



BNP PARIBAS

SECOND UPDATE TO THE 2015 REGISTRATION DOCUMENT AND HALF YEAR FINANCIAL REPORT FILED WITH THE AMF ON AUGUST, 1ST 2016

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The English language version of this report is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

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Only the French version of the second update to the 2015 Registration document has been submitted to the AMF. It is therefore the only version that is binding in law.

The original document was filed with the AMF (French Securities Regulator) on 1st August 2016, in accordance with article 212–13 of the AMF's General Regulations. It may be used in support of a financial transaction only if supplemented by a Transaction Note that has received approval from the AMF. This document was prepared by the issuer and its signatories assume responsibility for it.

1. Half year management report

1.1 Group presentation

BNP Paribas, Europe's leading provider of banking and financial services, has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.

It operates in 74 countries and has more than 189,000 employees, including close to 147,000 in Europe. BNP Paribas holds key positions in its two main businesses:

- **Retail Banking and Services, which includes:**
 - Domestic Markets, comprising:
 - French Retail Banking (FRB);
 - BNL banca commerciale (BNL bc), Italian retail banking;
 - Belgian Retail Banking (BRB);
 - Other Domestic Markets activities including Luxembourg Retail Banking (LRB)
 - International Financial Services, comprising:
 - Europe-Mediterranean;
 - BancWest;
 - Personal Finance;
 - Insurance;
 - Wealth and Asset Management;
- **Corporate and Institutional Banking (CIB).**
 - Corporate Banking;
 - Global Markets;
 - Securities Services.

BNP Paribas SA is the parent company of the BNP Paribas Group.

1.2 First half 2016 results

GOOD RESULTS AND SOLID ORGANIC CAPITAL GENERATION

Thanks to the diversity of its geographical presence and of its businesses all focused on serving clients, BNP Paribas reported this semester again a good overall performance in a challenging environment. The Group showed again the strength of its integrated and diversified business model which results in strong resilience in changing environments.

Revenues showed good resilience despite the particularly unfavourable environment in the first quarter and totalled 22,166 million euros, up by 0.1% compared to the first half of 2015. They included the exceptional impact of +597 million euros of the capital gain from the sale of Visa Europe shares as well as the +161 million euros in Own Credit Adjustment (OCA) and own credit risk included in derivatives (DVA) (+117 million euros in the first half of 2015).

The revenues of the operating divisions held up well compared to the first half of 2015 at Domestic Markets¹ (-1.4%)², they were up at International Financial Services (+1.5%)² but down by 7.7%² at CIB due to a particularly challenging market environment in the first quarter.

Operating expenses, at 14,717 million euros, were well contained and down by 1.2% compared to the first half of 2015. They included the exceptional impact of the acquisitions' restructuring costs³ and CIB transformation plan's costs for a total of 154 million euros (82 million euros in the first half of 2015). They no longer included this semester any Simple & Efficient transformation costs (265 million euros in the first half of 2015).

Operating expenses rose by 1.3%² for Domestic Markets¹ and by 3.4%² for International Financial Services but were down by 2.3%² for CIB as a result of lower business in the first quarter. Pursuant to the IFRIC 21 "Levies" interpretation⁴, they included the entire amount of the increase in 2016 of banking taxes and contributions (+1.2% impact on the operating expenses of the operating divisions). They benefited from the success of the Simple & Efficient savings plan, which offsetted the natural costs drift, but factored in the implementation of new regulations and the reinforcement of compliance.

The gross operating income of the Group rose by 2.7%, at 7,449 million euros.

The cost of risk was significantly lower (-20.5% compared to the first half of 2015) due in particular to the good control of risks at loan origination, the low interest rate environment and the continued improvement recorded in Italy. It came to 1,548 million euros (1,947 million euros in the first half of 2015).

Non-operating items totalled +262 million euros (+931 million euros in the first half of 2015 due to the exceptional +364 million euro impact of the capital gain from the sale of a 7% stake in Klépierre-Corio, a +123 million euro dilution capital gain from the merger between Klépierre and Corio and a +94 million euros capital gain from the sale of a non-strategic stake).

Pre-tax income thus came to 6,163 million euros compared to 6,237 million euros in the first half of 2015 (-1.2%).

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

² At constant scope and exchange rates

³ LaSer, Bank BGZ, DAB Bank and General Electric LLD

⁴ Booking in the first quarter of the full amount of banking taxes and contributions for the year

Net income attributable to equity holders was thus 4,374 million euros, up by 4.1% compared to the first half of 2015. Excluding exceptional items¹, it came to 3,796 million euros (-1.3%).

The annualised return on equity, excluding exceptional items², equalled 9.7% (+50 basis points compared to the whole of 2015). The annualised return on tangible equity, excluding exceptional items², was 11.6% (+50 basis points compared to the whole of 2015). The annualised return on equity² excluding exceptional items calculated on the basis of a CET1 ratio of 10% stood at 10.5%, in line with the target set out in the 2014-2016 plan.

As at 30 June 2016, the fully loaded Basel 3 common equity Tier 1 ratio³ was 11.1%, up by 20 basis points compared to 31 December 2015, illustrating the solid organic capital generation. The fully loaded Basel 3 leverage ratio⁴ came to 4.0% (stable compared to 31 March 2016).

The Liquidity Coverage Ratio stood at 112% as at 30 June 2016. Lastly, the Group's immediately available liquidity reserve totalled 291 billion euros (compared to 298 billion euros as at 31 March 2016), equivalent to over one year of room to manoeuvre in terms of wholesale funding.

The net book value per share reached 71.8 euros, equivalent to a compounded annual growth rate of 6.2% since 31 December 2008, illustrating the continuous value creation throughout the cycle.

Lastly, the Group is actively implementing the remediation plan agreed as part of the comprehensive settlement with the U.S. authorities and is continuing to reinforce its compliance and control procedures.

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¹ Effect of exceptional items after tax: +578 million euros in the first half 2016, +358 million euros in the first half 2015

² Effect of exceptional items after tax: +578 million euros in the first half 2016, -644 million euros for the full year 2015

³ Ratio taking into account all the CRD4 rules with no transitory provisions

⁴ Ratio taking into account all the rules of the CRD4 rules at 2019 with no transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014

RETAIL BANKING & SERVICES

DOMESTIC MARKETS

In a context of a gradual recovery in demand for loans, Domestic Markets' outstanding loans rose by 1.6% compared to the first half 2015. Deposits were up by 4.7% with good growth in all the networks. The business activity was in particular illustrated by good growth at Hello bank! which acquired 210,000 customers since the beginning of the year. The division continued to expand its digital offering by starting the testing of Wa!, mobile phone-based intelligent portfolio that combines payment features, loyalty programmes and discount coupons, expected to be launched in 2017. Lastly, Arval is swiftly implementing the integration of GE Fleet Services in Europe acquired in November 2015.

Revenues¹, at 7,925 million euros, were slightly down (-0.6%) compared to the first half of 2015 due to the persistently low interest rate environment and the decline of financial fees in an unfavourable market environment. BRB and the specialised businesses performed well.

Operating expenses¹ (5,268 million euros) were up by 2.2% compared to the first half of last year. At constant scope and exchange rates and excluding non-recurring items at BRB in the second quarter 2015, they were up by 0.8% as a result of organic growth at Arval and Leasing Solutions.

Gross operating income¹ totalled 2,657 million euros, down by 5.7% compared to the first half of last year.

The cost of risk was, however, down significantly, in particular at BNL bc.

Thus, after allocating one-third of Private Banking's net income to the Wealth Management business (International Financial Services division), the division reported a 1.0% rise in its pre-tax income² compared to the first half of 2015, at 1,767 million euros.

French Retail Banking (FRB)

FRB's outstanding loans were down by 2.1% compared to the first half 2015 due to the impact of early repayments. There was, however, a pick-up in loan production in the second quarter: outstandings were thus up by 1.1% compared to the first quarter 2016. Deposits grew by 3.3%, driven by the significant rise in current accounts. The pick-up of the business activity was illustrated by the success of the entrepreneurship supporting programme, BNP Paribas Entrepreneurs, with already 6 billion euros of financing in place for a target of 10 billion euros.

Revenues³ totalled 3,252 million euros, down by 2.7% compared to the first half of 2015. Net interest income³ was down 2.2% given the impact of persistently low interest rates. Fees³ were down for their part by 3.3% due to the decrease of financial fees related to the unfavourable market environment.

Operating expenses³ were well contained and rose by only 0.8% compared to the first half of 2015 despite the rise in taxes and regulatory costs.

Gross operating income³ thus totalled 972 million euros, down by 10.1% compared to the same half-year a year earlier.

The cost of risk³, at 146 million euros, was down by 30 million euros compared to the first half of 2015.

Thus, after allocating one-third of French Private Banking's net income to the Wealth Management business (International Financial Services division), FRB posted 757 million euros in pre-tax income² (-7.9% compared to the first half of 2015).

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

² Excluding PEL/CEL effects (-3 million euros in the first half 2016, -33 million euros in the first half 2015)

³ Including 100% of Private Banking in France (excluding PEL/CEL effects)

BNL banca commerciale (BNL bc)

In a gradually improving economic environment, outstanding loans were up slightly compared to the first half 2015 (+0.3%) with gradual recovery in volumes, in particular on individual clients. Deposits rose by 10.8% with a sharp rise in individuals' current accounts. BNL bc delivered a good performance in off balance sheet savings with growth of life insurance outstandings (+10.3%) and mutual funds (+6.1%) compared to 30 June 2015.

Revenues¹ were down by 7.5% compared to the first half of 2015, to 1,486 million euros. Net interest income¹ was down by 9.6% due to the persistently low interest rate environment and the repositioning on the better corporate clients. Fees¹ were down by 3.2% as a result of the drop in financial fees due to the unfavourable market environment.

Operating expenses¹, at 894 million euros, declined by 1.4% due to cost reduction measures.

Gross operating income¹ thus came to 592 million euros, down by 15.3 % compared to the same half-year a year earlier.

The cost of risk¹ continued to decrease (-123 million euros compared to the first half of 2015) with a gradual improvement of the quality of the loan portfolio and a decrease in doubtful loan outstandings.

After allocating one-third of Italian Private Banking's net income to the Wealth Management business (International Financial Services division), BNL bc thus posted 57 million euros in pre-tax income (compared to +38 million euros in the first half of 2015).

Belgian Retail Banking

BRB reported sustained business activity. Loans were up by 4.8% compared to the first half 2015 with an increase in loans to individual customers, in particular mortgages, and growth in loans to SMEs. For their part, deposits rose by 4.6% thanks in particular to a strong growth in current accounts. The business continued to expand digital banking services with the release of a new version of the Easy Banking app, which provides, in particular fingerprint authentication and offers new features.

Revenues² were up by 2.8% compared to the first half of 2015, at 1,840 million euros: net interest income² rose by 7.1%, thanks to volume growth and margins holding up well; fees² were down by 8.5% as a result of the drop in financial fees due to the unfavourable market environment.

Operating expenses² rose by 3.7% compared to the first half of 2015, to 1,346 million euros. Excluding the impact of non-recurring items³, they rose by only 1.6%.

Gross operating income², at 494 million euros, was thus up by +0.5% compared to the same half-year a year earlier.

The cost of risk², at 70 million euros, rose by 35 million euros compared to a low base in the first half of 2015.

After allocating one-third of Belgian Private Banking's net income to the Wealth Management business (International Financial Services division), BRB posted 390 million euros in pre-tax income, down compared to the first half of last year (-4.8%).

¹ Including 100% of Private Banking in Italy

² Including 100% of Private Banking in Belgium

³ In particular the exceptional reimbursement of the Subscription Tax

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

The business activity of Domestic Markets' specialised businesses showed a strong drive.

Arval is actively implementing the integration of GE Fleet Services in Europe¹. With 893,000 vehicles financed in 2015, the new entity ranks number one in Europe. The integration is expected to generate ~45 million euros in synergies by 2019 primarily through the decommissioning of IT systems, sharing of functions and significant scale savings. The business is enjoying a good drive and the financed fleet reported strong growth at constant scope (+10.7% compared to the first half 2015).

Outstandings of Leasing Solutions were up (+3.3% at constant scope and exchange rates) thanks to the good growth of the core business, despite the continued reduction of the non-core portfolio. Personal Investors saw a good level of new client acquisition.

Lastly, Luxembourg Retail Banking's outstanding loans grew by 1.7% compared to the first half 2015 due in particular to growth in mortgage loans and deposits were up by 11.8% with good deposit inflows on the corporate segment.

Revenues² were up by 9.1% compared to the first half of 2015, to 1,347 million euros, recording the effect of the acquisition of GE Fleet Services in Europe. At constant scope and exchange rates, they were up by 3.6%, driven in particular by Arval and Leasing Solutions.

Operating expenses² rose by 8.8% compared to the first half of 2015, to 747 million euros. At constant scope and exchange rates, they rose by 2.0%, due to business development.

The cost of risk² was down by 16 million euros compared to the first half of 2015, at 56 million euros.

Thus, the pre-tax income of these four business units, after allocating one-third of Luxembourg Private Banking's net income to the Wealth Management business (International Financial Services division), was up by 17.2% compared to the first half of 2015, at 563 million euros (+10.4% at constant scope and exchange rates).

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INTERNATIONAL FINANCIAL SERVICES

The International Financial Services' businesses reported good overall performance: Personal Finance had a sustained business activity; Europe-Mediterranean and BancWest posted good growth in their activity and the Insurance and Wealth and Asset Management businesses generated good asset inflows.

Revenues, at 7,508 million euros, were down by 1.1% compared to the first half of 2015 due to an unfavourable foreign exchange effect. They were up by +1.5% at constant scope and exchange rates due in particular to growth at Europe-Mediterranean, BancWest and Personal Finance.

Operating expenses (4,744 million euros) were up by 1.2% compared to the same half-year a year earlier. At constant scope and exchange rates, they were up by 3.4% as a result of business growth.

Gross operating income thus came to 2,764 million euros, down by 4.8% compared to the same half-year a year earlier (-1.8% at constant scope and exchange rates).

¹ Acquisition closed on 2 November 2015

² Including 100% of Private Banking in Luxembourg

The cost of risk was 695 million euros, down by 200 million euros compared to the first half of 2015.

International Financial Services' pre-tax income was thus up, at 2,314 million euros (+2.6% compared to the first half of 2015 and +4.9% at constant scope and exchange rates).

Personal Finance

Personal Finance continued its good sales and marketing drive. Outstanding loans grew by +8.2%¹ compared to the first half 2015 in connection with the rise in demand in the Eurozone. The business continued to expand files' digital processing with an increase on average of 15% of electronic signatures compared to the same period in 2015.

Revenues were down by 0.4% compared to the first half of 2015, at 2,317 million euros due to an unfavourable foreign exchange effect. At constant scope and exchange rates, they were up by 2.3%, as a result of the rise in volumes partly offset by the growing positioning on products with a better risk profile.

Operating expenses were down by 2.9% compared to the first half of 2015, at 1,155 million euros. At constant scope and exchange rates, they declined by 0.1% thanks to good cost containment.

Gross operating income thus totalled 1,161 million euros, up by 2.3% compared to the same half-year a year earlier (+4.9% at constant scope and exchange rates).

The business unit recorded a significant decrease in the cost of risk (-110 million euros compared to the first half of 2015) due to the low interest rate environment and the growing positioning on products with a better risk profile (car loans in particular) but also due to a significant provision write-back in the first quarter following sales of doubtful loans.

After factoring in the depreciation of the shares of a subsidiary, Personal Finance's pre-tax income thus came to 697 million euros, up sharply compared to the first half of 2015: +18.7% (+20.9% at constant scope and exchange rates).

Europe-Mediterranean

Europe-Mediterranean saw good business growth. Outstanding loans rose by 6.1%¹ compared to the first half 2015 and deposits grew by 6.8%¹. There was good development in the digital offering with already 290,000 clients for Cepteteb in Turkey and 179,000 clients for BGZ OPTIMA in Poland.

Revenues², at 1,225 million euros, were up by 4.0%¹ compared to the first half of 2015.

Operating expenses², at 861 million euros, rose by 6.3%¹ compared to the same half-year a year earlier. Excluding the introduction of the banking tax in Poland, they were up by 4.0%¹.

The cost of risk² totalled 183 million euros. It was down by 76 million euros compared to the first half of 2015.

Given the substantial contribution by the associated companies and after allocating one-third of Turkish Private Banking's net income to Wealth Management business, Europe-Mediterranean generated 280 million euros in pre-tax income, strongly up compared to the same half-year a year earlier (+29.1%³).

¹ At constant scope and exchange rates

² Including 100% of Private Banking in Turkey

³ At constant scope and exchange rates (+19.0% at historical scope and exchange rates)

BancWest

BancWest continued its good commercial drive in a favourable economic context.

Loans rose by 7.7%¹ compared to the first half 2015 due to a continued sustained growth in corporate and consumer loans. Deposits were up by 5.7%¹ with a strong rise in current and savings accounts. BancWest continued to expand Private Banking with assets under management totalling 10.9 billion dollars as at 30 June 2016 (+14% compared to 30 June 2015).

The semester was also notable for BancWest because it passed, as of the first year of submission, the CCAR (*Comprehensive Capital Analysis and Review*) examination.

Revenues², at 1,461 million euros, grew by 5.5%¹ compared to the first half of 2015 thanks to the positive impact of capital gains, the effect of volume growth being partly offset by lower interest rates in the United States between these two periods.

Operating expenses², at 1,016 million euros, rose by 9.4%¹ compared to the first half of 2015. Excluding the increase in regulatory costs (CCAR and the set up of an Intermediate Holding Company notably) and non-recurring costs related to the preparation of First Hawaiian Bank's IPO, they rose by 8.0% due to the strengthening of the commercial set up.

The cost of risk², at 48 million euros, was up by 13 million euros compared to the first half of 2015.

Thus, after allocating one-third of U.S. Private Banking's net income to the Wealth Management business, BancWest posted 402 million euros in pre-tax income (-4.6%³ compared to the first half of 2015).

Insurance and Wealth and Asset Management

At 967 billion euros as at 30 June 2016, Insurance and Wealth and Asset Management's assets under management⁴ were up by 1.9% compared to their level as at 30 June 2015. They rose by 13 billion euros compared to 31 December 2015 due in particular to very good positive asset flows totalling 15.6 billion euros (strong asset inflows at Wealth Management in particular in the domestic markets and in Asia; good asset inflows at Asset Management, in particular into diversified and bond funds; good asset inflows in Insurance in the domestic markets) and a slightly unfavourable performance effect (-2.4 billion euros). The foreign exchange effect was negligible.

As at 30 June 2016, assets under management⁴ were broken down as follows: Asset Management (393 billion euros), Wealth Management (331 billion euros), Insurance (220 billion euros) and Real Estate Services (22 billion euros).

Insurance's revenues, at 1,067 million euros, decreased by 6.2% compared to the first half of 2015. As a part of the revenues are booked at market value, they recorded the impact of the decline in the markets. At 587 million euros, operating expenses rose by 1.8% as a result of higher regulatory costs. Pre-tax income, at 586 million euros, was thus down by 11.1% compared to the first half of last year.

Wealth and Asset Management's revenues, at 1,465 million euros held up well in a challenging environment (-1.2% compared to the first half of 2015). Operating expenses, at 1,144 million euros, were down by 0.1% thanks to good cost containment. At 349 million euros, Wealth and Asset Management's pre-tax income, after receiving one-third of the net income of private banking in the domestic markets, in Turkey and in the United States, was thus slightly up by 0.2% compared to the first half of 2015.

¹ At constant scope and exchange rates

² Including 100% of Private Banking in the United States

³ At constant scope and exchange rates (-5.6% at historical scope and exchange rates)

⁴ Including distributed assets

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CORPORATE AND INSTITUTIONAL BANKING (CIB)

CIB's revenues declined by 9.2%, to 5,743 million euros compared to a high base in the first half 2015, which benefited from a favourable environment.

Global Markets' revenues, which totalled 2,876 million euros, were down by 15.7% on the back of a very challenging market environment at the beginning of the year, partly offset by a good pick-up in business in the second quarter. FICC's revenues¹, which came to 1,940 million euros, held up well (-5.8%) and Equity and Prime Services' revenues, at 937 million euros, were down by 30.8% compared to a very high base in the first half of 2015. The business unit confirmed its positions in bond issues (ranked number 1 for all bonds in euros and number 8 for all international bonds). The VaR, which measures market risks, was at a low level this semester (39 million euros).

Securities Services' revenues, at 901 million euros, were down slightly (-1.2%) due in particular to the decline of equity markets and a decrease of fund subscription and redemption transactions against a wait-and-see backdrop by investors. Assets under custody were almost stable (+0.2%), the increase in volumes being offset by the impact of decreasing markets.

Corporate Banking's revenues, at 1,965 million euros, were down by 1.9% compared to the first half of 2015 due to the lacklustre environment at the beginning of the year and the residual effect, in the first quarter of the year, of the downsizing of the Energy & Commodities business carried out since 2013. At 127 billion euros, loans were up by 3.4% compared to the first half 2015. At 112 billion euros, deposits were up sharply (+20.5%) driven by market share gains in cash management.

CIB's operating expenses, which were 4,373 million euros, were down by 3.4% compared to the first half of 2015, due to the lower business activity.

At 74 million euros, CIB's cost of risk was down 36 million euros compared to the first half 2015: Corporate Banking's cost of risk totalled 98 million euros (+79 million euros compared to the first half of 2015 which was at a very low level) and Global Markets recorded 23 million euros in net write-backs compared to 95 million euro provisions in the first half of last year.

The other non-operating items were negligible this quarter. They were at a high level in the first half of 2015 (156 million euros) due to an exceptional 74 million euro capital gain from the sale of a non-strategic stake and capital gains on day-to-day business operations.

CIB' pre-tax income totalled 1,310 million euros, down by 29.8% compared to the first half of 2015.

Lastly, the division is actively implementing its business transformation plan. It already sold or securitised 6 billion euros in risk-weighted assets as at 30 June 2016 out of a target of 20 billion euros by 2019.

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¹ Fixed Income, Currencies, and Commodities

CORPORATE CENTRE

Corporate Centre's revenues totalled 1,268 million euros compared to 561 million euros in the first half of 2015. They included the exceptional impact of +597 million euros of the capital gain from the sale of Visa Europe shares as well as the +161 million euros in Own Credit Adjustment (OCA) and the Debit Valuation Adjustment (DVA) (+117 million euros in the first half 2015) as well as a good contribution by Principal Investments.

Operating expenses totalled 477 million euros compared to 653 million euros in the first half of 2015. They factored in 73 million euros in restructuring costs related to the acquisitions¹ (83 million euros in the first half of 2015) as well as 80 million euros in CIB transformation costs (0 in the first half of 2015). They no longer included this quarter any transformation costs from the Simple & Efficient plan (265 million euros in the first half of 2015).

The cost of risk reflects a net +3 million euro write-back (-22 million euros in the first half of 2015).

Non-operating items totalled -18 million euros compared to +513 million euros in the first half of 2015 when they included +364 million euro from the sale of a 7% stake in Klépierre-Corio, +123 million euros in dilution capital gain from the merger between Klépierre and Corio and the part allocated to the Corporate Centre of a +20 million euros capital gain from the sale of a non-strategic stake².

The Corporate Centre's pre-tax income was +776 million euros compared to +398 million euros in the first half of 2015.

¹ LaSer, Bank BGZ, DAB Bank and GE LLD

² +74 million euros separately at CIB-Corporate Banking

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Financial structure

The Group's balance sheet is rock-solid.

The fully loaded Basel 3 common equity Tier 1 ratio¹ was 11.1% as at 30 June 2016, up by 20 basis points compared to 31 December 2015, essentially due to the semester's result after taking into account a 45% dividend pay-out ratio. The foreign exchange effect is, on the whole, negligible on the ratio².

The Basel 3 fully loaded leverage ratio³, calculated on total Tier 1 capital, totalled 4.0% as at 30 June 2016, stable compared to 31 December 2015.

The Liquidity Coverage Ratio stood at 112% as at 30 June 2016.

The Group's liquid and asset reserve immediately available totalled 291 billion euros (compared to 266 billion euros as at 31 December 2015), which is equivalent to more than one year of room to manoeuvre in terms of wholesale funding.

The evolution of the Group's ratios illustrates its solid organic capital generation and its ability to manage its balance sheet in a disciplined manner.

¹ 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

² Negligible impact separately on the ratio of the sale of Visa Europe shares, already reevaluated directly into equity as at 31 December 2015

³ Taking into account all the rules of the CRD4 directives in 2019 transitory provisions, calculated according to the delegated act of the European Commission dated 10 October 2014

BNP PARIBAS

SECOND QUARTER

2016 RESULTS



28 JULY 2016



BNP PARIBAS

The bank for a changing world

Disclaimer

The figures included in this presentation are unaudited. On 29 March 2016, BNP Paribas issued a restatement of its quarterly results for 2016 reflecting, in particular (i) an increase in the capital allocated to each business line to 11% of risk-weighted assets, compared to 9% previously, (ii) the change of subordination costs of Additional Tier 1 and Tier 2 debt issued by the Group to the divisions and business lines, a review of the way it charges and remunerates liquidity between the Corporate Centre and the business lines and the adaptation of the allocation practices for revenues and operating expenses of Treasury activities within CIB, (iii) the allocation to the divisions and business lines of the contribution to the Single Resolution Fund, the reduction of the French systemic tax and new contributions to the deposit guarantee funds of BNL and Luxembourg Retail Banking which had been temporarily booked in the operating expenses of the Corporate Centre and (iv) some limited internal transfers of business activities and results. The 2016 quarterly result series have been restated reflecting these effects as if they had occurred on 1st January 2016. This presentation is based on the restated 2016 quarterly series.

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

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



2Q16 Key Messages

<ul style="list-style-type: none"> ● Growth of the operating divisions at constant scope and exchange rates ● Negative foreign exchange effect this quarter ● Positive impact of the sale of Visa Europe shares 	Revenues: +2.2% vs. 2Q15
Stability of operating expenses	+0.1% vs. 2Q15
Decrease in the cost of risk	-12.4% vs. 2Q15 (45 bp*)
Net income stable at a high level	Net income Group share: €2,560m (+0.2% vs. 2Q15)
Rise in the return on equity**	ROE: 9.7% (+50 bp vs. 2015) ROTE: 11.6% (+50 bp vs. 2015)
Further increase in the Basel 3 CET1 ratio***	11.1% (+10 bp vs. 31.03.16)

Good results and solid organic capital generation

* Cost of risk/Customer loans at the beginning of the period (in annualised bp); ** ROE: return on equity; ROTe: return on tangible equity; excluding exceptional elements (after tax effect: +€578m in 1H16 and -€644m in 2015); *** As at 30 June 2016, CRD4 ("fully loaded" ratio)



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Appendix



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Main Exceptional Items - 2Q16

	2Q16	2Q15
<ul style="list-style-type: none"> Revenues <ul style="list-style-type: none"> Own credit adjustment and DVA (Corporate Centre) Capital gain on the sale of Visa Europe shares (Corporate Centre) <p><i>Total exceptional revenue items</i></p> 	-€204m +€597m <hr/> +€393m	+€80m <hr/> +€80m
<ul style="list-style-type: none"> Operating expenses <ul style="list-style-type: none"> Simple & Efficient transformation costs (Corporate Centre) Restructuring costs* and CIB transformation costs (Corporate Centre) <p><i>Total exceptional operating expenses items</i></p> 	-€108m <hr/> -€108m	-€155m -€62m <hr/> -€217m
<ul style="list-style-type: none"> Non operating items <ul style="list-style-type: none"> Sale of a 7% stake in Klépierre-Corio (Corporate Centre) Dilution capital gain due to the merger between Klépierre & Corio (Corporate Centre) <p><i>Total exceptional non operating items</i></p> 		+€364m +€56m <hr/> +€420m
<ul style="list-style-type: none"> Total exceptional items (pre-tax) 	<div style="border: 1px solid green; border-radius: 5px; padding: 2px; display: inline-block;">+€285m</div>	<div style="border: 1px solid green; border-radius: 5px; padding: 2px; display: inline-block;">+€283m</div>

* Restructuring costs of LaSer, Bank BGZ, DAB Bank and GE LLD

Consolidated Group - 2Q16

	2Q16	2Q15	2Q16 vs. 2Q15
Revenues	€11,322m	€11,079m	+2.2%
Operating expenses	-€7,090m	-€7,083m	+0.1%
Gross Operating income	€4,232m	€3,996m	+5.9%
Cost of risk	-€791m	-€903m	-12.4%
Operating income	€3,441m	€3,093m	+11.3%
Non operating items	€84m	€592m	-85.8%
Pre-tax income	€3,525m	€3,685m	-4.3%
Net income attributable to equity holders	€2,560m	€2,555m	+0.2%
Net income attributable to equity holders excluding one-off items*	€2,190m	€2,300m	-4.8%

 **Good overall performance
in a still challenging environment**

* One-off items: see slide 2

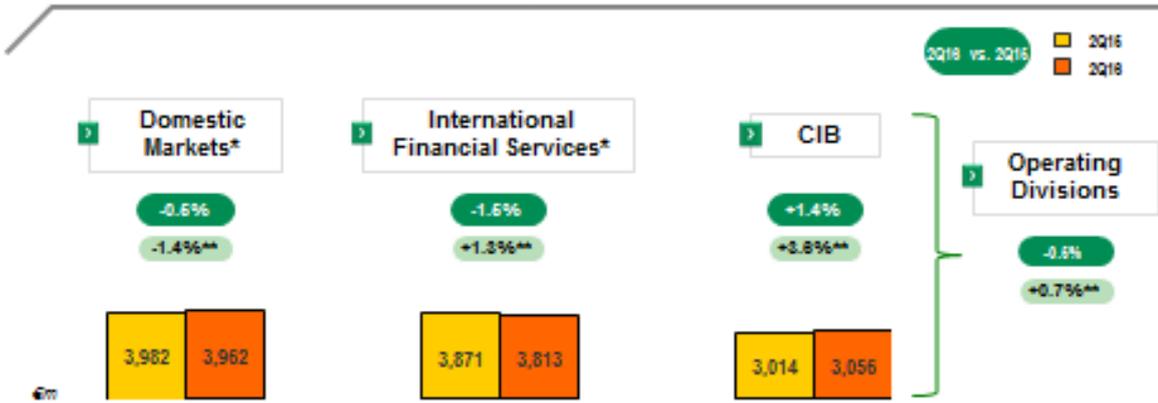
Consolidated Group - 1H16

	1H16	1H15	1H16 vs. 1H15
Revenues	€22,166m	€22,144m	+0.1%
Operating expenses	-€14,717m	-€14,891m	-1.2%
Gross Operating income	€7,449m	€7,253m	+2.7%
Cost of risk	-€1,548m	-€1,947m	-20.5%
Operating income	€5,901m	€5,306m	+11.2%
Non operating items	€262m	€931m	-71.9%
Pre-tax income	€6,163m	€6,237m	-1.2%
Net income attributable to equity holders	€4,374m	€4,203m	+4.1%
Net income attributable to equity holders excluding exceptional items*	€3,796m	€3,845m	-1.3%
ROE (ROTE) excluding exceptional items**:		9.7% (11.6%)	
ROE calculated according to the 2014-2016 plan***:		10.5%	

ROE in line with the target of the 2014-2016 plan

* Exceptional items: see slide 37; ** ROE: return on equity; ROTe: return on tangible equity; contribution to the Single Resolution Fund and systemic taxes non annualised; *** Return on equity excluding exceptional elements calculated on the basis of CET1 ratio of 10%

Revenues of the Operating Divisions - 2Q16

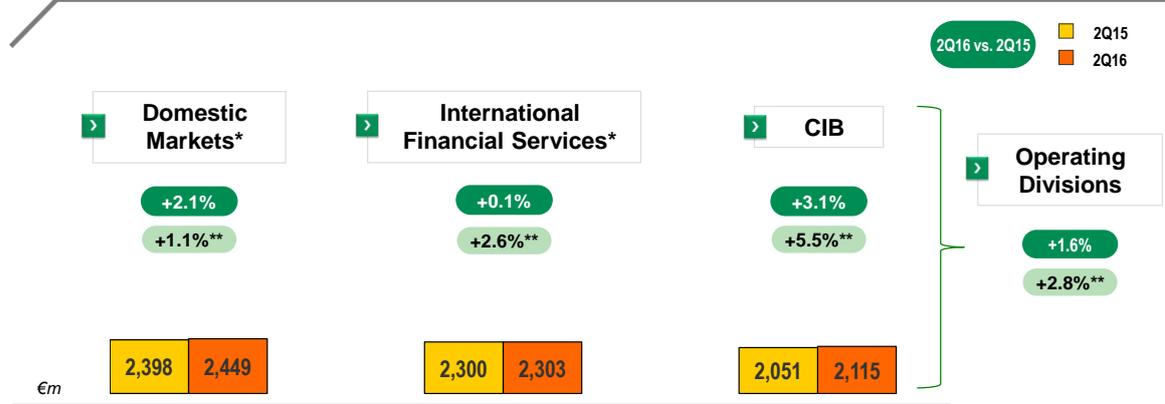


- Revenues of Domestic Markets held up well in the low interest rate environment
- Rise in the revenues of IFS**
- Growth in the revenues of CIB** compared to an already high base in 2Q15
- Negative foreign exchange effect this quarter

Good performance of the operating divisions in a still challenging environment

* Including 100% of Private Banking in France (excluding P&L/C&L effects), Italy, Belgium, Luxembourg, at BNP West and TSB; ** At constant scope and exchange rates

Operating Expenses of the Operating Divisions - 2Q16



- Business growth, in particular at CIB
- Implementation of new regulations and reinforcement of compliance
- Effects of Simple & Efficient offsetting the natural costs' drift (inflation, etc.)

