	+0.9%
Operating Expenses and Dep.	-429	-364	+17.9%	-355	+20.8%	-1,467	-1,479	-0.8%
Gross Operating Income	192	112	+71.4%	188	+2.1%	637	607	+4.9%
Cost of Risk	-136	-64	n.s.	-66	n.s.	-357	-272	+31.3%
Operating Income	56	48	+16.7%	122	-54.1%	280	335	-16.4%
Non Operating Items	26	22	+18.2%	25	+4.0%	106	199	-46.7%
Pre-Tax Income	82	70	+17.1%	147	-44.2%	386	534	-27.7%
Income Attributable to Investment Solutions	0	1	n.s.	0	n.s.	-1	0	n.s.
Pre-Tax Income of EUROPE-MEDITERRANEAN	82	71	+15.5%	147	-44.2%	385	534	-27.9%
Cost/Income	69.1%	76.5%	-7.4 pt	65.4%	+3.7 pt	69.7%	70.9%	-1.2 pt
Allocated Equity (€bn)						3.7	3.7	+0.9%

*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\*: -2.4% vs. 4Q13, + 1.5% vs. 3Q14, -12.9% vs. 2013
- At constant scope and exchange rates vs. 4Q13
  - Revenues: +18.7%, up in all regions, driven in particular by the rise in volumes
  - Operating expenses: +7.0%, effect in particular of the bolstering of the commercial setup in Turkey and in Morocco
- 2013 reminder: capital gain from the sale of Egypt (€107m)

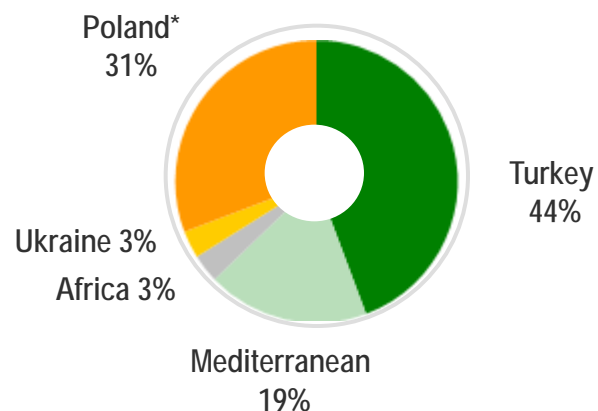
\* Average rates



# Europe-Mediterranean Volumes and Risks

Average outstandings (€bn)	Outstandings	%Var/4Q13 at constant scope and exchange rates		%Var/3Q14 at constant scope and exchange rates		Outstandings	%Var/2013 at constant scope and exchange rates	
	4Q14	historical		historical		2014	historical	
LOANS	37.2	+36.6%	+12.6%	+28.6%	+2.1%	30.2	+7.8%	+12.1%
DEPOSITS	33.4	+39.7%	+11.4%	+33.7%	+2.3%	26.5	+7.2%	+11.3%

## > Geographic distribution of 4Q14 outstanding loans



## > Cost of risk/outstandings

Annualised cost of risk/outstandings  
as at beginning of period

	4Q13	1Q14	2Q14	3Q14	4Q14
Turkey	1.07%	0.69%	0.97%	0.93%	1.40%
Ukraine	0.26%	11.90%	1.97%	5.76%	6.48%
Poland	0.22%	0.34%	0.79%	0.17%	0.51%
Others	1.10%	1.52%	0.02%	0.57%	2.22%
Europe-Mediterranean	0.92%	1.54%	0.72%	0.92%	1.49%



# BancWest - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	612	532	+15.0%	566	+8.1%	2,229	2,204	+1.1%
Operating Expenses and Dep.	-394	-345	+14.2%	-358	+10.1%	-1,443	-1,386	+4.1%
Gross Operating Income	218	187	+16.6%	208	+4.8%	786	818	-3.9%
Cost of Risk	-17	-16	+6.3%	-6	n.s.	-50	-54	-7.4%
Operating Income	201	171	+17.5%	202	-0.5%	736	764	-3.7%
Non Operating Items	-1	1	n.s.	1	n.s.	4	6	-33.3%
Pre-Tax Income	200	172	+16.3%	203	-1.5%	740	770	-3.9%
Income Attributable to Investment Solutions	-3	-2	+50.0%	-2	+50.0%	-8	-3	n.s.
Pre-Tax Income of BANCWEST	197	170	+15.9%	201	-2.0%	732	767	-4.6%
Cost/Income	64.4%	64.8%	-0.4 pt	63.3%	+1.1 pt	64.7%	62.9%	+1.8 pt
Allocated Equity (€bn)						4.3	4.2	+3.3%

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

- Foreign exchange effect:
  - USD vs. EUR\*: +9.1% vs. 4Q13, +6.2% vs. 3Q14, stable vs. 2013
- At constant exchange rates vs. 4Q13
  - Revenues: +5.3%, due to a rise in loans and deposits volumes
  - Operating expenses: +5.2%, increase in regulatory costs\*\*, impact of the strengthening of the commercial setup (Private Banking and consumer finance) partially offset by savings generated by streamlining the network

\* Average rates; \*\* In particular CCAR and Intermediate Holding Company



# BancWest Volumes

Average outstandings (€bn)	Outstandings	%Var/4Q13 at constant scope and exchange rates		%Var/3Q14 at constant scope and exchange rates		Outstandings	%Var/2013 at constant scope and exchange rates	
	4Q14	historical		historical		2014	historical	
<b>LOANS</b>	<b>47.9</b>	<b>+16.7%</b>	<b>+7.0%</b>	<b>+8.2%</b>	<b>+2.0%</b>	<b>44.0</b>	<b>+6.5%</b>	<b>+6.3%</b>
Individual Customers	22.0	+15.9%	+6.2%	+7.9%	+1.7%	20.3	+4.6%	+4.4%
Incl. Mortgages	9.2	+9.8%	+0.7%	+7.0%	+0.8%	8.6	-1.0%	-1.1%
Incl. Consumer Lending	12.8	+20.6%	+10.6%	+8.6%	+2.3%	11.6	+9.2%	+9.0%
Commercial Real Estate	12.6	+18.3%	+8.4%	+8.0%	+1.8%	11.5	+8.1%	+7.9%
Corporate Loans	13.3	+16.6%	+6.9%	+8.9%	+2.6%	12.2	+8.2%	+8.0%
<b>DEPOSITS AND SAVINGS</b>	<b>51.6</b>	<b>+18.1%</b>	<b>+8.3%</b>	<b>+9.3%</b>	<b>+3.0%</b>	<b>47.1</b>	<b>+6.9%</b>	<b>+6.7%</b>
Deposits Excl. Jumbo CDs	43.7	+17.5%	+7.7%	+9.7%	+3.3%	40.0	+7.3%	+7.1%

- Loans: +7.0%\* vs. 4Q13
  - Strong increase in consumer and corporate loans
- Deposits: +8.3%\* vs. 4Q13, good growth in current and savings accounts



# Personal Finance - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	1,147	911	+25.9%	1,083	+5.9%	4,077	3,693	+10.4%
Operating Expenses and Dep.	-578	-446	+29.6%	-505	+14.5%	-1,953	-1,741	+12.2%
Gross Operating Income	569	465	+22.4%	578	-1.6%	2,124	1,952	+8.8%
Cost of Risk	-292	-268	+9.0%	-276	+5.8%	-1,094	-1,098	-0.4%
Operating Income	277	197	+40.6%	302	-8.3%	1,030	854	+20.6%
Associated Companies	34	9	n.s.	13	n.s.	84	63	+33.3%
Other Non Operating Items	-5	-11	-54.5%	15	n.s.	16	-8	n.s.
Pre-Tax Income	306	195	+56.9%	330	-7.3%	1,130	909	+24.3%
Cost/Income	50.4%	49.0%	+1.4 pt	46.6%	+3.8 pt	47.9%	47.1%	+0.8 pt
Allocated Equity (€bn)						3.3	3.2	+3.5%

- Scope effect related to the switch for LaSer to full consolidation method\*
- Revenues: stable\*\* vs. 4Q13
  - + 4.6%\*\* excluding the one-off retrocession of handling fees in Germany
  - Good business drive in Germany, Belgium and Central Europe
- Operating expenses: +0.4%\*\* vs. 4Q13

\* Closed on 25 July 2014 the acquisition of Galeries Lafayette's stake (50%) in LaSer; \*\*At constant scope and exchange rates



# Personal Finance Volumes and Risks

	Outstandings	%Var/4Q13 at constant scope and exchange rates		%Var/3Q14 at constant scope and exchange rates		Outstandings	%Var/2013 at constant scope and exchange rates	
	4Q14	historical		historical		2014	historical	
<i>Average outstandings (€bn)</i>								
<b>TOTAL CONSOLIDATED OUTSTANDINGS <sup>(1)</sup></b>	55.6	+23.0%	+2.4%	+7.3%	+1.6%	49.6	+10.4%	+2.8%
<b>TOTAL OUTSTANDINGS UNDER MANAGEMENT <sup>(2)</sup></b>	65.4	+1.8%	+2.3%	+0.7%	+1.2%	64.3	-0.3%	+1.0%

(1) Average outstandings: LaSer fully consolidated over a 2-month period in 3Q14 and over a 5-month period in FY2014 (average outstandings in 4Q14: €9.3bn)

(2) 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*

	4Q13	1Q14	2Q14	3Q14*	4Q14
France	1.54%	2.44%	1.87%	2.75%	1.72%
Italy	4.49%	2.89%	3.69%	2.40%	2.70%
Spain	1.23%	1.77%	2.30%	1.77%	2.01%
Other Western Europe	1.47%	1.62%	0.56%	0.83%	1.28%
Eastern Europe	2.09%	3.83%	2.11%	1.41%	3.16%
Brazil	5.25%	5.54%	4.78%	4.51%	3.90%
Others	1.52%	1.20%	1.58%	1.85%	4.39%
<b>Personal Finance</b>	<b>2.39%</b>	<b>2.44%</b>	<b>2.17%</b>	<b>2.08%</b>	<b>2.08%</b>

\* Excluding LaSer



# Investment Solutions - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	1,666	1,635	+1.9%	1,638	+1.7%	6,543	6,325	+3.4%
Operating Expenses and Dep.	-1,210	-1,181	+2.5%	-1,146	+5.6%	-4,536	-4,385	+3.4%
Gross Operating Income	456	454	+0.4%	492	-7.3%	2,007	1,940	+3.5%
Cost of Risk	8	18	-55.6%	-3	n.s.	-4	-2	+100.0%
Operating Income	464	472	-1.7%	489	-5.1%	2,003	1,938	+3.4%
Associated Companies	31	26	+19.2%	48	-35.4%	178	150	+18.7%
Other Non Operating Items	26	-8	n.s.	1	n.s.	26	5	n.s.
Pre-Tax Income	521	490	+6.3%	538	-3.2%	2,207	2,093	+5.4%
Cost/Income	72.6%	72.2%	+0.4 pt	70.0%	+2.6 pt	69.3%	69.3%	+0.0 pt
Allocated Equity (€bn)						8.5	8.1	+5.0%

- Revenues: +1.5%\* vs. 4Q13
  - Good performance of Securities Services
- Operating expenses: +1.7%\* vs. 4Q13
  - Due to business growth and business development investments
- Associated companies: +64.6%\* vs. 4Q13
  - Rise in the income of associated companies in Insurance
- Other non operating items
  - One-off indemnity received as a result of the restitution of rented premises