Business growth Rise in regulatory and compliance costs

* Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium, Luxembourg, at BancWest and TEB; ** At constant scope and exchange rates

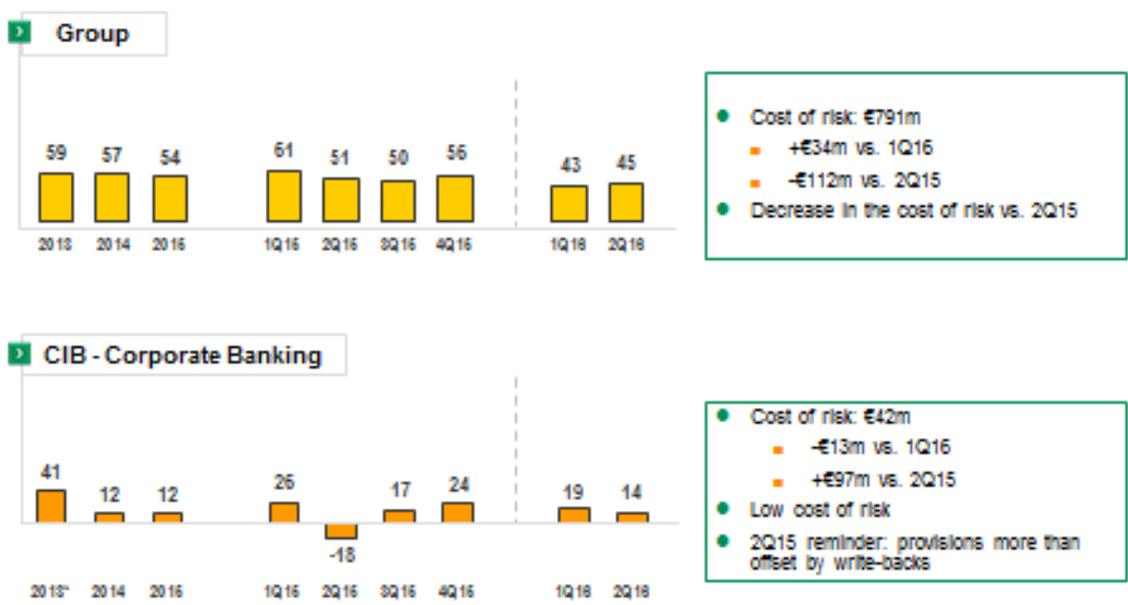


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Variation in the Cost of Risk by Business Unit (1/3)

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

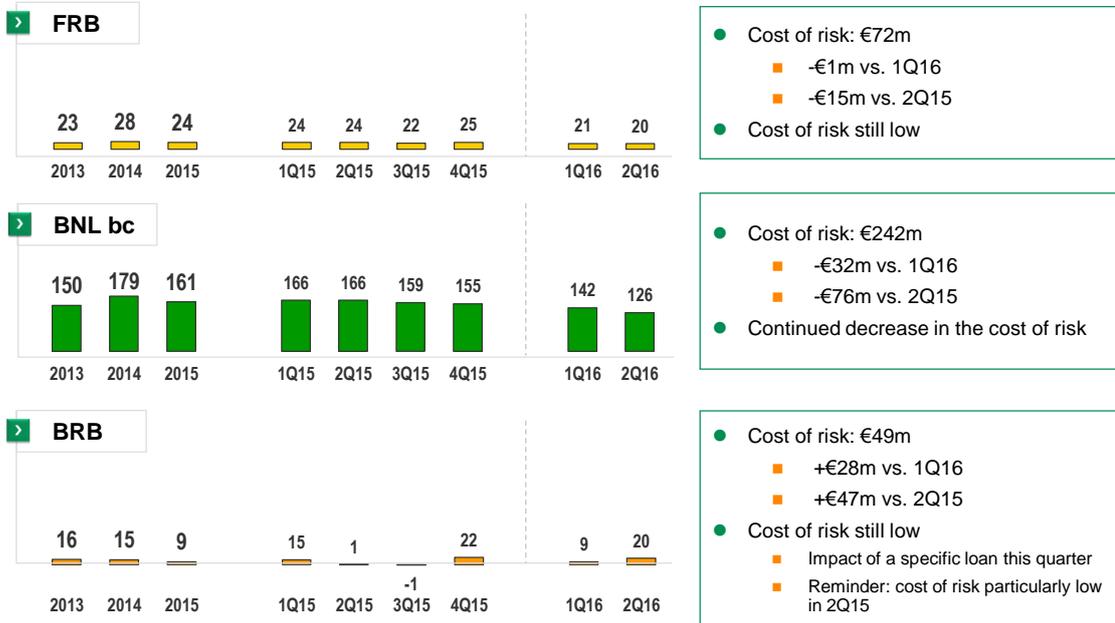


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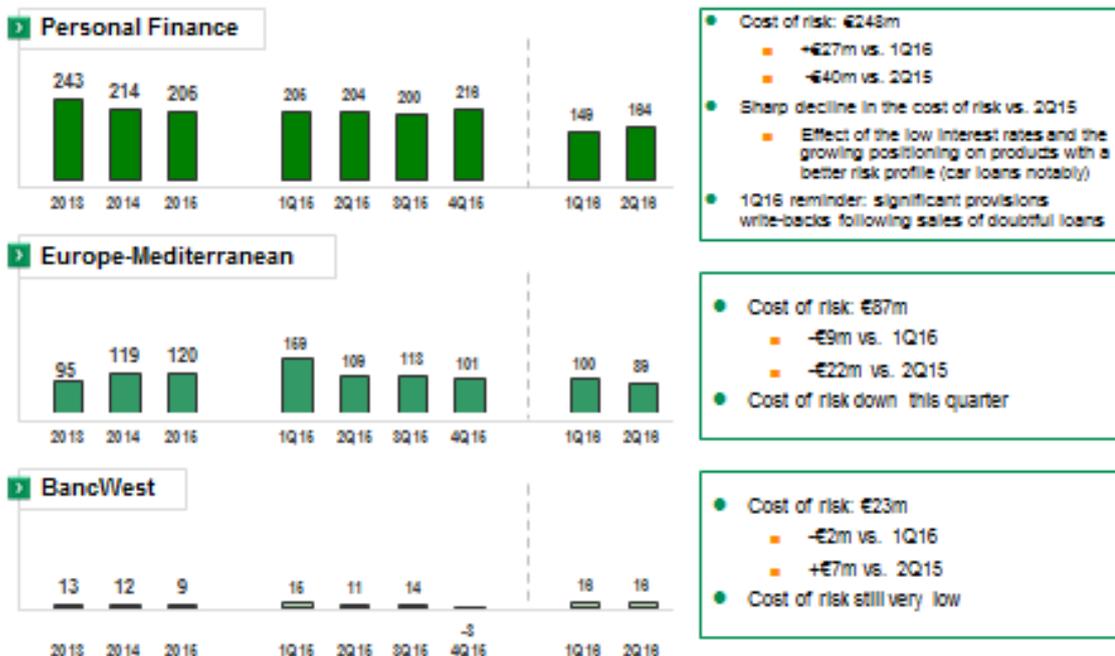
Variation in the Cost of Risk by Business Unit (2/3)

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



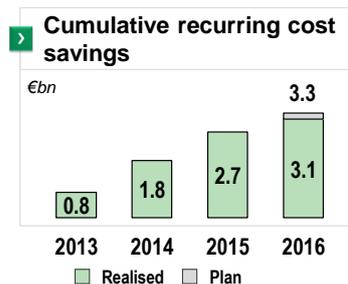
Variation in the Cost of Risk by Business Unit (3/3)

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



Simple & Efficient

- Continued the momentum throughout the entire Group
 - 1,386 programmes identified including 2,699 projects
 - 90% of projects initiated since 2013 already completed
- Cost savings: €3,070m realised since the launch of the plan
 - Of which €153m booked in 2Q16
 - Reminder: cost savings target raised from €3.0bn to €3.3bn
- Breakdown of cost savings by division since 2013
 - Domestic Markets (43%), IFS (27%) and CIB (30%)
- Reminder: no transformation costs in 2016

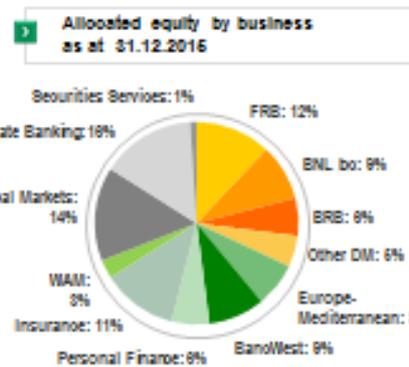
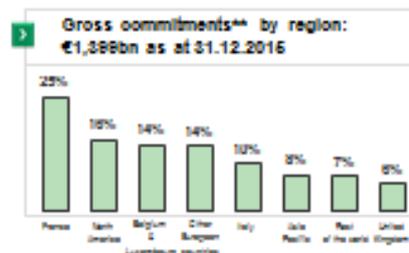


Cost savings achieved in line with the new target

The Strength of a Diversified and Integrated Business Model



- A business model diversified by country and business
 - No country, business or industry concentration
 - Presence primarily in developed countries (>85%)
 - No business unit >16% of allocated equity
 - Business units and regions evolving according to different cycles
- An integrated business model fuelled by cross-selling
- Strong resilience in changing environments
 - Example of Brexit: well-balanced market activities in Europe between Paris and London (UK: 2.5% of the 2015* Group's operating income)



"World's best bank 2016"
 "Fine-tuned BNP Paribas excels at the business of banking"
 "A large bank actually delivering on its promises to stakeholders...
 ...all while proving the benefits of a diversified business model"

* €245m; ** Total gross commitments, on end of balance sheet, unweighted

Remediation Plan and Reinforcement of Control Procedures

- Implementation of the remediation plan agreed as part of the comprehensive settlement with the U.S. authorities in line with the timetable defined
 - 47 projects of which 31 already finalised
- Reinforcement of compliance and control procedures
 - Increase staffing of the Compliance function (> 3,100 people as at 30.06.16) and General Inspection (1,150 people as at 30.06.16)
 - Increase in the number of controls performed by the General Inspection: completion in July 2016 of the 1st round of audits of the 101 entities whose USD flows are processed by BNP Paribas New York
 - Objective achieved of roughly 200 specialists trained as part of the international financial sanctions certification programme
 - Continued operational implementation of a stronger culture of compliance: compulsory training programmes for Group employees (176,000 people trained through e-learning)
 - Reinforcement and harmonisation of mandatory periodic client portfolio review procedures (Know Your Customer)
- New Code of Conduct distributed to all employees with mandatory training



Active implementation throughout the Group of the remediation plan and the reinforcement of internal control

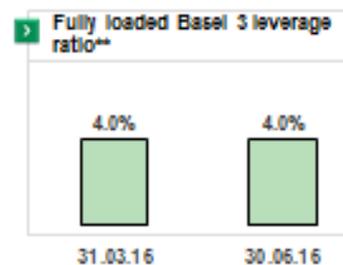
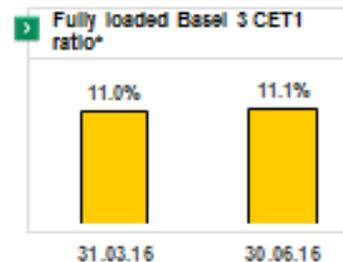


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Financial Structure

- Fully loaded Basel 3 CET1 ratio*: 11.1% as at 30.06.16 (+10 bp vs. 31.03.16)
 - 2Q16 results after taking into account a 45% dividend pay-out ratio: +20 bp
 - Increase in risk-weighted assets (at constant rate): -10 bp
 - Reminder: overall negligible foreign exchange effect on the ratio
- Fully loaded Basel 3 leverage**: 4.0% as at 30.06.16
 - Calculated on total Tier 1 Capital
- Liquidity Coverage Ratio: 112% as at 30.06.16
- Immediately available liquidity reserve: €291bn*** (€298bn as at 31.03.16)
 - Equivalent to over one year of room to manoeuvre in terms of wholesale funding



Solid organic capital generation Continued increase of the Basel 3 CET1 ratio

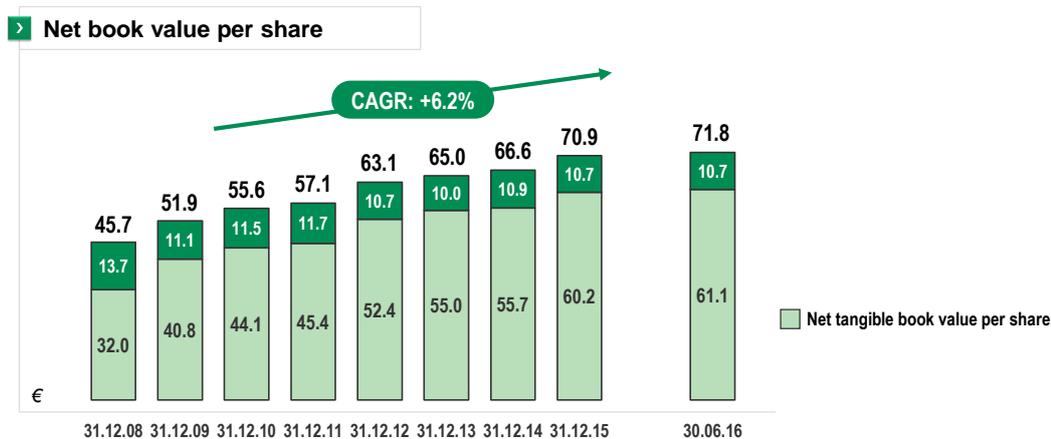
* CRD4 2016 fully loaded; reminder: negligible impact of the sale of Visa Group shares, already re-measured directly through shareholder's equity as at 31.12.2015; ** CRD4 2016 fully loaded; calculated according to the delegated act of the EC dated 10.12.2014 (see note 26 or 27 of 12); *** Liquid net assets or eligible to central banks (counterbalancing capacity) taking into account prudential standards, notably US standards, minus inter-day payment system needs



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Net Book Value per Share



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



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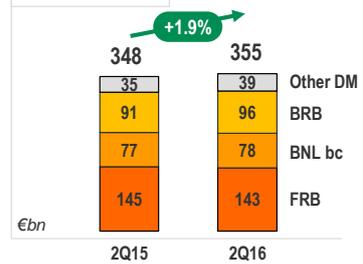
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Domestic Markets - 2Q16

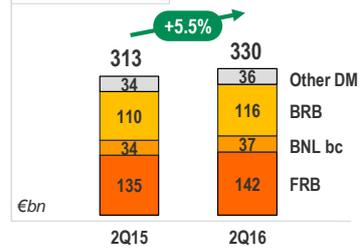
- Business activity
 - Loans: +1.9% vs. 2Q15, gradual recovery in loan demand
 - Deposits: +5.5% vs. 2Q15, good growth across all the networks
 - Hello bank!: +210,000 new clients in 1H16
- Arval: swift integration of GE Fleet Services Europe
 - #1 in Europe with 893,000 vehicles financed*
- Revenues**: €4.0bn (-0.5% vs. 2Q15)
 - Persistently low interest rate environment
 - Drop in financial fees in all the networks due to a still unfavourable market environment this quarter
 - Good performance of the specialised businesses and BRB
- Operating expenses**: €2.4bn (+2.1% vs. 2Q15)
 - Stable at constant scope and exchange rates and excluding the impact of non recurring items in 2Q15 at BRB
 - Driven by the growing business lines, in particular Arval
- Pre-tax income***: €1.1bn (-0.7% vs. 2Q15)
 - Reduction of the cost of risk, in particular in Italy



Loans



Deposits



**Continued decrease in the cost of risk
Income holding up well**

* As at end 2015; ** Including 100% of Private Banking, excluding PEL/CEL; *** Including 2/3 of Private Banking, excluding PEL/CEL



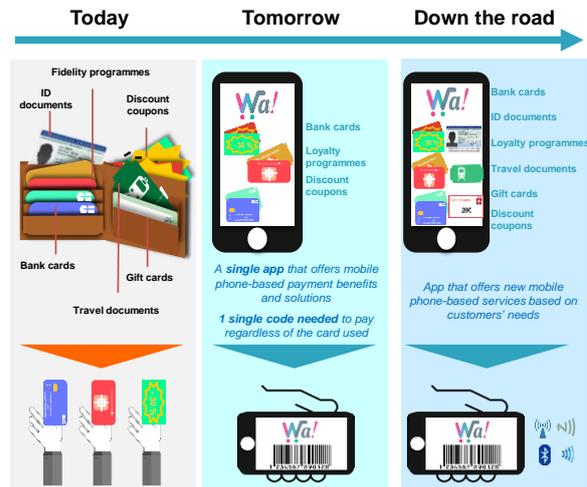
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Domestic Markets - 2Q16 Continuing to expand the digital offering



- Testing the **Wa!** mobile app in 2H16 to be launched in 2017
 - A secure and customisable mobile phone-based multi-service payment solution: an intelligent portfolio combining payment, loyalty programmes and discount coupons
 - Multi-brand and multi-bank
 - Tool for client acquisition, sales and marketing and point-of-sales digitalisation for distributors
 - Value creation by joining forces of banks and leading retailers
 - Partnership alliance with Carrefour, 2nd biggest retailer worldwide and 1st in Europe
- Wa!: 1st offer of an integrated services platform
 - Multi-brand, omni-channel and fully secure innovative payment systems
 - Reinventing customer relationship with new comprehensive shopping experiences
 - Massive and responsible handling of data

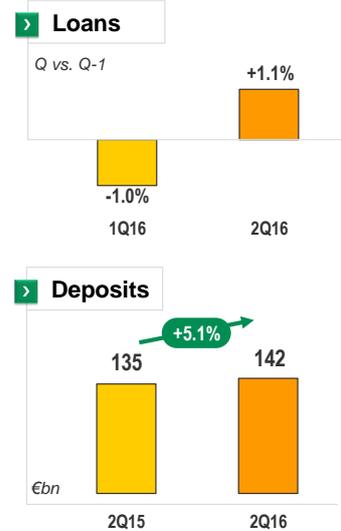


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Domestic Markets French Retail Banking - 2Q16

- Pick-up in business activity
 - Loans: -1.4% vs. 2Q15, impact of early repayments but pick-up in loan origination (outstanding loans: +1.1% vs. 1Q16)
 - Deposits: +5.1% vs. 2Q15, strong growth in current accounts
 - BNP Paribas Entrepreneurs: already over €6bn of financing provided to small businesses in 2016 out of €10bn targeted
- Revenues*: -3.6% vs. 2Q15
 - Net interest income: -3.7%, persistently low interest rate environment
 - Fees: -3.4%, drop in financial fees due to a still unfavourable market environment this quarter
- Operating expenses*: +0.8% vs. 2Q15
 - Cost containment
- Pre-tax income**: €398m (-10.0% vs. 2Q15)
 - Decrease in the cost of risk



Pick-up in loan origination

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

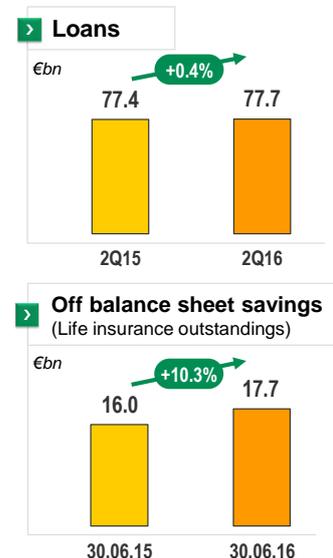


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Domestic Markets BNL banca commerciale - 2Q16

- Improving business activity
 - Loans: +0.4% vs. 2Q15, gradual recovery of volumes, in particular on individual clients
 - Deposits: +10.0% vs. 2Q15, sharp rise in individuals' current accounts
 - Off balance sheet savings: good performance (life insurance outstandings: +10.3% vs. 30.06.15, mutual fund outstandings: +6.1% vs. 30.06.15)
- Revenues*: -6.0% vs. 2Q15
 - Net interest income: -8.4% vs. 2Q15, impact of the low interest rate environment and of the repositioning on the better corporate clients
 - Fees: -1.3% vs. 2Q15, decline in financial fees due to the still unfavourable financial market context this quarter, growth of banking fees
- Operating expenses*: -2.3% vs. 2Q15
 - Effect of cost reduction measures
- Pre-tax income**: €65m (+€41m vs. 2Q15)
 - Continued decrease in the cost of risk



Income improvement due to a significant decline in the cost of risk

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

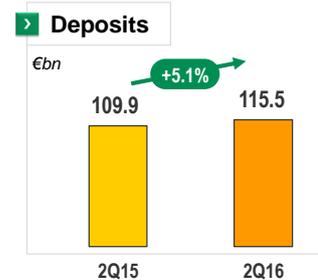
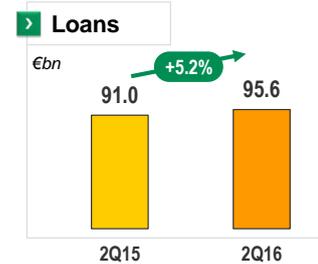


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Domestic Markets Belgian Retail Banking - 2Q16

- Sustained business activity
 - Loans: +5.2% vs. 2Q15, growth in loans to individual customers especially mortgage loans; increase in loans to SMEs
 - Deposits: +5.1% vs. 2Q15, strong growth in current accounts
 - Development of digital banking: launch of a new version of the Easy Banking app (fingerprint authentication, new card and accounts management features, etc.)
- Revenues*: +3.3% vs. 2Q15
 - Net interest income: +8.7% vs. 2Q15, due to volume growth
 - Fees: -10.3% vs. 2Q15, drop in financial fees due to a still unfavourable market environment
- Operating expenses*: +5.7% vs. 2Q15
 - +0.6% excluding the impact of non recurring items in 2Q15**
 - Continued cost containment
- Pre-tax income***: €302m (-13.7% vs. 2Q15)
 - Reminder: cost of risk particularly low in 2Q15



Good sales and marketing drive

* Including 100% of Belgian Private Banking; ** Reminder: in particular the one-off reimbursement of the Subscription Tax (Deposit Guarantee Scheme restated on 29 March 2016); *** Including 2/3 of Belgian Private Banking

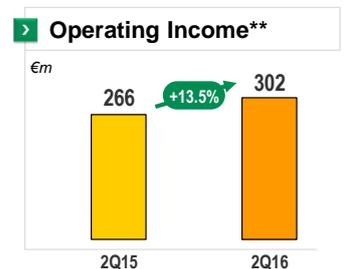
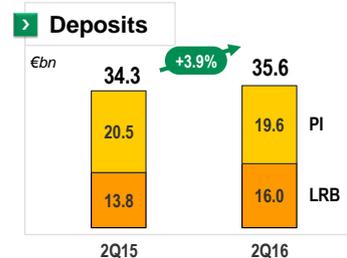


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Domestic Markets Other Activities - 2Q16

- Good overall drive of the specialised businesses
 - Arval: 10.8%* growth in the financed fleet vs. 2Q15, implementation of the GE Fleet Services Europe integration plan
 - Leasing Solutions: continuous rise in outstandings of the core portfolio
 - Personal Investors (PI): good level of new client acquisition, development of off balance sheet savings
- Luxembourg Retail Banking: good deposit inflows, growth in mortgage loans
- Revenues**: +9.2% vs. 2Q15
 - Effect in particular of the acquisition of GE Fleet Services Europe
 - +3.3% at constant scope and exchange rates, driven by Arval, Leasing and PI
- Operating expenses**: +6.8% vs. 2Q15
 - -0.6% at constant scope and exchange rates
 - Effect of cost saving measures
- Pre-tax income***: €311m (+16.5% vs. 2Q15)
 - +5.9% at constant scope and exchange rates



Good business growth and sharp rise in income

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



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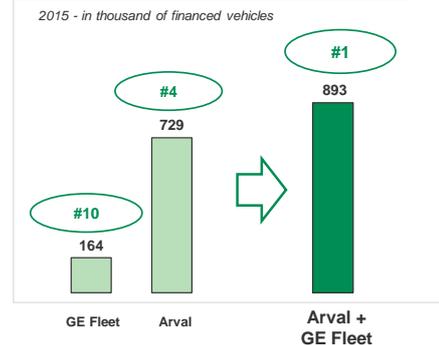
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Domestic Markets - Other Activities

Integration of Arval and GE Fleet Services Europe

- A reinforced leading position in Europe*
 - #1 in Europe with 893,000 financed vehicles (948,000 vehicles worldwide)
 - #1 in France, Italy, Spain and Belgium, almost treble the size in Germany
 - Significant increase in the corporate client portfolio
 - Strengthening of the alliance with Element, resulting in the world's largest network (3M vehicles in 50 countries)
 - 5,600 employees in 26 countries
- ~€45m in synergies by 2019
 - Decommissioning of IT system, sharing of functions and digital offering
 - Significant scale savings on procurement/reselling and integrated services (service, tires, etc.)
 - Development of cross-selling with Element and the business units of the Group
 - Restructuring costs: €50m over 3 years**

Market position in Europe



Distribution of 2019 synergies



The leading player in Europe

* Figures as at end 2015; ** 2016-2018, booked in Corporate Centre



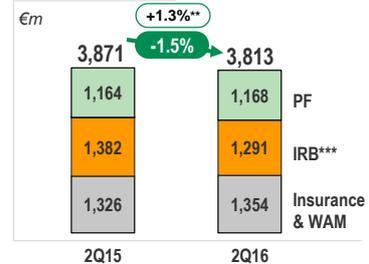
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International Financial Services - 2Q16

- Business activity
 - Personal Finance: sustained business activity
 - International Retail Banking*: good business growth
 - Insurance and WAM: good asset inflows across all business units (+€15.6bn in 1H16)
- Revenues: €3.8bn (-1.5% vs. 2Q15), negative foreign exchange effect
 - +1.3% at constant scope and exchange rates
 - Rise in the revenues of Personal Finance and Insurance
 - Revenue growth at IRB excluding non recurring items
- Operating income: €1.2bn (+1.4% vs. 2Q15)
 - +4.2% at constant scope and exchange rates
 - Decrease in the cost of risk
- Pre-tax income: €1.3bn (-0.7% vs. 2Q15)
 - +2.5% at constant scope and exchange rates

Revenues



Pre-tax income



Good overall performance

* Europe-Mediterranean and BancWest; ** At constant scope and exchange rates; *** Including 2/3 of Private Banking in Turkey and in the United States



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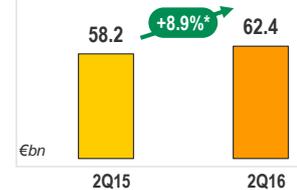
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International Financial Services Personal Finance - 2Q16

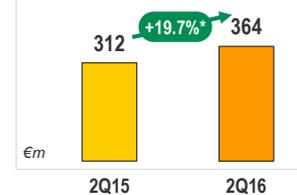
- Active implementation of the merger with LaSer,  in line with the planned timetable
- Sustained business activity
 - Outstanding loans: +8.9% at constant scope and exchange rates, increase in demand in the Eurozone
 - Expanding files' digital processing: increase of ~15% of electronic signatures compared to 1H15
- Revenues: +0.3% vs. 2Q15, unfavourable foreign exchange effect this quarter
 - +2.8% at constant scope and exchange rates: in connection with the rise in volumes and the positioning on products with a better risk profile
- Operating expenses: -5.9% vs. 2Q15
 - -3.4% at constant scope and exchange rates: impact of a non recurring item this quarter
 - Good control of operating expenses
- GOI: +6.5% vs. 2Q15 (+9.0% at constant scope and exchange rates)
- Pre-tax income: €364m (+16.7% vs. 2Q15)
 - +19.7% at constant scope and exchange rates
 - Significant decline in the cost of risk



Consolidated outstandings



Pre-tax income



Business growth and sharp rise in income

* At constant scope and exchange rates



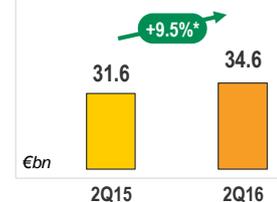
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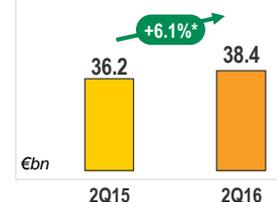
International Financial Services Europe-Mediterranean - 2Q16

- Swift integration of BGZ BNP Paribas in Poland
- Good business growth
 - Deposits: +9.5%* vs. 2Q15, good growth in all countries
 - Loans: +6.1%* vs. 2Q15, up in all regions
 - Digital:  has 290,000 clients in Turkey and  has 179,000 clients in Poland
- Revenues**: -0.1%* vs. 2Q15
 - +3.9%* excluding non recurring items
- Operating expenses**: +11.2%* vs. 2Q15
 - +8.4%* excluding the introduction of the banking tax in Poland
 - In line with business growth
- Pre-tax income***: €149m (-13.1%* vs. 2Q15)
 - Decrease in the cost of risk
 - Rise in the contribution from associated companies

Deposits



Loans



Good business growth Impact of non recurring items this quarter

* At constant scope and exchange rates; ** Including 100% of Turkish Private Banking; *** Including 2/3 of Turkish Private Banking

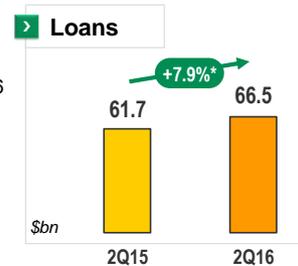
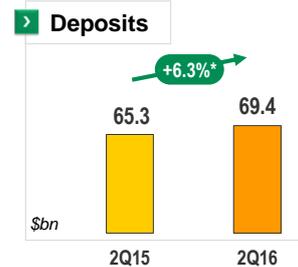


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International Financial Services BancWest - 2Q16

- Passed the CCAR (*Comprehensive Capital Analysis and Review*) in the first year of submission
- Continued good business drive
 - Deposits: +6.3%* vs. 2Q15, strong rise in savings and current accounts
 - Loans: +7.9%* vs. 2Q15, continued sustained growth in corporate and consumer loans
 - Private Banking: +14% increase in assets under management vs. 30.06.15 (\$10.9bn as at 30.06.16)
- Revenues**: -3.2%* vs. 2Q15
 - +1.2% vs. 2Q15, excluding capital gains on loan sales in 2Q15
 - Impact of lower interest rates in the United States between 2Q15 and 2Q16
- Operating expenses**: +6.3%* vs. 2Q15
 - Strengthening of the commercial set up (Private Banking, corporates, consumer finance)
- Pre-tax income***: €181m (-25.0%* vs. 2Q15)

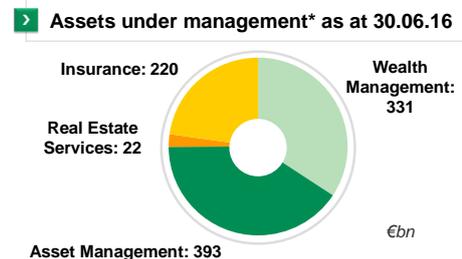
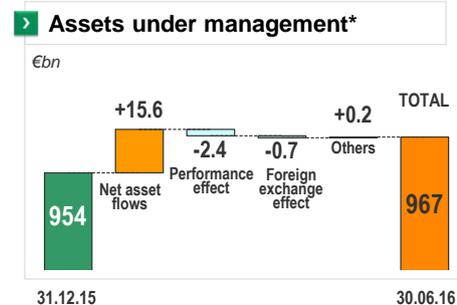


> Continued strong sales and marketing drive

* At constant scope and exchange rates; ** Including 100% of Private Banking in the United States; *** Including 2/3 of Private Banking in the United States

International Financial Services Insurance and WAM - Asset Flows and AuM - 2Q16

- Assets under management*: €967bn as at 30.06.16
 - +1.9% vs. 30.06.15 (+1.3% vs. 31.12.15)
 - Strong asset inflows
 - Slightly unfavourable performance effect in 1H16
 - Negligible foreign exchange effect in 1H16
- Net asset flows: +€15.6bn in 1H16 (of which +€13.4bn in 2Q16)
 - Wealth Management: significant asset inflows, in particular in the domestic markets and in Asia
 - Asset Management: good asset inflows, in particular into diversified and bond funds
 - Insurance: good asset inflows in the domestic markets



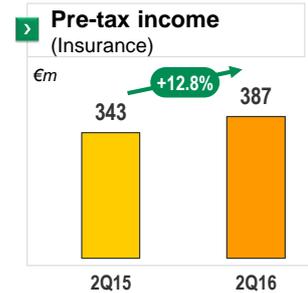
> Good asset inflows across all the business units Rise of assets under management

* Including distributed assets

International Financial Services Insurance and WAM - 2Q16

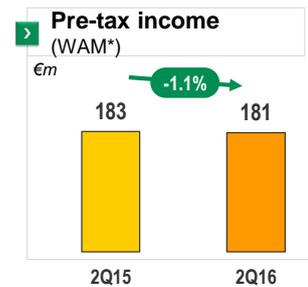
Insurance

- Revenues: €611m; +8.8% vs. 2Q15
 - High level of capital gains realised
- Operating expenses: €278m; +0.8% vs. 2Q15
 - Good cost containment
- Pre-tax income: €387m; +12.8% vs. 2Q15



Wealth and Asset Management*

- Revenues: €743m; -2.7% vs. 2Q15
 - Revenues held up in an unfavourable market context
- Operating expenses: €577m; -0.3% vs. 2Q15
 - Good containment
- Pre-tax income: €181m; -1.1% vs. 2Q15



Insurance: rise in income this quarter
WAM: held up well in an unfavourable environment

* Asset Management, Wealth Management, Real Estate Services

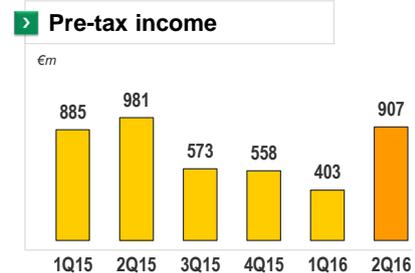
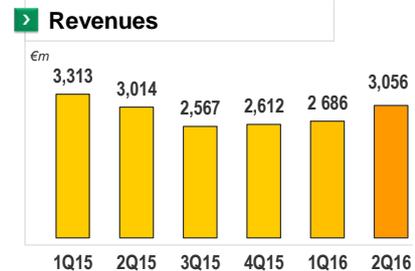


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Corporate and Institutional Banking - 2Q16 Summary

- Revenues: €3,056m (+1.4% vs. 2Q15), good performance
 - Reminder: high basis of comparison in 2Q15 which enjoyed a favourable environment
 - Good performances of Global Markets and Corporate Banking, slight decline at Securities Services
- Operating expenses: €2,115m (+3.1% vs. 2Q15)
 - As a result of business growth
 - Rise in regulatory costs (IHC*, compliance,...) more than offset by cost savings
- Pre-tax income: €907m (-7.6% vs. 2Q15)
 - Reminder 2Q15: particularly low cost of risk and positive effect of non operating items



Very good level of income

* Intermediate Holding Company



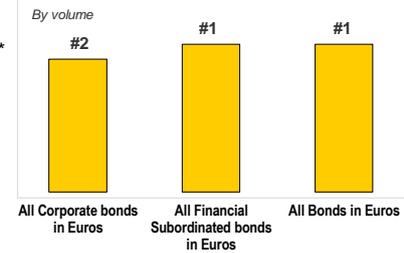
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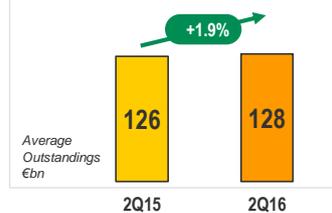
Corporate and Institutional Banking - 2Q16 Business Activity

- **Global Markets: improving environment vs. 1Q16**
 - Pick-up in client volumes
 - Bond issues: #1 for all bonds in euros and #8 for all international bonds*
 - VaR at a very low level this quarter (€34m)
- **Securities Services: stability of outstandings**
 - Assets under custody: +0.2% vs. 30 June 2015, good marketing drive but impact of declining markets
 - Decline in the number of fund subscription and redemption transactions against a wait-and-see backdrop by investors
- **Corporate Banking: business growth**
 - Increase in client loans (+1.9% vs. 2Q15), strong growth in client deposits (+21.6% vs. 2Q15) as a result of the development of cash management
 - Best Bank for Transaction Services in Western Europe**
 - Good development of cross-border financing and advisory deals
- **Active implementation of the transformation plan**
 - Sale or securitisation of ~€6bn of risk-weighted assets as at 30 June 2016 (remainder: target of -€20bn by 2019)

1H16 Euro bond issuance rankings*



Client loans



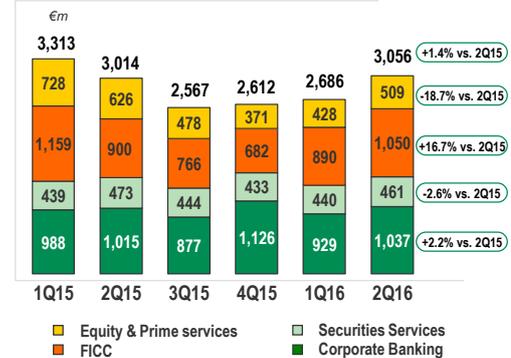
Good level of activity this quarter

* Source: Thomson Reuters 1H16; ** Euromoney Award 2016

Corporate and Institutional Banking - 2Q16 Revenues by Business Unit

- **Global Markets: €1,558m (+2.1% vs. 2Q15)**
 - Strong rebound compared to 1Q16 (+13.3% vs. 1Q16*)
 - Good pickup in client volumes
 - FICC: +16.7% vs. 2Q15, sustained rates and forex business, good performances on credit and on bond issues
 - Equity & Prime Services: -18.7% vs. very high base in 2Q15
- **Securities Services: €461m (-2.6% vs. 2Q15)**
 - Effect, in particular, of the decline of some transactions and a drop in equity markets
- **Corporate Banking: €1,037m (+2.2% vs. 2Q15)**
 - Good level of fees this quarter (+8% vs. 2Q15)
 - Rise in revenues in Europe and in the Americas, Asia Pacific region held up well in a more lacklustre environment
 - Good performance of the transaction activities (cash management in particular)

Revenues by business unit



Very good overall performance

* Excluding the impact of FVA (€0m in 2Q16, -€57m in 1Q16, €0m in 2Q15 and +€68m in 1Q15)

Conclusion



**Growth of the revenues of the operating divisions*
in a still difficult environment this quarter**



Decrease in the cost of risk



**Solid organic capital generation
Fully loaded Basel 3 CET1 ratio at 11.1%**



ROE in line with the target of the 2014-2016 plan

* At constant scope and exchange rates



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Group Results

Division Results

1H16 Detailed Results

Appendix



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Main Exceptional Items - 1H16

	1H16	1H15
● Revenues		
■ Own credit adjustment and DVA (Corporate Centre)	+€161m	+€117m
■ Capital gain on the sale of Visa Europe shares (Corporate Centre)	+€597m	
Total exceptional revenue items	+€758m	+€117m
● Operating expenses		
■ Simple & Efficient transformation costs (Corporate Centre)		-€265m
■ Restructuring costs* and CIB transformation costs (Corporate Centre)	-€154m	-€82m
Total exceptional operating expenses items	-€154m	-€347m
● Other non operating items		
■ Capital gain on the sale of a non-strategic stake**		+€94m
■ Sale of a 7% stake in Klépierre-Corio (Corporate Centre)		+€364m
■ Dilution capital gain due to the merger between Klépierre and Corio (Corporate Centre)		+€123m
Total exceptional non operating items		+€581m
● Total exceptional items (pre-tax)	+€604m	+€351m

* Restructuring costs of LaSer, Bank BGZ, DAB Bank and GE LLD; ** CIB-Corporate Banking (€74m), Corporate Centre (€20m)



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BNP Paribas Group - 1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	11,322	11,079	+2.2%	10,844	+4.4%	22,166	22,144	+0.1%
Operating Expenses and Dep.	-7,090	-7,083	+0.1%	-7,627	-7.0%	-14,717	-14,891	-1.2%
Gross Operating Income	4,232	3,996	+5.9%	3,217	+31.6%	7,449	7,253	+2.7%
Cost of Risk	-791	-903	-12.4%	-757	+4.5%	-1,548	-1,947	-20.5%
Operating Income	3,441	3,093	+11.3%	2,460	+39.9%	5,901	5,306	+11.2%
Share of Earnings of Equity-Method Entities	165	164	+0.6%	154	+7.1%	319	301	+6.0%
Other Non Operating Items	-81	428	n.s.	24	n.s.	-57	630	n.s.
Non Operating Items	84	592	-85.8%	178	-52.8%	262	931	-71.9%
Pre-Tax Income	3,525	3,685	-4.3%	2,638	+33.6%	6,163	6,237	-1.2%
Corporate Income Tax	-864	-1,035	-16.5%	-720	+20.0%	-1,584	-1,846	-14.2%
Net Income Attributable to Minority Interests	-101	-95	+6.3%	-104	-2.9%	-205	-188	+9.0%
Net Income Attributable to Equity Holders	2,560	2,555	+0.2%	1,814	+41.1%	4,374	4,203	+4.1%
Cost/Income	62.6%	63.9%	-1.3 pt	70.3%	-7.7 pt	66.4%	67.2%	-0.8 pt

- Corporate income tax: average tax rate of 26.9% in 1H16
 - Positive effect of the low fiscal impact on the capital gain on the sale of Visa Europe shares



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Retail Banking and Services - 1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	7,636	7,719	-1.1%	7,522	+1.5%	15,158	15,289	-0.9%
Operating Expenses and Dep.	-4,681	-4,636	+1.0%	-5,187	-9.8%	-9,867	-9,711	+1.6%
Gross Operating Income	2,956	3,082	-4.1%	2,335	+26.6%	5,291	5,578	-5.1%
Cost of Risk	-740	-865	-14.4%	-738	+0.3%	-1,478	-1,815	-18.6%
Operating Income	2,216	2,218	-0.1%	1,598	+38.7%	3,813	3,764	+1.3%
Share of Earnings of Equity-Method Entities	124	139	-10.6%	136	-8.5%	261	254	+2.7%
Other Non Operating Items	-2	-2	-13.6%	8	n.s.	7	-12	n.s.
Pre-Tax Income	2,339	2,355	-0.7%	1,742	+34.3%	4,081	4,006	+1.9%
Cost/Income	61.3%	60.1%	+1.2 pt	69.0%	-7.7 pt	65.1%	63.5%	+1.6 pt
Allocated Equity (€bn)						48.6	48.3	+0.6%

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



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Domestic Markets - 1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	3,962	3,982	-0.5%	3,963	-0.0%	7,925	7,973	-0.6%
Operating Expenses and Dep.	-2,449	-2,398	+2.1%	-2,818	-13.1%	-5,268	-5,153	+2.2%
Gross Operating Income	1,513	1,584	-4.5%	1,145	+32.1%	2,657	2,819	-5.7%
Cost of Risk	-388	-433	-10.2%	-399	-2.7%	-787	-923	-14.7%
Operating Income	1,124	1,152	-2.4%	746	+50.7%	1,870	1,897	-1.4%
Share of Earnings of Equity-Method Entities	13	9	+52.7%	9	+51.2%	22	14	+57.7%
Other Non Operating Items	2	-4	n.s.	-2	n.s.	0	-19	n.s.
Pre-Tax Income	1,140	1,156	-1.4%	753	+51.4%	1,893	1,892	+0.1%
Income Attributable to Wealth and Asset Management	-63	-72	-12.7%	-63	+0.4%	-126	-142	-11.3%
Pre-Tax Income of Domestic Markets	1,076	1,084	-0.7%	690	+56.0%	1,767	1,749	+1.0%
Cost/Income	61.8%	60.2%	+1.6 pt	71.1%	-9.3 pt	66.5%	64.6%	+1.9 pt
Allocated Equity (€bn)						22.9	22.6	+1.1%

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

- Revenues: -0.6% vs. 1H15
 - Persistently low interest rate environment
 - Decline in financial fees due to an unfavourable market context
 - Good growth at BRB and in the specialised businesses (Arval, Leasing Solutions, Personal Investors)
- Operating expenses: +2.2% vs. 1H15
 - +0.8% at constant scope and exchange rates and excluding non recurring items at BRB in 2Q15
 - As a result of business growth at Arval and Leasing Solutions
- Pre-tax income: +1.0% vs. 1H15
 - Decline in the cost of risk, in particular in Italy



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Domestic Markets French Retail Banking - 1H16 (excluding PEL/CEL effects)

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	1,608	1,668	-3.6%	1,643	-2.1%	3,252	3,342	-2.7%
Incl. Net Interest Income	900	935	-3.7%	954	-5.7%	1,854	1,896	-2.2%
Incl. Commissions	709	734	-3.4%	689	+2.8%	1,398	1,446	-3.3%
Operating Expenses and Dep.	-1,106	-1,097	+0.8%	-1,173	-5.7%	-2,280	-2,261	+0.8%
Gross Operating Income	502	571	-12.1%	470	+6.7%	972	1,081	-10.1%
Cost of Risk	-72	-87	-17.1%	-73	-1.5%	-146	-176	-17.1%
Operating Income	430	484	-11.2%	397	+8.2%	827	905	-8.7%
Non Operating Items	1	1	-3.9%	1	+0.5%	2	2	-0.4%
Pre-Tax Income	430	485	-11.2%	398	+8.2%	828	907	-8.7%
Income Attributable to Wealth and Asset Management	-32	-43	-24.0%	-39	-15.9%	-71	-85	-16.1%
Pre-Tax Income of French Retail Banking	398	442	-10.0%	359	+10.8%	757	822	-7.9%
Cost/Income	68.8%	65.8%	+3.0 pt	71.4%	-2.6 pt	70.1%	67.7%	+2.4 pt
Allocated Equity (€bn)						8.5	8.3	+3.0%

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

- Revenues: -2.7% vs. 1H15
 - Net interest income: -2.2%, persistently low interest rate environment
 - Fees: -3.3%, decline in financial fees due to an unfavourable market context
- Operating expenses: +0.8% vs. 1H15
 - Good cost control despite the rise in taxes and regulatory costs
- Decrease in the cost of risk

* PEL/CEL effects: -€3m in 1H16 (-€33m in 1H15) and -€21m in 2Q16 (-€6m in 2Q15)



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Domestic Markets French Retail Banking - Volumes

Average outstandings (€bn)	Outstandings 2Q16	%Var/2Q15	%Var/1Q16	Outstandings 1H16	%Var/1H15
LOANS	142.9	-1.4%	+1.1%	142.2	-2.1%
Individual Customers	75.9	-2.9%	+0.7%	75.7	-3.0%
Incl. Mortgages	66.1	-2.8%	+0.5%	65.9	-2.8%
Incl. Consumer Lending	9.8	-0.8%	+1.9%	9.8	-2.0%
Corporates	67.0	+0.2%	+1.6%	66.5	-1.0%
DEPOSITS AND SAVINGS	142.2	+5.1%	+3.6%	139.8	+3.3%
Current Accounts	77.3	+23.9%	+8.5%	74.3	+22.0%
Savings Accounts	58.5	-3.8%	+0.8%	58.3	-3.2%
Market Rate Deposits	6.4	-46.8%	-18.9%	7.2	-49.4%
	30.06.16	%Var/	%Var/		
€bn		30.06.15	31.03.16		
OFF BALANCE SHEET SAVINGS					
Life Insurance	83.7	+0.8%	+0.3%		
Mutual Funds	42.3	-4.9%	+6.2%		

- Loans: -1.4% vs. 2Q15, impact of early repayments but pick-up in loan origination (outstanding loans: +1.1% vs. 1Q16)
- Deposits: +5.1% vs. 2Q15, strong growth in current accounts, decline in savings accounts and significant decrease in market rate deposits
- Off balance sheet savings: decline in mutual funds vs. 30.06.15 as a result of the drop in the markets but pick-up in 2Q16



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Domestic Markets BNL banca commerciale - 1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	749	797	-6.0%	737	+1.7%	1,486	1,606	-7.5%
Operating Expenses and Dep.	-433	-443	-2.3%	-462	-6.3%	-894	-907	-1.4%
Gross Operating Income	317	354	-10.5%	275	+15.1%	592	699	-15.3%
Cost of Risk	-242	-318	-23.8%	-274	-11.4%	-516	-639	-19.3%
Operating Income	74	36	n.s.	1	n.s.	76	60	+26.6%
Non Operating Items	0	0	n.s.	0	n.s.	0	-1	-81.7%
Pre-Tax Income	74	36	n.s.	1	n.s.	76	59	+28.6%
Income Attributable to Wealth and Asset Management	-9	-11	-19.9%	-10	-6.2%	-19	-21	-11.4%
Pre-Tax Income of BNL bc	65	24	n.s.	-8	n.s.	57	38	+51.1%
Cost/Income	57.7%	55.6%	+2.1 pt	62.7%	-5.0 pt	60.2%	56.5%	+3.7 pt
Allocated Equity (€bn)						5.9	6.5	-9.1%

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

- Revenues: -7.5% vs. 1H15
 - Net interest income: -9.6% vs. 1H15, impact of the low interest rate environment and of the repositioning on the better corporate clients
 - Fees: -3.2% vs. 1H15, decline in financial fees due to the unfavourable environment in financial markets
- Operating expenses: -1.4% vs. 1H15
 - Effect of cost reduction measures
- Cost of risk: -19.3% vs. 1H15
 - Decline in the cost of risk
- Pre-tax income: €57m (+51.1% vs. 1H15)



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Domestic Markets BNL banca commerciale - Volumes

Average outstandings (€bn)	Outstandings 2Q16	%Var/2Q15	%Var/1Q16	Outstandings 1H16	%Var/1H15
LOANS	77.7	+0.4%	+0.6%	77.5	+0.3%
Individual Customers	39.1	+1.7%	+0.2%	39.0	+2.2%
Incl. Mortgages	24.9	-0.4%	-0.4%	24.9	+0.1%
Incl. Consumer Lending	4.1	+3.1%	+0.8%	4.1	+3.6%
Corporates	38.6	-0.9%	+1.1%	38.4	-1.6%
DEPOSITS AND SAVINGS	37.1	+10.0%	+1.1%	36.9	+10.8%
Individual Deposits	25.3	+13.6%	+2.5%	25.0	+14.2%
Incl. Current Accounts	25.0	+14.1%	+2.6%	24.7	+14.8%
Corporate Deposits	11.7	+2.8%	-1.8%	11.8	+4.2%

€bn	30.06.16	%Var/ 30.06.15	%Var/ 31.03.16
OFF BALANCE SHEET SAVINGS			
Life Insurance	17.7	+10.3%	+3.6%
Mutual Funds	13.2	+6.1%	+2.7%

- Loans: +0.4% vs. 2Q15
 - Individuals: +1.7% vs. 2Q15, gradual recovery in volumes
 - Corporates: -0.9% vs. 2Q15, gradual decrease in the impact of the selective repositioning on the better corporate clients
- Deposits: +10.0% vs. 2Q15
 - Individuals: strong rise in current accounts
 - Corporates: growth of deposits
- Off balance sheet savings: good asset inflows in life insurance, rise in mutual fund outstandings



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Domestic Markets Belgian Retail Banking - 1H16

	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
€m								
Revenues	923	893	+3.3%	917	+0.6%	1,840	1,790	+2.8%
Operating Expenses and Dep.	-555	-525	+5.7%	-791	-29.8%	-1,346	-1,299	+3.7%
Gross Operating Income	367	368	n.s.	126	n.s.	494	491	+0.5%
Cost of Risk	-49	-2	n.s.	-21	n.s.	-70	-35	+98.2%
Operating Income	318	366	-13.0%	106	n.s.	424	456	-7.0%
Non Operating Items	4	1	n.s.	-4	n.s.	1	-12	n.s.
Pre-Tax Income	323	367	-12.0%	102	n.s.	425	443	-4.2%
Income Attributable to Wealth and Asset Management	-21	-17	+22.3%	-14	+49.4%	-35	-34	+2.7%
Pre-Tax Income of Belgian Retail Banking	302	350	-13.7%	88	n.s.	390	409	-4.8%
Cost/Income	60.2%	58.8%	+1.4 pt	86.2%	-26.0 pt	73.2%	72.6%	+0.6 pt
Allocated Equity (€bn)						4.7	4.5	+4.3%

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

- Revenues: +2.8% vs. 1H15
 - Net interest income: +7.1% vs. 1H15, due to volume growth and margins holding up well
 - Fees: -8.5% vs. 1H15, drop in financial fees due to the unfavourable market environment
- Operating expenses: +3.7% vs. 1H15
 - +1.6% excluding the impact of non recurring items*
 - Continued cost containment

** In particular, the one-off reimbursement of the Subscription Tax*

Domestic Markets Belgian Retail Banking - Volumes

Average outstandings (€bn)	Outstandings	%Var/2Q15	%Var/1Q16	Outstandings	%Var/1H15
	2Q16			1H16	
LOANS	95.6	+5.2%	+1.0%	95.2	+4.8%
Individual Customers	64.5	+6.8%	+1.3%	64.1	+6.5%
Incl. Mortgages	45.9	+7.6%	+0.7%	45.7	+7.7%
Incl. Consumer Lending	0.3	-1.8%	n.s.	0.2	-59.6%
Incl. Small Businesses	18.4	+5.1%	+1.5%	18.2	+5.1%
Corporates and Local Governments	31.1	+1.9%	+0.4%	31.0	+1.5%
DEPOSITS AND SAVINGS	115.5	+5.1%	+2.8%	113.9	+4.6%
Current Accounts	44.9	+16.7%	+7.6%	43.3	+15.6%
Savings Accounts	66.1	+0.8%	+0.4%	66.0	+0.8%
Term Deposits	4.5	-22.9%	-5.7%	4.7	-22.2%

	30.06.16	%Var/ 30.06.15	%Var/ 31.03.16
€bn			
OFF BALANCE SHEET SAVINGS			
Life Insurance	25.3	+0.5%	-0.4%
Mutual Funds	29.4	-4.1%	-1.1%

- Loans: +5.2% vs. 2Q15
 - Individuals: +6.8% vs. 2Q15, rise in particular of mortgage loans
 - Corporates: +1.9% vs. 2Q15, good increase in loans to SMEs
- Deposits: +5.1% vs. 2Q15
 - Individuals and Corporates: strong growth in current accounts

Domestic Markets: Other Activities - 1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	681	624	+9.2%	666	+2.4%	1,347	1,235	+9.1%
Operating Expenses and Dep.	-355	-332	+6.8%	-393	-9.6%	-747	-687	+8.8%
Gross Operating Income	327	292	+12.0%	273	+19.5%	600	548	+9.4%
Cost of Risk	-25	-26	-3.4%	-31	-20.9%	-56	-72	-22.8%
Operating Income	302	266	+13.5%	242	+24.8%	544	476	+14.3%
Share of Earnings of Equity-Method Entities	8	3	n.s.	12	-34.0%	20	8	n.s.
Other Non Operating Items	3	0	n.s.	-2	n.s.	1	-1	n.s.
Pre-Tax Income	312	269	+16.2%	252	+24.0%	564	482	+16.9%
Income Attributable to Wealth and Asset Management	-1	-1	-39.0%	-1	+7.9%	-2	-2	-39.5%
Pre-Tax Income of Other Domestic Markets	311	267	+16.5%	251	+24.0%	563	480	+17.2%
Cost/Income	52.1%	53.3%	-1.2 pt	59.0%	-6.9 pt	55.5%	55.6%	-0.1 pt
Allocated Equity (€bn)						3.8	3.4	+11.8%

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

- Scope effect related to the acquisition of GE Fleet Services Europe (Arval)
- At constant scope and exchange rates vs. 1H15
 - Revenues*: +3.6%
 - Operating expenses*: +2.0%
 - Cost of risk*: -22.4%
 - Pre-tax income**: +10.4%

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



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Domestic Markets LRB - Personal Investors

Luxembourg Retail Banking (LRB)

Average outstandings (€bn)	2Q16	%Var/2Q15	%Var/1Q16	1H16	%Var/1H15
LOANS	8.3	+0.4%	-1.5%	8.3	+1.7%
Individual Customers	6.0	+2.3%	+0.7%	6.0	+2.3%
Corporates and Local Governments	2.3	-4.2%	-7.0%	2.3	+0.0%
DEPOSITS AND SAVINGS	16.0	+16.2%	+7.2%	15.5	+11.8%
Current Accounts	7.0	+9.2%	+6.1%	6.8	+8.7%
Savings Accounts	8.0	+43.5%	+9.5%	7.7	+36.3%
Term Deposits	1.0	-43.0%	-1.9%	1.0	-47.4%
€bn	30.06.16	%Var/ 30.06.15	%Var/ 31.03.16		
OFF BALANCE SHEET SAVINGS					
Life Insurance	0.9	-0.9%	+2.6%		
Mutual Funds	1.6	-10.3%	-1.8%		

- Loans vs. 2Q15: increase in mortgage loans
- Deposits vs. 2Q15: increase in sight deposits and savings accounts particularly in the corporate client segment

Personal Investors

Average outstandings (€bn)	2Q16	%Var/2Q15	%Var/1Q16	1H16	%Var/1H15
LOANS	0.5	+4.4%	-0.0%	0.5	+2.9%
DEPOSITS	19.6	-4.4%	-0.4%	19.6	-0.4%
€bn	30.06.16	%Var/ 30.06.15	%Var/ 31.03.16		
ASSETS UNDER MANAGEMENT	73.9	-0.1%	+1.4%		
European Customer Orders (millions)	4.3	+3.8%	-16.6%		

- Deposits vs. 2Q15: adaptation of customer conditions in Germany and development of off balance sheet savings, good level of new client acquisition
- Assets under management vs. 2Q15: effect of the decline of financial markets offset by positive asset inflows



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Domestic Markets

Arval - Leasing Solutions

Arval

Average outstandings (€bn)	2Q16	%Var*/2Q15	%Var*/1Q16	1H16	%Var*/1H15
Consolidated Outstandings	13.4	+13.6%	+2.6%	13.3	+13.2%
Financed vehicles ('000 of vehicles)	985	+10.8%	+1.3%	979	+10.7%

- Consolidated outstandings: +13.6%* vs. 2Q15, good growth in all regions
- Financed fleet: +10.8%* vs. 2Q15, very good sales and marketing drive

Leasing Solutions

Average outstandings (€bn)	2Q16	%Var*/2Q15	%Var*/1Q16	1H16	%Var*/1H15
Consolidated Outstandings	16.5	+3.9%	+3.4%	16.4	+3.3%

- Consolidated outstandings: +3.9%* vs. 2Q15, good growth in the outstandings of the core portfolio and continued reduction of the non-core portfolio

* At constant scope and exchange rates



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International Financial Services - 1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	3,813	3,871	-1.5%	3,696	+3.2%	7,508	7,593	-1.1%
Operating Expenses and Dep.	-2,303	-2,300	+0.1%	-2,442	-5.7%	-4,744	-4,690	+1.2%
Gross Operating Income	1,510	1,571	-3.9%	1,254	+20.4%	2,764	2,904	-4.8%
Cost of Risk	-355	-432	-17.9%	-339	+4.6%	-695	-895	-22.4%
Operating Income	1,155	1,138	+1.4%	915	+26.3%	2,069	2,009	+3.0%
Share of Earnings of Equity-Method Entities	111	131	-14.9%	127	-12.7%	239	240	-0.6%
Other Non Operating Items	-4	2	n.s.	10	n.s.	6	8	-19.9%
Pre-Tax Income	1,262	1,271	-0.7%	1,052	+20.0%	2,314	2,257	+2.6%
Cost/Income	60.4%	59.4%	+1.0 pt	66.1%	-5.7 pt	63.2%	61.8%	+1.4 pt
Allocated Equity (€bn)						25.7	25.7	+0.2%

- Foreign exchange effect due in particular to the depreciation of the Brazilian real and the Turkish lira
- At constant scope and exchange rates vs. 1H15
 - Revenues: +1.5%
 - Operating expenses: +3.4%
 - Cost of risk: -18.3%
 - Operating Income: +5.4%
 - Pre-tax income: +4.9%



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International Financial Services Personal Finance -1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	1,168	1,164	+0.3%	1,149	+1.6%	2,317	2,325	-0.4%
Operating Expenses and Dep.	-547	-581	-5.9%	-609	-10.2%	-1,155	-1,190	-2.9%
Gross Operating Income	621	583	+6.5%	540	+14.9%	1,161	1,136	+2.3%
Cost of Risk	-248	-288	-13.8%	-221	+12.2%	-470	-580	-19.1%
Operating Income	373	295	+26.2%	319	+16.8%	692	555	+24.6%
Share of Earnings of Equity-Method Entities	-8	15	n.s.	13	n.s.	5	32	-83.6%
Other Non Operating Items	-1	2	n.s.	1	n.s.	0	0	-66.5%
Pre-Tax Income	364	312	+16.7%	333	+9.4%	697	587	+18.7%
Cost/Income	46.8%	49.9%	-3.1 pt	53.0%	-6.2 pt	49.9%	51.2%	-1.3 pt
Allocated Equity (€bn)						4.8	4.4	+10.4%

- Foreign exchange effect due in particular to the depreciation of the Brazilian real
 - BRL vs. EUR*: -14.1% vs. 2Q15, +9.3% vs. 1Q16, -20.1% vs. 1H15
- At constant scope and exchange rates vs. 1H15
 - Revenues: +2.3%
 - Operating expenses: -0.1%
 - Cost of risk: -15.9%
 - Associated companies: -70.2%, depreciation of the shares of a subsidiary
 - Pre-tax income: +20.9%

* Average rates

International Financial Services Personal Finance - Volumes and Risks

Average outstandings (€bn)	Outstandings	%Var/2Q15		%Var/1Q16		Outstandings	%Var/1H15	
	2Q16	historical	at constant scope and exchange rates	historical	at constant scope and exchange rates	1H16	historical	at constant scope and exchange rates
TOTAL CONSOLIDATED OUTSTANDINGS	62.4	+7.2%	+8.9%	+2.8%	+2.6%	61.5	+6.4%	+8.2%
TOTAL OUTSTANDINGS UNDER MANAGEMENT (1)	72.5	+6.4%	+8.4%	+2.6%	+2.2%	71.6	+6.1%	+8.1%

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

Cost of risk/outstandings

Annualised cost of risk/outstandings as at beginning of period	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
France	2.36%	1.76%	1.51%	1.60%	2.23%	1.62%
Italy	2.26%	2.61%	2.23%	2.54%	0.94%	1.84%
Spain	0.16%	1.18%	1.90%	1.96%	0.40%	1.04%
Other Western Europe	1.09%	1.59%	1.94%	1.57%	0.91%	1.35%
Eastern Europe	1.75%	1.73%	1.62%	2.30%	0.57%	0.22%
Brazil	7.32%	6.43%	6.46%	10.70%	7.76%	5.65%
Others	1.89%	2.39%	2.31%	2.58%	1.20%	2.03%
Personal Finance	2.05%	2.04%	2.00%	2.16%	1.49%	1.64%

International Financial Services Europe-Mediterranean - 1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	616	663	-7.0%	608	+1.3%	1,225	1,273	-3.8%
Operating Expenses and Dep.	-429	-408	+5.2%	-432	-0.6%	-861	-859	+0.2%
Gross Operating Income	187	255	-26.7%	176	+6.2%	363	413	-12.0%
Cost of Risk	-87	-109	-20.3%	-96	-9.5%	-183	-259	-29.2%
Operating Income	100	146	-31.4%	80	+25.2%	180	155	+16.7%
Non Operating Items	49	40	+24.1%	52	-5.4%	101	82	+22.7%
Pre-Tax Income	149	186	-19.6%	132	+13.1%	282	237	+18.8%
Income Attributable to Wealth and Asset Manage	-1	-1	-22.1%	-1	+19.0%	-1	-2	-20.2%
Pre-Tax Income of EUROPE-MEDITERRANE/	149	185	-19.6%	132	+13.1%	280	236	+19.0%
Cost/Income	69.6%	61.5%	+8.1 pt	71.0%	-1.4 pt	70.3%	67.5%	+2.8 pt
Allocated Equity (€bn)						5.2	5.4	-4.3%

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*: -9.7% vs. 2Q15, -0.7% vs. 1Q16, -12.2% vs. 1H15
- At constant scope and exchange rates vs. 1H15
 - Revenues: +4.0%
 - Operating expenses: +6.3% (+4.0% excluding the introduction of the banking tax in Poland)
 - Cost of risk: -22.8%
 - Non operating items: strong contribution from associated companies (very good performance in Asia)
 - Pre-tax income: +29.1%

* Average rates



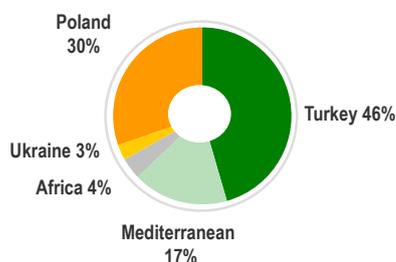
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International Financial Services Europe-Mediterranean - Volumes and Risks

Average outstandings (€bn)	Outstandings	%Var/2Q15		%Var/1Q16		Outstandings	%Var/1H15	
	2Q16	historical	at constant scope and exchange rates	historical	at constant scope and exchange rates	1H16	historical	at constant scope and exchange rates
LOANS	38.4	-1.6%	+6.1%	+0.7%	+1.5%	38.3	-1.6%	+6.8%
DEPOSITS	34.6	+2.0%	+9.5%	+1.4%	+2.3%	34.3	+0.8%	+3.2%

Geographic distribution of 2Q16 outstanding loans



Cost of risk/outstandings

Annualised cost of risk / outstandings as at beginning of period	2Q15	3Q15	4Q15	1Q16	2Q16
Turkey	1.02%	1.30%	1.28%	1.20%	1.29%
Ukraine	4.48%	8.68%	2.51%	1.40%	0.59%
Poland	0.83%	0.36%	0.43%	0.42%	0.67%
Others	1.13%	0.79%	1.09%	1.30%	0.40%
Europe-Mediterranean	1.09%	1.13%	1.01%	1.00%	0.89%

TEB: a solid and well capitalised bank

- 13.71% solvency ratio* at year-end 2015
- Self financed (virtually all loans covered by deposits and equity)
- 1.3% of the Group's commitments** as at 30.06.16
- Limited exposure to Turkish government bonds
- 1.7% of the Group's pre-tax income (1H16)

* Capital Adequacy Ratio (CAR); ** Gross commitments, both on and off balance sheet, and unweighted



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International Financial Services BancWest -1H16

	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
<i>€m</i>								
Revenues	688	731	-5.8%	773	-10.9%	1,461	1,397	+4.6%
Operating Expenses and Dep.	-482	-466	+3.4%	-534	-9.7%	-1,016	-936	+8.5%
Gross Operating Income	207	265	-21.9%	239	-13.6%	446	462	-3.4%
Cost of Risk	-23	-16	+47.8%	-25	-7.0%	-48	-35	+36.4%
Operating Income	184	249	-26.2%	214	-14.3%	398	427	-6.7%
Non Operating Items	1	1	-47.5%	10	-94.2%	11	4	n.s.
Pre-Tax Income	184	250	-26.3%	225	-18.0%	409	430	-5.0%
Income Attributable to Wealth and Asset Management	-3	-2	+59.1%	-3	+0.9%	-7	-4	+56.6%
Pre-Tax Income of BancWest	181	248	-27.1%	221	-18.3%	402	426	-5.6%
Cost/Income	70.0%	63.8%	+6.2 pt	69.1%	+0.9 pt	69.5%	67.0%	+2.5 pt
Allocated Equity (€bn)						6.3	6.3	-1.3%

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

- Limited USD vs. EUR* foreign exchange effect: -2.0% vs. 2Q15, -2.2% vs. 1Q16, ~stable vs. 1H15
- Revenues: +5.5%** vs. 1H15
 - Positive impact of capital gains
 - Effect of lower interest rates in the United States
- Operating expenses: +9.4%** vs. 1H15
 - +8.0%** excluding the increase in regulatory costs*** and non recurring costs related to the preparation of First Hawaiian Bank's IPO
 - Strengthening of the commercial set up
- Pre-tax income: -4.6%** vs. 1H15

* Average rates; ** At constant scope and exchange rates; *** CCAR and Intermediate Holding Company



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International Financial Services BancWest - Volumes

Average outstandings (€bn)	Outstandings	%Var/2Q15 at constant historical scope and exchange rates		%Var/1Q16 at constant historical scope and exchange rates		Outstandings	%Var/1H15 at constant historical scope and exchange rates	
	2Q16					1H16		
LOANS	58.9	+5.8%	+7.9%	-0.5%	+1.8%	59.1	+7.7%	+7.7%
Individual Customers	26.1	+3.1%	+5.1%	-0.8%	+1.5%	26.2	+4.8%	+4.8%
Incl. Mortgages	10.4	+0.7%	+2.7%	-0.8%	+1.5%	10.4	+1.1%	+1.1%
Incl. Consumer Lending	15.7	+4.7%	+6.8%	-0.8%	+1.5%	15.8	+7.4%	+7.4%
Commercial Real Estate	16.0	+9.9%	+12.1%	-0.6%	+1.7%	16.1	+11.7%	+11.7%
Corporate Loans	16.8	+6.5%	+8.6%	-0.1%	+2.2%	16.8	+8.7%	+8.7%
DEPOSITS AND SAVINGS	61.5	+4.2%	+6.3%	-0.7%	+1.6%	61.7	+5.7%	+5.7%
Deposits Excl. Jumbo CDs	52.9	+4.8%	+6.9%	-1.1%	+1.2%	53.2	+6.9%	+6.9%

- Loans: +7.9%* vs. 2Q15
 - Increase in consumer and corporate loans
- Deposits: +6.3%* vs. 2Q15
 - Good growth in current and savings accounts

* At constant scope and exchange rates



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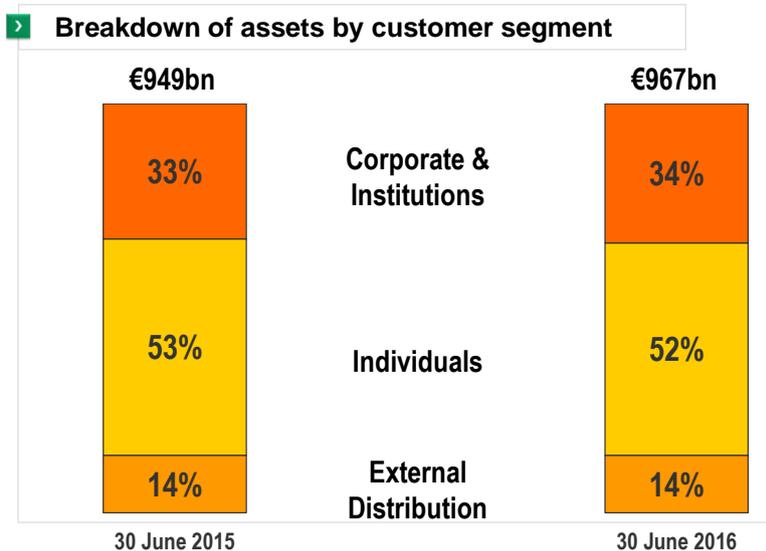
International Financial Services Insurance and WAM* - Business

	30.06.16	30.06.15	%Var/ 30.06.15	31.03.16	%Var/ 31.03.16
Assets under management (€bn)	967	949	+1.9%	944	+2.5%
Asset Management	393	387	+1.7%	381	+3.3%
Wealth Management	331	331	+0.0%	325	+2.1%
Real Estate Services	22	21	+6.2%	22	+2.2%
Insurance	220	210	+4.8%	217	+1.5%
	2Q16	2Q15	%Var/ 2Q15	1Q16	%Var/ 1Q16
Net asset flows (€bn)	13.4	2.8	n.s.	2.2	n.s.
Asset Management	8.2	-3.0	n.s.	-4.0	n.s.
Wealth Management	3.6	3.8	-4.5%	3.8	-5.4%
Real Estate Services	0.3	0.2	+68.2%	0.4	-38.2%
Insurance	1.3	1.9	-29.6%	1.9	-32.2%

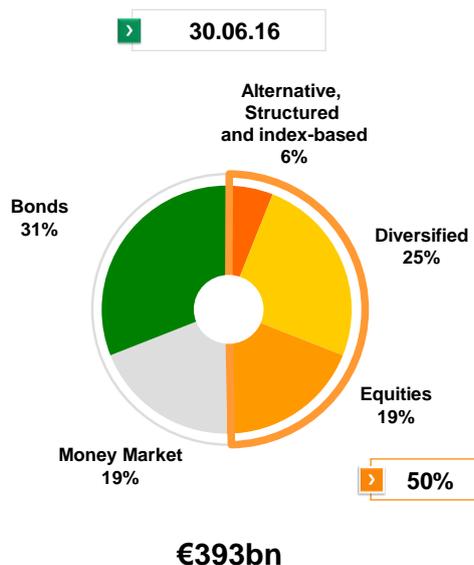
- Assets under management: +2.5% vs. 31.03.2016, of which
 - Net asset flows largely positive in 2Q16 (+€13.4bn)
 - Positive performance effect (+€5.4bn)
 - Positive foreign exchange effect (+€6.1bn)

* Wealth and Asset Management

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



International Financial Services - Asset Management Breakdown of Managed Assets



International Financial Services Insurance - 1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	611	562	+8.8%	456	+34.1%	1,067	1,137	-6.2%
Operating Expenses and Dep.	-278	-276	+0.8%	-309	-10.0%	-587	-576	+1.8%
Gross Operating Income	333	286	+16.5%	147	n.s.	480	561	-14.4%
Cost of Risk	1	-4	n.s.	-1	n.s.	0	-4	n.s.
Operating Income	334	282	+18.3%	146	n.s.	480	557	-13.8%
Share of Earnings of Equity-Method Entities	54	60	-10.8%	55	-3.3%	109	102	+7.0%
Other Non Operating Items	0	1	-93.6%	-3	n.s.	-3	1	n.s.
Pre-Tax Income	387	343	+12.8%	199	+94.7%	586	660	-11.1%
Cost/Income	45.5%	49.1%	-3.6 pt	67.8%	-22.3 pt	55.0%	50.7%	+4.3 pt
Allocated Equity (€bn)						7.4	7.3	+1.1%

- Technical reserves: +3.8% vs. 1H15
- Revenues: -6.2% vs. 1H15
 - Impact of the decline in the markets
 - Reminder: booking of part of the revenues at mark-to-market
- Operating expenses: +1.8% vs. 1H15
 - Increase in regulatory costs
- Good performance of associated companies

International Financial Services Wealth and Asset Management - 1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	743	764	-2.7%	723	+2.8%	1,465	1,484	-1.2%
Operating Expenses and Dep.	-577	-579	-0.3%	-567	+1.7%	-1,144	-1,145	-0.1%
Gross Operating Income	166	185	-10.1%	156	+6.7%	322	339	-5.1%
Cost of Risk	3	-16	n.s.	3	-20.8%	6	-17	n.s.
Operating Income	169	169	-0.1%	159	+6.1%	328	322	+1.8%
Share of Earnings of Equity-Method Entities	13	14	-11.2%	8	+52.4%	21	23	-7.2%
Other Non Operating Items	0	0	n.s.	0	n.s.	0	3	n.s.
Pre-Tax Income	181	183	-1.1%	167	+8.4%	349	348	+0.2%
Cost/Income	77.6%	75.8%	+1.8 pt	78.5%	-0.9 pt	78.1%	77.2%	+0.9 pt
Allocated Equity (€bn)						2.1	2.2	-7.2%

- Revenues: -1.2% vs. 1H15
 - Held up in an unfavourable market context
- Operating expenses: -0.1% vs. 1H15
 - Good cost containment
- Pre-tax income: stable vs. 1H15
 - Very strong return on equity



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Corporate and Institutional Banking - 1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	3,056	3,014	+1.4%	2,686	+13.8%	5,743	6,327	-9.2%
Operating Expenses and Dep.	-2,115	-2,051	+3.1%	-2,258	-6.4%	-4,373	-4,527	-3.4%
Gross Operating Income	942	963	-2.2%	428	n.s.	1,370	1,800	-23.9%
Cost of Risk	-46	-14	n.s.	-28	+60.7%	-74	-110	-33.0%
Operating Income	896	948	-5.5%	400	n.s.	1,296	1,690	-23.3%
Share of Earnings of Equity-Method Entities	13	13	-0.5%	-3	n.s.	10	21	-52.5%
Other Non Operating Items	-2	20	n.s.	6	n.s.	4	156	-97.6%
Pre-Tax Income	907	981	-7.6%	403	n.s.	1,310	1,866	-29.8%
Cost/Income	69.2%	68.1%	+1.1 pt	84.1%	-14.9 pt	76.1%	71.5%	+4.6 pt
Allocated Equity (€bn)						22.0	21.5	+2.5%