\* At constant scope and exchange rates



# Investment Solutions Business

	31.12.14	31.12.13	%Var/ 31.12.13	30.09.14	%Var/ 30.09.14
<b>Assets under management (€bn)*</b>	<b>917</b>	<b>854</b>	<b>+7.4%</b>	<b>905</b>	<b>+1.3%</b>
Asset Management	391	370	+5.6%	388	+0.8%
Wealth Management	305	287	+6.2%	299	+2.0%
Real Estate Services	19	18	+3.7%	20	-7.5%
Insurance	202	178	+13.6%	198	+2.2%

	4Q14	4Q13	%Var/ 4Q13	3Q14	%Var/ 3Q14
<b>Net asset flows (€bn)*</b>	<b>1.8</b>	<b>-0.7</b>	<b>n.s.</b>	<b>3.4</b>	<b>-47.0%</b>
Asset Management	-1.5	0.2	n.s.	-0.7	n.s.
Wealth Management	1.7	-1.2	n.s.	1.9	-6.5%
Real Estate Services	0.7	0.3	n.s.	0.4	+62.3%
Insurance	0.9	0.1	n.s.	1.8	-49.4%

	31.12.14	31.12.13	%Var/ 31.12.13	30.09.14	%Var/ 30.09.14
<b>Securities Services</b>					
Assets under custody (€bn)	7,396	6,064	+22.0%	7,100	+4.2%
Assets under administration (€bn)	1,419	1,085	+30.7%	1,286	+10.3%
	<b>4Q14</b>	<b>4Q13</b>	<b>4Q14/4Q13</b>	<b>3Q14</b>	<b>4Q14/3Q14</b>
Number of transactions (in millions)	16.8	14.0	+20.2%	14.9	+12.9%

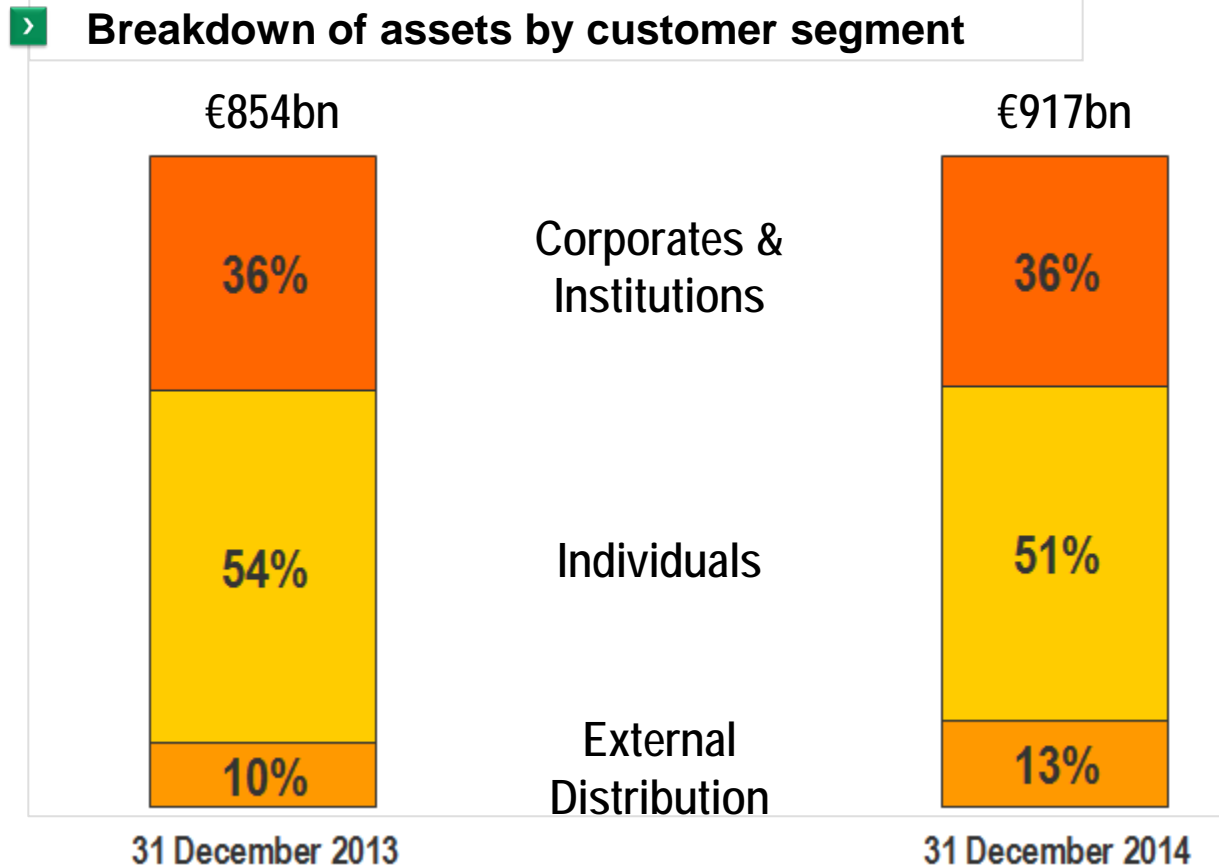
\* Including assets under advisory on behalf of external clients and distributed assets



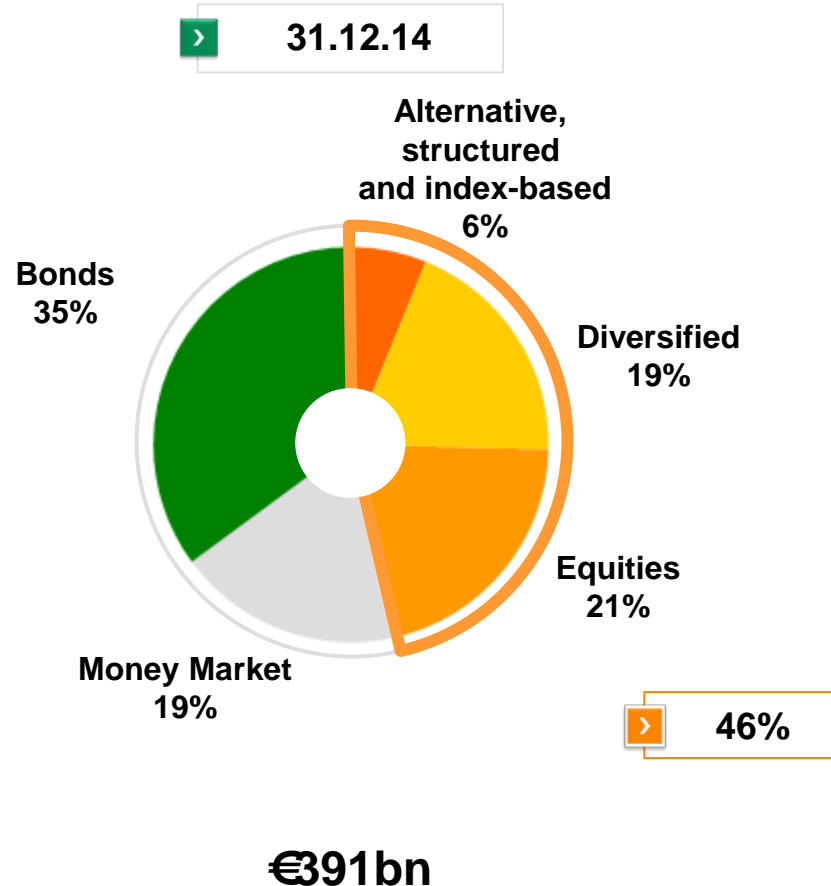


# Investment Solutions

## Breakdown of Assets by Customer Segment



# Asset Management Breakdown of Managed Assets



# Investment Solutions

## Wealth and Asset Management - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	716	723	-1.0%	700	+2.3%	2,805	2,780	+0.9%
Operating Expenses and Dep.	-575	-563	+2.1%	-549	+4.7%	-2,171	-2,119	+2.5%
Gross Operating Income	141	160	-11.9%	151	-6.6%	634	661	-4.1%
Cost of Risk	4	3	+33.3%	0	n.s.	-3	-14	-78.6%
Operating Income	145	163	-11.0%	151	-4.0%	631	647	-2.5%
Associated Companies	14	15	-6.7%	11	+27.3%	55	55	+0.0%
Other Non Operating Items	17	-5	n.s.	2	n.s.	20	2	n.s.
Pre-Tax Income	176	173	+1.7%	164	+7.3%	706	704	+0.3%
Cost/Income	80.3%	77.9%	+2.4 pt	78.4%	+1.9 pt	77.4%	76.2%	+1.2 pt
Allocated Equity (€bn)						1.7	1.5	+11.1%

- Revenues: -1.9%\* vs. 4Q13
  - Impact of a provision related to a one-off charge in Asset Management this quarter
- Operating expenses: +1.2%\* vs. 4Q13
  - Impact of business development investments (Wealth Management in Asia, Real Estate Services)
- Other non operating items
  - One-off indemnity received as a result of the restitution of rented premises



# Investment Solutions

## Insurance - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	568	571	-0.5%	541	+5.0%	2,180	2,136	+2.1%
Operating Expenses and Dep.	-289	-307	-5.9%	-270	+7.0%	-1,079	-1,076	+0.3%
Gross Operating Income	279	264	+5.7%	271	+3.0%	1,101	1,060	+3.9%
Cost of Risk	1	5	-80.0%	-4	n.s.	-6	2	n.s.
Operating Income	280	269	+4.1%	267	+4.9%	1,095	1,062	+3.1%
Associated Companies	17	11	+54.5%	38	-55.3%	124	96	+29.2%
Other Non Operating Items	0	-3	n.s.	-1	n.s.	-3	3	n.s.
Pre-Tax Income	297	277	+7.2%	304	-2.3%	1,216	1,161	+4.7%
Cost/Income	50.9%	53.8%	-2.9 pt	49.9%	+1.0 pt	49.5%	50.4%	-0.9 pt
Allocated Equity (€bn)						6.3	6.0	+4.1%

- Gross written premiums: €6.4bn (+8.3% vs. 4Q13)
  - Good growth of the savings and protection insurance business
- Technical reserves: +8.3% vs. 4Q13
- Revenues: +0.6%\* vs. 4Q13
  - Growth in international protection insurance
- Operating expenses: -5.2%\* vs. 4Q13
  - High base in 4Q13, good cost control
- Good performance of associated companies

\* At constant scope and exchange rates



# Investment Solutions Securities Services - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	382	341	+12.0%	397	-3.8%	1,558	1,409	+10.6%
Operating Expenses and Dep.	-346	-311	+11.3%	-327	+5.8%	-1,286	-1,190	+8.1%
Gross Operating Income	36	30	+20.0%	70	-48.6%	272	219	+24.2%
Cost of Risk	3	10	-70.0%	1	n.s.	5	10	-50.0%
Operating Income	39	40	-2.5%	71	-45.1%	277	229	+21.0%
Non Operating Items	9	0	n.s.	-1	n.s.	8	-1	n.s.
Pre-Tax Income	48	40	+20.0%	70	-31.4%	285	228	+25.0%
Cost/Income	90.6%	91.2%	-0.6 pt	82.4%	+8.2 pt	82.5%	84.5%	-2.0 pt
Allocated Equity (€bn)						0.5	0.5	-1.6%

- Revenues: +9.9%\* vs. 4Q13
  - Sharp rise in the number of transactions (+20.2% vs. 4Q13) and in assets under custody (+22.0% vs. 31.12.13)
- Operating expenses: +9.3%\* vs. 4Q13
  - In line with the business development