- Revenues: -7.3% vs. 1H15*
 - Very challenging market environment in Europe at the beginning of the year, partly offset by a good pick-up in business in the 2nd quarter
- Operating expenses: -3.4% vs. 1H15
 - Related to the lower business level
 - Effects of Simple & Efficient but rise in banking taxes (+~€65m vs. 1H15) and regulatory costs (+~€95m vs. 1H15)
- Other non operating items
 - 1Q15 reminder: one-off capital gain from the sale of a non-strategic equity investment (€74m) and high capital gains on day-to-day business operations

* Excluding the impact of FVA: €0m in 2Q16, -€57 M€ in 1Q16, €0m in 2Q15 and +€68m in 1Q15



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Corporate and Institutional Banking Global Markets - 1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	1,558	1,526	+2.1%	1,318	+18.3%	2,876	3,412	-15.7%
<i>incl. FICC</i>	1,050	900	+16.7%	890	+18.0%	1,940	2,059	-5.8%
<i>incl. Equity & Prime Services</i>	509	626	-18.7%	428	+18.9%	937	1,354	-30.8%
Operating Expenses and Dep.	-1,139	-1,073	+6.2%	-1,184	-3.7%	-2,323	-2,523	-7.9%
Gross Operating Income	419	453	-7.4%	134	n.s.	553	889	-37.8%
Cost of Risk	-4	-72	-94.6%	27	n.s.	23	-95	n.s.
Operating Income	415	380	+9.1%	160	n.s.	575	794	-27.5%
Share of Earnings of Equity-Method Entities	11	2	n.s.	-4	n.s.	7	7	-5.3%
Other Non Operating Items	-2	0	n.s.	6	n.s.	4	-1	n.s.
Pre-Tax Income	424	382	+11.0%	163	n.s.	586	800	-26.7%
Cost/Income	73.1%	70.3%	+2.8 pt	89.8%	-16.7 pt	80.8%	74.0%	+6.8 pt
Allocated Equity (€bn)						9.0	9.5	-4.8%

- Revenues: -12.3% vs. 1H15*
 - Very challenging market environment at the beginning of the year
 - FICC held up well (+0.3% vs. 1H15*)
 - Decline of Equity & Prime Services compared to a very high base in 1H15
- Operating expenses: -7.9% vs. 1H15
 - Decline related to the business evolution
 - Effects of Simple & Efficient but rise in banking taxes (SRF, etc.) and regulatory costs (IHC**, CCAR***, etc.)
- Cost of risk: net write-back of provisions this semester (+€23m)
 - 2Q15 reminder: provision for one specific file (--€70m)

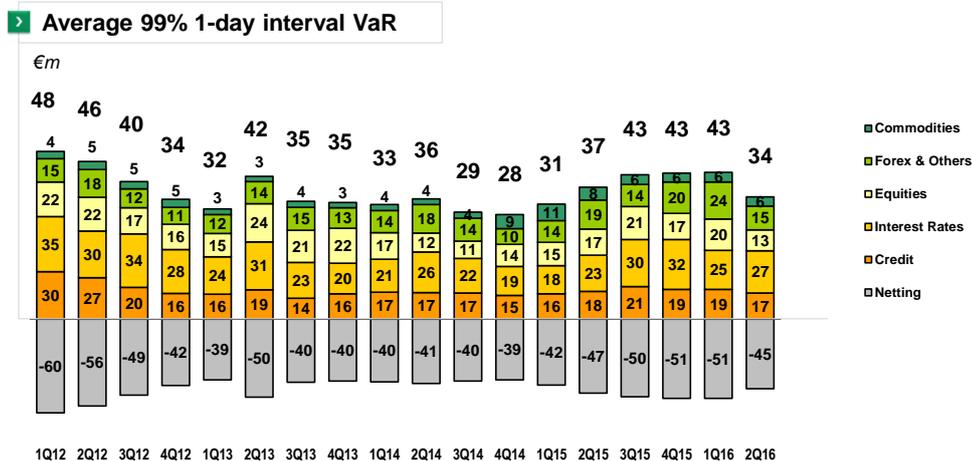
* Excluding the impact of FVA: €0m in 2Q16, -€57m in 1Q16, €0m in 2Q15 and +€68m in 1Q15; ** Intermediate Holding Company; *** Comprehensive Capital Analysis & Review



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Corporate and Institutional Banking Market Risks - 2Q16



- VaR down to a very low level this quarter*
 - No losses greater than VaR this quarter
 - Reminder: only 14 days of losses greater than VaR since 01.01.2007, i.e. less than 2 per year over a long period including the financial crisis, which confirms the soundness of the internal VaR calculation model (1 day, 99%)

* VaR calculated for the monitoring of market limits



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Corporate and Institutional Banking Corporate Banking - 1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	1,037	1,015	+2.2%	929	+11.6%	1,965	2,003	-1.9%
Operating Expenses and Dep.	-601	-611	-1.6%	-693	-13.3%	-1,293	-1,280	+1.1%
Gross Operating Income	436	404	+7.9%	236	+84.8%	672	723	-7.1%
Cost of Risk	-42	55	n.s.	-55	-23.3%	-98	-19	n.s.
Operating Income	394	459	-14.2%	181	n.s.	574	705	-18.5%
Non Operating Items	2	32	-93.3%	0	n.s.	3	171	-98.5%
Pre-Tax Income	396	491	-19.3%	181	n.s.	577	875	-34.1%
Cost/Income	57.9%	60.2%	-2.3 pt	74.6%	-16.7 pt	65.8%	63.9%	+1.9 pt
Allocated Equity (€bn)						12.3	11.3	+8.6%

- Revenues: -1.9% vs. 1H15
 - Lacklustre environment at the beginning of the year and residual effect of the downsizing of the E&C business in Europe and Asia Pacific in 1Q16
 - Europe and the Americas ~ stable vs. high base in 1H15, Asia Pacific held up well given lacklustre environment
 - Growth in fees in the first half of the year
- Operating expenses: +1.1% vs. 1H15
 - Rise in banking taxes (SRF, etc.) and still high regulatory costs (IHC*, compliance, etc.)
 - Good cost containment thanks to the effects of Simple & Efficient
- Cost of risk at a low level
 - Reminder: net write-back of provisions in 2Q15 (+€55m)
- Other non operating items
 - 1H15 reminder: one-off capital gain from the sale of a non-strategic equity investment (€74m) and high capital gains on day-to-day business operations

* Intermediate Holding Company.



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Corporate and Institutional Banking Securities Services - 1H16

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	461	473	-2.6%	440	+4.8%	901	913	-1.2%
Operating Expenses and Dep.	-374	-368	+1.9%	-382	-1.9%	-756	-724	+4.4%
Gross Operating Income	87	106	-17.9%	59	+48.3%	145	189	-22.9%
Cost of Risk	1	3	-72.8%	0	n.s.	1	4	-62.2%
Operating Income	88	109	-19.6%	59	+48.7%	147	192	-23.6%
Non Operating Items	0	0	n.s.	0	n.s.	0	0	n.s.
Pre-Tax Income	87	109	-19.7%	59	+47.9%	147	192	-23.5%
Cost/Income	81.2%	77.7%	+3.5 pt	86.7%	-5.5 pt	83.9%	79.3%	+4.6 pt
Allocated Equity (€bn)						0.7	0.7	+5.3%

	30.06.16	30.06.15	%Var/ 30.06.15	31.03.16	%Var/ 31.03.16
Securities Services					
Assets under custody (€bn)	8,134	8,118	+0.2%	8,122	+0.1%
Assets under administration (€bn)	1,857	1,671	+11.1%	1,771	+4.9%
	2Q16	2Q15	2Q16/2Q15	1Q16	2Q16/1Q16
Number of transactions (in millions)	21.5	18.1	+19.0%	21.1	+1.8%

- Revenues: -1.2% vs. 1H15
 - Effect, in particular, of the drop in equity markets and the decline in the number of fund subscription and redemption transactions
- Operating expenses: +4.4% vs. 1H15
 - Related to the business development plan
 - Rise in banking taxes and regulatory costs



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Corporate and Institutional Banking Transactions - 2Q16

	France: Airbus Group <ul style="list-style-type: none"> EUR 1.5bn dual-tranche bond issuance Joint Bookrunner May 2016 EUR 784m Secondary ABB & EUR 1.1bn Exchangeable Bond into Dassault Aviation Joint Bookrunner June 2016 		Caribbean/Latam: Cable & Wireless Acquisition financing package of Cable & Wireless by Liberty Global (\$800m TL & \$570m RCF) and hedging provider of the contingent Interest Rate Swap Joint Bookrunner May 2016
	China/Hong Kong: Bank of China Aviation Ltd \$1.13bn Hong Kong IPO Joint Bookrunner June 2016		Germany/Spain: Specialized Advisor to Siemens in the context of the planned merger of its wind business with Gamesa to create a leading wind power player June 2016
	South Korea: The Export-Import Bank of Korea \$2.5bn 3-tranche SEC-Reg Senior Unsecured bond: (\$500m 3-year FRN due 2019 / \$1bn 3-year 1.750% due 2019 / \$1bn 10-year 2.625% due 2026) Joint Bookrunner May 2016		Japan/Europe: Olympus New Cash Management Bank in 10 EMEA countries May 2016
	USA/Taiwan: Manulife Financial Corporation \$1bn 4.70% 30NC5 due June 2046 "Formosa bond" Joint Lead Manager June 2016		USA: FedEx EUR3bn four-tranche senior unsecured note issue Active Bookrunner April 2016
	Netherlands: Kempen Capital Management EUR3.5bn Assets under Custody Global custody, depot bank, fund accounting and forex services mandate April 2016		Inter-American Development Bank \$3.5 billion 3-year global benchmark transaction. Lead Manager April 2016

Corporate and Institutional Banking Rankings and Awards - 1H16

- **Global Markets: recognised global franchises**
 - #1 All bonds in EUR, #2 Corporate bonds in EUR, #3 Financial bonds in EUR (*IFR Thomson Reuters, 1H16*)
 - #8 All International bonds All Currencies, #10 USD International bonds (*IFR Thomson Reuters, 1H16*)
 - Best Prime Broker – Innovation (*2016 HFM Week European Services Awards*)
 - Best FIG Capital Raising Deal in Asia Pacific: China Life Insurance (*The Banker - Deals of the Year 2016*)
 - Exane BNP Paribas: #2 brokerage firm for Pan-European Equity Sectors Research (*2016 Extel survey*)
- **Securities Services**
 - "Fund administrator of the year" & "Hedge Fund administrator of the year", Global Investor/ISF 30th Anniversary Awards (*Global Investor 2016*)
 - "Best Asset Servicing", Chief Investment Officer Innovation Awards (*Chief Investment Officer 2016*)
- **Corporate Banking: confirmed leadership in all the business units**
 - "Best Bank for Transaction Services in Western Europe" (*Euromoney, July 2016*)
 - #2 Bookrunner in EMEA syndicated loans by number of deals (*Dealogic, 1H16*)
 - #1 EMEA and #6 Worldwide Equity-Linked Bookrunner by volume (*Dealogic, 1H16*)
 - #1 All ECM France and #9 EMEA All ECM Bookrunner by volume (*Dealogic, 1H16*)

Corporate Centre - 2Q16

€m	2Q16	2Q15	1Q16	1H16	1H15
Revenues	650	352	618	1,268	561
Operating Expenses and Dep.	-295	-395	-182	-477	-653
<i>Incl. Restructuring and Transformation Costs</i>	<i>-108</i>	<i>-217</i>	<i>-46</i>	<i>-154</i>	<i>-347</i>
Gross Operating income	356	-43	435	791	-93
Cost of Risk	-5	-24	9	3	-22
Costs related to the comprehensive settlement with US authorities	0	0	0	0	0
Operating Income	350	-67	444	795	-115
Share of Earnings of Equity-Method Entities	28	12	21	49	27
Other non operating items	-77	410	10	-67	486
Pre-Tax Income	301	354	475	776	398

- Revenues
 - Capital gain on the sale of Visa Europe shares: +€597m
 - Own Credit Adjustment (OCA)* and own credit risk included in derivatives (DVA)*: -€204m (+€80m in 2Q15)
 - Good contribution of Principal Investments
- Operating expenses
 - Restructuring costs related to the acquisitions (LaSer, Bank BGZ, DAB Bank, GE LLD): -€50m (-€63m in 2Q15)
 - CIB transformation costs: -€58m (none in 2Q15)
 - Reminder: Simple & Efficient transformation costs: none (-€154m in 2Q15)
- Other non operating items
 - Goodwill impairment on the shares of a subsidiary: -€54m
 - 2Q15 reminder: sale of a 7% stake in Klépierre-Corio (+€364m) and dilution capital gain due to the merger between Klépierre and Corio (+€56m)

* 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



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Group Results

Division Results

1H16 Detailed Results

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>	30-Jun-16	31-Dec-15
Number of Shares (end of period)	1,246	1,246
Number of Shares excluding Treasury Shares (end of period)	1,246	1,245
Average number of Shares outstanding excluding Treasury Shares	1,246	1,243
Book value per share (a)	71.8	70.9
of which net assets non revaluated per share (a)	66.1	65.5

(a) Excluding undated super subordinated notes

> Earning per Share

<i>in euros</i>	1H16	1H15
Net Earnings Per Share (EPS)	3.43	3.22

Equity and Return on Equity

> Equity

<i>€bn</i>	30-Jun-16	31-Dec-15
Shareholders' equity Group share, not revaluated (a)	80.4	78.7
Valuation Reserve	7.0	6.7
Return on Equity excluding exceptional items (b)	9.7%	9.2%
Return on Tangible Equity excluding exceptional items (b)	11.6%	11.1%
Total Capital Ratio	14.0% (c)	13.6% (c)
Tier 1 Ratio	12.4% (c)	12.2% (c)
Common equity Tier 1 ratio	11.2% (c)	11.0% (c)

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

(b) Excluding one-off items (see slide 37 of Q2 2016 results and slide 5 of FY 2015 results). SRF and systemic taxes are not annualised.

(c) Basel 3 (CRD4), taking into consideration CRR transitory provisions (but with full deduction of goodwill), on risk-weighted assets of €630 bn as at 31.12.15 and of €634 bn as at 30.06.16. Subject to the provisions of article 26.2 of (EU) regulation n° 575/2013. As at 30.06.16, the capital surplus of the financial conglomerate was estimated at €30.7 bn

(d) CRD4 calculated according to the delegated act of the EC dated 10.10.2014 and calculated on total Tier 1 capital and using value date for securities transactions.

> 1H16 Calculation of Return on Equity

<i>€m</i>	1H16
Net income Group share	4,374 (1)
Exceptional items (after tax)	578 (2)
Contribution to the Single Resolution Fund (SRF) and banking systemic taxes	-587 (3)
UK banking systemic tax (a)	-57 (4)
Annualised net income Group share excluding exceptional items, with contribution to SRF and banking systemic taxes not annualised (b)	8,122 (5)
Remuneration of undated super subordinated notes	-277
Net income Group share restated used for the calculation of ROE / ROTE	7,845
Average of permanent shareholders' equity (c)	80,953
ROE excluding exceptional items	9.7%
Average of tangible permanent shareholders' equity (d)	67,582
ROTE excluding exceptional items	11.6%

(a) Estimated amount to be paid in 4Q 16; (b) Including the estimated amount of the UK systemic tax to be paid; (5) = 2 * [(1) - (2)] - (3) + (4)

(c) Permanent shareholders' equity = shareholders' equity attributable to shareholders - anticipation of the distributed dividend - change in assets and liabilities recognised directly in equity - undated super subordinated notes;

(d) Tangible permanent equity = permanent shareholders' equity - goodwill - intangible assets

A Solid Financial Structure

> Doubtful loans/gross outstandings

	30-Jun-16	31-Dec-15
Doubtful loans (a) / Loans (b)	3.9%	4.0%
<small>(a) Doubtful loans to customers and credit institutions excluding repos, netted of guarantees</small>		
<small>(b) Gross outstanding loans to customers and credit institutions excluding repos</small>		

> Coverage ratio

€bn	30-Jun-16	31-Dec-15
Doubtful loans (a)	30.6	30.7
Allowance for loan losses (b)	27.2	26.9
Coverage ratio	89%	88%
<small>(a) Gross doubtful loans, balance sheet and off-balance sheet, netted of guarantees and collaterals</small>		
<small>(b) Specific and on a portfolio basis</small>		

> Immediately available liquidity reserve

€bn	30-Jun-16	31-Dec-15
Immediately available liquidity reserve (counterbalancing capacity) (a)	291	266
<small>(a) Liquid market assets or eligible to central banks taking into account prudential standards, notably US standards, minus intra-day payment systems needs</small>		

Ratio Common Equity Tier 1

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

€bn	30-Jun-16	31-Mar-16
Consolidated Equity	101.4	102.5
Undated super subordinated notes	-8.0	-9.2
2015 dividend not paid yet		-2.9
2016 Project of dividend distribution	-1.9	-0.8
Regulatory adjustments on equity**	-3.6	-3.3
Regulatory adjustments on minority interests	-2.3	-2.3
Goodwill and intangible assets	-13.3	-13.2
Deferred tax assets related to tax loss carry forwards	-1.0	-1.1
Other regulatory adjustments	-0.9	-1.0
Common Equity Tier One capital	70.4	68.7
Risk-weighted assets	636	627
Common Equity Tier 1 Ratio	11.1%	11.0%

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

Wholesale Medium/Long-Term Funding

- 2016 MLT funding programme of €25bn, of which

- Additional Tier 1: €1.5 to 2bn*
- Tier 2: €2 to 3bn*
- TLAC eligible senior debt**: –€10bn*

- Additional Tier 1: €1.3bn issued***

- Reminder: success of the AT1 issuance in USD on 23 March, 325 investors across Europe, Americas and Asia, \$1.5bn, perpetual Non Call 5, coupon of 7.625%

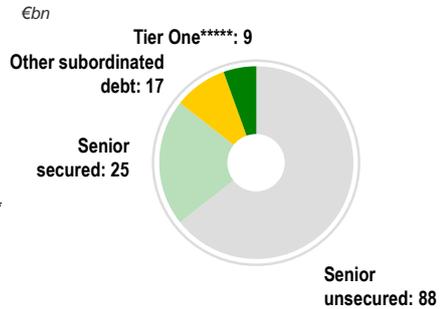
- Tier 2: €3.3bn issued***

- Mid-swap +204 bp on average, average maturity of ~10 years****

- Senior debt: €12.0bn issued***

- Average maturity of 6.4 years, mid-swap +61 bp on average
- Of which €5bn of senior unsecured debt eligible to the 2.5% MREL as at 01.01.2019

**Wholesale MLT funding structure
breakdown: €139bn as at 30.06.16**
(excluding TLTRO)



Issuance programme proceeding well despite volatile markets

* Depending on opportunities and market conditions; ** Including the part eligible to MREL (2.5% of risk-weighted assets as at 01/01/2019); *** As at 20 July 2016; **** Including the Tier 2 prefunding of €750m issued in November 2015; ***** Debt qualified prudentially as Tier 1 booked as subordinated debt or as equity



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Cost of Risk on Outstandings (1/2)

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

	2013	2014	1Q15	2Q15	3Q15	4Q15	2015	1Q16	2Q16
Domestic Markets*									
Loan outstandings as of the beg. of the quarter (€bn)	340.5	335.2	338.4	338.3	341.5	338.4	339.2	341.4	341.1
Cost of risk (€m)	1,848	2,074	490	433	419	471	1,812	399	388
Cost of risk (in annualised bp)	54	62	58	51	49	56	53	47	46
FRB*									
Loan outstandings as of the beg. of the quarter (€bn)	147.1	143.4	145.6	145.2	146.1	142.1	144.7	142.9	142.0
Cost of risk (€m)	343	402	89	87	79	88	343	73	72
Cost of risk (in annualised bp)	23	28	24	24	22	25	24	21	20
BNL bc*									
Loan outstandings as of the beg. of the quarter (€bn)	80.1	78.1	77.5	76.8	77.6	77.6	77.4	77.3	76.9
Cost of risk (€m)	1,205	1,398	321	318	309	300	1,248	274	242
Cost of risk (in annualised bp)	150	179	166	166	159	155	161	142	126
BRB*									
Loan outstandings as of the beg. of the quarter (€bn)	87.7	88.4	90.1	90.8	92.0	93.0	91.5	95.0	96.1
Cost of risk (€m)	142	131	34	2	-2	52	85	21	49
Cost of risk (in annualised bp)	16	15	15	1	-1	22	9	9	20

*With Private Banking at 100%



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Cost of Risk on Outstandings (2/2)

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

	2013	2014	1Q15	2Q15	3Q15	4Q15	2015	1Q16	2Q16
BancWest*									
Loan outstandings as of the beg. of the quarter (€bn)	41.8	43.3	50.5	57.1	55.7	56.8	55.0	60.1	58.0
Cost of risk (€m)	54	50	19	16	19	-4	50	25	23
Cost of risk (in annualised bp)	13	12	15	11	14	-3	9	16	16
Europe-Mediterranean*									
Loan outstandings as of the beg. of the quarter (€bn)	28.5	30.0	37.6	40.0	39.6	38.0	38.8	38.6	39.0
Cost of risk (€m)	272	357	150	109	112	96	466	96	87
Cost of risk (in annualised bp)	95	119	159	109	113	101	120	100	89
Personal Finance									
Loan outstandings as of the beg. of the quarter (€bn)	45.2	51.3	56.9	56.5	57.4	57.1	57.0	59.4	60.6
Cost of risk (€m)	1,098	1,095	292	288	287	309	1,176	221	248
Cost of risk (in annualised bp)	243	214	205	204	200	216	206	149	164
CIB - Corporate Banking									
Loan outstandings as of the beg. of the quarter (€bn)	106.0	105.3	113.6	118.8	118.7	114.9	116.5	117.9	118.2
Cost of risk (€m)	437	131	73	-55	50	69	138	55	42
Cost of risk (in annualised bp)	41	12	26	-18	17	24	12	19	14
Group**									
Loan outstandings as of the beg. of the quarter (€bn)	644.5	647.2	682.0	709.9	710.9	692.7	698.9	703.2	702.2
Cost of risk (€m)	3,801	3,705	1,044	903	882	968	3,797	757	791
Cost of risk (in annualised bp)	59	57	61	51	50	56	54	43	45

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



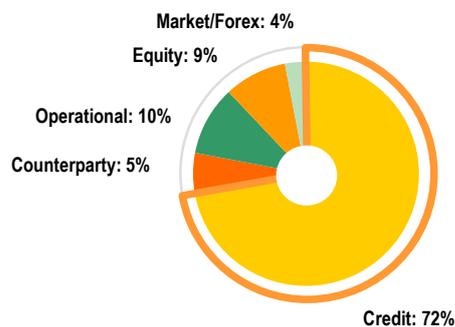
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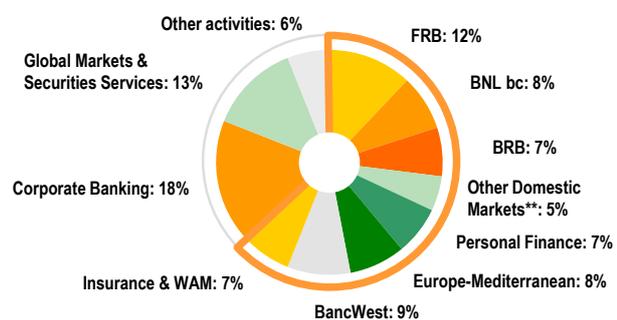
Basel 3* Risk-Weighted Assets

- Basel 3* risk-weighted assets: €636bn (€627bn as at 31.03.16)
 - Increase in risk-weighted assets on the back of higher business activity and foreign exchange effect

Basel 3* risk weighted assets by type of risk as at 30.06.2016



Basel 3* risk-weighted assets by business as at 30.06.2016



Retail Banking and Services: 63%

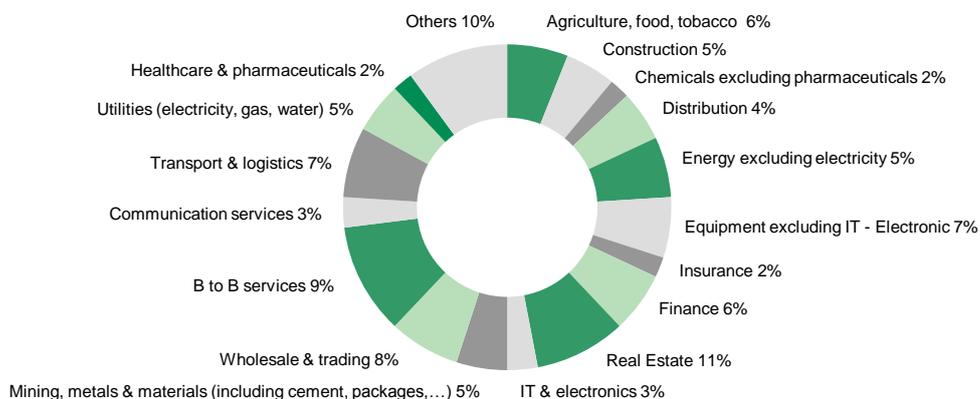
* CRD4 ; ** Including Luxembourg



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Breakdown of Commitments by Industry (Corporate Asset Class)



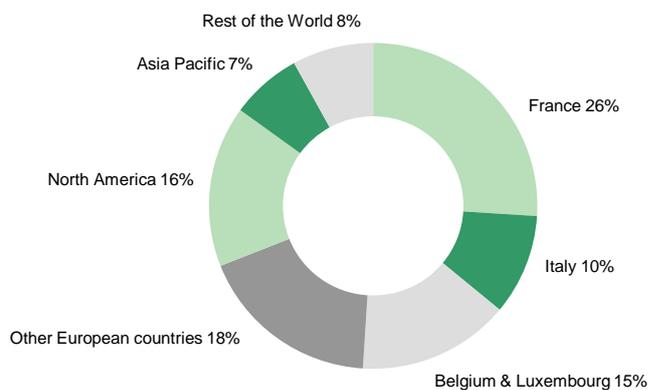
**Total gross commitments on and off-balance sheet, unweighted
(corporate asset class) = €597bn as at 30.06.2016**



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Breakdown of Commitments by Region



**Total gross commitments on and off balance sheet,
unweighted = €1,383bn as at 30.06.2016**



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CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	2Q16	2Q15	2Q16 / 2Q15	1Q16	2Q16 / 1Q16	1H16	1H15	1H16 / 1H15
Revenues	11,322	11,079	+2.2%	10,844	+4.4%	22,166	22,144	+0.1%
Operating Expenses and Dep.	-7,090	-7,083	+0.1%	-7,627	-7.0%	-14,717	-14,891	-1.2%
Gross Operating Income	4,232	3,996	+5.9%	3,217	+31.6%	7,449	7,253	+2.7%
Cost of Risk	-791	-903	-12.4%	-757	+4.5%	-1,548	-1,947	-20.5%
Operating Income	3,441	3,093	+11.3%	2,460	+39.9%	5,901	5,306	+11.2%
Share of Earnings of Equity-Method Entities	165	164	+0.6%	154	+7.1%	319	301	+6.0%
Other Non Operating Items	-81	428	n.s.	24	n.s.	-57	630	n.s.
Non Operating Items	84	592	-85.8%	178	-52.8%	262	931	-71.9%
Pre-Tax Income	3,525	3,685	-4.3%	2,638	+33.6%	6,163	6,237	-1.2%
Corporate Income Tax	-864	-1,035	-16.5%	-720	+20.0%	-1,584	-1,846	-14.2%
Net Income Attributable to Minority Interests	-101	-95	+6.3%	-104	-2.9%	-205	-188	+9.0%
Net Income Attributable to Equity Holders	2,560	2,555	+0.2%	1,814	+41.1%	4,374	4,203	+4.1%
Cost/Income	62.6%	63.9%	-1.3 pt	70.3%	-7.7 pt	66.4%	67.2%	-0.8 pt

BNP Paribas' financial disclosures for the second quarter 2016 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.

2Q16 – RESULTS BY CORE BUSINESSES

		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
<i>€m</i>							
Revenues		3,803	3,813	3,056	10,672	650	11,322
	%Change/2Q15	-1.0%	-1.5%	+1.4%	-0.5%	+84.7%	+2.2%
	%Change/1Q16	-1.1%	+3.2%	+13.8%	+4.4%	+5.3%	+4.4%
Operating Expenses and Dep.		-2,378	-2,303	-2,115	-6,795	-295	-7,090
	%Change/2Q15	+1.8%	+0.1%	+3.1%	+1.6%	-25.4%	+0.1%
	%Change/1Q16	-13.4%	-5.7%	-6.4%	-8.7%	+61.7%	-7.0%
Gross Operating Income		1,425	1,510	942	3,876	356	4,232
	%Change/2Q15	-5.4%	-3.9%	-2.2%	-4.0%	n.s.	+5.9%
	%Change/1Q16	+29.6%	+20.4%	n.s.	+39.4%	-18.4%	+31.6%
Cost of Risk		-385	-355	-46	-786	-5	-791
	%Change/2Q15	-10.9%	-17.9%	n.s.	-10.6%	-77.6%	-12.4%
	%Change/1Q16	-3.3%	+4.6%	+60.7%	+2.6%	n.s.	+4.5%
Operating Income		1,040	1,155	896	3,091	350	3,441
	%Change/2Q15	-3.1%	+1.4%	-5.5%	-2.2%	n.s.	+11.3%
	%Change/1Q16	+48.3%	+26.3%	n.s.	+53.3%	-21.2%	+39.9%
Share of Earnings of Equity-Method Entities		13	111	13	137	28	165
Other Non Operating Items		2	-4	-2	-4	-77	-81
Pre-Tax Income		1,055	1,262	907	3,224	301	3,525
	%Change/2Q15	-2.1%	-0.7%	-7.6%	-3.2%	-15.2%	-4.3%
	%Change/1Q16	+49.0%	+20.0%	n.s.	+49.1%	-36.7%	+33.6%

		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
<i>€m</i>							
Revenues		3,803	3,813	3,056	10,672	650	11,322
	2Q15	3,842	3,871	3,014	10,727	352	11,079
	1Q16	3,844	3,696	2,686	10,226	618	10,844
Operating Expenses and Dep.		-2,378	-2,303	-2,115	-6,795	-295	-7,090
	2Q15	-2,336	-2,300	-2,051	-6,688	-395	-7,083
	1Q16	-2,745	-2,442	-2,258	-7,445	-182	-7,627
Gross Operating Income		1,425	1,510	942	3,876	356	4,232
	2Q15	1,506	1,571	963	4,039	-43	3,996
	1Q16	1,099	1,254	428	2,782	435	3,217
Cost of Risk		-385	-355	-46	-786	-5	-791
	2Q15	-432	-432	-14	-879	-24	-903
	1Q16	-398	-339	-28	-766	9	-757
Operating Income		1,040	1,155	896	3,091	350	3,441
	2Q15	1,074	1,138	948	3,160	-67	3,093
	1Q16	701	915	400	2,016	444	2,460
Share of Earnings of Equity-Method Entities		13	111	13	137	28	165
	2Q15	9	131	13	152	12	164
	1Q16	9	127	-3	133	21	154
Other Non Operating Items		2	-4	-2	-4	-77	-81
	2Q15	-4	2	20	18	410	428
	1Q16	-2	10	6	14	10	24
Pre-Tax Income		1,055	1,262	907	3,224	301	3,525
	2Q15	1,078	1,271	981	3,331	354	3,685
	1Q16	708	1,052	403	2,163	475	2,638
Corporate Income Tax							-864
Net Income Attributable to Minority Interests							-101
Net Income Attributable to Equity Holders							2,560

1H16 – RESULTS BY CORE BUSINESSES

		Domestic Markets	International Financial Services	CIB	Operating Divisions	Other Activities	Group
<i>€m</i>							
Revenues		7,647	7,508	5,743	20,898	1,268	22,166
	%Change/1H2015	-0.2%	-1.1%	-9.2%	-3.2%	n.s.	+0.1%
Operating Expenses and Dep.		-5,123	-4,744	-4,373	-14,240	-477	-14,717
	%Change/1H2015	+2.0%	+1.2%	-3.4%	+0.0%	-27.0%	-1.2%
Gross Operating Income		2,524	2,764	1,370	6,658	791	7,449
	%Change/1H2015	-4.5%	-4.8%	-23.9%	-9.4%	n.s.	+2.7%
Cost of Risk		-783	-695	-74	-1,551	3	-1,548
	%Change/1H2015	-14.9%	-22.4%	-33.0%	-19.4%	n.s.	-20.5%
Operating Income		1,741	2,069	1,296	5,106	795	5,901
	%Change/1H2015	+1.1%	+3.0%	-23.3%	-5.8%	n.s.	+11.2%
Share of Earnings of Equity-Method Entities		22	239	10	270	49	319
Other Non Operating Items		0	6	4	10	-67	-57
Pre-Tax Income		1,763	2,314	1,310	5,387	776	6,163
	%Change/1H2015	+2.7%	+2.6%	-29.8%	-7.7%	+95.0%	-1.2%
Corporate Income Tax							-1,584
Net Income Attributable to Minority Interests							-205
Net Income Attributable to Equity Holders							4,374

QUARTERLY SERIES

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
GROUP						
Revenues	11,322	10,844	10,449	10,345	11,079	11,065
Operating Expenses and Dep.	-7,090	-7,627	-7,406	-6,957	-7,083	-7,808
Gross Operating Income	4,232	3,217	3,043	3,388	3,996	3,257
Cost of Risk	-791	-757	-968	-882	-903	-1,044
Costs related to the comprehensive settlement with US authorities	0	0	-100	0	0	0
Operating Income	3,441	2,460	1,975	2,506	3,093	2,213
Share of Earnings of Equity-Method Entities	165	154	154	134	164	137
Other Non Operating Items	-81	24	-656	29	428	202
Pre-Tax Income	3,525	2,638	1,473	2,669	3,685	2,552
Corporate Income Tax	-864	-720	-719	-770	-1,035	-811
Net Income Attributable to Minority Interests	-101	-104	-89	-73	-95	-93
Net Income Attributable to Equity Holders	2,560	1,814	665	1,826	2,555	1,648
Cost/Income	62.6%	70.3%	70.9%	67.2%	63.9%	70.6%

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
RETAIL BANKING & SERVICES Excluding PEL/CEL Effects						
Revenues	7,636	7,522	7,681	7,582	7,719	7,571
Operating Expenses and Dep.	-4,681	-5,187	-5,049	-4,701	-4,636	-5,074
Gross Operating Income	2,956	2,335	2,632	2,881	3,082	2,496
Cost of Risk	-740	-738	-882	-837	-865	-950
Operating Income	2,216	1,598	1,750	2,045	2,218	1,546
Share of Earnings of Equity-Method Entities	124	136	138	117	139	115
Other Non Operating Items	-2	8	-8	20	-2	-10
Pre-Tax Income	2,339	1,742	1,881	2,182	2,355	1,651
Allocated Equity (€bn, year to date)	48.6	48.7	48.4	48.4	48.3	47.7

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
RETAIL BANKING & SERVICES						
Revenues	7,615	7,540	7,685	7,580	7,713	7,543
Operating Expenses and Dep.	-4,681	-5,187	-5,049	-4,701	-4,636	-5,074
Gross Operating Income	2,935	2,353	2,637	2,879	3,077	2,469
Cost of Risk	-740	-738	-882	-837	-865	-950
Operating Income	2,195	1,616	1,755	2,042	2,212	1,519
Share of Earnings of Equity-Method Entities	124	136	138	117	139	115
Other Non Operating Items	-2	8	-8	20	-2	-10
Pre-Tax Income	2,318	1,760	1,885	2,180	2,349	1,623
Allocated Equity (€bn, year to date)	48.6	48.7	48.4	48.4	48.3	47.7

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
DOMESTIC MARKETS (including 100% of Private Banking in France, Italy, Belgium and Luxembourg)* Excluding PEL/CEL Effects						
Revenues	3,962	3,963	3,905	3,920	3,982	3,991
Operating Expenses and Dep.	-2,449	-2,818	-2,713	-2,526	-2,398	-2,755
Gross Operating Income	1,513	1,145	1,191	1,394	1,584	1,235
Cost of Risk	-388	-399	-471	-419	-433	-490
Operating Income	1,124	746	721	975	1,152	745
Share of Earnings of Equity-Method Entities	13	9	22	14	9	5
Other Non Operating Items	2	-2	-7	-7	-4	-15
Pre-Tax Income	1,140	753	735	981	1,156	736
Income Attributable to Wealth and Asset Management	-63	-63	-60	-71	-72	-70
Pre-Tax Income of Domestic Markets	1,076	690	675	911	1,084	666
Allocated Equity (€bn, year to date)	22.9	22.9	22.7	22.6	22.6	22.6

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
DOMESTIC MARKETS (including 2/3 of Private Banking in France, Italy, Belgium and Luxembourg)						
Revenues	3,803	3,844	3,782	3,781	3,842	3,821
Operating Expenses and Dep.	-2,378	-2,745	-2,646	-2,459	-2,336	-2,685
Gross Operating Income	1,425	1,099	1,137	1,322	1,506	1,136
Cost of Risk	-385	-398	-471	-420	-432	-488
Operating Income	1,040	701	666	902	1,074	648
Share of Earnings of Equity-Method Entities	13	9	21	14	9	5
Other Non Operating Items	2	-2	-7	-7	-4	-15
Pre-Tax Income	1,055	708	680	908	1,078	638
Allocated Equity (€bn, year to date)	22.9	22.9	22.7	22.6	22.6	22.6

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

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
FRENCH RETAIL BANKING (including 100% of Private Banking in France)*						
Revenues	1,587	1,661	1,608	1,649	1,663	1,646
<i>Incl. Net Interest Income</i>	879	972	951	959	929	934
<i>Incl. Commissions</i>	709	689	657	690	734	713
Operating Expenses and Dep.	-1,106	-1,173	-1,207	-1,172	-1,097	-1,164
Gross Operating Income	481	488	401	477	565	483
Cost of Risk	-72	-73	-88	-79	-87	-89
Operating Income	408	415	313	398	478	394
Non Operating Items	1	1	1	1	1	1
Pre-Tax Income	409	416	314	398	479	395
Income Attributable to Wealth and Asset Management	-32	-39	-34	-41	-43	-42
Pre-Tax Income of French Retail Banking	377	377	281	358	436	353
Allocated Equity (€bn, year to date)	8.5	8.6	8.3	8.3	8.3	8.3

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
FRENCH RETAIL BANKING (including 100% of Private Banking in France)* Excluding PEL/CEL Effects**						
Revenues	1,608	1,643	1,603	1,651	1,668	1,674
<i>Incl. Net Interest Income</i>	900	954	946	961	935	961
<i>Incl. Commissions</i>	709	689	657	690	734	713
Operating Expenses and Dep.	-1,106	-1,173	-1,207	-1,172	-1,097	-1,164
Gross Operating Income	502	470	396	479	571	510
Cost of Risk	-72	-73	-88	-79	-87	-89
Operating Income	430	397	308	400	484	422
Non Operating Items	1	1	1	1	1	1
Pre-Tax Income	430	398	309	401	485	422
Income Attributable to Wealth and Asset Management	-32	-39	-34	-41	-43	-42
Pre-Tax Income of French Retail Banking	398	359	276	360	442	380
Allocated Equity (€bn, year to date)	8.5	8.6	8.3	8.3	8.3	8.3

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
FRENCH RETAIL BANKING (including 2/3 of Private Banking in France)						
Revenues	1,516	1,588	1,539	1,576	1,588	1,570
Operating Expenses and Dep.	-1,068	-1,139	-1,173	-1,141	-1,065	-1,130
Gross Operating Income	448	450	367	436	523	440
Cost of Risk	-72	-73	-87	-79	-87	-88
Operating Income	376	377	280	357	436	352
Non Operating Items	1	1	1	1	1	1
Pre-Tax Income	377	377	281	358	436	353
Allocated Equity (€bn, year to date)	8.5	8.6	8.3	8.3	8.3	8.3

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

** Reminder on PEL/CEL provision: this provision takes into account the risk generated by Plans Epargne Logement (PEL) and Comptes Epargne Logement (CEL) during their whole lifetime.

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
PEL/CEL effects	-21	18	5	-2	-6	-28

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
BNL banca commerciale (Including 100% of Private Banking in Italy)*						
Revenues	749	737	781	763	797	809
Operating Expenses and Dep.	-433	-462	-550	-446	-443	-464
Gross Operating Income	317	275	230	317	354	345
Cost of Risk	-242	-274	-300	-309	-318	-321
Operating Income	74	1	-70	8	36	24
Non Operating Items	0	0	0	0	0	-1
Pre-Tax Income	74	1	-70	8	36	23
Income Attributable to Wealth and Asset Management	-9	-10	-10	-9	-11	-10
Pre-Tax Income of BNL bc	65	-8	-80	-1	24	13
Allocated Equity (€bn, year to date)	5.9	6.0	6.5	6.5	6.5	6.6

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
BNL banca commerciale (Including 2/3 of Private Banking in Italy)						
Revenues	730	718	762	745	777	790
Operating Expenses and Dep.	-423	-453	-541	-437	-434	-455
Gross Operating Income	307	265	221	308	342	335
Cost of Risk	-242	-274	-301	-309	-318	-321
Operating Income	65	-8	-80	-1	24	14
Non Operating Items	0	0	0	0	0	-1
Pre-Tax Income	65	-8	-80	-1	24	13
Allocated Equity (€bn, year to date)	5.9	6.0	6.5	6.5	6.5	6.6

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
BELGIAN RETAIL BANKING (Including 100% of Private Banking in Belgium)*						
Revenues	923	917	882	880	893	897
Operating Expenses and Dep.	-555	-791	-588	-576	-525	-773
Gross Operating Income	367	126	295	305	368	123
Cost of Risk	-49	-21	-52	2	-2	-34
Operating Income	318	106	243	306	366	90
Share of Earnings of Equity-Method Entities	5	-4	3	3	5	-1
Other Non Operating Items	0	0	5	-7	-4	-13
Pre-Tax Income	323	102	250	303	367	76
Income Attributable to Wealth and Asset Management	-21	-14	-14	-20	-17	-17
Pre-Tax Income of Belgian Retail Banking	302	88	235	283	350	60
Allocated Equity (€bn, year to date)	4.7	4.6	4.5	4.5	4.5	4.4

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
BELGIAN RETAIL BANKING (Including 2/3 of Private Banking in Belgium)						
Revenues	878	875	846	838	856	852
Operating Expenses and Dep.	-534	-763	-565	-551	-506	-747
Gross Operating Income	344	112	280	286	350	105
Cost of Risk	-46	-20	-52	0	-1	-32
Operating Income	297	92	228	286	349	73
Share of Earnings of Equity-Method Entities	5	-4	3	3	5	-1
Other Non Operating Items	0	0	5	-7	-4	-13
Pre-Tax Income	302	88	235	283	350	60
Allocated Equity (€bn, year to date)	4.7	4.6	4.5	4.5	4.5	4.4

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

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 100% of Private Banking in Luxembourg)*						
Revenues	681	666	638	625	624	611
Operating Expenses and Dep.	-355	-393	-368	-332	-332	-354
Gross Operating Income	327	273	270	293	292	257
Cost of Risk	-25	-31	-31	-33	-26	-47
Operating Income	302	242	240	260	266	210
Share of Earnings of Equity-Method Entities	8	12	18	10	3	5
Other Non Operating Items	3	-2	-13	0	0	-1
Pre-Tax Income	312	252	245	270	269	214
Income Attributable to Wealth and Asset Management	-1	-1	-1	-1	-1	-1
Pre-Tax Income of Other Domestic Markets	311	251	244	269	267	213
Allocated Equity (€bn, year to date)	3.8	3.8	3.5	3.4	3.4	3.3

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
OTHER DOMESTIC MARKETS ACTIVITIES INCLUDING LUXEMBOURG (Including 2/3 of Private Banking in Luxembourg)						
Revenues	679	663	636	622	621	608
Operating Expenses and Dep.	-353	-391	-366	-330	-331	-353
Gross Operating Income	326	272	269	292	290	255
Cost of Risk	-25	-31	-31	-33	-26	-47
Operating Income	301	241	238	259	265	209
Share of Earnings of Equity-Method Entities	8	12	18	10	3	5
Other Non Operating Items	3	-2	-13	0	0	-1
Pre-Tax Income	311	251	244	269	267	213
Allocated Equity (€bn, year to date)	3.8	3.8	3.5	3.4	3.4	3.3

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

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
INTERNATIONAL FINANCIAL SERVICES						
Revenues	3,813	3,696	3,903	3,799	3,871	3,722
Operating Expenses and Dep.	-2,303	-2,442	-2,403	-2,242	-2,300	-2,389
Gross Operating Income	1,510	1,254	1,500	1,558	1,571	1,333
Cost of Risk	-355	-339	-411	-417	-432	-462
Operating Income	1,155	915	1,089	1,141	1,138	871
Share of Earnings of Equity-Method Entities	111	127	117	103	131	109
Other Non Operating Items	-4	10	0	27	2	5
Pre-Tax Income	1,262	1,052	1,206	1,272	1,271	985
Allocated Equity (€bn, year to date)	25.7	25.8	25.7	25.7	25.7	25.0
€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
PERSONAL FINANCE						
Revenues	1,168	1,149	1,161	1,174	1,164	1,161
Operating Expenses and Dep.	-547	-609	-580	-545	-581	-609
Gross Operating Income	621	540	581	629	583	552
Cost of Risk	-248	-221	-309	-287	-288	-292
Operating Income	373	319	273	342	295	260
Share of Earnings of Equity-Method Entities	-8	13	21	22	15	17
Other Non Operating Items	-1	1	-1	0	2	-2
Pre-Tax Income	364	333	293	364	312	276
Allocated Equity (€bn, year to date)	4.8	4.8	4.5	4.5	4.4	4.2
€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
EUROPE-MEDITERRANEAN (Including 100% of Private Banking in Turkey)*						
Revenues	616	608	626	617	663	609
Operating Expenses and Dep.	-429	-432	-444	-404	-408	-452
Gross Operating Income	187	176	183	213	255	158
Cost of Risk	-87	-96	-96	-112	-109	-150
Operating Income	100	80	87	101	146	8
Share of Earnings of Equity-Method Entities	53	50	46	44	42	42
Other Non Operating Items	-4	2	1	0	-2	1
Pre-Tax Income	149	132	134	145	186	51
Income Attributable to Wealth and Asset Management	-1	-1	-1	-1	-1	-1
Pre-Tax Income of EUROPE-MEDITERRANEAN	149	132	133	145	185	51
Allocated Equity (€bn, year to date)	5.2	5.1	5.4	5.4	5.4	5.3
€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
EUROPE-MEDITERRANEAN (Including 2/3 of Private Banking in Turkey)						
Revenues	614	606	625	614	661	607
Operating Expenses and Dep.	-428	-431	-442	-403	-406	-450
Gross Operating Income	187	176	182	212	254	157
Cost of Risk	-87	-96	-96	-112	-109	-150
Operating Income	100	80	86	100	145	8
Share of Earnings of Equity-Method Entities	53	50	46	44	42	42
Other Non Operating Items	-4	2	1	0	-2	1
Pre-Tax Income	149	132	133	145	185	51
Allocated Equity (€bn, year to date)	5.2	5.1	5.4	5.4	5.4	5.3

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

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
BANCWEST (Including 100% of Private Banking in United States)*						
Revenues	688	773	735	702	731	667
Operating Expenses and Dep.	-482	-534	-481	-465	-466	-470
Gross Operating Income	207	239	253	237	265	197
Cost of Risk	-23	-25	4	-19	-16	-19
Operating Income	184	214	257	218	249	178
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0
Other Non Operating Items	1	10	2	25	1	3
Pre-Tax Income	184	225	260	243	250	180
Income Attributable to Wealth and Asset Management	-3	-3	-3	-3	-2	-2
Pre-Tax Income of BANCWEST	181	221	257	240	248	178
Allocated Equity (€bn, year to date)	6.3	6.4	6.3	6.3	6.3	6.0
€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
BANCWEST (Including 2/3 of Private Banking in United States)						
Revenues	677	762	724	692	721	658
Operating Expenses and Dep.	-474	-526	-474	-457	-459	-463
Gross Operating Income	203	236	250	234	262	195
Cost of Risk	-23	-25	4	-19	-16	-19
Operating Income	180	211	255	215	247	175
Non Operating Items	1	10	2	25	1	3
Pre-Tax Income	181	221	257	240	248	178
Allocated Equity (€bn, year to date)	6.3	6.4	6.3	6.3	6.3	6.0
€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
INSURANCE						
Revenues	611	456	604	579	562	575
Operating Expenses and Dep.	-278	-309	-302	-278	-276	-301
Gross Operating Income	333	147	302	301	286	275
Cost of Risk	1	-1	-4	2	-4	0
Operating Income	334	146	298	304	282	275
Share of Earnings of Equity-Method Entities	54	55	40	28	60	42
Other Non Operating Items	0	-3	-1	0	1	0
Pre-Tax Income	387	199	337	332	343	316
Allocated Equity (€bn, year to date)	7.4	7.4	7.4	7.3	7.3	7.3
€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
WEALTH AND ASSET MANAGEMENT						
Revenues	743	723	789	739	764	720
Operating Expenses and Dep.	-577	-567	-605	-558	-579	-566
Gross Operating Income	166	156	184	181	185	154
Cost of Risk	3	3	-7	-1	-16	-1
Operating Income	169	159	177	180	169	153
Share of Earnings of Equity-Method Entities	13	8	11	10	14	8
Other Non Operating Items	0	0	-3	2	0	3
Pre-Tax Income	181	167	185	191	183	165
Allocated Equity (€bn, year to date)	2.1	2.1	2.2	2.2	2.2	2.2

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

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
CORPORATE AND INSTITUTIONAL BANKING						
Revenues	3,056	2,686	2,612	2,567	3,014	3,313
Operating Expenses and Dep.	-2,115	-2,258	-1,976	-1,955	-2,051	-2,475
Gross Operating Income	942	428	636	612	963	838
Cost of Risk	-46	-28	-63	-40	-14	-96
Operating Income	896	400	574	572	948	742
Share of Earnings of Equity-Method Entities	13	-3	10	2	13	8
Other Non Operating Items	-2	6	-27	-2	20	136
Pre-Tax Income	907	403	558	573	981	885
Allocated Equity (€bn, year to date)	22.0	21.9	21.6	21.6	21.5	20.6
€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
CORPORATE BANKING						
Revenues	1,037	929	1,126	877	1,015	988
Operating Expenses and Dep.	-601	-693	-606	-584	-611	-669
Gross Operating Income	436	236	520	293	404	319
Cost of Risk	-42	-55	-69	-50	55	-73
Operating Income	394	181	451	243	459	246
Non Operating Items	2	0	-10	-1	32	139
Pre-Tax Income	396	181	441	242	491	385
Allocated Equity (€bn, year to date)	12.3	12.2	11.4	11.4	11.3	11.0
€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
GLOBAL MARKETS						
Revenues	1,558	1,318	1,053	1,245	1,526	1,886
<i>incl. FICC</i>	<i>1,050</i>	<i>890</i>	<i>682</i>	<i>766</i>	<i>900</i>	<i>1,159</i>
<i>incl. Equity & Prime Services</i>	<i>509</i>	<i>428</i>	<i>371</i>	<i>478</i>	<i>626</i>	<i>728</i>
Operating Expenses and Dep.	-1,139	-1,184	-980	-1,001	-1,073	-1,450
Gross Operating Income	419	134	73	243	453	436
Cost of Risk	-4	27	4	11	-72	-23
Operating Income	415	160	77	254	380	413
Share of Earnings of Equity-Method Entities	11	-4	6	4	2	6
Other Non Operating Items	-2	6	-12	-2	0	-1
Pre-Tax Income	424	163	72	256	382	418
Allocated Equity (€bn, year to date)	9.0	9.1	9.5	9.5	9.5	9.0
€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
SECURITIES SERVICES						
Revenues	461	440	433	444	473	439
Operating Expenses and Dep.	-374	-382	-390	-369	-368	-356
Gross Operating Income	87	59	43	75	106	83
Cost of Risk	1	0	3	0	3	0
Operating Income	88	59	45	75	109	83
Non Operating Items	0	0	0	0	0	0
Pre-Tax Income	87	59	45	75	109	83
Allocated Equity (€bn, year to date)	0.7	0.7	0.7	0.7	0.7	0.6

€m	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
CORPORATE CENTRE						
Revenues	650	618	151	198	352	209
Operating Expenses and Dep.	-295	-182	-381	-302	-395	-258
<i>Incl. Restructuring and Transformation Costs</i>	-108	-46	-286	-160	-217	-130
Gross Operating Income	356	435	-230	-103	-43	-50
Cost of Risk	-5	9	-24	-6	-24	2
Costs related to the comprehensive settlement with US authorities	0	0	-100	0	0	0
Operating Income	350	444	-354	-109	-67	-47
Share of Earnings of Equity-Method Entities	28	21	5	14	12	15
Other Non Operating Items	-77	10	-622	11	410	76
Pre-Tax Income	301	475	-970	-84	354	43

Alternative Performance Measures (APM)

Article 223-1 of the AMF’s General Regulation

Alternative Measures	Performance	Definition	Reason for use
Revenues of the operating divisions		Sum of the revenues of Domestic Markets, IFS and CIB Revenues for BNP Paribas Group = Revenues of the operating divisions + Revenues of Corporate Centre	Representative measure of the BNP Paribas Group’s operating performance
Revenues excluding PEL/CEL effects		Revenues excluding PEL/CEL effects	Representative measure of the revenues of the period excluding changes in the provision that accounts for the risk generated by PEL and CEL accounts during their lifetime
Profit & Loss account of retail banking activity with 100% of Private Banking		Profit & Loss account of a retail banking activity including the whole Profit & Loss account of private banking	Representative measure of the performance of retail banking activity including the total performance of private banking (before sharing the profit & loss account with the Wealth Management business, private banking being under a joint responsibility of retail banking (2/3) and Wealth Management business (1/3))
Cost of risk/Customer loans at the beginning of the period (in basis points)		Cost of risk (in €m) divided by customer loans at the beginning of the period	Measure of the risk level by business in percentage of the volume of outstanding loans
Net income Group share excluding exceptional items		Net income attributable to equity holders excluding exceptional items	Measure of BNP Paribas Group’s net income excluding non-recurring items of a significant amount or items that do not reflect the underlying operating performance, notably Own Credit valuation Adjustments for debts (OCA) and for derivatives (Debit Valuation Adjustment - DVA) as well as transformation and restructuring costs
Return on Equity (ROE) excluding exceptional items		Annualised net income Group share excluding exceptional items and remuneration of Undated Super Subordinated Notes divided by the average of permanent shareholders’ equity of the period (shareholders’ equity Group share excluding changes in assets and liabilities recognized directly in equity, Undated Super Subordinated Notes and anticipation of the dividend to be distributed)	Measure of the BNP Paribas Group’s return on equity excluding non-recurring items of a significant amount or items that do not reflect the operating performance, notably Own Credit valuation Adjustments for debts (OCA) and for derivatives (Debit Valuation Adjustment - DVA) as well as transformation and restructuring costs
Return on Tangible Equity (ROTE) excluding exceptional items		Annualised net income Group share excluding exceptional items and remuneration of Undated Super Subordinated Notes divided by the average of tangible permanent shareholders’ equity of the period (permanent shareholders’ equity less goodwill and intangible assets)	Measure of the BNP Paribas Group’s return on tangible equity excluding non recurring items of a significant amount or items that do not reflect the operating performance, notably Own Credit valuation Adjustments for debts (OCA) and for derivatives (Debit Valuation Adjustment - DVA) as well as transformation and restructuring costs

Reminder

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

Operating divisions: they consist of 3 divisions:

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

1.3 Long term credit ratings

Long Term/Short Term Rating	S&P	Fitch	Moody's	DBRS
As at 3 May 2016	A/A-1 (stable outlook)	A+/F1 (stable outlook)	A1/Prime-1 (stable outlook)	AA (low)/R-1 (middle) (stable outlook)
As at 1 August 2016	A/A-1 (stable outlook)	A+/F1 (stable outlook)	A1/Prime-1 (stable outlook)	AA (low)/R-1 (middle) (stable outlook)
Date of last review	11 March 2016	14 June 2016	28 May 2015	29 September 2015

1.4 Related parties

There has been no significant change in BNP Paribas' main related party transactions relative to those described in note 8.h of its consolidated financial statements for the financial year ending on 31 December 2015.

1.5 Risk factors

Save as disclosed in this document, there has been no significant change in BNP Paribas' risk factors relative to those described in chapters 5.1 to 5.11 of the 2015 Registration document and annual financial report.

1.6 Recent events

Save as disclosed in this document, no significant event that may appear in this section has occurred since the first update to the 2015 Registration document and annual financial report was issued on 3 May 2016.

2. Governance

2.1 The Board of Directors

Jean LEMIERRE
 Jean-Laurent BONNAFE
Pierre André DE CHALENDAR
Monique COHEN
Marion GUILLOU
Denis KESSLER
Jean-François LEPETIT
 Nicole MISSON
Laurence PARISOT
 Wouter DE PLOEY
Daniela SCHWARZER
Michel TILMANT
 Sandrine VERRIER
Fields WICKER-MIURIN

The names of Directors that validate the independence criteria contained in the Afep-Medef Corporate Governance Code are written in italics.

2.2 The Executive Committee

As at 1 August 2016, the BNP Paribas Executive Committee had the following members:

Jean-Laurent Bonnafé, Director and Chief Executive Officer;
Philippe Bordenave, Chief Operating Officer;
Jacques d’Estais, Deputy Chief Operating Officer, International Financial Services;
Michel Konczaty, Deputy Chief Operating Officer;
Thierry Laborde, Deputy Chief Operating Officer; Domestic Markets;
Alain Papiasse, Deputy Chief Operating Officer, North America, Corporate and Institutional Banking;
Marie-Claire Capobianco, Head of French Retail Banking;
Laurent David, Head of BNP Paribas Personal Finance;
Stefaan Decraene, Head of International Retail Banking;
Renaud Dumora, Chief Executive Officer of BNP Paribas Cardif;
Yann Gérardin, Head of Corporate and Institutional Banking;
Maxime Jadot, Head of BNP Paribas Fortis;
Éric Martin, Head of Compliance;
Yves Martrenchar, Head of Group Human Resources;
Andrea Munari, Country Head for Italy, and Director and Chief Executive officer of BNL;
Éric Raynaud, Head of the Asia Pacific region;
Frank Roncey, Head of Risk;
Thierry Varène, Head of Key Accounts, Chairman of Corporate Clients Financing and Advisory EMEA.

The Executive Committee of BNP Paribas has been assisted by a permanent secretariat since November 2007.

3. Financial information as at 30 june 2016

3.1 Consolidated financial statements as at 30 june 2016

CONSOLIDATED FINANCIAL STATEMENTS
--

PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2016
STATEMENT OF NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED
DIRECTLY IN EQUITY
BALANCE SHEET AT 30 JUNE 2016
CASH FLOW STATEMENT FOR THE FIRST HALF OF 2016
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY BETWEEN 1 JAN. 2015 AND 30 JUNE
2016

NOTES TO THE FINANCIAL STATEMENTS
--

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE GROUP

- 1.a Accounting standards
- 1.b Consolidation
- 1.c Financial assets and financial liabilities
- 1.d Accounting standards specific to the insurance business
- 1.e Property, plant, equipment and intangible assets
- 1.f Leases
- 1.g Non-current assets held for sale and discontinued operations
- 1.h Employee benefits
- 1.i Share-based payments
- 1.j Provisions recorded under liabilities
- 1.k Current and deferred taxes
- 1.l Cash flow statement
- 1.m Use of estimates in the preparation of the financial statements

2. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2016

- 2.a Net interest income
- 2.b Commission income and expense
- 2.c Net gain on financial instruments at fair value through profit or loss
- 2.d Net gain on available-for-sale financial assets and other financial assets not measured at fair value
- 2.e Net income from other activities
- 2.f Cost of risk
- 2.g Corporate income tax

3. SEGMENT INFORMATION

4. NOTES TO THE BALANCE SHEET AT 30 JUNE 2016

- 4.a Financial assets, financial liabilities and derivatives at fair value through profit or loss
- 4.b Available-for-sale financial assets
- 4.c Measurement of the fair value of financial instruments
- 4.d Interbank and money-market items
- 4.e Customer items
- 4.f Debt securities and subordinated debt
- 4.g Current and deferred taxes
- 4.h Accrued income/expense and other assets/liabilities
- 4.i Goodwill
- 4.j Provisions for contingencies and charges
- 4.k Offsetting of financial assets and liabilities

5. ADDITIONAL INFORMATION

- 5.a Changes in share capital and earnings per share
- 5.b Contingent liabilities : legal proceedings and arbitration
- 5.c Business combinations
- 5.d Minority interests
- 5.e Fair value of financial instruments carried at amortised cost
- 5.f Scope of consolidation

CONSOLIDATED FINANCIAL STATEMENTS

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

The consolidated financial statements of the BNP Paribas Group are presented for the first halves of 2016 and 2015. In accordance with Article 20.1 of Annex I of European Commission Regulation (EC) 809/2004, the consolidated financial statements for the first half of 2014 are provided in the update, registered on 3 August 2015 under number D. 15-0107-A02, to the registration document filed with the Autorité des Marchés Financiers on 6 March 2015 under number D.15-0107.

PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2016

In millions of euros	Notes	First half 2016	First half 2015
Interest income	2.a	20,144	21,946
Interest expense	2.a	(8,829)	(10,818)
Commission income	2.b	6,285	6,772
Commission expense	2.b	(2,715)	(2,922)
Net gain on financial instruments at fair value through profit or loss	2.c	2,919	3,557
Net gain on available-for-sale financial assets and other financial assets not measured at fair value	2.d	1,649	976
Income from other activities	2.e	18,478	22,283
Expense on other activities	2.e	(15,765)	(19,650)
REVENUES		22,166	22,144
Salary and employee benefit expense		(8,049)	(8,236)
Other operating expenses		(5,864)	(5,849)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		(804)	(806)
GROSS OPERATING INCOME		7,449	7,253
Cost of risk	2.f	(1,548)	(1,947)
Costs related to the comprehensive settlement with US authorities		-	-
OPERATING INCOME		5,901	5,306
Share of earnings of equity-method entities		319	301
Net gain on non-current assets		(3)	630
Goodwill		(54)	-
PRE-TAX INCOME		6,163	6,237
Corporate income tax	2.g	(1,584)	(1,846)
NET INCOME		4,579	4,391
Net income attributable to minority interests		205	188
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		4,374	4,203
Basic earnings per share	5.a	3.43	3.22
Diluted earnings per share	5.a	3.43	3.22

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

In millions of euros	First half 2016	First half 2015
Net income for the period	4,579	4,391
Changes in assets and liabilities recognised directly in equity	(275)	794
Items that are or may be reclassified to profit or loss	305	525
- Changes in exchange rate items	29	1,023
- Changes in fair value of available-for-sale financial assets, including those reclassified as loans and receivables	750	(57)
- Changes in fair value of available-for-sale financial assets reported in net income, including those reclassified as loans and receivables	(866)	(443)
- Changes in fair value of hedging instruments	458	(240)
- Changes in fair value of hedging instruments reported in net income	(21)	(3)
- Changes in equity-method investments	(45)	245
Items that will not be reclassified to profit or loss	(580)	269
- Remeasurement gains (losses) related to post-employment benefit plans	(568)	263
- Changes in equity-method investments	(12)	6
Total	4,304	5,185
- Attributable to equity shareholders	4,105	4,962
- Attributable to minority interests	199	223

BALANCE SHEET AT 30 JUNE 2016

In millions of euros	Notes	30 June 2016	31 December 2015
ASSETS			
Cash and amounts due from central banks		147,834	134,547
Financial instruments at fair value through profit or loss			
Trading securities	4.a	150,090	133,500
Loans and repurchase agreements	4.a	173,341	131,783
Instruments designated as at fair value through profit or loss	4.a	82,614	83,076
Derivative financial instruments	4.a	383,444	336,624
Derivatives used for hedging purposes		21,927	18,063
Available-for-sale financial assets	4.b	265,409	258,933
Loans and receivables due from credit institutions	4.d	55,967	43,427
Loans and receivables due from customers	4.e	693,304	682,497
Remeasurement adjustment on interest-rate risk hedged portfolios		6,287	4,555
Held-to-maturity financial assets		7,085	7,757
Current and deferred tax assets	4.g	7,482	7,865
Accrued income and other assets	4.h	133,685	108,018
Equity-method investments		6,706	6,896
Investment property		1,902	1,639
Property, plant and equipment		21,589	21,593
Intangible assets		3,207	3,104
Goodwill	4.i	10,116	10,316
TOTAL ASSETS		2,171,989	1,994,193
LIABILITIES			
Due to central banks		3,666	2,385
Financial instruments at fair value through profit or loss			
Trading securities	4.a	83,056	82,544
Borrowings and repurchase agreements	4.a	205,223	156,771
Instruments designated as at fair value through profit or loss	4.a	50,806	53,118
Derivative financial instruments	4.a	373,192	325,828
Derivatives used for hedging purposes		22,806	21,068
Due to credit institutions	4.d	98,508	84,146
Due to customers	4.e	725,596	700,309
Debt securities	4.f	166,452	159,447
Remeasurement adjustment on interest-rate risk hedged portfolios		6,254	3,946
Current and deferred tax liabilities	4.g	3,741	2,993
Accrued expenses and other liabilities	4.h	110,809	88,629
Technical reserves of insurance companies		190,054	185,043
Provisions for contingencies and charges	4.j	11,915	11,345
Subordinated debt	4.f	18,471	16,544
TOTAL LIABILITIES		2,070,549	1,894,116
CONSOLIDATED EQUITY			
Share capital, additional paid-in capital and retained earnings		86,092	82,839
Net income for the period attributable to shareholders		4,374	6,694
Total capital, retained earnings and net income for the period attributable to shareholders		90,466	89,533
Changes in assets and liabilities recognised directly in equity		7,043	6,736
Shareholders' equity		97,509	96,269
Retained earnings and net income for the period attributable to minority interests		3,816	3,691
Changes in assets and liabilities recognised directly in equity		115	117
Total minority interests		3,931	3,808
TOTAL CONSOLIDATED EQUITY		101,440	100,077
TOTAL LIABILITIES AND EQUITY		2,171,989	1,994,193

CASH FLOW STATEMENT FOR THE FIRST HALF OF 2016

In millions of euros	Notes	First half 2016	First half 2015
Pre-tax income		6,163	6,237
Non-monetary items included in pre-tax net income and other adjustments		6,856	12,049
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		2,135	1,813
Impairment of goodwill and other non-current assets		34	(12)
Net addition to provisions		5,000	7,423
Share of earnings of equity-method entities		(319)	(301)
Net expense (income) from investing activities		20	(584)
Net expense from financing activities		1,437	1,085
Other movements		(1,451)	2,625
Net decrease in cash related to assets and liabilities generated by operating activities		(2,982)	(38,960)
Net increase (decrease) in cash related to transactions with credit institutions		(3,126)	6,245
Net increase in cash related to transactions with customers		22,120	4,729
Net decrease in cash related to transactions involving other financial assets and liabilities		(18,979)	(46,550)
Net decrease in cash related to transactions involving non-financial assets and liabilities		(2,435)	(1,802)
Taxes paid		(562)	(1,582)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		10,037	(20,674)
Net increase (decrease) in cash related to acquisitions and disposals of consolidated entities		(6)	569
Net decrease related to property, plant and equipment and intangible assets		(709)	(790)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO INVESTING ACTIVITIES		(715)	(221)
Decrease in cash and equivalents related to transactions with shareholders		(2,193)	(1,967)
Decrease in cash and equivalents generated by other financing activities		(3,647)	(1,419)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO FINANCING ACTIVITIES		(5,840)	(3,386)
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS		2,852	6,840
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS		6,334	(17,441)
Balance of cash and equivalent accounts at the start of the period		133,174	111,993
Cash and amounts due from central banks		134,547	117,473
Due to central banks		(2,385)	(1,680)
On demand deposits with credit institutions	4.d	9,346	7,924
On demand loans from credit institutions	4.d	(8,527)	(11,618)
Deduction of receivables and accrued interest on cash and equivalents		193	(106)
Balance of cash and equivalent accounts at the end of the period		139,508	94,552
Cash and amounts due from central banks		147,834	99,423
Due to central banks		(3,666)	(5,841)
On demand deposits with credit institutions	4.d	8,475	10,356
On demand loans from credit institutions	4.d	(13,004)	(9,365)
Deduction of receivables and accrued interest on cash and equivalents		(131)	(21)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS		6,334	(17,441)

STATEMENT OF CHANGES IN SHAREHOLDERS'

In millions of euros	Capital and retained earnings						
	Attributable to shareholders				Minority interests		
	Share capital and additional paid-in capital	Undated Super Subordinated Notes	Non-distributed reserves	Total	Capital and retained earnings	Preferred shares eligible as Tier 1 capital	Total
Capital and retained earnings at 31 December 2014	26,971	6,589	49,807	83,367	4,025	73	4,098
Appropriation of net income for 2014			(1,867)	(1,867)	(120)		(120)
Increases in capital and issues	10	746		756			
Reduction or redemption of capital		(862)	(72)	(934)			
Movements in own equity instruments	(192)	(5)	(21)	(218)			
Share-based payment plans			5	5			
Remuneration on preferred shares and undated super subordinated notes			(108)	(108)	(1)		(1)
Movements in consolidation scope impacting minority shareholders			(2)	(2)	(204)		(204)
Acquisitions of additional interests or partial sales of interests (note 5.d)			3	3	(7)		(7)
Change in commitments to repurchase minority shareholders' interests			28	28	(74)		(74)
Other movements			(5)	(5)	(3)		(3)
Changes in assets and liabilities recognised directly in equity			265	265	4		4
Net income for first half of 2015			4,203	4,203	188		188
Capital and retained earnings at 30 June 2015	26,789	6,468	52,236	85,493	3,808	73	3,881
Appropriation of net income for 2014					(11)		(11)
Increases in capital and issues	9	1,348		1,357			
Reduction or redemption of capital			43	43			
Movements in own equity instruments	99	39	(35)	103			
Share-based payment plans			2	2			
Remuneration on preferred shares and undated super subordinated notes			(149)	(149)	(1)		(1)
Impact of internal transactions on minority shareholders			(2)	(2)	2		2
Movements in consolidation scope impacting minority shareholders					(317)		(317)
Acquisitions of additional interests or partial sales of interests			(6)	(6)	3		3
Change in commitments to repurchase minority shareholders' interests			21	21	(29)		(29)
Other movements			(6)	(6)	(1)		(1)
Changes in assets and liabilities recognised directly in equity			186	186	2		2
Net income for second half of 2015			2,491	2,491	162		162
Capital and retained earnings at 31 December 2015	26,897	7,855	54,781	89,533	3,618	73	3,691
Appropriation of net income for 2015			(2,877)	(2,877)	(97)		(97)
Increases in capital and issues	3	1,325	(2)	1,326			
Reduction or redemption of capital		(1,199)	80	(1,119)			
Movements in own equity instruments	103	(12)	(40)	51			
Share-based payment plans			1	1			
Remuneration on preferred shares and undated super subordinated notes			(145)	(145)	(1)		(1)
Impact of internal transactions on minority shareholders (note 5.d)			3	3	(3)		(3)
Movements in consolidation scope impacting minority shareholders					9		9
Acquisitions of additional interests or partial sales of interests (note 5.d)			(103)	(103)	37		37
Change in commitments to repurchase minority shareholders' interests			1	1	(4)		(4)
Other movements			(3)	(3)	(17)		(17)
Changes in assets and liabilities recognised directly in equity			(576)	(576)	(4)		(4)
Net income for first half of 2016			4,374	4,374	205		205
Capital and retained earnings at 30 June 2016	27,003	7,969	55,494	90,466	3,743	73	3,816

EQUITY BETWEEN 1 JAN. 2015 AND 30 JUNE 2016

Changes in assets and liabilities recognised directly in equity						Total equity
Attributable to shareholders				Minority interests		
Exchange rates	Financial assets available for sale and reclassified as loans and receivables	Derivatives used for hedging purposes	Total			
(291)	4,865	1,517	6,091	133		93,689
						(1,987)
						756
						(934)
						(218)
						5
						(109)
						(206)
						(4)
						(46)
						(8)
1,138	(423)	(221)	494	31		794
						4,391
847	4,442	1,296	6,585	164		96,123
						(11)
						1,357
						43
						103
						2
						(150)
						-
						(317)
						(3)
						(8)
						(7)
(522)	624	49	151	(47)		292
						2,653
325	5,066	1,345	6,736	117		100,077
						(2,974)
						1,326
						(1,119)
						51
						1
						(146)
						-
						9
						(66)
						(3)
						(20)
(1)	(129)	437	307	(2)		(275)
						4,579
324	4,937	1,782	7,043	115		101,440

NOTES TO THE FINANCIAL STATEMENTS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE BNP PARIBAS GROUP

1.a ACCOUNTING STANDARDS

1.a.1 APPLICABLE ACCOUNTING STANDARDS

The consolidated financial statements of the BNP Paribas Group have been prepared in accordance with international accounting standards (International Financial Reporting Standards – IFRS), as adopted for use in the European Union³⁰. Accordingly, certain provisions of IAS 39 on hedge accounting have been excluded, and certain recent texts have not yet undergone the approval process.