# Corporate and Investment Banking - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	2,050	2,074	-1.2%	2,103	-2.5%	8,722	8,701	+0.2%
Operating Expenses and Dep.	-1,465	-1,551	-5.5%	-1,514	-3.2%	-6,137	-5,976	+2.7%
Gross Operating Income	585	523	+11.9%	589	-0.7%	2,585	2,725	-5.1%
Cost of Risk	-32	-167	-80.8%	87	n.s.	-81	-515	-84.3%
Operating Income	553	356	+55.3%	676	-18.2%	2,504	2,210	+13.3%
Associated Companies	17	-3	n.s.	0	n.s.	38	23	+65.2%
Other Non Operating Items	-4	4	n.s.	-1	n.s.	-17	8	n.s.
Pre-Tax Income	566	357	+58.5%	675	-16.1%	2,525	2,241	+12.7%
Cost/Income	71.5%	74.8%	-3.3 pt	72.0%	-0.5 pt	70.4%	68.7%	+1.7 pt
Allocated Equity (€bn)						15.4	15.5	-0.5%

- Revenues: -3.9%\* vs. 4Q13

- Advisory & Capital Markets (-6.6%\* vs. 4Q13): good performance of Fixed Income, Equities & Advisory down compared to a high basis of comparison in 4Q13; VaR at a very low level
- Corporate Banking (-0.2%\* vs. 4Q13): good quarter as in 4Q13

- Operating expenses: -9.0%\* vs. 4Q13

- Significant decline due to a strong seasonality effect and to operating efficiency measures
- Improvement of the cost/income ratio

- Pre-tax income: +56.3%\* vs. 4Q13

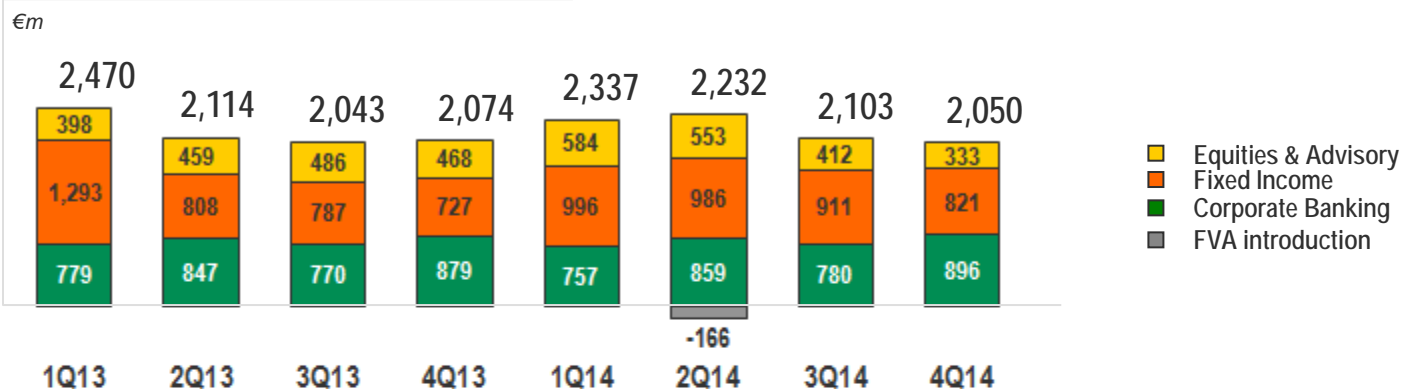
- Decline in the cost of risk

\* At constant scope and exchange rates

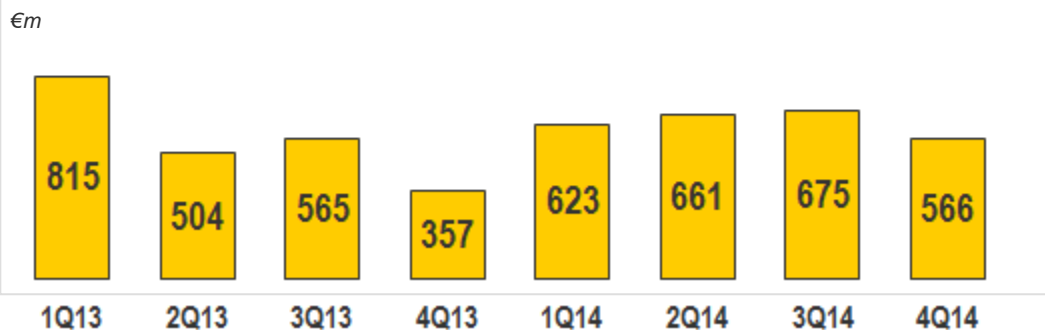


# Corporate and Investment Banking Revenues and Income by Quarter

## > Revenues by business unit



## > Pre-tax income



# Corporate and Investment Banking Advisory and Capital Markets - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	1,154	1,195	-3.4%	1,323	-12.8%	5,430	5,426	+0.1%
Incl. Equity and Advisory	333	468	-28.8%	413	-19.4%	1,882	1,811	+3.9%
Incl. Fixed Income	821	727	+12.9%	911	-9.9%	3,548	3,615	-1.9%
Operating Expenses and Dep.	-992	-1,077	-7.9%	-1,083	-8.4%	-4,375	-4,236	+3.3%
Gross Operating Income	162	118	+37.3%	240	-32.5%	1,055	1,190	-11.3%
Cost of Risk	-6	4	n.s.	19	n.s.	50	-78	n.s.
Operating Income	156	122	+27.9%	259	-39.8%	1,105	1,112	-0.6%
Associated Companies	9	-5	n.s.	-1	n.s.	22	5	n.s.
Other Non Operating Items	-4	4	n.s.	-1	n.s.	-17	8	n.s.
Pre-Tax Income	161	121	+33.1%	257	-37.4%	1,110	1,125	-1.3%
Cost/Income	86.0%	90.1%	-4.1 pt	81.9%	+4.1 pt	80.6%	78.1%	+2.5 pt
Allocated Equity (€bn)						7.8	8.1	-3.9%

- Revenues: -6.6%\* vs. 4Q13
  - Fixed Income: +8.7%\* vs. 4Q13, good growth in the forex business and in bond issues
  - Equities & Advisory: -30.6%\* vs. a high basis of comparison in 4Q13 (reminder: +54.0%\* 4Q13 vs. 4Q12), decline in business in particular with respect to structured products
- Operating expenses: -12.0%\* vs. 4Q13
  - Effect of lesser business in Equities & Advisory and operating efficiency measures
- Pre-tax income: +38.2%\* vs. 4Q13

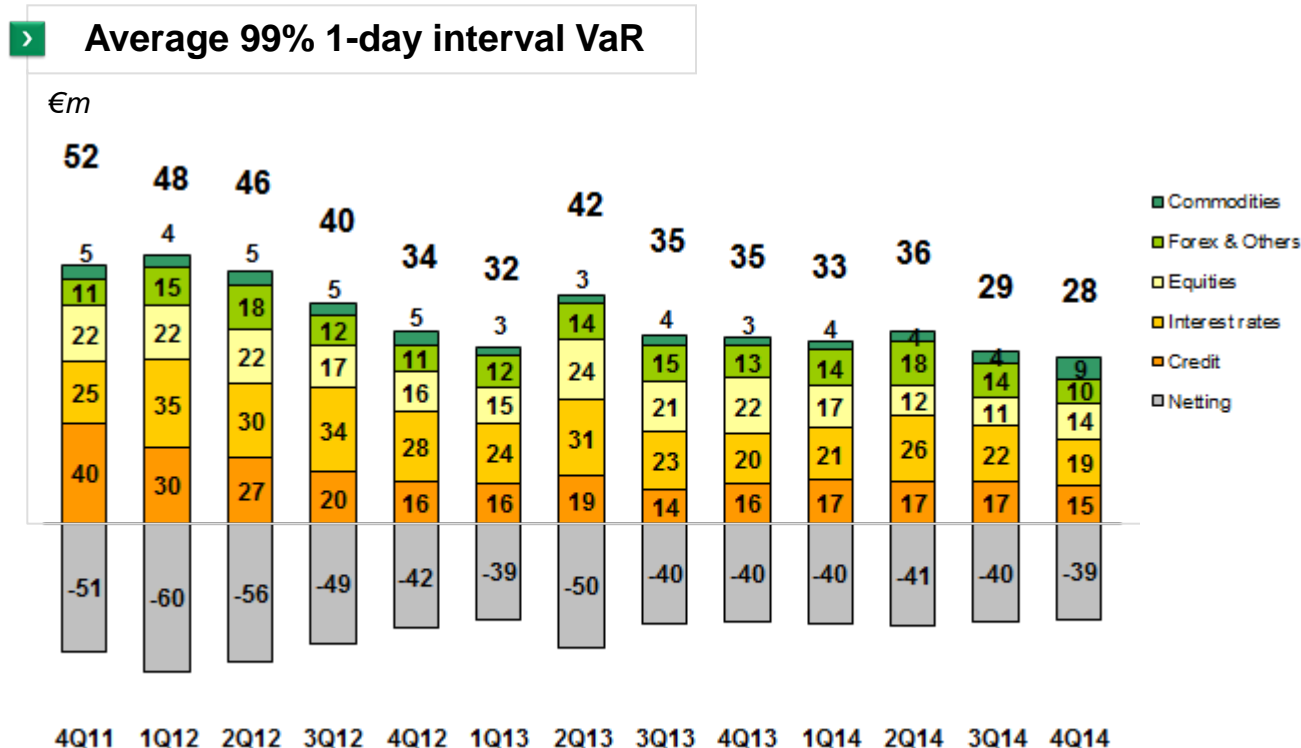
\* At constant scope and exchange rates





# Corporate and Investment Banking









## Market Risks - 4Q14



- Group's VaR still at a very low level\*
- No loss greater than VaR in 2014



# Corporate and Investment Banking Advisory and Capital Markets - 4Q14

	<b>Supranational: World Bank (IBRD)</b> USD4bn 2.5% 10-year benchmark in a single tranche World Bank's largest 10-year benchmark ever Joint Lead Manager November 2014		<b>UK: Shell International</b> EUR1.0bn 1.000% 7.5yr / EUR1.25bn 1.625% 12yr / GBP500m 2.000% 5yr Euro & Sterling multi-tranche Joint Bookrunner November 2014
	<b>Sweden: Volvo Treasury AB</b> EUR1.5bn dual tranche hybrid Joint Bookrunner EUR1.5bn Interest rate swap Joint Lead Bookrunner & Sole coordinator December 2014		<b>France: SFR-Numericable</b> EUR4.73bn Rights Issue Joint Bookrunner October 2014
	<b>Italy: Rai Way</b> EUR280m IPO Joint Bookrunner November 2014		<b>China: Bank of China</b> USD6.5bn AT1 PerpNC5 Joint Bookrunner and joint lead manager October 2014
	<b>France: Advisor to Hermès International</b> for LVMH's exit of its capital EUR6.8bn December 2014		<b>UK: Sainsbury's</b> GBP450m Convertible Bond Joint Bookrunner November 2014



# Corporate and Investment Banking

## Corporate Banking - 4Q14

€m	4Q14	4Q13	4Q14 / 4Q13	3Q14	4Q14/ 3Q14	2014	2013	2014 / 2013
Revenues	896	879	+1.9%	780	+14.9%	3,292	3,275	+0.5%
Operating Expenses and Dep.	-473	-474	-0.2%	-431	+9.7%	-1,762	-1,740	+1.3%
Gross Operating Income	423	405	+4.4%	349	+21.2%	1,530	1,535	-0.3%
Cost of Risk	-26	-171	-84.8%	68	n.s.	-131	-437	-70.0%
Operating Income	397	234	+69.7%	417	-4.8%	1,399	1,098	+27.4%
Non Operating Items	8	2	n.s.	1	n.s.	16	18	-11.1%
Pre-Tax Income	405	236	+71.6%	418	-3.1%	1,415	1,116	+26.8%
Cost/Income	52.8%	53.9%	-1.1 pt	55.3%	-2.5 pt	53.5%	53.1%	+0.4 pt
Allocated Equity (€bn)						7.7	7.4	+3.3%


- Revenues: -0.2%\* vs. 4Q13, high basis of comparison
  - EMEA\*\*: slight decline due to a slowdown in the Energy and Commodities business, but growth compared to 3Q14
  - Americas: ~ stable compared to 4Q13 which had benefited from several significant transactions, good growth compared to 3Q14
  - Asia: continued growth
- Operating expenses: -2.2%\* vs. 4Q13
  - Impact of operating efficiency measures
  - Decline in EMEA\*\*, growth in Asia and in the Americas
- Pre-tax income: +64.6%\* vs. 4Q13
  - Significant decline in the cost of risk

\* At constant scope and exchange rates; \*\* Europe, Middle East, Africa



# Corporate and Investment Banking

## Corporate Banking - 4Q14

	<b>France: Airbus</b> EUR3bn Amend & Extend Revolving Credit Facility Bookrunner and Mandated Lead Arranger <i>October 2014</i>		<b>India: Reliance Jio Infocomm</b> USD1.5bn 5.5 & 7 yr Syndicated Term Loan Mandated Lead Arranger & Bookrunner <i>November 2014</i>
	<b>USA: Aecom Technology Corporation</b> In the context of the financing of the acquisition of URS Corp. <ul style="list-style-type: none"> <li>USD3.5bn Senior Secured Bank Credit facilities and USD1.2bn Term Loan B Joint Bookrunner &amp; Co-underwriter</li> <li>USD1.6bn bond issuance Joint Bookrunner</li> </ul> <i>October 2014</i>		<b>UK: Electrocomponents plc</b> Cash Management mandate in six European countries Payments/ collections, Connexis, corporate cards, card acquiring (in France), toll road cards (in Italy), third-party cash pooling and local guarantees <i>October 2014</i>
	<b>Singapore and UK: Tata Steel Global Holdings / Tata Steel UK Holdings</b> USD1.5bn/ EUR1.25bn multi currency, multi tranche syndicated facilities Mandated Lead Arranger & Bookrunner <i>October 2014</i>		<b>Chile: Metro de Santiago</b> USD800m Export Credit (France, Spain) and Commercial Loan Facilities Joint Bookrunner, Mandated Lead Arranger, Administrative Agent, Export Credit Agency Agent <i>December 2014</i>
	<b>Germany: ZF Friedrichshafen AG</b> EUR12.5bn Facilities Agreement Mandated Lead Arranger <i>September 2014</i>		<b>Qatar: Qatar Airways</b> 15-yr French Lease Financing for the Delivery of 2x A380s Mandated Lead Arranger, Structurer, Lease Arranger and Agent <i>December 2014</i>
	<b>China: WH Group Limited</b> USD1.5bn 5 yr Syndicated Loan Mandated Lead Arranger & Bookrunner <i>October 2014</i>		<b>UK: Cable &amp; Wireless Communications Plc</b> <ul style="list-style-type: none"> <li>USD570m 5 year Revolving Credit Facility Underwriter, Left Lead Bookrunner &amp; Lead Arranger</li> <li>USD390m Secured &amp; USD300m Unsecured 2 year acquisition loans Underwriter, Lead Bookrunner and Lead Arranger</li> </ul> <i>December 2014</i>



# Corporate and Investment Banking Rankings and Awards - 4Q14

## ● Advisory and Capital Markets: recognised global franchises

- **#1 All bonds in EUR**, #9 All International Bonds All Currencies, #1 Covered bonds All Currencies , #2 All FIG bonds in EUR, #1 Corporate bonds in EUR (*IFR Thomson Reuters 2014*)
- European Investment-Grade Corporate Bond House, Covered Bond House (*IFR Awards 2014*)
- Structured Products House of the Year, FX House of the Year (*Structured Products Europe Awards 2014*)
- Best Single Dealer Platform for Structured Products: Cortex, Structured Products House of the Year (*Asian Private Banker Structured Products Awards for Excellence 2014*)
- **#1 EMEA Equity-Linked Bookrunner** by number of deals (*Dealogic 2014*)
- **#1 M&A in France** (completed deals, *Thomson Reuters 2014*)
- Platform of the Year (*Asia Risk Awards 2014*)

## ● Corporate Banking: confirmed leadership in all the business units

- **#1 Bookrunner for EMEA Syndicated Loans** by volume and number of deals (*Dealogic, Thomson Reuters 2014*)
- #1 Bookrunner for EMEA Leveraged Loans by volume and number of deals (*Dealogic 2014*)
- #1 MLA for European Project Finance and #4 MLA for Global Project Finance (*Dealogic 2014*)
- European Bank of the Year (*Project Finance International*)
- Global Bank of the Year – Payments & Collections (*Treasury Management International*)
- First Trade Finance Bank for European Large Corporates (*Greenwich 2014 Large Corporate Trade Finance Survey*)
- # 2 MLA in European ECA Financing (*Dealogic 2014*)



# Corporate Centre - 4Q14

€m	4Q14	4Q13	3Q14	2014	2013
Revenues	254	93	-145	375	322
Operating Expenses and Dep.	-394	-446	-304	-1,275	-1,280
<i>Incl. Restructuring and Transformation Costs</i>	-254	-287	-154	-757	-661
Gross Operating income	-140	-353	-449	-900	-958
Cost of Risk	-38	5	1	-49	-17
authorities	-50	-798	0	-6,000	-798
Operating Income	-228	-1,146	-448	-6,949	-1,773
Share of earnings of associates	-28	26	5	14	-19
Other non operating items	-263	-93	43	-210	-81
Pre-Tax Income	-519	-1,213	-400	-7,145	-1,873

- Revenues
  - Own Credit Adjustment (OCA)\* and own credit risk included in derivatives (DVA)\*: -€11m (-€13m in 4Q13)
  - Very good contribution of BNP Paribas Principal Investments
- Operating expenses
  - Simple & Efficient transformation costs: -€229m (-€287m in 4Q13)
  - Restructuring costs (LaSer, Bank BGZ, DAB Bank): -€25m (€0m in 4Q13)
- Cost of risk
  - Impact of a specific file this quarter
- Other non operating items
  - Goodwill impairments: -€297m (-€252m in 4Q13) of which -€297m regarding BNL bc (-€186m in 4Q13)

\* 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 - 2014

## ● Revenues

- Own Credit Adjustment (OCA)\* and own credit risk included in derivatives (DVA)\*: -€459m (-€71m in 2013)
- Net capital gains from one-off sales of securities: +€301m (2013 reminder: sale of Royal Park Investments' assets (+€218m))
- Very good contribution of BNP Paribas Principal Investments and of investment portfolio products
- Mortgage loans: continued decline in revenues in connection with the adaptation plan
- Decreasing cost of surplus deposits placed with Central Banks

## ● Operating expenses

- Simple & Efficient transformation costs: -€717m (-€661m in 2013)

## ● Cost of risk

- Impact of a specific file

## ● Other non operating items

- Goodwill impairments: -€297m (-€252m in 2013) of which -€297m regarding BNL bc (-€186m in 2013)

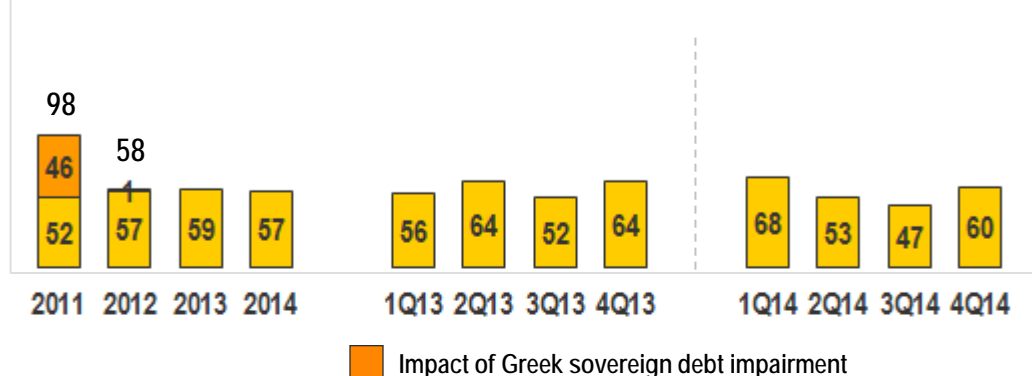
\* Fair value takes into account any change in value attributable to issuer risk relating to the BNP Paribas Group. It is the replacement value of instruments, calculated by discounting the expected liabilities' profile, stemming from derivatives or securities issued by the Bank, using a discount rate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



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

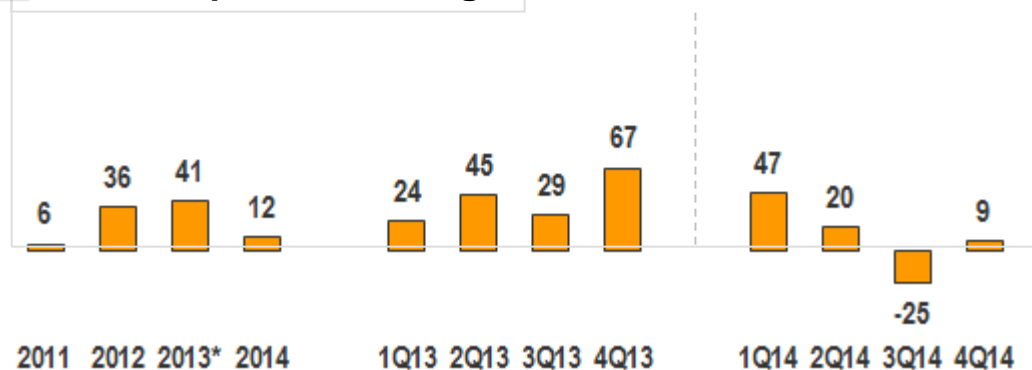
Net provisions/Customer loans (in annualised bp)

## > Group



- Cost of risk: €1,012m
- +€258m vs. 3Q14
- -€4m vs. 4Q13
- Cost of risk stable overall

## > CIB - Corporate Banking



- Cost of risk: €26m
- +€94m vs. 3Q14
- -€145m vs. 4Q13
- Cost of risk very low this quarter

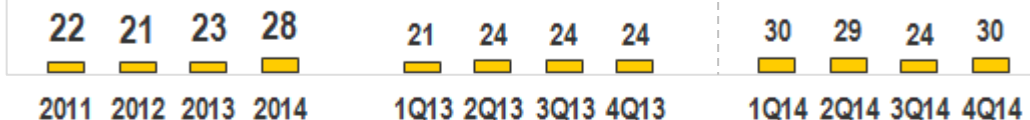




# Variation in the Cost of Risk by Business Unit (2/3)

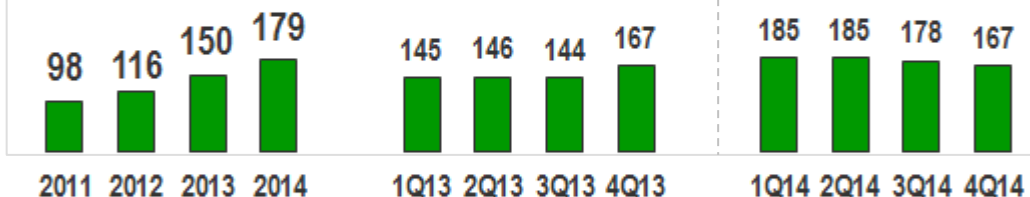
Net provisions/Customer loans (in annualised bp)