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”.

The introduction of the other standards which are mandatory as of 1 January 2016 has no effect on the condensed consolidated interim financial statements at 30 June 2016.

The Group did not choose to early-adopt the new standards, amendments, and interpretations adopted by the European Union, whose application in 2016 was optional.

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

IFRS 9 “Financial Instruments”

IFRS 9 “Financial Instruments”, issued by the IASB in July 2014, will replace IAS 39 Financial Instruments: recognition and measurement, related to the classification and measurement of financial instruments. It sets out the new principles for the classification and measurement of financial instruments, for impairment for credit risk on financial assets and for general hedge accounting (i.e. micro hedging).

IFRS 9 is mandatory for annual periods beginning on or after 1 January 2018 after its adoption by the European Union for application in Europe.

Classification and measurement

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

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

Application of the criteria relating to the business model and the contractual characteristics of the instruments may lead to different classification and measurement of some financial assets compared with IAS 39.

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

⁽³⁰⁾ The full set of standards adopted for use in the European Union can be found on the website of the European Commission at: http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission.

- They will be classified at amortised cost if the business model objective is to hold the financial assets in order to collect contractual cash flows, and if the contractual cash flows solely consist of payments relating to principal and interest on the principal.
- They will be classified at fair value through shareholders' equity if the business model is achieved by both holding the financial assets in order to collect contractual cash flows and selling the assets, and if the cash flows solely consist of payments relating to principal and interest on the principal. Upon disposal, amounts previously recognised in shareholders' equity will be transferred to profit or loss.
- All debt instruments not eligible for classification at amortised cost or at fair value through shareholders' equity will be presented at fair value through profit or loss.

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

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

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

The provisions of IAS 39 concerning the derecognition of financial assets and financial liabilities have been maintained in IFRS 9 without any modification.

Impairment

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

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

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

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

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

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

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

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

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

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

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

Furthermore, the impairment model of IFRS 9 is based on more forward-looking information than that of IAS 39, inducing a more volatile amount of expected credit losses.

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

Hedge accounting

The objective of the hedge accounting model under IFRS 9 is to better reflect risk management, especially by expanding the eligible hedging instruments and eliminating some overly prescriptive rules. On initial application of IFRS 9, the Group may choose either to apply the new hedge accounting provisions or to maintain the hedge accounting principles under IAS 39 until the new macro hedging standard comes into force. Irrespective of the chosen hedge accounting option, additional information will be required in the notes to the financial statements concerning risk management and the impacts of the hedge accounting on the financial statements.

IFRS 9 does not explicitly address the fair value hedge of the interest rate risk on a portfolio of financial assets or liabilities. The provisions of IAS 39 for these portfolio hedges, as adopted by the European Union, will continue to apply.

Based on the analyses made to date, the Group is considering maintaining all the provisions of IAS 39 for hedge accounting.

Transition

The IFRS 9 classification and measurement provisions, as well as its new impairment model, are applicable retrospectively by adjusting the opening balance sheet on the date of first application, without any obligation to restate the comparative figures for prior periods.

IFRS 9 allows early application of the requirements for the presentation of gains and losses attributable to changes in the credit risk of the financial liabilities designated as at fair value through profit or loss (fair value option). However, early application will be possible only after the endorsement of IFRS 9 by the European Union.

Implementation of IFRS 9 within the Group

The implementation of IFRS 9 within the Group relies on a set of projects corresponding to each of the different phases of the standard. Steering committees bringing together the heads of the Risk and Finance functions have been set up, as well as operational committees dedicated to the various issues associated with the implementation of the new standard.

The project on classification and measurement is managed by the Finance Department, through dedicated governance.

The work relating to the analysis of business models and the contractual cash flows characteristics of the Group's assets is being finalised. Meanwhile, the required IT developments and adaptations have started and will continue through 2016 and 2017.

The project on the impairment model is conducted under the joint responsibility of the Finance and Risk Departments.

The work conducted from 2015 to this day has essentially focused on defining the Group methodology for the new impairment model (see above). The model is currently being adapted to operational requirements and refined.

IFRS 15 Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers, issued in May 2014, will supersede a number of standards and interpretations on revenue recognition (in particular IAS 18 Revenue and IAS 11 Construction Contracts). This standard does not apply to revenues from lease contracts, insurance contracts or financial instruments. It is based on a five-step model framework to determine the timing and amount of recognition of revenue from ordinary activities. IFRS 15 is mandatory for annual periods beginning on or after 1 January 2018 and must first be endorsed by the European Union for application in Europe.

The Group is in the process of analysing the standard and its potential impacts, which are not expected to be material.

The implementation of IFRS 15 within the Group is based on a project structure managed by the Finance Department. The analysis of the standard and its potential impacts are set to continue until 2017. The required IT developments and adaptations are set to take place in 2016 and 2017.

IFRS 16 Leases

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

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

For the lessee, IFRS 16 will require recognition in the balance sheet of all leases, in the form of a right-of-use on the leased asset presented under fixed assets, along with the recognition of a financial liability for the rent and other payments to be made over the leasing period. The right-of-use assets will be amortised on a straight-line basis and the financial liabilities will be amortised on an actuarial basis over the lease period. Under IAS 17, operating leases require no recognition in the balance sheet.

IFRS 16 will become mandatory for annual periods beginning on or after 1 January 2019, after its adoption by the European Union for application in Europe. Following the publication of the standard, the Group has started to analyse the standard and define its potential impacts.

1.b CONSOLIDATION

1.b.1 SCOPE OF CONSOLIDATION

The consolidated financial statements of BNP Paribas include entities that are controlled by the Group, jointly controlled, and under significant influence, with the exception of those entities whose consolidation is regarded as immaterial to the Group. The consolidation of an entity is regarded as immaterial if its contribution to the consolidated financial statements is below the following three thresholds: EUR 15 million of consolidated revenues, EUR 1 million of consolidated net income before tax, EUR 500 million of total consolidated assets. Companies that hold shares in consolidated companies are also consolidated.

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

1.b.2 CONSOLIDATION METHODS

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

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

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

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

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

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

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

Where the Group carries out an activity with one or more partners, sharing control by virtue of a contractual agreement which requires unanimous consent on relevant activities (those that significantly affect the entity's returns), the Group exercises joint control over the activity. Where the jointly controlled activity is structured through a separate vehicle in which the partners have rights to the net

assets, this joint venture is accounted for using the equity method. Where the jointly controlled activity is not structured through a separate vehicle or where the partners have rights to the assets and obligations for the liabilities of the jointly controlled activity, the Group accounts for its share of the assets, liabilities, revenues and expenses in accordance with the applicable IFRSs.

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

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

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

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

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

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

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

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

1.b.3 CONSOLIDATION PROCEDURES

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

◆ **Elimination of intragroup balances and transactions**

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

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

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

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

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

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

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

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

1.b.4 BUSINESS COMBINATIONS AND MEASUREMENT OF GOODWILL

◆ Business combinations

Business combinations are accounted for using the purchase method.

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

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

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

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

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

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

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

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

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

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

◆ Measurement of goodwill

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

- Cash-generating units

The BNP Paribas Group has split all its activities into cash-generating units³¹ representing major business lines. This split is consistent with the Group's organisational structure and management methods, and reflects the independence of each unit in terms of results and management approach. It is reviewed on a regular basis in order to take account of events likely to affect the composition of cash-generating units, such as acquisitions, disposals and major reorganisations.

- Testing cash-generating units for impairment

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

- Recoverable amount of a cash-generating unit

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

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

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

⁽³¹⁾ As defined by IAS 36.

1.c FINANCIAL ASSETS AND FINANCIAL LIABILITIES

1.c.1 LOANS AND RECEIVABLES

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

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

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

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

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

1.c.2 REGULATED SAVINGS AND LOAN CONTRACTS

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

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

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

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

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

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

The reinvestment rate for savings and the refinancing rate for loans are derived from the swap yield curve and from the spreads expected on financial instruments of similar type and maturity. Spreads are determined on the basis of actual spreads on fixed rate home loans in the case of the loan phase and products offered to individual clients in the case of the savings phase. In order to reflect the uncertainty

of future interest rate trends, and the impact of such trends on customer behaviour models and on at-risk outstandings, the obligations are estimated using the Monte-Carlo method.

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

1.c.3 SECURITIES

- **Categories of securities**

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

- Financial assets at fair value through profit or loss

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

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

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

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

Fair value incorporates an assessment of the counterparty risk on these securities.

- Loans and receivables

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

- Held-to-maturity financial assets

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

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

- Available-for-sale financial assets

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

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

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

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

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

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

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

- **Date of recognition for securities transactions**

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

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

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

1.c.4 FOREIGN CURRENCY TRANSACTIONS

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

- Monetary assets and liabilities³² expressed in foreign currencies

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

- Non-monetary assets and liabilities expressed in foreign currencies

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

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

1.c.5 IMPAIRMENT AND RESTRUCTURING OF FINANCIAL ASSETS

- **Doubtful assets**

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

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

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

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

⁽³²⁾ Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.

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

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

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

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

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

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

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

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

Apart from the identification criteria, the Group has determined three indications of impairment, one being a significant decline in price, defined as a fall of more than 50% of the acquisition price, another

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

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

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

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

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

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

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

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

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

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

1.c.6 RECLASSIFICATION OF FINANCIAL ASSETS

The only authorised reclassifications of financial assets are the following:

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

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

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

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

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

1.c.7 ISSUES OF DEBT SECURITIES

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

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

Bonds redeemable for or convertible into equity instruments of the Group are accounted for as hybrid instruments with a debt component and an equity component, determined on initial recognition.

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

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

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

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

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

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

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

1.c.9 DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

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

- **Derivatives held for trading purposes**

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

- **Derivatives and hedge accounting**

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

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

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

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

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

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

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

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

In a fair value hedging relationship, the derivative instrument is remeasured at fair value in the balance sheet, with changes in fair value recognised in profit or loss in “Net gain/loss on financial instruments

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

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

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

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

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

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

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

- **Embedded derivatives**

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

1.c.10 DETERMINATION OF FAIR VALUE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.c.13 COST OF RISK

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

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

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

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

1.c.15 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

1.d ACCOUNTING STANDARDS SPECIFIC TO THE INSURANCE BUSINESS

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

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

1.d.1 ASSETS

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

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

1.d.2 LIABILITIES

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

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

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

The technical reserves of life insurance subsidiaries consist primarily of mathematical reserves, which generally correspond to the surrender value of the contract.

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

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

The adequacy of technical reserves is tested at the balance sheet date by comparing them with the average value of future cash flows as derived from stochastic analyses. Any adjustments to technical reserves are taken to the profit and loss account for the period. A capitalisation reserve is set up in individual statutory accounts on the sale of amortisable securities in order to defer part of the net realised gain and hence maintain the yield to maturity on the portfolio of admissible assets. In the consolidated financial statements, this reserve is reclassified to “Policyholders’ surplus” on the liabilities side of the consolidated balance sheet to the extent that it is highly probable it will be used.

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

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

1.d.3 PROFIT AND LOSS ACCOUNT

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

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

1.e PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.f LEASES

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

1.f.1 LESSOR ACCOUNTING

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

- **Finance leases**

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

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

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

- **Operating leases**

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

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

1.f.2 LESSEE ACCOUNTING

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

- **Finance leases**

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

- **Operating leases**

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

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

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

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

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

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

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

1.h EMPLOYEE BENEFITS

Employee benefits are classified in one of four categories:

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

- **Short-term benefits**

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

- **Long-term benefits**

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

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

- **Termination benefits**

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

- **Post-employment benefits**

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

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

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

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

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

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

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

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

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

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

1.i SHARE-BASED PAYMENTS

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

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

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

- **Stock option and share award plans**

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

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

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

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

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

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

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

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

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

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

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

1.j PROVISIONS RECORDED UNDER LIABILITIES

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

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

1.k CURRENT AND DEFERRED TAXES

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

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

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

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

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

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

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

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

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

1.1 CASH FLOW STATEMENT

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

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

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

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

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

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

This applies in particular to:

- impairment losses recognised to cover credit risks inherent in banking intermediation activities;
- the use of internally-developed models to measure positions in financial instruments that are not quoted in active markets;
- calculations of the fair value of unquoted financial instruments classified in “Available-for-sale financial assets”, “Financial assets at fair value through profit or loss” or “Financial liabilities at fair value through profit or loss”, and more generally calculations of the fair value of financial instruments subject to a fair value disclosure requirement;
- whether a market is active or inactive for the purposes of using a valuation technique;
- impairment losses on variable-income financial assets classified as "Available-for-sale";
- impairment tests performed on intangible assets;
- the appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness;
- estimates of the residual value of assets leased under finance leases or operating leases, and more generally of assets on which depreciation is charged net of their estimated residual value;
- the measurement of provisions for contingencies and charges.

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

2. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2016

2.a NET INTEREST INCOME

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

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

In millions of euros	First half 2016			First half 2015		
	Income	Expense	Net	Income	Expense	Net
Customer items	12,257	(3,408)	8,849	12,671	(4,066)	8,605
Deposits, loans and borrowings	11,662	(3,391)	8,271	12,079	(4,038)	8,041
Repurchase agreements	(6)	6		4	(3)	1
Finance leases	601	(23)	578	588	(25)	563
Interbank items	661	(738)	(77)	722	(683)	39
Deposits, loans and borrowings	658	(669)	(11)	686	(611)	75
Repurchase agreements	3	(69)	(66)	36	(72)	(36)
Debt securities issued		(817)	(817)		(899)	(899)
Cash flow hedge instruments	1,804	(1,211)	593	2,737	(2,293)	444
Interest rate portfolio hedge instruments	1,845	(1,821)	24	1,984	(2,068)	(84)
Financial instruments at fair value through profit or loss	1,011	(834)	177	1,164	(809)	355
Fixed-income securities	444		444	758		758
Loans / borrowings	183	(228)	(45)	93	(190)	(97)
Repurchase agreements	384	(520)	(136)	313	(390)	(77)
Debt securities		(86)	(86)		(229)	(229)
Available-for-sale financial assets	2,395		2,395	2,473		2,473
Held-to-maturity financial assets	171		171	195		195
Total interest income/(expense)	20,144	(8,829)	11,315	21,946	(10,818)	11,128

Interest income on individually impaired loans amounted to EUR 272 million for the first half of 2016 compared with EUR 265 million for the first half of 2015.

2.b COMMISSION INCOME AND EXPENSE

Commission income and expense on financial instruments not measured at fair value through profit or loss amounted to EUR 1,266 million and EUR 143 million respectively for the first half of 2016, compared with income of EUR 1,516 million and expense of EUR 189 million for the first half of 2015.

Net commission income related to trust and similar activities through which the Group holds or invests assets on behalf of clients, trusts, pension and personal risk funds or other institutions amounted to EUR 1,227 million for the first half of 2016, compared with EUR 1,328 million for the first half of 2015.

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

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

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

In millions of euros	First half 2016	First half 2015
Trading book	1,504	3,203
Interest rate and credit instruments	(698)	482
Equity financial instruments	(1,013)	2,050
Foreign exchange financial instruments	2,501	341
Other derivatives	743	371
Repurchase agreements	(29)	(41)
Financial instruments designated as at fair value through profit or loss	1,450	331
<i>of which debt remeasurement effect arising from BNP Paribas Group issuer risk (note 4.c)</i>	167	78
Impact of hedge accounting	(35)	23
Fair value hedging derivatives	(171)	(304)
Hedged items in fair value hedge	136	327
Total	2,919	3,557

Net gains on the trading book for the first halves of 2016 and 2015 include a non-material amount related to the ineffective portion of cash flow hedges.

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

In millions of euros	First half 2016	First half 2015
Loans and receivables, fixed-income securities ⁽¹⁾	697	353
Disposal gains and losses	697	353
Equities and other variable-income securities	952	623
Dividend income	350	352
Additions to impairment provisions	(161)	(131)
Net disposal gains	763	402
Total	1,649	976

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

After the impact of insurance policyholders' surplus reserve, unrealised gains and losses previously recorded under "Changes in assets and liabilities recognised directly in shareholders' equity" and included in the pre-tax income, amount to a gain of EUR 1,051 million for the first half of 2016 compared with a net gain of EUR 556 million for the first half of 2015.

2.e NET INCOME FROM OTHER ACTIVITIES

In millions of euros	First half 2016			First half 2015		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities	13,474	(11,650)	1,824	18,120	(16,201)	1,919
Net income from investment property	45	(15)	30	42	(28)	14
Net income from assets held under operating leases	3,778	(3,083)	695	2,977	(2,383)	594
Net income from property development activities	426	(332)	94	402	(313)	89
Other net income	755	(685)	70	742	(725)	17
Total net income from other activities	18,478	(15,765)	2,713	22,283	(19,650)	2,633

• Net income from insurance activities

In millions of euros	First half 2016	First half 2015
Gross premiums written	11,707	12,720
Policy benefit expenses	(7,017)	(7,774)
Changes in technical reserves	(1,115)	(6,687)
Change in value of admissible investments related to unit-linked policies	(1,691)	3,736
Reinsurance ceded	(197)	(116)
Other income and expense	137	40
Total net income from insurance activities	1,824	1,919

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

2.f COST OF RISK

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

- **Cost of risk for the period**

In millions of euros	First half 2016	First half 2015
Net allowances to impairment	(1,586)	(1,902)
Recoveries on loans and receivables previously written off	315	244
Irrecoverable loans and receivables not covered by impairment provisions	(277)	(289)
Total cost of risk for the period	(1,548)	(1,947)

Cost of risk for the period by asset type

In millions of euros	First half 2016	First half 2015
Loans and receivables due from credit institutions	24	(4)
Loans and receivables due from customers	(1,504)	(1,878)
Available-for-sale financial assets		(12)
Financial instruments of trading activities	(9)	(19)
Other assets	(6)	(6)
Commitments given and other items	(53)	(28)
Total cost of risk for the period	(1,548)	(1,947)
<i>Cost of risk on a specific basis</i>	<i>(1,747)</i>	<i>(1,959)</i>
<i>Cost of risk on a collective basis</i>	<i>199</i>	<i>12</i>

2.g CORPORATE INCOME TAX

In millions of euros	First half 2016	First half 2015
Net current tax expense	(1,476)	(1,286)
Net deferred tax expense	(108)	(560)
Corporate income tax expense	(1,584)	(1,846)

3. SEGMENT INFORMATION

The Group is composed of two operating divisions:

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

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

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

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

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

So as to be comparable with 2016, the segment information for 2015 has been restated of the following main effects as if these had occurred from 1 January 2015:

1. The capital allocated to each business line is now based on 11% of risk-weighted assets, compared to 9% previously. Furthermore, the capital allocated to the Insurance business is henceforth based on Solvency 2 standards.
2. Subordination costs of Additional Tier 1 and Tier 2 debt issued by the Group have been charged to the divisions and business lines. The Group has also reviewed the way it charges and remunerates liquidity between the Corporate Centre and the business lines. The allocation practices for revenues and operating expenses of Treasury activities within CIB have been adapted to take into account the new regulations on liquidity.
3. The contribution to the Single Resolution Fund, the reduction of the French systemic tax and the new contributions to the deposit guarantee funds of BNL bc and Luxembourg Retail Banking had been temporarily booked in the operating expenses of the Corporate Centre. These items have been allocated to the divisions and business lines.

4. Some limited internal transfers of activities and results have been made, the main one being the transfer of Cortal Consors France from Other Domestic Markets Activities (Personal Investors) to French Retail Banking.

These changes do not affect the Group income but only its analytical breakdown.

- Income by business segment

In millions of euros	First half 2016						First half 2015					
	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income
Retail Banking & Services												
Domestic Markets												
French Retail Banking ⁽¹⁾	3,105	(2,207)	(145)	753	1	754	3,158	(2,195)	(175)	788	1	789
BNL banca commerciale ⁽¹⁾	1,448	(875)	(516)	57		57	1,567	(890)	(639)	39	(1)	38
Belgian Retail Banking ⁽¹⁾	1,752	(1,297)	(66)	389	1	390	1,709	(1,253)	(34)	422	(12)	409
Other Domestic Markets activities ⁽¹⁾	1,342	(744)	(56)	542	21	563	1,229	(683)	(72)	473	7	480
International Financial Services												
Personal Finance	2,317	(1,155)	(470)	692	5	697	2,325	(1,190)	(580)	555	32	587
International Retail Banking												
Europe-Mediterranean ⁽¹⁾	1,221	(858)	(183)	179	101	280	1,268	(857)	(259)	153	82	236
BancWest ⁽¹⁾	1,439	(1,000)	(48)	391	11	402	1,379	(922)	(35)	422	4	426
Insurance	1,067	(587)		480	106	586	1,137	(576)	(4)	557	103	660
Wealth and Asset Management	1,465	(1,144)	6	328	21	349	1,484	(1,145)	(17)	322	26	348
Corporate & Institutional Banking												
Corporate Banking	1,965	(1,293)	(98)	574	3	577	2,003	(1,280)	(19)	705	171	875
Global Markets	2,876	(2,323)	23	575	11	586	3,412	(2,523)	(95)	794	6	800
Securities Services	901	(756)	1	147		147	913	(724)	4	192		192
Other Activities	1,268	(477)	3	795	(19)	776	561	(653)	(22)	(115)	513	398
Total Group	22,166	(14,717)	(1,548)	5,901	262	6,163	22,144	(14,891)	(1,947)	5,306	931	6,237

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

4. NOTES TO THE BALANCE SHEET AT 30 JUNE 2016

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

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

In millions of euros	30 June 2016		31 December 2015	
	Trading book	Instruments designated as at fair value through profit or loss	Trading book	Instruments designated as at fair value through profit or loss
Securities portfolio	150,090	82,524	133,500	83,043
Loans and repurchase agreements	173,341	90	131,783	33
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	323,431	82,614	265,283	83,076
Securities portfolio	83,056		82,544	
Borrowings and repurchase agreements	205,223	2,488	156,771	2,384
Debt securities (note 4.f)		44,747		46,330
Subordinated debt (note 4.f)		1,094		1,382
Debt representative of shares of consolidated funds held by third parties		2,477		3,022
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	288,279	50,806	239,315	53,118

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

DERIVATIVE FINANCIAL INSTRUMENTS

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

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

In millions of euros	30 June 2016		31 December 2015	
	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	281,601	269,028	239,249	220,780
Foreign exchange derivatives	50,608	48,361	44,200	44,532
Credit derivatives	11,354	11,281	14,738	14,213
Equity derivatives	33,385	39,658	31,077	40,242
Other derivatives	6,496	4,864	7,360	6,061
Derivative financial instruments	383,444	373,192	336,624	325,828

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

In millions of euros	30 June 2016			31 December 2015		
	Organised markets ⁽¹⁾	Over-the-counter	Total	Organised markets ⁽¹⁾	Over-the-counter	Total
Interest rate derivatives	12,668,314	7,600,454	20,268,768	13,257,587	8,434,019	21,691,606
Foreign exchange derivatives	33,455	3,472,183	3,505,638	59,113	3,184,346	3,243,459
Credit derivatives	241,552	891,409	1,132,961	155,129	968,859	1,123,988
Equity derivatives	1,209,498	685,281	1,894,779	808,325	651,221	1,459,546
Other derivatives	171,197	37,635	208,832	113,251	30,267	143,518
Derivative financial instruments	14,324,016	12,686,962	27,010,978	14,393,405	13,268,712	27,662,117

⁽¹⁾ Of which 90% of over-the-counter derivatives cleared through central clearing houses.

4.b AVAILABLE-FOR-SALE FINANCIAL ASSETS

In millions of euros	30 June 2016			31 December 2015		
	Net	of which impairment	of which changes in value taken directly to equity	Net	of which impairment	of which changes in value taken directly to equity
Fixed-income securities	247,043	(73)	17,331	239,899	(75)	13,554
Treasury bills and government bonds	136,663	(1)	11,038	131,269	(4)	8,559
Other fixed-income securities	110,380	(72)	6,293	108,630	(71)	4,995
Equities and other variable-income securities	18,366	(3,258)	3,455	19,034	(3,090)	4,238
Listed securities	5,316	(843)	1,163	5,595	(836)	1,583
Unlisted securities	13,050	(2,415)	2,292	13,439	(2,254)	2,655
Total available-for-sale financial assets	265,409	(3,331)	20,786	258,933	(3,165)	17,792

The gross amount of impaired fixed-income securities is EUR 93 million at 30 June 2016 (EUR 131 million at 31 December 2015).

The Visa Europe shares, included in the unlisted variable-income securities as at 31 December 2015 for EUR 430 million, were sold in accordance with the terms of the agreement with Visa Inc. A net disposal gain of EUR 597 million before tax was recognised in the profit and loss account of the first half of 2016.

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

In millions of euros	30 June 2016			31 December 2015		
	Fixed-income securities	Equities and other variable-income securities	Total	Fixed-income securities	Equities and other variable-income securities	Total
Non-hedged changes in value of securities, recognised in "Available-for-sale financial assets"	17,331	3,455	20,786	13,554	4,238	17,792
Deferred tax linked to these changes in value	(5,750)	(766)	(6,516)	(4,548)	(856)	(5,404)
Insurance policyholders' surplus reserve from insurance entities, after deferred tax	(9,085)	(1,003)	(10,088)	(6,960)	(1,119)	(8,079)
Group share of changes in value of available-for-sale securities owned by equity-method entities, after deferred tax and insurance policyholders' surplus reserve	944	53	997	889	92	981
Unamortised changes in value of available-for-sale securities reclassified as loans and receivables	(29)		(29)	(39)		(39)
Other variations	(66)	3	(63)	(55)	(7)	(62)
Changes in value of assets taken directly to equity under the heading "Financial assets available for sale and reclassified as loans and receivables"	3,345	1,742	5,087	2,841	2,348	5,189
Attributable to equity shareholders	3,209	1,728	4,937	2,735	2,331	5,066
Attributable to minority interests	136	14	150	106	17	123

4.c MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

VALUATION PROCESS

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

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

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

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

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

The main valuation adjustments are presented in the section below.

VALUATION ADJUSTMENTS

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

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

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

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

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

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

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

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

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

Thus, the carrying value of debt securities designated as at fair value through profit or loss is increased by EUR 249 million as at 30 June 2016, compared with an increase in value of EUR 416 million as at 31 December 2015, i.e. a EUR 167 million variation recognised in net gain on financial instruments at fair value through profit or loss (note 2.c).

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

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

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

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

In millions of euros	30 June 2016											
	Trading book				Instruments designated as at fair value through profit or loss				Available-for-sale financial assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities portfolio	121,131	27,149	1,810	150,090	66,525	12,379	3,620	82,524	211,780	45,489	8,140	265,409
Treasury bills and government bonds	57,409	7,542		64,951	1,827			1,827	129,999	6,664		136,663
Asset Backed Securities ⁽¹⁾	-	9,028	1,036	10,064	-	7	-	7	-	4,287	39	4,326
CDOs / CLOs ⁽²⁾		478	1,032	1,510		7		7		15		15
Other Asset Backed Securities		8,550	4	8,554				-		4,272	39	4,311
Other fixed-income securities	12,609	9,802	570	22,981	1,345	5,160	80	6,585	74,261	30,702	1,091	106,054
Equities and other variable-income securities	51,113	777	204	52,094	63,353	7,212	3,540	74,105	7,520	3,836	7,010	18,366
Loans and repurchase agreements	-	172,635	706	173,341	-	90	-	90				
Loans		549		549		90		90				
Repurchase agreements		172,086	706	172,792				-				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS	121,131	199,784	2,516	323,431	66,525	12,469	3,620	82,614	211,780	45,489	8,140	265,409
Securities portfolio	78,753	3,981	322	83,056	-	-	-	-				
Treasury bills and government bonds	51,737	971		52,708				-				
Other fixed-income securities	9,477	2,995	320	12,792				-				
Equities and other variable-income securities	17,539	15	2	17,556				-				
Borrowings and repurchase agreements	-	202,076	3,147	205,223	-	2,006	482	2,488				
Borrowings		3,939		3,939		2,006	482	2,488				
Repurchase agreements		198,137	3,147	201,284				-				
Debt securities (note 4.f)	-	-	-	-	-	34,047	10,700	44,747				
Subordinated debt (note 4.f)	-	-	-	-	-	1,094	-	1,094				
Debt representative of shares of consolidated funds held by third parties	-	-	-	-	1,857	620	-	2,477				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	78,753	206,057	3,469	288,279	1,857	37,767	11,182	50,806				

In millions of euros	31 December 2015											
	Trading book				Instruments designated as at fair value through profit or loss				Available-for-sale financial assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities portfolio	102,232	29,517	1,751	133,500	67,177	12,123	3,743	83,043	204,988	44,625	9,320	258,933
Treasury bills and government bonds	48,509	4,632		53,141	1,849			1,849	125,702	5,567		131,269
Asset Backed Securities ⁽¹⁾		12,059	1,329	13,388				-		3,312	7	3,319
CDOs / CLOs ⁽²⁾		832	1,305	2,137				-		16		16
Other Asset Backed Securities		11,227	24	11,251				-		3,296	7	3,303
Other fixed-income securities	12,531	10,889	238	23,658	1,405	4,949	77	6,431	71,220	32,400	1,691	105,311
Equities and other variable-income securities	41,192	1,937	184	43,313	63,923	7,174	3,666	74,763	8,066	3,346	7,622	19,034
Loans and repurchase agreements	-	130,928	855	131,783	-	33	-	33				
Loans		433		433		33		33				
Repurchase agreements		130,495	855	131,350				-				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS	102,232	160,445	2,606	265,283	67,177	12,156	3,743	83,076	204,988	44,625	9,320	258,933
Securities portfolio	75,894	6,231	419	82,544	-	-	-	-				
Treasury bills and government bonds	55,724	1,383		57,107				-				
Other fixed-income securities	5,387	4,797	417	10,601				-				
Equities and other variable-income securities	14,783	51	2	14,836				-				
Borrowings and repurchase agreements	-	154,499	2,272	156,771	-	2,296	88	2,384				
Borrowings		3,893		3,893		2,296	88	2,384				
Repurchase agreements		150,606	2,272	152,878				-				
Debt securities (note 4.f)	-	-	-	-	-	35,137	11,193	46,330				
Subordinated debt (note 4.f)	-	-	-	-	-	1,382	-	1,382				
Debt representative of shares of consolidated funds held by third parties	-	-	-	-	2,415	607	-	3,022				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	75,894	160,730	2,691	239,315	2,415	39,422	11,281	53,118				

⁽¹⁾ These amounts do not represent the total amount of securitisation assets held by BNP Paribas, particularly those classified at inception as "Loans and Receivables", and those reclassified as presented.

⁽²⁾ Collateralised Debt Obligations / Collateralised Loan Obligations

In millions of euros	30 June 2016							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	675	272,979	7,947	281,601	1,001	264,593	3,434	269,028
Foreign exchange derivatives		50,608		50,608	2	48,280	79	48,361
Credit derivatives		10,627	727	11,354		10,212	1,069	11,281
Equity derivatives	8,542	23,267	1,576	33,385	6,447	28,105	5,106	39,658
Other derivatives	1,311	5,120	65	6,496	1,155	3,446	263	4,864
Derivative financial instruments not used for hedging purposes	10,528	362,601	10,315	383,444	8,605	354,636	9,951	373,192
Derivative financial instruments used for hedging purposes	-	21,927	-	21,927	-	22,806	-	22,806

In millions of euros	31 December 2015							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	626	232,907	5,716	239,249	704	217,611	2,465	220,780
Foreign exchange derivatives		44,178	22	44,200	1	44,456	75	44,532
Credit derivatives		13,677	1,061	14,738		13,022	1,191	14,213
Equity derivatives	5,646	23,845	1,586	31,077	5,824	29,547	4,871	40,242
Other derivatives	913	6,367	80	7,360	853	4,894	314	6,061
Derivative financial instruments not used for hedging purposes	7,185	320,974	8,465	336,624	7,382	309,530	8,916	325,828
Derivative financial instruments used for hedging purposes	-	18,063	-	18,063	-	21,068	-	21,068

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

During the first half of 2016, transfers between Level 1 and Level 2 were not significant.

DESCRIPTION OF MAIN INSTRUMENTS IN EACH LEVEL

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

Level 1

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

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

Level 2

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

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

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

Derivatives classified in Level 2 comprise mainly the following instruments:

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

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

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

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

Level 3

Level 3 securities of the trading book mainly comprise CLOs and CDOs of ABSs linked to legacy activity. Other Level 3 securities designated as at fair value through profit or loss or classified as available for sale comprise units of funds and unquoted equity shares.

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

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

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

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

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

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

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

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

Derivatives

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

- **Interest rate derivatives:** exposures mainly comprise swap products in less liquid currencies. Classification is driven by the lower liquidity of some maturities, while observation capabilities

through consensus may be available. The valuation technique is standard, and uses external market information and extrapolation techniques.

- **Credit derivatives (CDS):** exposures mainly comprise CDSs beyond the maximum observable maturity and, to a much lesser extent, CDSs on illiquid or distressed names and CDSs on loan indices. Classification is driven by the lack of liquidity while observation capabilities may be available notably through consensus. Level 3 exposures also comprise CDS and Total Return Swaps (TRS) positions on securitised assets. These are priced along the same modelling techniques as the underlying bonds, taking into consideration the funding basis and specific risk premium.
- **Equity derivatives:** exposures essentially comprise long dated forward or volatility products or exposures where there is a limited market for optional products. The marking of the forward curves and volatility surfaces beyond the maximum observable maturity relies on extrapolation techniques. However, when there is no market for model input, volatility or forward is generally determined on the basis of proxy or historical analysis.

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

Structured derivatives classified in Level 3 predominantly comprise hybrid products (FX/Interest Rates hybrids, Equity hybrids), credit correlation products, prepayment-sensitive products, some stock basket optional products and some interest rate optional instruments. The main exposures, related valuation techniques and associated source of uncertainty are as follows:

- **Structured interest rate options** are classified in Level 3 when they involve currencies where there is not sufficient observation or when they include a quanto feature where the pay-off is measured with a forex forward fixed rate (except for the main currencies). Long term structured derivatives are also classified in Level 3.
- **Hybrid FX/Interest rate products** essentially comprise a specific product family known as Power Reverse Dual Currency (PRDC). The valuation of PRDCs requires sophisticated modelling of joint behaviour of FX and interest rate, and is notably sensitive to the unobservable FX/interest rate correlations. PRDCs valuations are corroborated with recent trade data and consensus data.
- **Securitisation swaps** mainly comprise fixed rate swaps, cross currency or basis swaps whose notional is indexed to the prepayment behaviour of some underlying portfolio. The estimation of the maturity profile of securitisation swaps is corroborated by statistical estimates using external historical data.
- **Forward volatility options** are generally products whose pay-off is indexed to the future variability of a rate index such as volatility swaps. These products involve material model risk as it is difficult to infer forward volatility information from the market-traded instruments. The valuation adjustment framework is calibrated to the uncertainty inherent in the product, and to the range of uncertainty from the existing external consensus data.
- **Inflation derivatives** classified in Level 3 mainly comprise swap products on inflation indices that are not associated with a liquid indexed bond market, optional products on inflation indices (such as caps and floors) and other forms of inflation indices involving optionality on the inflation indices or on the inflation annual rate. Valuation techniques used for inflation derivatives are predominantly standard market models. Proxy techniques are used for a few limited exposures. Although the valuations are corroborated through monthly consensus data, these products are classified as Level 3 due to their lack of liquidity and some uncertainties inherent in the calibration.