## > FRB



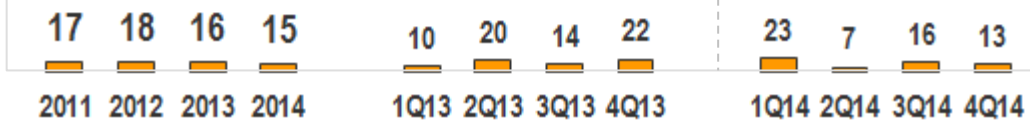
- Cost of risk: €106m
  - +€21m vs. 3Q14
  - +€20m vs. 4Q13
- Cost of risk still low

## > BNL bc



- Cost of risk: €322m
  - -€26m vs. 3Q14
  - -€5m vs. 4Q13
- Cost of risk stabilised

## > BRB



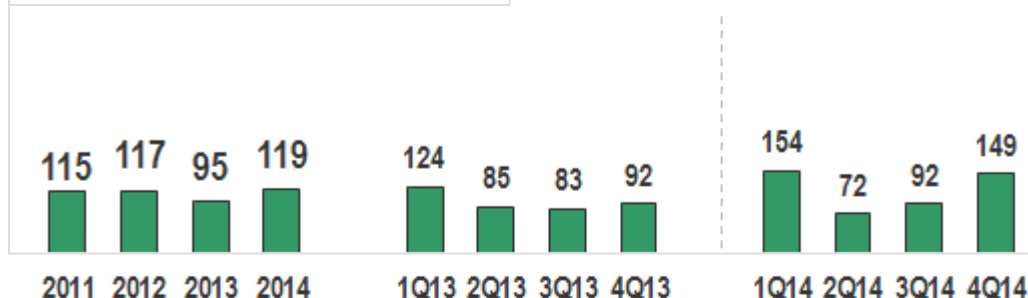
- Cost of risk: €28m
  - -€8m vs. 3Q14
  - -€20m vs. 4Q13
- Cost of risk very low



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

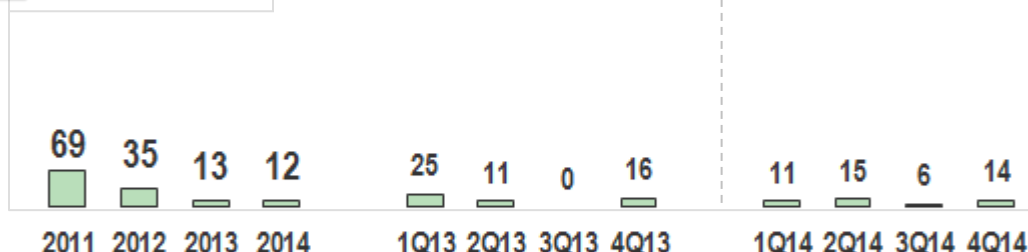
Net provisions/Customer loans (in annualised bp)

## > Europe-Mediterranean



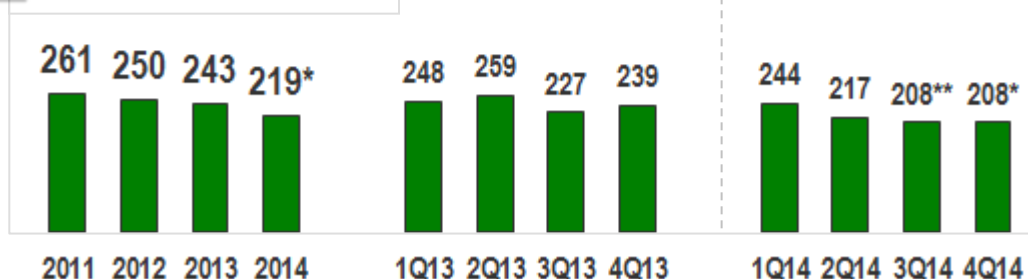
- Cost of risk: €136m
  - +€70m vs. 3Q14
  - +€72m vs. 4Q13
- Rise in the cost of risk this quarter

## > BancWest



- Cost of risk: €17m
  - +€11m vs. 3Q14
  - +€1m vs. 4Q13
- Cost of risk very low

## > Personal Finance



- Cost of risk: €292m
  - +€16m vs. 3Q14
  - +€24m vs. 4Q13
- Scope effect related to the acquisition of LaSer (+€30m)
- Decline in the cost of risk excluding this effect

\* Including LaSer (taken into account in 2014 for a 5-month period); \*\* Excluding LaSer



Group Results

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Division Results

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2014-2016 Business Development Plan

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4Q14 Detailed Results

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**Appendix**

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# Number of Shares, Earnings and Book Value per Share

## > Number of Shares and Book Value per Share

<i>in millions</i>	31-Dec-14	31-Dec-13*
Number of Shares (end of period)	1,246	1,245
Number of Shares excluding Treasury Shares (end of period)	1,243	1,242
Average number of Shares outstanding excluding Treasury Shares	1,242	1,241
Book value per share (a)	66.6	65.0
<i>of which net assets non revaluated per share (a)</i>	61.7	63.4

(a) Excluding undated super subordinated notes

## > Earnings per Share

<i>in euros</i>	2014	2013*
Net Earnings Per Share (EPS)	-0.07 (a)	3.68

(a) 4.70€ calculated with a result where the costs relative to the comprehensive settlement with US authorities have been restated

## > Equity

<i>€bn</i>	31-Dec-14	31-Dec-13*
Shareholders' equity Group share, not revaluated (a)	74.8	76.9
Valuation Reserve	6.1	1.9
Return on Equity	7.7% (b)	6.1%
Return on Tangible Equity	9.3% (b)	7.3%
Total Capital Ratio	12.6% (c)	14.3% (d)
Common equity Tier 1 ratio	10.5% (c)	11.7% (d)

(a) Excluding undated super subordinated notes and after estimated distribution

(b) Costs relative to the comprehensive settlement with US authorities have been restated

(c) Basel 3 (CRD4), on risk-weighted assets of €614bn, taking into consideration CRR transitory provisions (but with full deduction of goodwill). Subject to the provisions of article 26.2 of (EU) regulation n° 575/2013.

As at 31 December 2014, the capital surplus of the financial conglomerate was estimated at €25.8bn.

(d) Basel 2.5 (CRD3), on risk-weighted assets of €560bn

\* Pro forma figures restated following application of IFRS 10 and 11



# A Solid Financial Structure

## > Doubtful loans/gross outstandings

	31-Dec-14	31-Dec-13*
<b>Doubtful loans (a) / Loans (b)</b>	4.2%	4.5%
(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-14	31-Dec-13*
<b>Doubtful loans (a)</b>	31.5	32.3
<b>Allowance for loan losses (b)</b>	27.2	26.3
<b>Coverage ratio</b>	87%	81%
(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-14	30-Sep-14
<b>Immediately available liquidity reserve (a)</b>	291	268
(a) Deposits with central banks and unencumbered assets eligible to central banks, after haircuts		

\* Pro forma figures restated following application of IFRS 10 and 11



# Common equity Tier 1 ratio

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

€bn	31-Dec-14
<b>Consolidated Equity</b>	<b>93.6</b>
Undated super subordinated notes	-6.6
Proposed dividend	-1.9
Regulatory adjustments on equity **	-2.8
Regulatory adjustments on minority interests	-2.8
Goodwill and intangible assets	-13.8
Deferred tax assets related to tax loss carry forwards	-1.2
Other regulatory adjustments	-0.8
<b>Common Equity Tier One capital</b>	<b>63.7</b>
<b>Risk-weighted assets</b>	<b>620</b>
<b>Common Equity Tier 1 Ratio</b>	<b>10.3%</b>

\* CRD4 fully loaded; \*\* Including Prudent Valuation Adjustment as of 30 September 2014



# Taking Into Account AQR Results

- The AQR results published by the ECB reflect a minor impact on CET 1 (-15 bp)

Adjustments in bp (after tax)	AQR results	Of which impact on the CET1 ratio in 1H14*		Of which impact on the CET1 ratio in 2H14*	
		P&L	Prudential capital	P&L	Prudential capital
Review of specific provisions	-7	-4	0	-2	0
Review of collective provisions	-1	0	-1	0	0
Review of the fair value of financial assets	0	0	0	0	0
Review of the Credit Value Adjustment (CVA)	-5	-1	0	-1	-3
Impact of adjustments on deferred taxes	-2	0	-2	0	0
<b>Total</b>	<b>-15</b>	<b>-5</b>	<b>-3</b>	<b>-2</b>	<b>-3</b>

\* 2 bp not taken into account

- Adjustments on specific and collective provisions (credit exposures)
  - Specific provisions: already partly taken into account in 1H14
  - Collective provisions: already covered by the prudential deduction of the surplus of expected losses in relation to provisions set aside
- Adjustments related to market exposure (fair value)
  - Review of the valuation of financial assets: negligible adjustments
  - CVA: partly included in the 1Q14 financial statements and the balance in 3Q14 in connection with the introduction of the Prudent Valuation Adjustment



## AQR results factored into the CET1 ratio

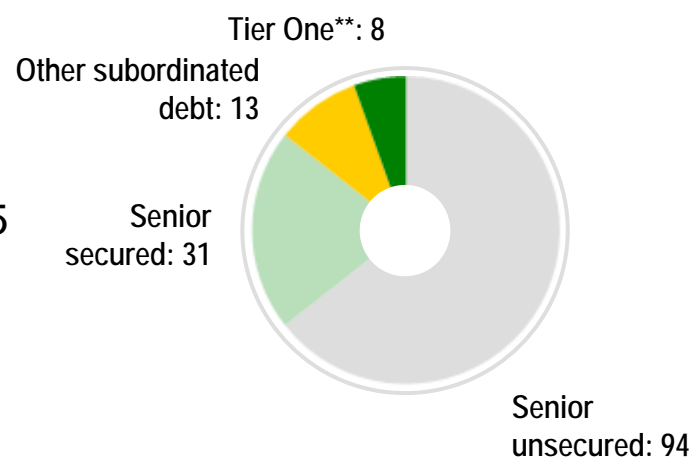


# Medium/Long-Term Funding

- TLTRO taken for €14bn at the end of December 2014
  - Very advantageous terms
- 2015 wholesale MLT funding programme reduced to €18bn
- Senior debt: €1.9bn already realised in January 2015
  - Average maturity 5 years
  - Mid-swap +30 bp on average
- Tier 1: opportunistic resumption of issuances
- Tier 2: €2 to €3bn per year\*\*\*

## Wholesale MLT funding structure breakdown as at 31.12.14: €146bn\*

€bn



**50% of 2015 MLT funding programme already completed including TLTRO**

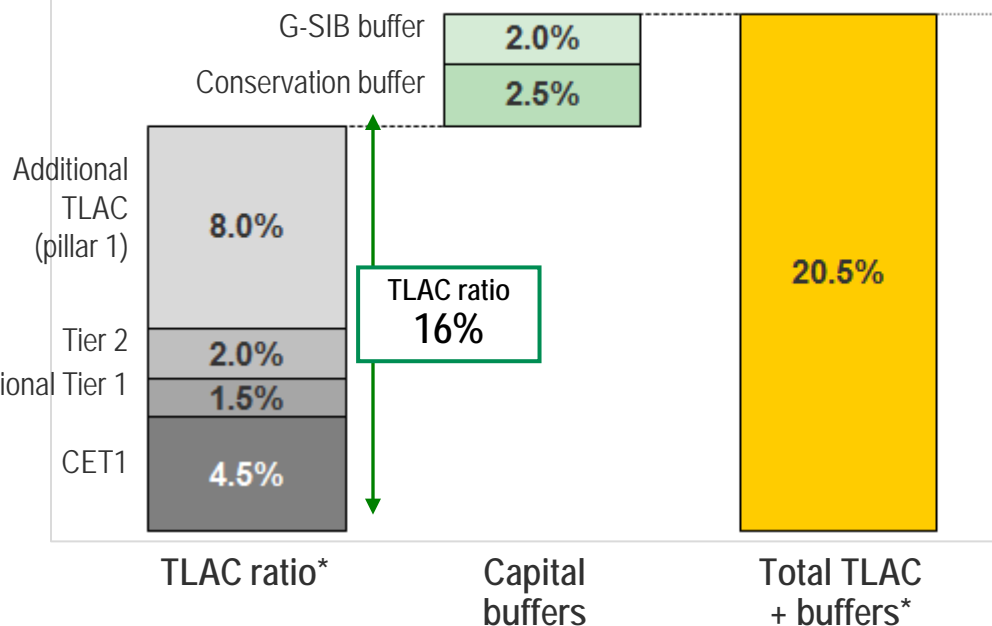
*\* Excluding TLTRO; \*\* Debt qualified prudentially as Tier 1 recorded as subordinated debt or as equity; \*\*\* Depending on opportunities and market conditions*



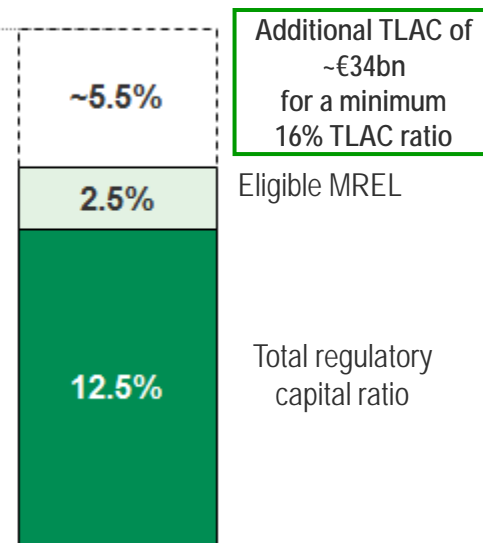


# Total Loss Absorbing Capacity (TLAC)

## Example of potential TLAC requirement calculation for BNP Paribas\*



## Potential TLAC impact for BNP Paribas\*



- Specific terms of the TLAC in the process of being evaluated: final position of the FSB\*\* expected by the end of 2015 for implementation at the earliest on 1<sup>st</sup> January 2019
- Requirement to hold equity and debt instruments that can be converted into equity in case of resolution (bail-inable debt) for a certain percentage of risk-weighted assets to be defined (16% to 20%)
- 2.5% of the MREL debt taken into account (or more if the TLAC ratio > 16%)
- TLAC instruments potentially different from Tier 1 and Tier 2 instruments (terms yet to be defined) that could partly replace senior debt issuances

\* Hypothesis of a TLAC ratio at 16%; \*\* Financial Stability Board



# Cost of Risk on Outstandings (1/2)

## > **Cost of risk** *Net provisions/Customer loans (in annualised bp)*

	2011	2012	1Q13	2Q13	3Q13	4Q13	2013	1Q14	2Q14	3Q14	4Q14	2014
<b>Domestic Markets*</b>												
Loan outstandings as of the beg. of the quarter (€bn)	337.1	348.9	343.0	340.4	341.2	337.4	340.5	336.1	334.8	336.2	333.7	335.2
Cost of risk (€m)	1,405	1,573	421	460	442	525	1,848	569	506	493	506	2,074
Cost of risk (in annualised bp)	42	45	49	54	52	62	54	68	60	59	61	62
<b>FRB*</b>												
Loan outstandings as of the beg. of the quarter (€bn)	144.9	151.1	148.6	147.4	147.3	145.1	147.1	143.5	143.0	144.3	142.7	143.4
Cost of risk (€m)	315	315	79	88	90	86	343	108	103	85	106	402
Cost of risk (in annualised bp)	22	21	21	24	24	24	23	30	29	24	30	28
<b>BNL bc*</b>												
Loan outstandings as of the beg. of the quarter (€bn)	81.1	82.7	81.5	80.6	79.8	78.4	80.1	78.6	78.5	78.2	77.2	78.1
Cost of risk (€m)	795	961	296	295	287	327	1,205	364	364	348	322	1,398
Cost of risk (in annualised bp)	98	116	145	146	144	167	150	185	185	178	167	179
<b>BRB*</b>												
Loan outstandings as of the beg. of the quarter (€bn)	79.2	85.4	86.9	87.0	88.7	88.3	87.7	88.7	87.9	88.4	88.6	88.4
Cost of risk (€m)	137	157	21	43	30	48	142	52	15	36	28	131
Cost of risk (in annualised bp)	17	18	10	20	14	22	16	23	7	16	13	15

\*With Private Banking at 100%



# Cost of Risk on Outstandings (2/2)

## > Cost of risk *Net provisions/Customer loans (in annualised bp)*

	2011	2012	1Q13	2Q13	3Q13	4Q13	2013	1Q14	2Q14	3Q14	4Q14	2014
<b>BancWest*</b>												
Loan outstandings as of the beg. of the quarter (€bn)	37.1	41.0	41.2	42.4	42.3	41.2	41.8	41.5	42.0	42.8	47.1	43.3
Cost of risk (€m)	256	145	26	12	0	16	54	11	16	6	17	50
Cost of risk (in annualised bp)	69	35	25	11	ns	16	13	11	15	6	14	12
<b>Europe-Mediterranean *</b>												
Loan outstandings as of the beg. of the quarter (€bn)	23.2	24.7	28.1	29.3	28.6	28.0	28.5	27.3	27.7	28.6	36.5	30.0
Cost of risk (€m)	268	290	87	62	59	64	272	105	50	66	136	357
Cost of risk (in annualised bp)	115	117	124	85	83	92	95	154	72	92	149	119
<b>Personal Finance</b>												
Loan outstandings as of the beg. of the quarter (€bn)	45.5	45.8	45.6	45.3	44.9	44.9	45.2	45.4	46.0	45.9	56.1	49.9
Cost of risk (€m)	1,191	1,147	283	293	254	268	1,098	277	249	239**	292	1,094
Cost of risk (in annualised bp)	261	250	248	259	227	239	243	244	217	208**	208	219***
<b>CIB - Corporate Banking</b>												
Loan outstandings as of the beg. of the quarter (€bn)	153.2	121.2	108.7	109.1	104.5	101.8	106.0	103.0	100.2	107.5	110.3	105.3
Cost of risk (€m)	96	432	66	123	77	171	437	122	51	-68	26	131
Cost of risk (in annualised bp)	6	36	24	45	29	67	41	47	20	-25	9	12
<b>Group****</b>												
Loan outstandings as of the beg. of the quarter (€bn)	690.9	679.9	651.6	652.0	641.8	632.4	644.5	636.1	640.4	643.2	669.2	647.2
Cost of risk (€m)	6,797	3,941	911	1,044	830	1,016	3,801	1,084	855	754	1,012	3,705
Cost of risk (in annualised bp)	98	58	56	64	52	64	59	68	53	47	60	57

\* With Private Banking at 100%

\*\* Excluding LaSer

\*\*\* Including cost of risk and outstandings of LaSer for a 5-month period

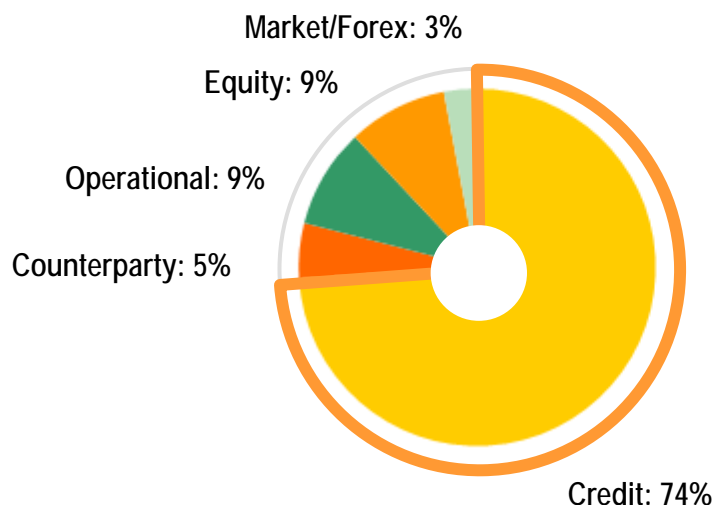
\*\*\*\* Including cost of risk of market activities, Investment Solutions and Corporate Centre



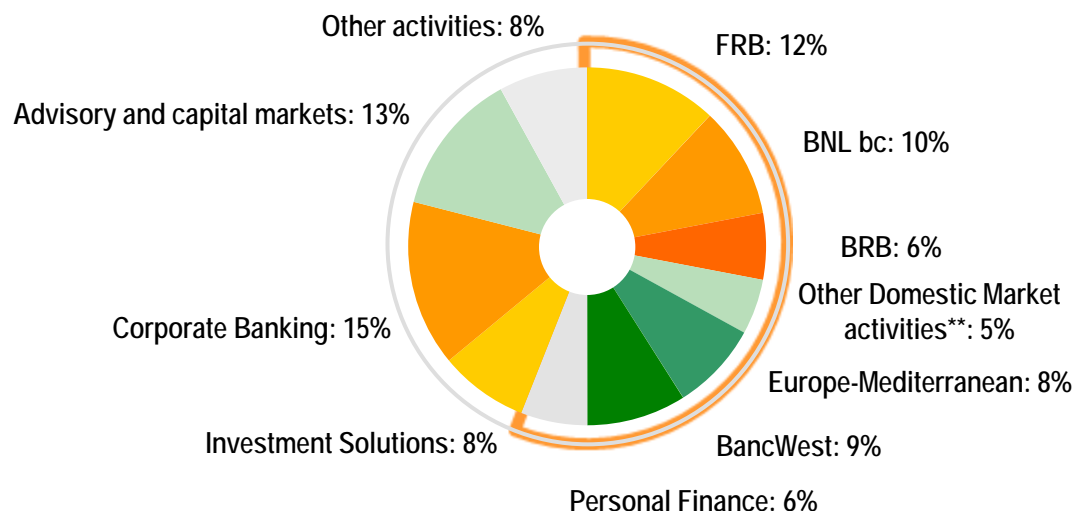
# Basel 3\* Risk-Weighted Assets

- Basel 3\* risk-weighted assets: €620bn (€627bn as at 31.12.13)
  - Decline in risk-weighted assets related to counterparty risks (-€26bn vs. 31.12.13) and market risks (-€10bn vs. 31.12.13) partly offset by a rise in risk-weighted assets due to credit risk (+€23bn vs. 31.12.13)