- The valuation of **bespoke CDOs** requires correlation of default events. This information is inferred from the active index tranche market through a proprietary projection technique and involves proprietary extrapolation and interpolation techniques. Multi-geography CDOs further require an additional correlation assumption. Finally, the bespoke CDO model also involves proprietary assumptions and parameters related to the dynamic of the recovery factor. CDO modelling, is calibrated on the observable index tranche markets, and is regularly back-tested against consensus data on standardised pools. The uncertainty arises from the model risk associated with the projection and geography mixing technique, and the uncertainty of associated parameters, together with the recovery modelling.
- **N to Default baskets** are other forms of credit correlation products, modelled through standard copula techniques. The main inputs required are the pair-wise correlations between the basket components which can be observed in the consensus and the transactions. Linear baskets are considered observable.
- **Equity and equity-hybrid correlation products** are instruments whose pay-off is dependent on the joint behaviour of a basket of equities/indices leading to a sensitivity of the fair value measurement to the correlation amongst the basket components. Hybrid versions of these instruments involve baskets that mix equity and non-equity underlyings such as commodity indices. Only a subset of the Equity/index correlation matrix is regularly observable and traded, while most cross-asset correlations are not active. Therefore, classification in Level 3 depends on the composition of the basket, the maturity, and the hybrid nature of the product. The correlation input is derived from a proprietary model combining historical estimators, and other adjustment factors, that are corroborated by reference to recent trades or external data. The correlation matrix is essentially available from consensus services, and when a correlation between two underlying instruments is not available, it might be obtained from extrapolation or proxy techniques.

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

Valuation adjustments (CVA, DVA and FVA)

The valuation adjustment for counterparty credit risk (CVA), own-credit risk for derivatives (DVA) and the explicit funding valuation adjustment (FVA) are deemed to be unobservable components of the valuation framework and therefore classified in Level 3. This does not impact, in general cases, the classification of individual transactions into the fair value hierarchy. However, a specific process allows to identify individual deals for which the marginal contribution of these adjustments and related uncertainty is significant. Are particularly concerned some insufficiently collateralized vanilla interest rate instruments with very long residual maturity.

For these products classified in Level 3, the following table provides the range of values of main unobservable inputs. The ranges displayed correspond to a variety of different underlying instruments and are meaningful only in the context of the valuation technique implemented by BNP Paribas. The weighted averages, where relevant and available, are based on fair values, nominal amounts or sensitivities.

Risk classes	Balance Sheet valuation (in millions of euros)		Main product types composing the Level 3 stock within the risk class	Valuation technique used for the product types considered	Main unobservable inputs for the product types considered	Range of unobservable input across Level 3 population considered	Weighted average			
	Asset	Liability								
Cash instruments	1,032		Collateralised Loan Obligations (CLO) CDOs of ABSs (RMBSs, Commercial Estate Loans, CMBSs)	Combination of liquidation approach and Realdiscounted future cash flow approach	Discount margin	27 bp to 1,311 bp (1)	201 bp (a)			
					Constant payment rate (CLOs)	0 to 10%	10% (b)			
					Cash / synthetic funding basis (€)	4 bp to 10 bp	not meaningful			
Repurchase agreements	706	3,147	Long-term repo and reverse-repo agreements	Proxy techniques, based amongst other on the funding basis of a benchmark bond pool that is actively traded and representative of the repo underlying		0 bp to 107 bp	69 bp (c)			
Interest derivatives	rate	7,947	3,434	Hybrid Forex / Interest rates derivatives	Hybrid Forex interest rate option pricing model	Correlation between FX rate and interest rates. Main currency pairs are EUR/JPY, USD/JPY, AUD/JPY	13% to 56%	39% (c)		
						Floors and caps on inflation rate or on the cumulative inflation (such as redemption floors), predominantly on European and French inflation	Inflation pricing model	Volatility of cumulative inflation	0.7% to 10.3%	(d)
						Forward Volatility swaps, mainly in euro	Interest rates option pricing model	Forward volatility of interest rates	0.3% to 1.7%	(d)
						Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly on European collateral pools	Prepayment modelling or Discounted cash flows	Constant prepayment rates	0.0% to 40%	9% (a)
								Base correlation curve for bespoke portfolios	20% to 99%	(d)
Credit Derivatives	727	1,069	Collateralised Debt Obligations and index tranches for inactive index series	Base correlation projection technique and recovery modelling	Inter-regions default cross correlation	80% to 90%	90% (a)			
					Recovery rate variance for single name underlyings	0 to 25%	(d)			
					N-to-default baskets	Credit default model	Default correlation	50% to 91%	61% (c)	
					Single name Credit Default Swaps (other than CDS on ABSs and loans indices)	Stripping, extrapolation and interpolation	Credit default spreads beyond observation limit (10 years)	55 bp to 297 bp (2)	227 bp (a)	
Equity Derivatives	1,576	5,106	Structured derivatives on multi-underlying baskets on stocks	Various volatility option models	Illiquid credit default spread curves (across main tenors)	6 bp to 896 bp (3)	164 bp (a)			
					Unobservable equity volatility	0% to 88% (4)	(d)			
					Unobservable equity correlation	15% to 98%	64% (a)			

(1) The lower part of the range is relative to short-dated securities, while the upper relates to US CDOs of ABSs, which are not significant to the balance sheet since their prices are close to zero. Removing these outliers, the discount margin would range from 28bp to 745bp.

(2) The upper part of the range relates to non-material balance sheet and net risk position on a European corporate. The other part relates mainly to sovereign issuers.

(3) The upper bound of the range relates to an energy sector issuer that represents an insignificant portion of the balance sheet on CDSs with illiquid underlying. Removing this risk factor which has the highest spread, the upper bound of the range would be 800bp.

(4) The upper part of the range relates to 3 equity instruments representing a non-material portion of the balance sheet on options with equity underlying instruments. Removing this outlier, the upper bound of the range would be around 80%.

(a) Weighting is not based on risks, but on an alternative methodology in relation with the Level 3 instruments (PV or notional)

(b) The upper bound of the range relates to CLOs which represent the large majority of the exposures

(c) Weights based on relevant risk axis at portfolio level

(d) No weighting since no explicit sensitivity is attributed to these inputs

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

For Level 3 financial instruments, the following movements occurred between 1 January 2015 and 30 June 2016:

In millions of euros	Financial Assets				Financial Liabilities		
	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	Available-for-sale financial assets	TOTAL	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	TOTAL
At 31 December 2014	19,955	2,803	9,233	31,991	(25,479)	(11,732)	(37,211)
Purchases	4,818	4,161	2,019	10,998			-
Issues				-	(2,128)	(9,021)	(11,149)
Sales	(2,291)	(3,470)	(1,292)	(7,053)			-
Settlements ⁽¹⁾	(11,355)	(89)	(999)	(12,443)	15,159	8,519	23,678
Transfers to level 3	1,012	130	245	1,387	(463)	(1,607)	(2,070)
Transfers from level 3	(1,750)	(63)	(440)	(2,253)	1,440	2,464	3,904
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	(1,778)	122	(162)	(1,818)	1,339	250	1,589
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	1,834	149	(58)	1,925	(716)	83	(633)
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	626		131	757	(759)	(237)	(996)
- Changes in fair value of assets and liabilities recognised in equity			643	643			-
At 31 December 2015	11,071	3,743	9,320	24,134	(11,607)	(11,281)	(22,888)
Purchases	740	819	584	2,143			-
Issues				-	(2,565)	(2,642)	(5,207)
Sales	(682)	(784)	(1,497)	(2,963)			-
Settlements ⁽¹⁾	(2,337)	(22)	(221)	(2,580)	(2,113)	1,448	(665)
Transfers to level 3	213	39	539	791	(256)	(167)	(423)
Transfers from level 3	(585)	(198)	(618)	(1,401)	269	1,093	1,362
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	(458)	3	(140)	(595)	2,595	(108)	2,487
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	5,071	20	(13)	5,078	526	458	984
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	(202)		(43)	(245)	(262)	17	(245)
- Changes in fair value of assets and liabilities recognised in equity			229	229	(7)		(7)
At 30 June 2016	12,831	3,620	8,140	24,591	(13,420)	(11,182)	(24,602)

⁽¹⁾ For the assets, includes redemptions of principal, interest payments as well as cash inflows and outflows relating to derivatives. For the liabilities, includes principal redemptions, interest payments as well as cash inflows and outflows relating to derivatives the fair value of which is negative.

Transfers out of Level 3 of derivatives at fair value include mainly the update of the observability tenor of certain yield curves, but also the effect of derivatives becoming only or mainly sensitive to observable inputs due to the shortening of their lifetime. The review of criteria for repurchase agreements allowed reclassifying as level 2 some agreements for which the valuation uncertainty is deemed to be immaterial.

Transfers into Level 3 of instruments at fair value reflect the effect of the regular update of the observability zones.

Transfers have been reflected as if they had taken place at the beginning of the reporting period.

The Level 3 financial instruments may be hedged by other Level 1 and Level 2 instruments, the gains and losses of which are not shown in this table. Consequently, the gains and losses shown in this table

are not representative of the gains and losses arising from management of the net risk on all these instruments.

SENSITIVITY OF FAIR VALUE TO REASONABLY POSSIBLE CHANGES IN LEVEL 3 ASSUMPTIONS

The following table summarises those financial assets and financial liabilities classified as Level 3 for which alternative assumptions in one or more of the unobservable inputs would change fair value significantly.

The amounts disclosed are intended to illustrate the range of possible uncertainty inherent to the judgement applied when estimating Level 3 parameters, or when selecting valuation techniques. These amounts reflect valuation uncertainties that prevail at the measurement date, and even though such uncertainties predominantly derive from the portfolio sensitivities that prevailed at that measurement date, they are not predictive or indicative of future movements in fair value, nor do they represent the effect of market stress on the portfolio value.

In estimating sensitivities, BNP Paribas either remeasured the financial instruments using reasonably possible inputs, or applied assumptions based on the valuation adjustment policy.

For the sake of simplicity, the sensitivity on cash instruments that are not relating to securitised instruments was based on a uniform 1% shift in the price. More specific shifts were however calibrated for each class of the Level 3 securitised exposures, based on the possible ranges of the unobservable inputs.

For derivative exposures, the sensitivity measurement is based on the credit valuation adjustment (CVA), the explicit funding valuation adjustment (FVA) and the parameter and model uncertainty adjustments related to Level 3.

Regarding the credit valuation adjustment (CVA) and the explicit funding valuation adjustment (FVA), the uncertainty was calibrated based on prudent valuation adjustments described in the technical standard “Prudent Valuation” published by the European Banking Authority. For other adjustments, two scenarios were considered: a favourable scenario where all or portion of the valuation adjustment is not considered by market participants, and an unfavourable scenario where market participants would require twice the amount of valuation adjustments considered by BNP Paribas for entering into a transaction.

In millions of euros	30 June 2016		31 December 2015	
	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Treasury bills and government bonds				
Asset Backed Securities (ABS)	+/-22		+/-27	
CDOs / CLOs	+/-21		+/-26	
Other Asset Backed Securities	+/-1		+/-1	
Other fixed-income securities	+/-3	+/-11	+/-3	+/-17
Equities and other variable-income securities	+/-37	+/-70	+/-39	+/-76
Repurchase agreements	+/-24		+/-14	
Derivative financial instruments	+/-1,042		+/-856	
Interest rate derivatives	+/-808		+/-623	
Credit derivatives	+/-59		+/-45	
Equity derivatives	+/-170		+/-179	
Other derivatives	+/-5		+/-9	
Sensitivity of Level 3 financial instruments	+/-1,128	+/-81	+/-939	+/-93

DEFERRED MARGIN ON FINANCIAL INSTRUMENTS MEASURED USING TECHNIQUES DEVELOPED INTERNALLY AND BASED ON INPUTS PARTLY UNOBSERVABLE IN ACTIVE MARKETS

Deferred margin on financial instruments (“Day One Profit”) only concerns the scope of market activities eligible for Level 3.

The day one profit is calculated after setting aside valuation adjustments for uncertainties as described previously and released to profit or loss over the expected period for which the inputs will be unobservable. The unamortised amount is included under “Financial instruments at fair value through profit or loss” as a reduction in the fair value of the relevant transactions.

In millions of euros	Deferred margin at 31 December 2015	Deferred margin on transactions during the year	Margin taken to the profit and loss account during the year	Deferred margin at 30 June 2016
Interest rate derivatives	316	34	(60)	290
Credit derivatives	119	23	(14)	128
Equity derivatives	313	60	(64)	309
Other derivatives	8	2	(3)	7
Derivative financial instruments	756	119	(141)	734

4.d INTERBANK AND MONEY-MARKET ITEMS

- **Loans and receivables due from credit institutions**

In millions of euros	30 June 2016	31 December 2015
On demand accounts	8,475	9,346
Loans ⁽¹⁾	31,596	31,780
Repurchase agreements	16,110	2,542
Total loans and receivables due from credit institutions, before impairment	56,181	43,668
<i>of which doubtful loans</i>	372	355
Impairment of loans and receivables due from credit institutions	(214)	(241)
specific impairment	(196)	(203)
collective provisions	(18)	(38)
Total loans and receivables due from credit institutions, net of impairment	55,967	43,427

⁽¹⁾ Loans and receivables due from credit institutions include term deposits made with central banks, which amounted to EUR 1,766 million as at 30 June 2016 (EUR 1,665 million as at 31 December 2015).

- **Due to credit institutions**

In millions of euros	30 June 2016	31 December 2015
On demand accounts	13,004	8,527
Borrowings	78,666	70,109
Repurchase agreements	6,838	5,510
Total due to credit institutions	98,508	84,146

4.e CUSTOMER ITEMS

- **Loans and receivables due from customers**

In millions of euros	30 June 2016	31 December 2015
On demand accounts	48,317	46,790
Loans to customers	641,345	628,796
Repurchase agreements	2,270	5,448
Finance leases	27,826	27,657
Total loans and receivables due from customers, before impairment	719,758	708,691
<i>of which doubtful loans</i>	41,311	41,251
Impairment of loans and receivables due from customers	(26,454)	(26,194)
specific impairment	(23,175)	(22,730)
collective provisions	(3,279)	(3,464)
Total loans and receivables due from customers, net of impairment	693,304	682,497

- **Due to customers**

In millions of euros	30 June 2016	31 December 2015
On demand deposits	411,711	399,364
Savings accounts	138,487	135,254
Term accounts and short-term notes	164,667	160,498
Repurchase agreements	10,731	5,193
Total due to customers	725,596	700,309

4.f DEBT SECURITIES AND SUBORDINATED DEBT

This note covers all debt securities in issue and subordinated debt measured at amortised cost and designated as at fair value through profit or loss.

DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (note 4.a)

Issuer / Issue date	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment ⁽¹⁾	Amount ⁽²⁾ eligible to Tier 1	Amount ⁽²⁾ eligible to Tier 2	30 June 2016	31 December 2015
In millions of euros										
Debt securities									44,747	46,330
Subordinated debt									198	253
- Redeemable subordinated debt			⁽³⁾				-	209	427	473
- Perpetual subordinated debt							198	44	667	909
BNP Paribas Fortis Dec. 2007	EUR	3,000	Dec.-14	3-month Euribor +200 bp		A	198		623	889
Others								44	44	20

⁽¹⁾ Conditions precedent for coupon payment:

A Coupon payments are halted should the issuer have insufficient capital or the underwriters become insolvent or when the dividend declared for Ageas shares falls below a certain threshold.

⁽²⁾ Given the eligibility criteria and prudential adjustments, including the own credit risk and amortisation of instruments.

⁽³⁾ After agreement from the banking supervisory authority and at the issuer's initiative, these debt issues may contain a call provision authorising the Group to redeem the securities prior to maturity by repurchasing them in the stock market, via public tender offers, or in the case of private placements over the counter. Debt issued by BNP Paribas SA or foreign subsidiaries of the Group via placements in the international markets may be subject to early redemption of the capital and early payment of interest due at maturity at the issuer's discretion on or after a date stipulated in the issue particulars (call option), or in the event that changes in the applicable tax rules oblige the BNP Paribas Group issuer to compensate debt-holders for the consequences of such changes. Redemption may be subject to a notice period of between 15 and 60 days, and is in all cases subject to approval by the banking supervisory authorities.

The perpetual subordinated debt recognised at fair value through profit or loss mainly consists of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) issued by BNP Paribas Fortis (previously Fortis Banque) in December 2007.

The CASHES are perpetual securities but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder's sole discretion at a price of EUR 239.40. However, as of 19 December 2014, the CASHES will be automatically exchanged into Ageas shares if their price is equal to or higher than EUR 359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.

Ageas and BNP Paribas Fortis have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on BNP Paribas Fortis of the relative difference between changes in the value of the CASHES and changes in the value of the Ageas shares.

On 7 May 2015, BNP Paribas and Ageas reached a new agreement which allows BNP Paribas to purchase outstanding CASHES under the condition that these are converted into Ageas shares, leading to a proportional settlement of the RPN. The agreement between Ageas and BNP Paribas will expire by year-end 2016.

On 24 July 2015, BNP Paribas obtained the prior agreement from the European Central Bank to proceed to purchase CASHES within a limit of EUR 200 million nominal amount. During the first half of 2016, this prior agreement has been used for EUR 164 million, of which EUR 124 million converted into Ageas shares.

As at 30 June 2016, due to this prior agreement, the subordinated liability is eligible to Tier 1 capital for EUR 198 million (during the transitional period).

On 8 July 2016, BNP Paribas obtained a new agreement from the European Central Bank to proceed to purchase CASHES within a limit of EUR 200 million nominal amount. This agreement supersedes the previous one.

DEBT SECURITIES MEASURED AT AMORTISED COST

Issuer / Issue date	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment ⁽¹⁾	Amount ⁽²⁾ eligible to Tier 1	Amount ⁽²⁾ eligible to Tier 2	30 June 2016	31 December 2015	
In millions of euros											
Debt securities									166,452	159,447	
- Debt securities in issue with an initial maturity of less than one year									91,486	80,488	
Negotiable debt securities									91,486	80,488	
- Debt securities in issue with an initial maturity of more than one year									74,966	78,959	
Negotiable debt securities									70,019	70,918	
Bonds									4,947	8,041	
Subordinated debt									-	12,160	
- Redeemable subordinated debt									-	11,344	
									16,604	14,700	
- Undated subordinated notes									-	594	
									1,610	1,613	
BNP Paribas SA Oct. 85	EUR	305	-	TMO - 0.25%	-	B	254		254	254	
BNP Paribas SA Sept. 86	USD	500	-	6 month-Libor + 0.075%	-	C	247		247	252	
BNP Paribas Cardiff Nov. 14	EUR	1,000	Nov. - 25	4.032%	3-month Euribor + 393 bp	D			1,000	1,000	
Others									93	109	107
- Participating notes									-	222	
									222	222	
BNP Paribas SA July 84 ⁽⁴⁾	EUR	337	-	⁽⁵⁾	-	NA	215		215	215	
Others									7	7	7
- Expenses and commission, related debt									-	-	
									35	9	

⁽¹⁾ Conditions precedent for coupon payment

B Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has officially noted that there is no income available for distribution, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume.

C Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting in ordinary session has validated the decision not to pay out a dividend, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume. The bank has the option of resuming payment of interest arrears, even where no dividend is paid out.

D Payment of the interest is mandatory, except for cases of regulatory deficiency, in agreement with the regulator, or of suspension of payments. Interest payments are cumulative and are payable in full, once coupon payments resume, or, if these events occur before, when the issuance is redeemed or when the issuer is liquidated.

⁽²⁾ Given the eligibility criteria and prudential adjustments, including amortisation of instruments.

⁽³⁾ See reference relating to "Debt securities at fair value through profit or loss".

⁽⁴⁾ The participating notes issued by BNP Paribas SA may be repurchased as provided for in the law of 3 January 1983. The number of notes in the market is 1,434,092.

⁽⁵⁾ Depending on net income subject to a minimum of 85% of the TMO rate and a maximum of 130% of the TMO rate.

4.g CURRENT AND DEFERRED TAXES

In millions of euros	30 June 2016	31 December 2015
Current taxes	1,177	1,487
Deferred taxes	6,305	6,378
Current and deferred tax assets	7,482	7,865
Current taxes	1,357	826
Deferred taxes	2,384	2,167
Current and deferred tax liabilities	3,741	2,993

4.h ACCRUED INCOME/EXPENSE AND OTHER ASSETS/LIABILITIES

In millions of euros	30 June 2016	31 December 2015
Guarantee deposits and bank guarantees paid	74,267	65,590
Settlement accounts related to securities transactions	26,226	11,798
Collection accounts	513	446
Reinsurers' share of technical reserves	2,928	2,909
Accrued income and prepaid expenses	6,150	5,062
Other debtors and miscellaneous assets	23,601	22,213
Total accrued income and other assets	133,685	108,018
Guarantee deposits received	60,073	50,284
Settlement accounts related to securities transactions	16,791	7,337
Collection accounts	1,569	1,085
Accrued expense and deferred income	7,841	7,697
Other creditors and miscellaneous liabilities	24,535	22,226
Total accrued expense and other liabilities	110,809	88,629

4.i GOODWILL

In millions of euros	First half 2016
Carrying amount at start of period	10,316
Acquisitions	(20)
Divestments	-
Impairment recognised during the period	(54)
Exchange rate adjustments	(129)
Other movements	3
Carrying amount at end of period	10,116
Gross value	12,863
Accumulated impairment recognised at the end of period	(2,747)

Goodwill by cash-generating unit is as follows:

In millions of euros	Carrying amount		Impairment recognised during the first half of 2016
	30 June 2016	31 December 2015	
Retail Banking & Services	8,980	9,141	(54)
Domestic Markets	1,224	1,275	
<i>Arval</i>	533	581	
<i>Leasing Solutions</i>	136	139	
<i>Personal Investors</i>	549	549	
<i>Others</i>	6	6	
International Financial Services	7,756	7,866	(54)
<i>Insurance</i>	296	298	
<i>BancWest</i>	4,496	4,581	
<i>Bank BGŻ BNP Paribas</i>	127	131	
<i>Investment Partners</i>	174	177	
<i>Personal Finance</i>	1,329	1,291	
<i>Personal Finance - partnership tested individually</i>	384	438	(54)
<i>Real Estate</i>	372	377	
<i>Turk Ekonomi Bankasi A.S</i>	222	223	
<i>Wealth Management</i>	319	319	
<i>Others</i>	37	31	
Corporate & Institutional Banking	1,133	1,172	-
<i>Corporate Banking</i>	277	278	
<i>Global Markets</i>	427	433	
<i>Securities Services</i>	429	461	
Other Activities	3	3	
Total goodwill	10,116	10,316	(54)
Change in value of goodwill recognised in the profit and loss account			(54)

4.j PROVISIONS FOR CONTINGENCIES AND CHARGES

- **Provisions for contingencies and charges by type**

In millions of euros	31 Dec. 2015	Net additions to provisions	Provisions used	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	30 June 2016
Provisions for employee benefits	6,681	527	(337)	718	(49)	7,540
Provisions for home savings accounts and plans	169	4				173
Provisions for credit commitments	975	63	(23)		(21)	994
Provisions for litigations	1,590	(59)	(157)		(33)	1,341
Other provisions for contingencies and charges	1,930	90	(160)		7	1,867
Total provisions for contingencies and charges	11,345	625	(677)	718	(96)	11,915

4.k OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The following table presents the amounts of financial assets and liabilities before and after offsetting. This information, required by IFRS 7, aims to enable the comparability with the accounting treatment applicable in accordance with generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IAS 32 as regards offsetting.

“Amounts set off on the balance sheet” have been determined according to IAS 32. Thus, a financial asset and a financial liability are offset and the net amount presented on the balance sheet when, and only when, the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Amounts set off derive mainly from repurchase agreements and derivative instruments traded with clearing houses.

The “impacts of master netting agreements and similar agreements” are relative to outstanding amounts of transactions within an enforceable agreement, which do not meet the offsetting criteria defined by IAS 32. This is the case of transactions for which offsetting can only be performed in case of default, insolvency or bankruptcy of one of the contracting parties.

“Financial instruments given or received as collateral” include guarantee deposits and securities collateral recognised at fair value. These guarantees can only be exercised in case of default, insolvency or bankruptcy of one of the contracting parties.

Regarding master netting agreements, the guarantee deposits received or given in compensation for the positive or negative fair values of financial instruments are recognised in the balance sheet in accrued income or expenses and other assets or liabilities.

In millions of euros, at 30 June 2016	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Trading securities	150,090		150,090			150,090
Loans	549		549			549
Repurchase agreements	268,942	(96,150)	172,792	(29,016)	(139,091)	4,685
Instruments designated as at fair value through profit or loss	82,614		82,614			82,614
Derivative financial instruments (including derivatives used for hedging purposes)	600,704	(195,333)	405,371	(311,438)	(41,908)	52,025
Loans and receivables due from customers and credit institutions	750,813	(1,542)	749,271	(3,086)	(14,797)	731,388
<i>of which repurchase agreements</i>	18,661	(281)	18,380	(3,086)	(14,795)	499
Accrued income and other assets	135,018	(1,333)	133,685		(45,654)	88,031
<i>of which guarantee deposits paid</i>	74,267		74,267		(45,654)	28,613
Other assets not subject to offsetting	477,617		477,617			477,617
TOTAL ASSETS	2,466,347	(294,358)	2,171,989	(343,540)	(241,450)	1,586,999

In millions of euros, at 30 June 2016	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Trading securities	83,056		83,056			83,056
Borrowings	3,939		3,939			3,939
Repurchase agreements	297,434	(96,150)	201,284	(29,525)	(166,734)	5,025
Instruments designated as at fair value through profit or loss	50,806		50,806			50,806
Derivative financial instruments (including derivatives used for hedging purposes)	591,331	(195,333)	395,998	(311,438)	(48,574)	35,986
Due to customers and to credit institutions	825,646	(1,542)	824,104	(2,577)	(14,554)	806,973
<i>of which repurchase agreements</i>	17,850	(281)	17,569	(2,577)	(14,554)	438
Accrued expense and other liabilities	112,142	(1,333)	110,809		(42,459)	68,350
<i>of which guarantee deposits received</i>	60,073		60,073		(42,459)	17,614
Other liabilities not subject to offsetting	400,553		400,553			400,553
TOTAL LIABILITIES	2,364,907	(294,358)	2,070,549	(343,540)	(272,321)	1,454,688

In millions of euros, at 31 December 2015	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Trading securities	133,500		133,500			133,500
Loans	433		433			433
Repurchase agreements	252,675	(121,325)	131,350	(19,161)	(111,526)	663
Instruments designated as at fair value through profit or loss	83,076		83,076			83,076
Derivative financial instruments (including derivatives used for hedging purposes)	486,881	(132,194)	354,687	(272,364)	(34,620)	47,703
Loans and receivables due from customers and credit institutions	727,212	(1,288)	725,924	(1,165)	(6,784)	717,975
of which repurchase agreements	7,990		7,990	(1,165)	(6,784)	41
Accrued income and other assets	108,703	(685)	108,018		(38,335)	69,683
of which guarantee deposits paid	65,590		65,590		(38,335)	27,255
Other assets not subject to offsetting	457,205		457,205			457,205
TOTAL ASSETS	2,249,685	(255,492)	1,994,193	(292,690)	(191,265)	1,510,238

In millions of euros, at 31 December 2015	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Trading securities	82,544		82,544			82,544
Borrowings	3,893		3,893			3,893
Repurchase agreements	274,203	(121,325)	152,878	(18,996)	(130,494)	3,388
Instruments designated as at fair value through profit or loss	53,118		53,118			53,118
Derivative financial instruments (including derivatives used for hedging purposes)	479,090	(132,194)	346,896	(272,364)	(38,496)	36,036
Due to customers and to credit institutions	785,743	(1,288)	784,455	(1,330)	(9,136)	773,989
of which repurchase agreements	10,703		10,703	(1,330)	(9,136)	237
Accrued expense and other liabilities	89,314	(685)	88,629		(34,730)	53,899
of which guarantee deposits received	50,284		50,284		(34,730)	15,554
Other liabilities not subject to offsetting	381,703		381,703			381,703
TOTAL LIABILITIES	2,149,608	(255,492)	1,894,116	(292,690)	(212,856)	1,388,570

5. ADDITIONAL INFORMATION

5.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

At 30 June 2016, the share capital of BNP Paribas SA amounted to EUR 2,492,925,268, and was divided into 1,246,462,634 shares. The nominal value of each share is EUR 2. At 31 December 2015, the share capital amounted to EUR 2,492,770,306 and was divided into 1,246,385,153 shares.

- **Ordinary shares issued by BNP Paribas and held by the Group**

	Proprietary transactions		Trading transactions ⁽¹⁾		Total	
	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)
Shares held at 31 December 2014	2,971,853	140	(3,243,468)	(160)	(271,615)	(20)
Acquisitions	478,402	24			478,402	24
Disposals	(444,829)	(22)			(444,829)	(22)
Shares delivered to employees	(1,340,114)	(59)			(1,340,114)	(59)
Other movements			4,880,552	249	4,880,552	249
Shares held at 30 June 2015	1,665,312	83	1,637,084	89	3,302,396	172
Acquisitions	417,324	23			417,324	23
Disposals	(458,763)	(25)			(458,763)	(25)
Shares delivered to employees						
Other movements			(1,799,013)	(98)	(1,799,013)	(98)
Shares held at 31 December 2015	1,623,873	81	(161,929)	(9)	1,461,944	72
Acquisitions	985,893	43			985,893	43
Disposals	(988,893)	(44)			(988,893)	(44)
Shares delivered to employees	(731,055)	(35)			(731,055)	(35)
Other movements			(1,714,318)	(66)	(1,714,318)	(66)
Shares held at 30 June 2016	889,818	45	(1,876,247)	(75)	(986,429)	(30)

⁽¹⁾ Transactions realised in the framework of an activity of trading and arbitrage transactions on equity indices.

At 30 June 2016, the BNP Paribas Group was a net seller of 986,429 BNP Paribas shares representing an amount of EUR 30 million, which was recognised as an increase in equity.

Under the Bank's market-making agreement relating to the BNP Paribas share on the Italian market made with Exane BNP Paribas, and in line with the Code of Ethics recognised by the AMF, the Bank bought back 985,893 shares during the first half of 2016 at an average share price of EUR 43.74, and sold 988,893 shares at an average share price of EUR 43.95. At 30 June 2016, 97,000 shares worth EUR 4 million were held by BNP Paribas SA under this agreement.

From 1 January 2016 to 30 June 2016, 731,055 shares were delivered following the definitive award of performance shares to their beneficiaries.

- **Preferred shares and Undated Super Subordinated Notes eligible as Tier 1 regulatory capital**

- Preferred shares issued by the Group’s foreign subsidiaries

BNP Paribas Personal Finance made in 2004 two issues of undated non-voting preferred shares through a structured entity governed by UK law and which is exclusively controlled. Since the first call date, these preferred shares are redeemable at par at the issuer’s discretion at each quarterly coupon date.

Issuer	Date of issue	Currency	Amount (in millions of euros)	Rate and term before 1st call date	Rate after 1st call date
Cofinoga Funding II LP	January and May 2004	EUR	80	TEC 10 ⁽¹⁾ + 1.35% 10 years	TEC 10 ⁽¹⁾ + 1.35%
Total at 30 June 2016			73 ⁽²⁾		

⁽¹⁾ TEC 10 is the daily long-term government bond index, corresponding to the yield-to-maturity of a fictitious 10-year Treasury note.

⁽²⁾ Value at the date of acquisition of control over the LaSer group.

These issues and the related dividends are recorded under “Minority interests” in the balance sheet.

- Undated Super Subordinated Notes issued by BNP Paribas SA

BNP Paribas has issued Undated Super Subordinated Notes which pay a fixed, fixed adjustable or floating rate coupon and are redeemable at the end of a fixed period and thereafter at each coupon date or every five years. If the notes are not redeemed at the end of this period, some of these issues will pay a floating coupon indexed to Euribor, Libor or a swap rate or a fixed coupon.

On 17 June 2015, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of EUR 750 million, which pay a 6.125% fixed rate coupon. The notes could be redeemed at the end of a 7-year period. If the notes are not redeemed in 2022, a 5-year euro swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 29 June 2015, BNP Paribas SA redeemed the June 2005 issue for a total amount of USD 1,070 million at the first call date. These notes paid a 5.186% fixed-rate coupon.

On 19 August 2015, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 1,500 million which pay a 7.375% fixed-rate coupon. The notes could be redeemed at the end of a 10-year period. If the notes are not redeemed in 2025, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 30 March 2016, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 1,500 million which pay a 7.625% fixed-rate coupon. The notes could be redeemed at the end of a 5-year period. If the notes are not redeemed in 2021, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 12 and 19 April 2016, BNP Paribas SA redeemed the April 2006 issues for a total amount of EUR 549 million and GBP 450 million at the first call date. These notes paid a 4.73% and 5.945% fixed-rate coupon.

The following table summarises the characteristics of these various issues:

Date of issue	Currency	Amount (in millions of currency units)	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
October 2005	EUR	1,000	annual	4.875%	6 years	4.875%
October 2005	USD	400	annual	6.25%	6 years	6.250%
July 2006	EUR	150	annual	5.45%	20 years	3-month Euribor + 1.920%
July 2006	GBP	163	annual	5.954%	10 years	GBP 3-month Libor + 1.810%
April 2007	EUR	638	annual	5.019%	10 years	3-month Euribor + 1.720%
June 2007	USD	600	quarterly	6.5%	5 years	6.50%
June 2007	USD	1,100	semi-annual	7.195%	30 years	USD 3-month Libor + 1.290%
October 2007	GBP	200	annual	7.436%	10 years	GBP 3-month Libor + 1.850%
June 2008	EUR	500	annual	7.781%	10 years	3-month Euribor + 3.750%
September 2008	EUR	100	annual	7.57%	10 years	3-month Euribor + 3.925%
December 2009	EUR	2	quarterly	3-month Euribor + 3.750%	10 years	3-month Euribor + 4.750%
December 2009	EUR	17	annual	7.028%	10 years	3-month Euribor + 4.750%
December 2009	USD	70	quarterly	USD 3-month Libor + 3.750%	10 years	USD 3-month Libor + 4.750%
December 2009	USD	0.5	annual	7.384%	10 years	USD 3-month Libor + 4.750%
June 2015	EUR	750	semi-annual	6.125%	7 years	EUR 5-year swap + 5.230%
August 2015	USD	1,500	semi-annual	7.375%	10 years	USD 5-year swap + 5.150%
March 2016	USD	1,500	semi-annual	7.625%	5 years	USD 5-year swap + 6.314%
Total euro-equivalent historical value at 30 June 2016		7,969	⁽¹⁾			

⁽¹⁾ Net of shares held in treasury by Group entities

BNP Paribas has the option of not paying interest due on these Undated Super Subordinated Notes. Unpaid interest is not carried forward.

For the notes issued before 2015, the absence of coupon payment is conditional on the absence of dividend payment on BNP Paribas SA ordinary shares or on Undated Super Subordinated Note equivalents during the previous year. Interest due is payable once dividend payment on BNP Paribas SA ordinary shares resumes.

The contracts relating to these Undated Super Subordinated Notes contain a loss absorption clause. Under the terms of this clause, in the event of insufficient regulatory capital, the nominal value of the notes may be reduced in order to serve as a new basis for the calculation of the related coupons until the capital deficiency is made up and the nominal value of the notes is increased to its original amount.

The proceeds from these issues are recorded in equity under “Capital and retained earnings”. In accordance with IAS 21, issues denominated in foreign currencies are recognised at their historical value based on their translation into euros at the issue date. Interest on the instruments is treated in the same way as dividends.

At 30 June 2016, the BNP Paribas Group held EUR 37 million of Undated Super Subordinated Notes which were deducted from shareholders’ equity.

- **Earnings per share**

Basic earnings per share are calculated by dividing the net income for the period attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period. The net income attributable to ordinary shareholders is determined by deducting the net income attributable to holders of preferred shares.

Diluted earnings per share correspond to the net income for the period attributable to holders of ordinary shares, divided by the weighted average number of shares outstanding as adjusted for the maximum effect of the conversion of dilutive equity instruments into ordinary shares. In-the-money stock subscription options are taken into account in the diluted earnings per share calculation, as are performance shares granted under the Global Share-based Incentive Plan. Conversion of these instruments would have no effect on the net income figure used in this calculation.

	First half 2016	First half 2015
Net profit used to calculate basic and diluted earnings per ordinary share (in millions of euros) ⁽¹⁾	4,277	4,002
Weighted average number of ordinary shares outstanding during the year	1,246,099,599	1,241,909,627
Effect of potentially dilutive ordinary shares	197,800	1,141,403
- Stock subscription option plan	195,837	446,569
- Performance share attribution plan	1,963	694,834
Weighted average number of ordinary shares used to calculate diluted earnings per share	1,246,297,399	1,243,051,030
Basic earnings per share (in euros)	3.43	3.22
Diluted earnings per share (in euros)	3.43	3.22

⁽¹⁾The net profit/(loss) used to calculate basic and diluted earnings per share is the net profit/(loss) attributable to equity shareholders, adjusted for the remuneration on the Undated Super Subordinated Notes issued by BNP Paribas SA (treated as preferred share equivalents), which for accounting purposes is handled as dividends, as well as the related foreign exchange impact recognised directly in shareholders' equity.