## Basel 3\* risk-weighted assets by type of risk as at 31.12.2014



## Basel 3\* risk-weighted assets by business as at 31.12.2014

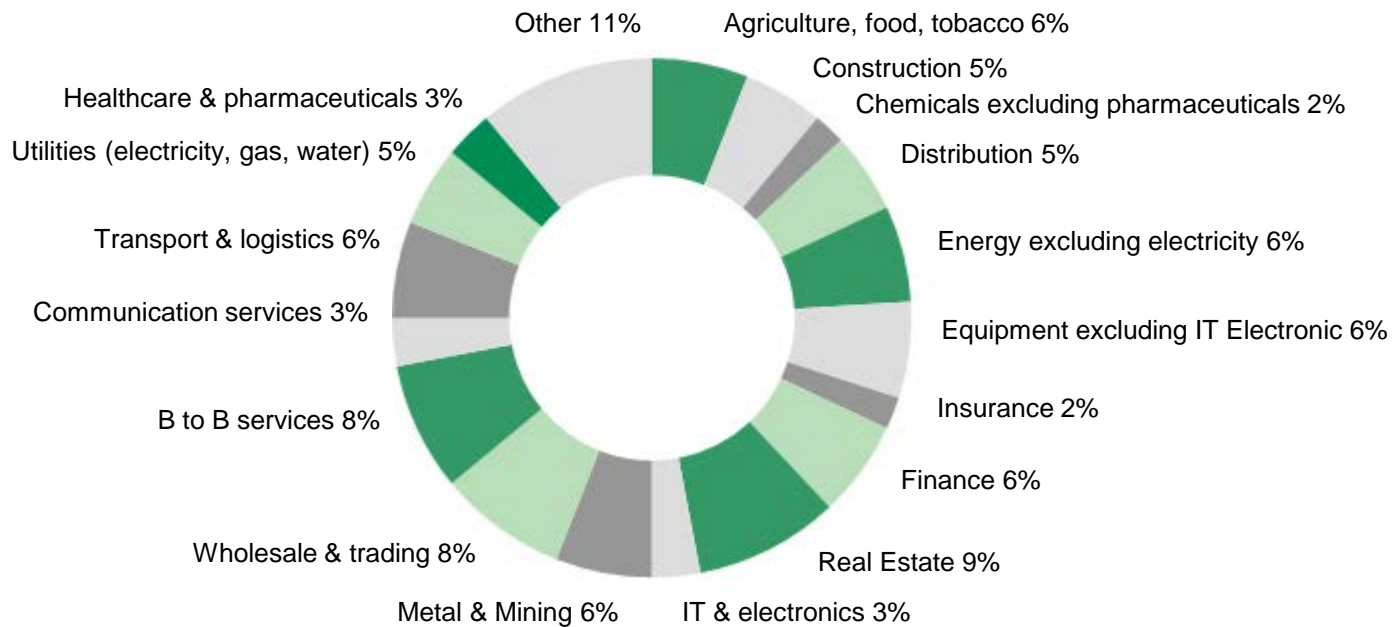


**Retail Banking: 56%**

\* CRD4; \*\* Including Luxembourg



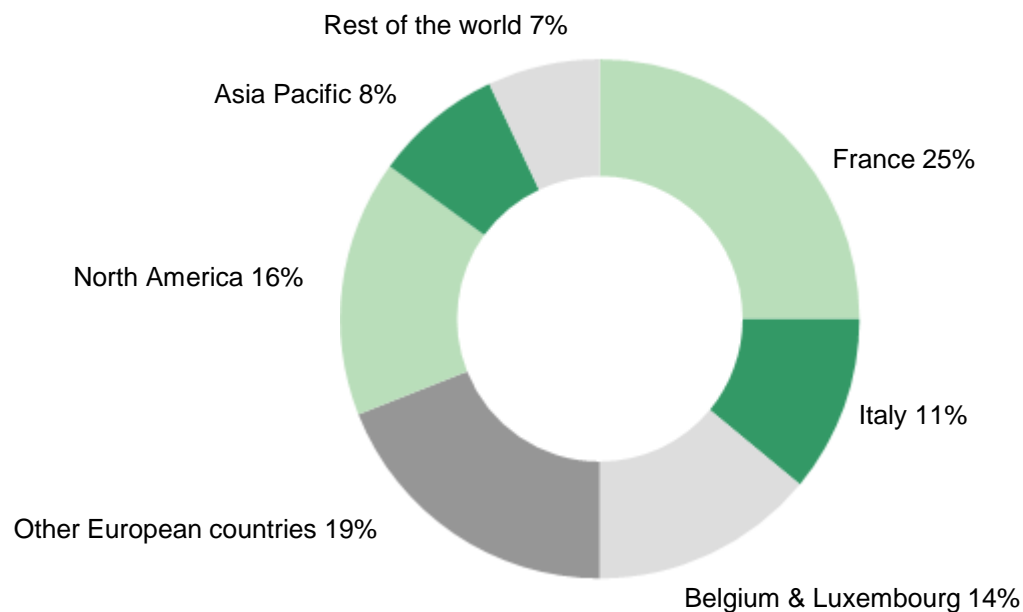
# Breakdown of Commitments by Industry (Corporate Asset Class)



**Total gross commitments on and off balance sheet, unweighted  
(corporate asset class) = €569bn as at 31.12.2014**



# Breakdown of Commitments by Region



**Total gross commitments on and off balance sheet,  
unweighted = €1,298bn as at 31.12.2014**

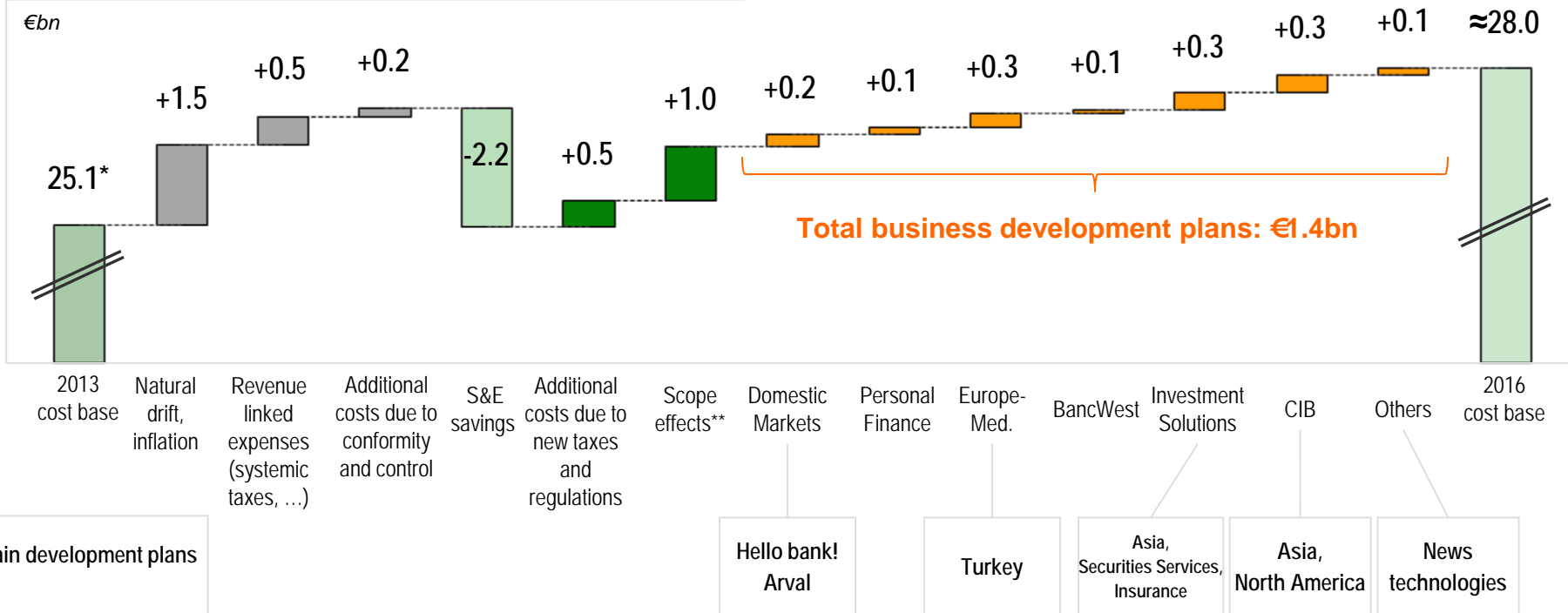


# 2014-2016 Business Development Plan

## Operating expenses: 2013-2016 evolution

- 2014 operating expenses at constant scope and exchange rates excluding S&E transformation costs and business development plans: -0.7% vs. 2013

### 2013-2016 operating expenses evolution



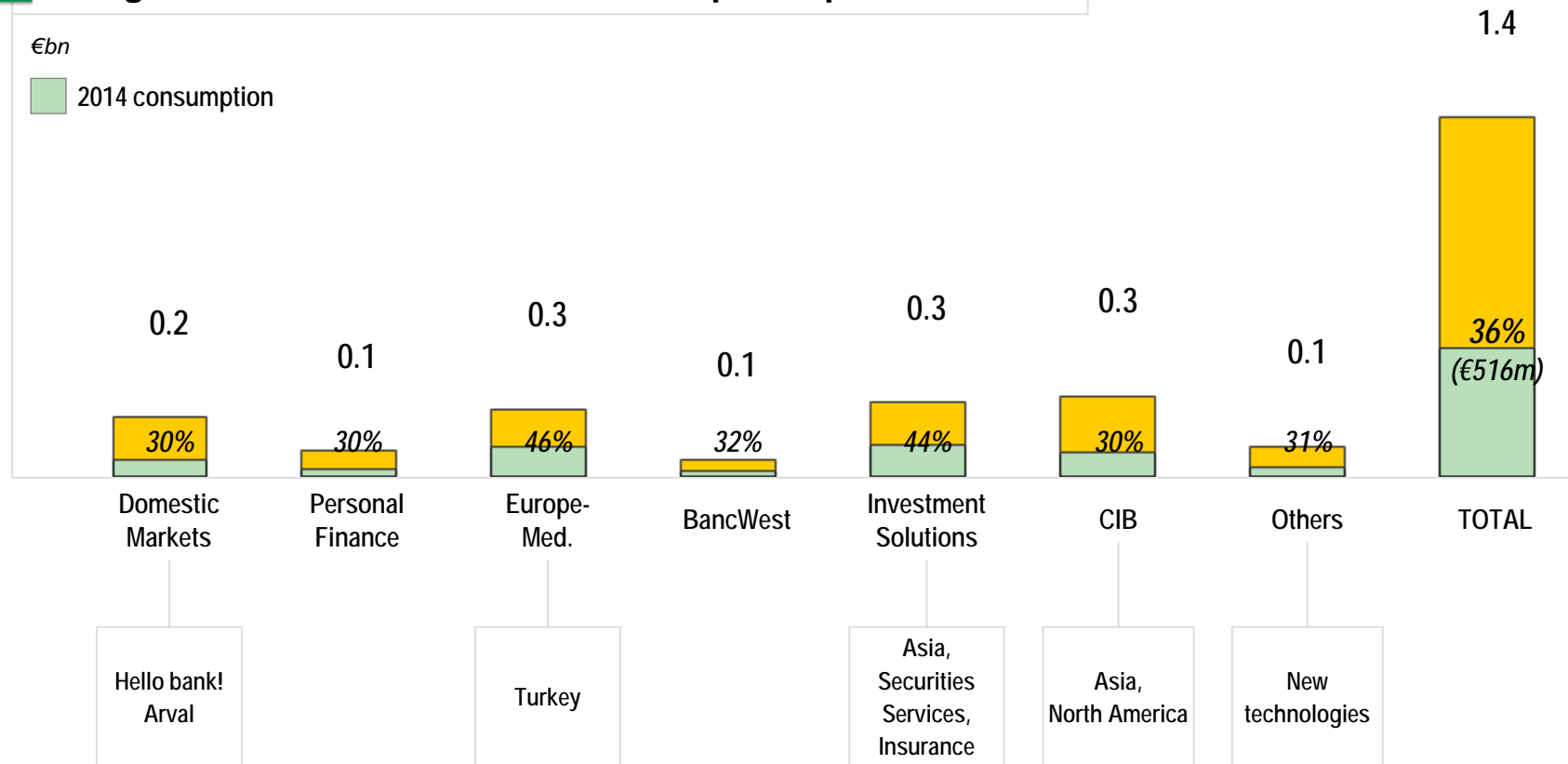
**Operating expenses evolution at constant scope and exchange rates in line with the plan excluding new taxes and regulations**

\* At constant exchange rates (€200m in 2013), excluding S&E transformation costs, including S&E cost savings already achieved (€0.8bn); \*\*Including restructuring costs

# 2014-2016 Business Development Plan

Operating expenses: focus on business development plans

## > Progress of 2014-2016 business development plans



**In line with the plan**





**AMENDMENTS TO THE PROGRAMME SUMMARY IN RELATION TO THE BASE  
PROSPECTUS AND PRO FORMA ISSUE SPECIFIC SUMMARY OF THE PROGRAMME IN  
RELATION TO THE BASE PROSPECTUS**

1. The "Programme Summary in relation to this Base Prospectus" on pages 14 to 38 of the Base Prospectus is amended as follows:
  - (a) In Element B.19/B.12, the information under the heading "Selected historical key financial information in relation to the Guarantor:" and above the heading "**Comparative Interim Financial Data for the six-month period ended 30 June 2014 – In millions of EUR**" is deleted and replaced with the following:

<b>Comparative Annual Financial Data - In millions of EUR</b>		
	<b>31/12/2014 (unaudited)</b>	<b>31/12/2013*</b>
Revenues	39,168	37,286**
Cost of risk	(3,705)	(3,643)**
Net income, Group share	157	4,818
* Restated		
** Further restated		
	<b>31/12/2014 (unaudited)</b>	<b>31/12/2013</b>
Common Equity Tier 1 Ratio (Basel 3 fully loaded, CRD4)	10.3%	10.3%
Total consolidated balance sheet	2,077,759	1,810,522*
Consolidated loans and receivables due from customers	657,403	612,455*
Consolidated items due to customers	641,549	553,497*
Shareholders' equity (Group share)	89,410	87,433*
* Restated following the application of accounting standards IFRS10, IFRS11 and IAS32 revised		
** Further restated following the application of accounting standards IFRS10, IFRS11 and IAS 32 revised		

- (b) Element B.19/B.13 is deleted and replaced with the following:

<b>B.19/B.13</b>	Events impacting the Guarantor's solvency	As at 18 February 2015 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 30 June 2014.
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2. The "Pro Forma Issue Specific Summary of the Programme in relation to this Base Prospectus" on pages 39 to 62 of the Base Prospectus is amended as follows:

- (a) In Element B.19/B.12, the information under the heading "Selected historical key financial information in relation to the Guarantor:" and above the heading "**Comparative Interim Financial Data for the six-month period ended 30 June 2014 – In millions of EUR**" is deleted and replaced with the following:

<b>Comparative Annual Financial Data - In millions of EUR</b>		
	<b>31/12/2014 (unaudited)</b>	<b>31/12/2013*</b>
Revenues	39,168	37,286**
Cost of risk	(3,705)	(3,643)**
Net income, Group share	157	4,818
* Restated		
** Further restated		
	<b>31/12/2014 (unaudited)</b>	<b>31/12/2013</b>
Common Equity Tier 1 Ratio (Basel 3 fully loaded, CRD4)	10.3%	10.3%
Total consolidated balance sheet	2,077,759	1,810,522*
Consolidated loans and receivables due from customers	657,403	612,455*
Consolidated items due to customers	641,549	553,497*
Shareholders' equity (Group share)	89,410	87,433*
* Restated following the application of accounting standards IFRS10, IFRS11 and IAS32 revised		
** Further restated following the application of accounting standards IFRS10, IFRS11 and IAS 32 revised		

(b) Element B.19/B.13 is deleted and replaced with the following:

<b>B.19/B.13</b>	Events impacting the Guarantor's solvency	[As at 18 February 2015 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 30 June 2014.]/ <i>[specify any recent events which are to a material extent relevant to the evaluation of the Garantor's solvency.]</i>
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## AMENDMENTS TO THE GENERAL INFORMATION SECTION

The section "General Information" on pages 340 to 345 of the Base Prospectus, is amended as follows:

The first paragraph under the heading "6. Legal and Arbitration Proceedings" on page 342 of the Base Prospectus is deleted and the following is substituted therefor:

"Save as disclosed on (a) pages 100 to 101 and 137 to 138 of the Third Update to the BNPP 2013 Registration Document and (b) page 70 of the Fourth Update to the BNPP 2013 Registration Document, there have been no governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which BNPP is aware), during the period covering at least twelve (12) months prior to the date of the supplement to the Base Prospectus dated 18 February 2015 which may have, or have had in the recent past, significant effects on BNPP and/or the Group's financial position or profitability.

**COSTS RELATED TO THE COMPREHENSIVE SETTLEMENT WITH US AUTHORITIES:** On 30 June 2014, the Group has come to a comprehensive settlement of the pending investigation relating to US dollar transactions involving parties subject to US sanctions, including agreements with the U.S. Department of Justice, the U.S. Attorney's Office for the Southern District of New York, the New York County District Attorney's Office, the Board of Governors of the U.S. Federal Reserve System (FED), the New York State Department of Financial Services (DFS), and the US Department of the Treasury's Office of Foreign Assets Control (OFAC).

The settlement includes guilty pleas entered into by BNP Paribas SA in relation to violations of certain US laws and regulations regarding economic sanctions against certain countries and related recordkeeping. BNP Paribas also agrees to pay a total of USD 8.97 billion (EUR 6.55 billion). Beyond what has already been provisioned as at 31 December 2013 (EUR 0.8 billion), this resulted in an exceptional charge of EUR 5.75 billion recorded in the second quarter of 2014. An uncertainty remains regarding the fiscal rule that will apply eventually to the different Group entities involved in the settlement.

BNP Paribas also accepts a temporary suspension of one year, starting 1 January 2015, of the USD direct clearing focused mainly on the Oil & Gas Energy & Commodity Finance business line in certain locations.

BNP Paribas has worked with the US authorities to resolve these issues and the resolution of these matters was coordinated by its home regulator (*Autorité de Contrôle Prudentiel et de Résolution - ACPR*) with its lead regulators. BNP Paribas maintains its licenses as part of the settlements.

In advance of the settlement, the bank designed new robust compliance and control procedures. They involve important changes to the Group's procedures. Specifically:

- a new department called Group Financial Security US, part of the Group Compliance function, is headquartered in New York and ensures that BNP Paribas complies globally with US regulation related to international sanctions and embargoes.
- all USD flows for the entire BNP Paribas Group will be ultimately processed and controlled via the branch in New York.

The Group recorded a EUR 250 million provision for additional implementation costs related to the remediation plan agreed upon with US authorities. Including these, total costs related to the comprehensive settlement amount to EUR 6 billion for the year ended 31 December 2014.

CONTINGENT LIABILITIES: LEGAL PROCEEDINGS AND ARBITRATION: Legal action has been taken against several Algerian and international banks, including BNP Paribas El Djazair, a BNP Paribas SA subsidiary, for administrative errors in processing international trade financing applications. BNP Paribas El Djazair has been accused of non-compliance with foreign exchange regulations in seven cases before Algerian courts. BNP Paribas El Djazair was ordered by a lower court to pay fines of approximately EUR 200 million. Three of these cases were subsequently overturned on appeal, including the case involving the most significant amount (EUR 150 million). Two other appeals rulings have upheld fines totalling EUR 52 million. All of these rulings have been appealed before the Cassation Court, and execution has been suspended pending the outcome of these appeals pursuant to Algerian law. BNP Paribas El Djazair will continue to vigorously defend itself before the Algerian courts with a view to obtaining recognition of its good faith towards the authorities, which suffered no actual damage.

On 27 June 2008, the Republic of Iraq filed a lawsuit in New York against approximately 90 international companies that participated in the oil-for-food ("OFF") programme and against BNP Paribas as holder of the OFF account on behalf of the United Nations. The complaint alleged, notably, that the defendants conspired to defraud the OFF programme, thereby depriving the Iraqi people of more than USD 10 billion in food, medicine and other humanitarian goods. The complaint also contended that BNP Paribas breached purported fiduciary duties and contractual obligations created by the banking services agreement binding BNP Paribas and the United Nations. The complaint was pleaded under the US Racketeer Influenced and Corrupt Organisations Act ("RICO") which allows treble damages if damages are awarded. The defendants, including BNP Paribas, moved to dismiss the action in its entirety on a number of different legal grounds. On 6 February 2013, the complaint was dismissed by the United States District Court Southern District of New York (which means that the plaintiff does not have the opportunity to re-file an amended complaint). On 15 February 2013, the Republic of Iraq filed a notice of appeal before the United States Court of Appeals for the Second Circuit. In two decisions dated 19 September 2014, and 9 December 2014, respectively, the Court of Appeals affirmed the dismissal of the complaint filed by the Republic of Iraq.

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 amounts 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.

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. Those groups of shareholders mainly allege that there has been a breach in the financial communication, as inter alia the disclosure regarding the exposure to subprime mortgages.

The Bank is vigorously defending itself in these proceedings. The Court of Appeal of Amsterdam upheld on 29 July 2014 the ruling of the Dutch Court of first instance that Ageas was liable for mismanagement in relation to its financial communication during the period in question. BNP Paribas Fortis is not a party to this case.

If these litigations and investigations were to be successful, they could eventually result in monetary consequences for BNP Paribas Fortis. Such impact is unquantifiable at this stage.

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 is cooperating with the investigations and inquiries and responding to the information requests. In November 2014 the Financial Conduct Authority in the United Kingdom and in December 2014 the Hong Kong Monetary Authority informed the Bank that they had discontinued their investigation as to BNP Paribas. Moreover the Bank is conducting its own internal review of foreign exchange trading. While this review is ongoing, the Bank is not in a position to foresee the outcome of these investigations and proceedings nor their potential impact.

The Bank, along with eleven other financial institutions, was named as a defendant in a consolidated civil action filed in March 2014 in the U.S. District Court for the Southern District of New York on behalf of a purported class of plaintiffs alleging manipulation of foreign exchange markets. The plaintiffs allege in particular that the defendants colluded to manipulate the WM/Reuters rate (WMR), thereby causing the putative classes to suffer losses in connection with WMR-based financial instruments. The plaintiffs assert U.S. federal and state antitrust claims and claims for unjust enrichment, and seek compensatory damages, treble damages where authorized by statute, restitution, and declaratory and injunctive relief. The Bank and its co-defendants have filed a motion to dismiss the consolidated complaint, which was denied on January 28, 2015 in respect of the class of U.S. plaintiffs but was granted in respect of the class of non-U.S. plaintiffs. The Bank is vigorously contesting the allegations in the lawsuit."

## **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 Third 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 Third 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.