The dividend per share paid in 2016 out of the 2015 net income amounted to EUR 2.31, compared with EUR 1.50 paid in 2015 out of the 2014 net income.

5.b CONTINGENT LIABILITIES: LEGAL PROCEEDINGS AND ARBITRATION

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”). These actions, known generally as “clawback claims”, are similar to those brought by the BLMIS Trustee against numerous institutions, and seek recovery of amounts allegedly received by the BNP Paribas entities from BLMIS or indirectly through BLMIS-related “feeder funds” in which BNP Paribas entities held interests. The BLMIS Trustee claims in these actions that the amounts which BNP Paribas entities received are avoidable and recoverable under the U.S. Bankruptcy Code and New York state law. In the aggregate, the amount sought to be recovered in these actions approximates USD 1.3 billion. BNP Paribas has substantial and credible defenses to these actions and is defending against them vigorously.

Various litigations and investigations are ongoing relating to the restructuring of the Fortis group, now Ageas, of which BNP Paribas Fortis is no longer part, and to events having occurred before BNP Paribas Fortis became part of the BNP Paribas Group. Among these are litigations brought by shareholder groups in The Netherlands and Belgium against Ageas and, among others, against BNP Paribas Fortis, in relation to its role as global coordinator of Fortis (now Ageas)’s capital increase in October 2007 to partly finance its acquisition of ABN Amro Bank N.V. These shareholder groups mainly allege that there has been a breach in the financial communication, as, inter alia, the disclosure regarding the exposure to subprime mortgages. On 14 March 2016, Ageas announced that it had entered into with representatives of certain shareholder groups a proposed settlement with respect to civil proceedings related to the former Fortis group for the events of 2007 and 2008. This settlement applies to all Fortis shareholders who held shares between 28 February 2007 and 14 October 2008, irrespective of whether they are members of a shareholder group that was represented in the negotiation of the settlement. The parties will request the Amsterdam Court of Appeals to declare the settlement to be binding on all Fortis shareholders who are eligible to participate in it, in accordance with the Dutch Act on Collective Settlement of Mass Claims (“Wet Collectieve Afwikkeling Massaschade” or “WCAM”). BNP Paribas Fortis is among the beneficiaries who may benefit from this settlement, if it becomes final and binding. In the interval, the civil proceedings pending in The Netherlands and the one brought by Deminor in Belgium are suspended.

Litigation was also brought in Belgium by minority shareholders of Fortis against the Société fédérale de Participations et d’Investissement, Ageas and BNP Paribas seeking (amongst other things) damages from BNP Paribas as restitution for part of the BNP Paribas Fortis shares that were contributed to BNP Paribas in 2009, on the ground that the transfer of these shares was null and void. On 29 April 2016 the Brussels Commercial court decided to stay the proceedings until the resolution of the pending Fortis criminal proceeding in Belgium.

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, in December 2014 the Hong Kong Monetary Authority and in October 2015, the Financial Services Agency in Japan 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 a number of other financial institutions, was named as a defendant in several consolidated civil class actions which were filed starting in March 2014 in the U.S. District Court of New York on behalf of purported classes of plaintiffs alleging manipulation of foreign exchange markets. It is worth noting that US antitrust proceedings provide for joint and several liability of all defendants. Without acknowledging liability, the Bank along with several of its co-defendants reached an agreement with plaintiffs to settle this consolidated civil class action. In December 2015, the U.S. District Court of

New York issued a preliminary settlement order approving the settlement agreement entered into by the Bank in an amount of USD 115 million.

In connection with the European Commission's investigation into purported anti-competitive conduct in the Credit Default Swaps ("CDS") market between a number of investment banks including BNP Paribas (the closure of which was announced by the European Commission on 4 December 2015), several class actions lawsuits were filed in U.S. courts against such parties. It is worth noting that US antitrust proceedings provide for joint and several liability of all defendants. Without acknowledging liability, the Bank and its co-defendants reached an agreement with the plaintiffs to settle these class actions. In October 2015, the U.S. District Court of New York issued a preliminary settlement order approving the settlement agreement entered into by the Bank in an amount of USD 89 million.

5.c BUSINESS COMBINATIONS

No significant business combination occurred during the first half of 2016 nor during the first half of 2015.

5.d MINORITY INTERESTS

• Main minority interests

The assessment of the material nature of minority interests is based on the contribution of the relevant subsidiaries to the Group balance sheet (before elimination of intra-group balances and transactions) and to the Group profit and loss account.

	30 June 2016	First half 2016						
	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
In millions of euros								
Contribution of the entities belonging to the BGL BNP Paribas group	69,603	737	228	246	34%	72	81	67
Other minority interests						133	118	31
TOTAL						205	199	98

	31 December 2015	First half 2015						
	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
In millions of euros								
Contribution of the entities belonging to the BGL BNP Paribas group	67,485	786	239	227	34%	84	74	75
Other minority interests						104	149	46
TOTAL						188	223	121

• Internal restructuring that led to a change in minority shareholders' interest in the equity of subsidiaries

No significant internal restructuring operation occurred during the first half of 2016, nor during the first half of 2015.

- **Acquisitions of additional interests and partial sales of interests leading to changes in minority interests in the equity of subsidiaries**

In millions of euros	First half 2016		First half 2015	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
UkrSibbank Public JSC				
Sale of 40% of UkrSibbank's equity, followed by a capital increase subscribed by all shareholders.	(102)	34		
Other	(1)	3	3	(7)
Total	(103)	37	3	(7)

On 23 June 2016, the Board of directors of the BNP Paribas Group approved the decision to launch an initial public offering of First Hawaiian Inc., subject to market conditions and regulatory authorisations. This operation could lead to the partial sale of 15% to 17% interest in the entity's equity, without loss of control, during the second half of 2016.

- **Commitments to repurchase minority shareholders' interests**

In connection with the acquisition of certain entities, the Group granted minority shareholders put options on their holdings.

The total value of these commitments, which are recorded as a reduction in shareholders' equity, amounts to EUR 696 million at 30 June 2016, compared with EUR 707 million at 31 December 2015.

5.e FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

The information supplied in this note must be used and interpreted with the greatest caution for the following reasons:

- These fair values are an estimate of the value of the relevant instruments as at 30 June 2016. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instrument to BNP Paribas as a going concern;
- Most of these fair values are not meaningful, and hence are not taken into account in the management of the commercial banking activities which use these instruments;
- Estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank. This means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful;
- The fair values shown below do not include the fair values of finance lease transactions, non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of the BNP Paribas Group.

In millions of euros 30 June 2016	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and receivables due from credit institutions (note 4.d)		55,935	13	55,948	55,967
Loans and receivables due from customers (note 4.e) ⁽¹⁾	685	49,947	631,646	682,278	666,483
Held-to-maturity financial assets	8,087	152		8,239	7,085
FINANCIAL LIABILITIES					
Due to credit institutions (note 4.d)		98,625		98,625	98,508
Due to customers (note 4.e)		726,461		726,461	725,596
Debt securities (note 4.f)	61,311	106,294		167,605	166,452
Subordinated debt (note 4.f)	7,508	10,395		17,903	18,471

⁽¹⁾ Finance leases excluded

In millions of euros, at 31 December 2015	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and receivables due from credit institutions (note 4.d)		43,337	45	43,382	43,427
Loans and receivables due from customers (note 4.e) ⁽¹⁾	694	50,272	615,589	666,555	655,898
Held-to-maturity financial assets	8,866	152	-	9,018	7,757
FINANCIAL LIABILITIES					
Due to credit institutions (note 4.d)		84,386		84,386	84,146
Due to customers (note 4.e)		701,207		701,207	700,309
Debt securities (note 4.f)	50,334	110,580		160,914	159,447
Subordinated debt (note 4.f)	8,281	8,061		16,342	16,544

⁽¹⁾ Finance leases excluded

The valuation techniques and assumptions used by BNP Paribas ensure that the fair value of financial assets and liabilities carried at amortised cost is measured on a consistent basis throughout the Group. Fair value is based on prices quoted in an active market when these are available. In other cases, fair value is determined using valuation techniques such as discounting of estimated future cash flows for loans, liabilities and held-to-maturity financial assets, or specific valuation models for other financial instruments as described in note 1, “Summary of significant accounting policies applied by the BNP Paribas Group”. The description of the fair value hierarchy levels is also presented in the accounting principles (note 1.c.10). In the case of loans, liabilities and held-to-maturity financial assets that have an initial maturity of less than one year (including demand deposits) or of most regulated savings products, fair value equates to carrying amount. These instruments have been classified in Level 2, except for loans to customers, which are classified in Level 3.

5.f SCOPE OF CONSOLIDATION

Name	Country	30 June 2016				31 December 2015			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNP Paribas SA	France								
BNP Paribas SA (Argentina branch)	Argentina	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Australia branch)	Australia	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Bahrain branch)	Bahrain	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Belgium branch)	Belgium	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Bulgaria branch)	Bulgaria	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Canada branch)	Canada	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Cayman Islands branch)	Cayman Islands	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Germany branch)	Germany	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Hong Kong branch)	Hong Kong	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Hungary branch)	Hungary	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (India branch)	India	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Ireland branch)	Ireland	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Italy branch)	Italy	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Japan branch)	Japan	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Jersey branch)	Jersey	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Kuwait branch)	Kuwait	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Luxembourg branch)	Luxembourg	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Malaysia branch)	Malaysia	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Monaco branch)	Monaco	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Netherlands branch)	Netherlands	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Norway branch)	Norway							S1	
BNP Paribas SA (Panama branch)	Panama	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Philippines branch)	Philippines	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Poland branch)	Poland	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Portugal branch)	Portugal	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Qatar branch)	Qatar	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Republic of Korea branch)	Rep. of Korea	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Saudi Arabia branch)	Saudi Arabia	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Singapore branch)	Singapore	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (South Africa branch)	South Africa	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Spain branch)	Spain	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Taiwan branch)	Taiwan	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Thailand branch)	Thailand	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (UK branch)	UK	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (United Arab Emirates branch)	United Arab Emirates	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (USA branch)	USA	Full	100%	100%	Full	100%	100%		
BNP Paribas SA (Viet Nam branch)	Viet Nam	Full	100%	100%	Full	100%	100%		
Retail Banking & Services									
Domestic Markets									
Retail Banking - France									
Banque de Wallis et Futuna	France	Full (1)	51.0%	51.0%	Full (1)	51.0%	51.0%		
BNP Paribas Développement	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Factor	France	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Factor (Spain branch)	Spain	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Factor AS	Denmark	Equity *	100%	99.9%	Equity *	100%	99.9%	E1	
BNP Paribas Factor Portugal	Portugal	Full	100%	100%	Full	100%	100%		
BNP Paribas Guadeloupe	France	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Guyane	France	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Martinique	France	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Nouvelle Calédonie	France	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Réunion	France	Full (1)	100%	100%	Full (1)	100%	100%		
Portparibas Société de Bourse	France	Full (1)	51.0%	51.0%	Full (1)	51.0%	51.0%		
Société Asacemie de Développement et d'Expansion	France	Full	100%	100%	Full	100%	65.9%		
Retail Banking - Belgium									
Alpha Card SCRL	Belgium	Equity	50.0%	50.0%	Equity	50.0%	50.0%		
Belgian Mobile Wallet	Belgium					20.0%	20.0%	V3	
BNP Paribas Commercial Finance Ltd	UK	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Factor Deutschland BV	Netherlands	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Factor GmbH	Germany	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Factoring Coverage Europe Holding NV	Netherlands	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Fortis	Belgium	Full	99.9%	99.9%	Full	99.9%	99.9%		
BNP Paribas Fortis (Austria branch)	Austria	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Fortis (Cayman Islands branch)	Cayman Islands							S1	
BNP Paribas Fortis (Czech Republic branch)	Czech Republic	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Fortis (Denmark branch)	Denmark	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Fortis (Finland branch)	Finland	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Fortis (Germany branch)	Germany	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Fortis (Netherlands branch)	Netherlands	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Fortis (Norway branch)	Norway	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Fortis (Romania branch)	Romania	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Fortis (Spain branch)	Spain	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Fortis (Sweden branch)	Sweden	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Fortis (UK branch)	UK							S1	
BNP Paribas Fortis (USA branch)	USA	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Fortis Factor NV	Belgium	Full	100%	99.9%	Full	100%	99.9%		
BNP Paribas Fortis Funding SA	Luxembourg	Full	100%	99.9%	Full	100%	99.9%		
Bpostbanque	Belgium	Equity (3)	50.0%	50.0%	Equity (3)	50.0%	50.0%		
Demeris NV	Belgium	Equity *	100%	99.9%	Equity *	100%	99.9%		
Immobilier Saunvinière SA	Belgium	Equity *	100%	99.9%	Equity *	100%	99.9%		
Structured Entities									
BASS Master Issuer NV	Belgium	Full	-	-	Full	-	-		
Emmie Master Issuer	Belgium	Full	-	-	Full	-	-		

Name	Country	30 June 2016				31 December 2015			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Retail Banking - Luxembourg									
BGL BNP Paribas	Luxembourg	Full	66.0%	65.9%	Full	66.0%	65.9%		
BGL BNP Paribas (Germany branch)	Germany	Full	100%	65.9%	Full	100%	65.9%		
BGL BNP Paribas Factor SA	Luxembourg	Full	100%	65.9%	Full	100%	65.9%		
BNP Paribas Lease Group Luxembourg SA	Luxembourg	Full	100%	65.9%	Full	100%	65.9%		
Cofinflux SA	Luxembourg	Full	100%	65.9%	Full	100%	65.9%		
Structured Entities									
Société Immobilière de Monterey SA	Luxembourg	Full	-	-	Full	-	-		
Retail Banking - Italy (BNL Banca Commerciale)									
Argincassa SPA	Italy	Full	73.9%	73.9%	Full	73.9%	73.9%		
Banca Nazionale del Lavoro SPA	Italy	Full	100%	100%	Full	100%	100%		
BNL Finance SPA	Italy	Full	100%	100%	Full	100%	100%		
BNL Postivi SRL	Italy	Full	51.0%	51.0%	Full	51.0%	51.0%		
Business Partners Italia SCPA	Italy	Full	99.9%	99.8%	V3	Full	100%	99.9%	V3
International Factors Italia SPA - Itifac	Italy	Full	99.7%	99.7%	V1	Full	99.7%	99.7%	
Service Italia Società Fiduciaria E Di Servizi SPA	Italy	Equity *	100%	100%	E1				
Structured Entities									
EMF-IT 2008-1 SRL	Italy	Full	-	-	Full	-	-		
Vela ABS SRL	Italy	Full	-	-	Full	-	-		
Vela Consumer SRL	Italy	Full	-	-	Full	-	-	E2	
Vela Home SRL	Italy	Full	-	-	Full	-	-		
Vela Mortgages SRL	Italy	Full	-	-	Full	-	-		
Vela OBG SRL	Italy	Full	-	-	Full	-	-		
Vela Public Secrbt SRL	Italy	Full	-	-	Full	-	-		
Vela RMBS SRL	Italy	Full	-	-	Full	-	-		
Avial									
Avial	France	Equity *	100%	100%	Equity *	100%	100%	E1	
Avial AB	Sweden	Equity *	100%	100%	Equity *	100%	100%	E2	
Avial AS	Denmark	Equity *	100%	100%	Equity *	100%	100%		
Avial Austria GmbH	Austria	Equity *	100%	100%	Equity *	100%	100%		
Avial Belgium SA	Belgium	Full	100%	100%	Full	100%	100%		
Avial Benelux BV	Netherlands	Full	100%	100%	Full	100%	100%		
Avial Brasil Ltda	Brazil	Full	100%	100%	Full	100%	100%		
Avial BV	Netherlands	Full	100%	100%	Full	100%	100%		
Avial CZ SRO	Czech Republic	Full	100%	100%	Full	100%	100%		
Avial Deutschland GmbH	Germany	Full	100%	100%	Full	100%	100%		
Avial ECL	France							S4	
Avial Fleet Services (ex- General Electric Capital Fleet Services Fr)	France	Full	100%	100%	Full	100%	100%	E3	
Avial Fleet Services BV (ex- GE Fleet Services BV)	Netherlands	Full	100%	100%	Full	100%	100%	E3	
Avial Helix Car Rental SA	Greece	Equity *	100%	100%	Equity *	100%	100%		
Avial India Private Ltd	India	Equity *	100%	100%	Equity *	100%	100%		
Avial Italy Fleet Services SRL	Italy	Full	100%	100%	Full	100%	100%	E3	
Avial Jubling (ex- Avial China Co Ltd)	China	Equity	40.0%	40.0%	Equity	40.0%	40.0%	V3	
Avial Luxembourg SA	Luxembourg	Equity *	100%	100%	Equity *	100%	100%		
Avial Magyarország KFT	Hungary	Equity *	100%	100%	Equity *	100%	100%		
Avial Maroc SA	Morocco	Equity *	100%	88.9%	Equity *	100%	88.9%	V3	
Avial OOO	Russia	Full	100%	100%	Full	100%	100%		
Avial Oy	Finland	Equity *	100%	100%	Equity *	100%	100%		
Avial Schweiz AG	Switzerland	Equity *	100%	100%	Equity *	100%	100%		
Avial Service Lease	France	Full	100%	100%	Full	100%	100%		
Avial Service Lease Aluger Operational Autovehicul SA	Portugal	Equity *	100%	100%	Equity *	100%	100%		
Avial Service Lease Italia SPA	Italy	Full	100%	100%	Full	100%	100%		
Avial Service Lease Polska SP ZOO	Poland	Full	100%	100%	Full	100%	100%		
Avial Service Lease Romania SRL	Romania	Equity *	100%	100%	Equity *	100%	100%		
Avial Service Lease SA	Spain	Full	100%	100%	Full	100%	100%		
Avial Slovakia	Slovakia	Equity *	100%	100%	Equity *	100%	100%		
Avial Trading	France	Equity *	100%	100%	Equity *	100%	100%		
Avial UK Group Ltd	UK	Full	100%	100%	Full	100%	100%		
Avial UK Ltd	UK	Full	100%	100%	Full	100%	100%		
Autovale	France							S4	
BNP Paribas Fleet Holdings Ltd	UK	Full	100%	100%	Full	100%	100%		
Colpacre	France	Full	100%	100%	Full	100%			

Name	Country	30 June 2016				31 December 2015			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNP Paribas Leasing Solutions (UK branch)	UK	Full	100%	83.0%	Full	100%	83.0%		
BNP Paribas Leasing Solutions (Germany branch)	Germany	Full (1)	100%	83.0%	Full (1)	100%	83.0%		
BNP Paribas Leasing Solutions (Italy branch)	Italy	Full (1)	100%	83.0%	Full (1)	100%	83.0%		
BNP Paribas Leasing Solutions (Portugal branch)	Portugal	Full (1)	100%	83.0%	Full (1)	100%	83.0%		
BNP Paribas Leasing Solutions (Spain branch)	Spain	Full (1)	100%	83.0%	Full (1)	100%	83.0%		
BNP Paribas Leasing Solutions IFN SA	Romania	Equity *	100%	83.0%	Equity *	100%	83.0%		
BNP Paribas Leasing Solutions IFN 1	Hungary	Equity *	100%	83.0%	Equity *	100%	83.0%		
BNP Paribas Leasing Solutions Leasing Solutions SPA	Italy	Full	100%	85.5%	Full	100%	85.5%		
BNP Paribas Leasing Solutions Leasing RT	Hungary	Equity *	100%	83.0%	Equity *	100%	83.0%		
BNP Paribas Leasing Solutions PLC	UK	Full	100%	83.0%	Full	100%	83.0%		
BNP Paribas Leasing Solutions Polska SP ZOO	Poland	Equity *	100%	83.0%	Equity *	100%	83.0%		
BNP Paribas Leasing Solutions SA Belgium	Belgium	Full	100%	83.0%	Full	100%	83.0%		
BNP Paribas Leasing Solutions Luxembourg	Luxembourg	Full	100%	83.0%	Full	100%	83.0%		
BNP Paribas Leasing Solutions Immobilier Suisse	Switzerland							S4	
BNP Paribas Leasing Solutions Ltd	UK	Full	100%	83.0%	Full	100%	83.0%		
BNP Paribas Leasing Solutions NV	Netherlands	Full	100%	83.0%	Full	100%	83.0%		
BNP Paribas Leasing Solutions Suisse SA	Switzerland	Equity *	100%	83.0%	Equity *	100%	83.0%		
Class Financial Services	France	Full (1)	60.1%	49.9%	Full (1)	60.1%	49.9%		
Class Financial Services (Germany branch)	Germany	Full (1)	100%	49.9%	Full (1)	100%	49.9%		
Class Financial Services (Italy branch)	Italy	Full (1)	100%	49.9%	Full (1)	100%	49.9%		
Class Financial Services (Poland branch)	Poland	Full (1)	100%	49.9%	Full (1)	100%	49.9%		
Class Financial Services (Spain branch)	Spain	Full (1)	100%	49.9%	Full (1)	100%	49.9%		
Class Financial Services Inc	USA	Full			Full			S2	
Class Financial Services Ltd	UK	Full	51.0%	42.3%	Full	51.0%	42.3%		
CNH Industrial Capital Europe	France	Full (1)	50.1%	41.6%	Full (1)	50.1%	41.6%		
CNH Industrial Capital Europe (Belgium branch)	Belgium	Full (1)	100%	41.6%	Full (1)	100%	41.6%		
CNH Industrial Capital Europe (Germany branch)	Germany	Full (1)	100%	41.6%	Full (1)	100%	41.6%		
CNH Industrial Capital Europe (Italy branch)	Italy	Full (1)	100%	41.6%	Full (1)	100%	41.6%		
CNH Industrial Capital Europe (Poland branch)	Poland	Full (1)	100%	41.6%	Full (1)	100%	41.6%		
CNH Industrial Capital Europe (Spain branch)	Spain	Full (1)	100%	41.6%	Full (1)	100%	41.6%		
CNH Industrial Capital Europe BV	Netherlands	Full	100%	41.6%	Full	100%	41.6%		
CNH Industrial Capital Europe GmbH	Austria	Full	100%	41.6%	Full	100%	41.6%		
CNH Industrial Capital Europe Ltd	UK	Full	100%	41.6%	Full	100%	41.6%		
Commercial Vehicle Finance Ltd	UK	Full	100%	83.0%	Full	100%	83.0%		
ES-Finance	Belgium	Full	100%	99.9%	Full	100%	99.9%		
Fortis Lease	France	Full (1)	100%	83.0%	Full (1)	100%	83.0%		
Fortis Lease Belgium	Belgium	Full	100%	83.0%	Full	100%	83.0%		
Fortis Lease Deutschland GmbH	Germany	Equity *	100%	83.0%	Equity *	100%	83.0%		
Fortis Lease Iberia SA	Spain	Equity *	100%	86.6%	Equity *	100%	86.6%		
Fortis Lease Operativ Leasing Zarkovun Mukodo Reszvenytarsasag	Hungary				Equity *	100%	83.0%	S1	
Fortis Lease Portugal	Portugal	Equity *	100%	83.0%	Equity *	100%	83.0%		
Fortis Lease Romania IFN SA	Romania							S4	
Fortis Lease UK Ltd	UK	Equity *	100%	83.0%	Equity *	100%	83.0%		
Fortis Lease UK Retail Ltd	UK	Equity *	100%	83.0%	Equity *	100%	83.0%		
Fortis Viepostfinance BV	Netherlands	Equity *	100%	83.0%	Equity *	100%	83.0%		
HFQL Ltd	UK	Full	100%	83.0%	Full	100%	83.0%		
Humberdyde Commercial Investments Ltd	UK	Full	100%	83.0%	Full	100%	83.0%		
Humberdyde Commercial Investments N°1 Ltd	UK				Full	100%	83.0%	S1	
JCB Finance	France	Full (1)	100%	41.6%	Full (1)	100%	41.6%		
JCB Finance (Germany branch)	Germany	Full (1)	100%	41.6%	Full (1)	100%	41.6%		
JCB Finance (Italy branch)	Italy	Full (1)	100%	41.6%	Full (1)	100%	41.6%		
JCB Finance Holdings Ltd	UK	Full	50.1%	41.6%	Full	50.1%	41.6%		
Locastore Italiana SPA	Italy	Equity *	100%	83.0%	Equity *	100%	83.0%	V3	
Manitex Finance Ltd	UK	Full	51.0%	42.3%	Full	51.0%	42.3%		
MFF	France	Full (1)	51.0%	42.3%	Full (1)	51.0%	42.3%		
Natoredball	France	Full (1)	100%	100%	Full (1)	100%	100%		
Natoredballmurs	France	Full (1)	100%	100%	Full (1)	100%	100%		
Natoredball2	France	Equity *	100%	100%	Equity *	100%	100%		
RD Portofin SRL	Romania	Equity *	100%	83.0%	Equity *	100%	83.0%	E2	
Same Deutz Fahr Finance	France	Full (1)	100%	83.0%	Full (1)	100%	83.0%		
Same Deutz Fahr Finance Ltd	UK	Full	100%	83.0%	Full	100%	83.0%		
SREI Equipment Finance Ltd	India	Consumer			Equity (3)	50.0%	41.5%	S2	
Structured Entities									
BNP Paribas B Institutional II Short Term	Belgium	Full	-	-	Full	-	-	E1	
Vela Lease SRL	Italy							S3	
Personal Investors									
DAB Bank AG	Germany							S4	
Geoff BNP Paribas Financial Services Ltd	India	Equity	34.4%	34.4%	Equity	34.4%	34.4%		
Geoff Technologies Private Ltd	India	Equity *	57.4%	57.4%	Equity *	57.4%	57.4%	D1	
HaloBank BNP Paribas Austria AG	Austria	Full	100%	100%	Full	100%	100%	V4	
Structured Entities									
DAB Bank AG (ex-BNP Paribas Beteiligungsholding AG)	Germany							S4	
International Financial Services									
BNP Paribas Personal Finance									
Alpha Credit SA	Belgium	Full	100%	99.9%	Full	100%	99.9%		
Axa Banque Financement	France	Equity	35.0%	35.0%	Equity	35.0%	35.0%		
Banco BNP Paribas Personal Finance SA	Portugal	Full	100%	100%	Full	100%	100%		
Banco Cetelem Argentina SA	Argentina	Full	100%	100%	Full	100%	100%		
Banco Cetelem SA	Spain	Full	100%	100%	Full	100%	100%		
Banco Cetelem SA	Brazil	Full	100%	100%	Full	100%	100%		
Banco de Servicios Financieros SA	Argentina	Equity	40.0%	40.0%	Equity	40.0%	40.0%		
Banque Sofisa	France	Equity (3)	44.9%	44.9%	Equity (3)	44.9%	44.9%		
BON Mercanti E Servicios Ltda	Brazil	Equity *	100%	100%	Equity *	100%	100%		
BNP Paribas Personal Finance	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Personal Finance (Czech Republic branch)	Czech Republic	Full	100%	100%	Full	100%	100%	E2	

Name	Country	30 June 2016				31 December 2015			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNP Paribas Personal Finance (Slovakia branch)	Slovakia	Full	100%	100%	E2				
BNP Paribas Personal Finance BV	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas Personal Finance EAD	Bulgaria	Full	100%	100%		Full	100%	100%	
BNP Paribas Personal Finance SA de CV	Mexico	Full	100%	100%		Full	100%	100%	
Caifneo	France	Full (1)	51.0%	50.8%		Full (1)	51.0%	50.8%	
Carrefour Banque	France	Equity	40.0%	40.0%		Equity	40.0%	40.0%	V1
Cetelem Algerie	Algeria								S3
Cetelem America Ltda	Brazil	Full	100%	100%		Full	100%	100%	
Cetelem Bank LLC	Russia	Equity	20.8%	20.8%		Equity	20.8%	20.8%	V3
Cetelem CR AS	Czech Republic								S4
Cetelem IFN	Romania	Full	100%	100%		Full	100%	100%	
Cetelem Servicos Ltda	Brazil	Equity *	100%	100%	D1	Full	100%	100%	
Cetelem Slovensko AS	Slovakia				S4	Full	100%	100%	
CMV Mediterra	France	Full (1)	100%	100%		Full (1)	100%	100%	
Coifa Bal	France	Full (1)	100%	100%		Full (1)	100%	100%	
Colplan	France	Full (1)	100%	100%		Full (1)	100%	100%	
Commerz Finanz	Germany	Full	50.1%	50.1%		Full	50.1%	50.1%	
Communication Marketing Services	France								S4
Compagnie de Gestion et de Prets	France								S4
Creation Consumer Finance Ltd	UK	Full	100%	100%		Full	100%	100%	
Creation Financial Services Ltd	UK	Full	100%	100%		Full	100%	100%	
Creation Marketing Services Ltd	UK								S1
Crédit Moderne Antilles Guyane	France	Full (1)	100%	100%		Full (1)	100%	100%	
Crédit Moderne Océan Indien	France	Full (1)	97.8%	97.8%		Full (1)	97.8%	97.8%	
Direct Services	Bulgaria	Full	100%	100%		Full	100%	100%	
Domofinance	France	Full (1)	55.0%	55.0%		Full (1)	55.0%	55.0%	
Etico	France	Full	100%	100%		Full	100%	100%	
Etico Iberia SA	Spain	Equity *	100%	100%		Equity *	100%	100%	
ExpresBank	Denmark	Full	100%	100%		Full	100%	100%	
ExpresBank (Norway branch)	Norway	Full	100%	100%		Full	100%	100%	
Eos Arenas Belgium SA NV	Belgium	Equity	50.0%	49.9%		Equity	50.0%	49.9%	
Eurocredit EFC SA	Spain								S4
Facet	France								S4
Fidocom	France	Full	82.4%	82.4%		Full	82.4%	82.4%	
Fidem	France								S4
Finest-Expansion SA	Spain	Full	100%	100%		Full	100%	100%	
Finomesto Bank SPA	Italy	Full	100%	100%		Full	100%	100%	
Finomesto Banka AD	Serbia	Equity *	100%	100%	D1	Full	100%	100%	
Gesellschaft für Capital & Vermögensverwaltung GmbH	Germany	Equity *	100%	99.9%		Equity *	100%	99.9%	
Geston et Services Groupe Cofnoga GIE	France								S4
Inkasso Kodat GmbH & Co KG	Germany	Equity *	100%	99.9%		Equity *	100%	99.9%	
LaSer Cofnoga	France								S4
LaSer Loyalty	France								S4
LaSer SA	France								S4
Level 20	France	Full	100%	100%		Full	100%	100%	
Loisirs Finance	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
Magyar Cetelem Bank ZRT	Hungary	Full	100%	100%		Full	100%	100%	
Norranen Finance	France	Full (1)	100%	100%	V1	Full (1)	51.0%	51.0%	
Oney Magyarorszag ZRT	Hungary	Equity	40.0%	40.0%		Equity	40.0%	40.0%	
Préts et Services SAS	France	Full (1)	100%	100%		Full (1)	100%	100%	
Projeo	France	Full (1)	100%	100%		Full (1)	100%	100%	V1
RCS Botswana Proprietary Ltd	Botswana								S3
RCS Cards Proprietary Ltd	South Africa	Full	100%	100%		Full	100%	100%	
RCS Collections Proprietary Ltd	South Africa								S3
RCS Home Loans Proprietary Ltd	South Africa								S3
RCS Investment Holdings Proprietary Ltd	South Africa	Full	100%	100%		Full	100%	100%	
RCS Investment Holdings Namibia Proprietary Ltd	Namibia								S3
Retail Mobile Wallet	France	Full	100%	100%		Full	100%	100%	D1
Servicos Financieros Carrefour EFC SA	Spain	Equity	37.3%	40.0%		Equity	37.3%	40.0%	V4
Sundaram BNP Paribas Home Finance Ltd	India	Equity	49.9%	49.9%		Equity	49.9%	49.9%	
Suning Consumer Finance Company Limited	China	Equity	15.0%	15.0%	E1				
Sygnia Banque	France								S4
Sygnia Banque (Poland branch)	Poland								S1
Sygnia Banque (UK branch)	UK								S1
Sygnia Funding Two Ltd	UK	Full	100%	100%		Full	100%	100%	
Syngam	France	Full	100%	100%		Full	100%	100%	
TEB Tüketici Finansman AS	Turkey	Full	100%	92.8%		Full	100%	92.8%	
UCB Ingatlanhitel RT	Hungary	Full	100%	100%		Full	100%	100%	
Union de Creditos Inmobiliarios	Spain	Equity (3)	50.0%	50.0%		Equity (3)	50.0%	50.0%	
Von Essen GmbH (ex-Von Essen GmbH & Co KG Betriebsgesellschaft)	Germany	Full	100%	99.9%		Full	100%	99.9%	
Structured Entities									
Autonoria 2012 - 1	France								S1
Autonoria 2012 - 2	France		-	-	S1	Full	-	-	
Autonoria 2014	France	Full	-	-		Full	-	-	
Cofnoga Funding Two LP	UK	Full	-	-		Full	-	-	
Domos 2011 - A et B	France	Full	-	-		Full	-	-	
FCC Domos 2008	France	Full	-	-		Full	-	-	
FCC Retail ABS Finance Noria 2009	France	Full	-	-		Full	-	-	
FCC UCI 5-18	Spain	Equity (3)	-	-		Equity (3)	-	-	
Fidocomo Financiero Cetelem II, III et IV	Argentina								S1
Fidomest SA	Italy	Full	-	-		Full	-	-	
Fidomest SPV SRL	Italy	Full	-	-		Full	-	-	
Fondo de Titulacion de Activos RMBS Prado I	Spain	Equity (3)	-	-		Equity (3)	-	-	E2
Noria 2015	France	Full	-	-		Full	-	-	E2
Pheдина Hypotheken 2010 BV	Netherlands	Full	-	-		Full	-	-	
Pheдина Hypotheken 2011-BV	Netherlands	Full	-</						

Name	Country	30 June 2016				31 December 2015			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
International Retail Banking									
Retail Banking in the United States of America									
1897 Services Corporation	USA	Full	100%	100%		Full	100%	100%	
BancWest Corporation	USA	Full	100%	100%	E2				
BancWest Holding Inc	USA	Full	100%	100%	E2				
BancWest Investment Services Inc	USA	Full	100%	100%		Full	100%	100%	
Bank of the West	USA	Full	100%	100%		Full	100%	100%	
Bank of the West (Cayman Islands branch)	Cayman Islands				S1	Full	100%	100%	
Bishop Street Capital Management Corporation	USA	Full	100%	100%		Full	100%	100%	
BW Insurance Agency Inc	USA								S2
Center Club Inc	USA	Full	100%	100%		Full	100%	100%	
CFB Community Development Corporation	USA	Full	100%	100%		Full	100%	100%	
Class Financial Services LLC	USA	Full	51.0%	51.0%	V2	Full	75.9%	63.4%	
Commercial Federal Affordable Housing Inc	USA	Full	100%	100%		Full	100%	100%	
Commercial Federal Community Development Corporation	USA	Full	100%	100%		Full	100%	100%	
Commercial Federal Insurance Corporation	USA	Full	100%	100%		Full	100%	100%	
Commercial Federal Investment Service Inc	USA	Full	100%	100%		Full	100%	100%	
Community Service Inc	USA								S1
FNB Guam Trust Co	USA	Full	100%	100%		Full	100%	100%	
FNB One Inc	USA	Full	100%	100%		Full	100%	100%	
First Bancorp	USA	Full	100%	100%		Full	100%	100%	
First Hawaiian Bank	USA	Full	100%	100%		Full	100%	100%	
First Hawaiian Bank (Cayman Islands branch)	Cayman Islands								S1
First Hawaiian Capital I	USA								S1
First Hawaiian Inc (ex-BancWest Corporation)	USA	Full	100%	100%		Full	100%	100%	
First Hawaiian Leasing Inc	USA	Full	100%	100%		Full	100%	100%	
First National Bancorporation	USA	Full	100%	100%		Full	100%	100%	
First Santa Clara Corporation	USA	Full	100%	100%		Full	100%	100%	
Liberty Leasing Company	USA	Full	100%	100%		Full	100%	100%	
Mountain Falls Acquisition Corporation	USA	Full	100%	100%		Full	100%	100%	
Real Estate Delivery 2 Inc	USA	Full	100%	100%		Full	100%	100%	
The Bankers Club Inc	USA	Full	100%	100%		Full	100%	100%	
Unus Real Estate Inc	USA	Full	100%	100%		Full	100%	100%	
Structured Entities									
Bank of the West Auto Trust 2014-1	USA	Full	-	-		Full	-	-	
Bank of the West Auto Trust 2015-1	USA	Full	-	-		Full	-	-	E2
Bank of the West Auto Trust 2016-1 (ex-Bank of the West Auto Trust 2015-2)	USA	Full	-	-		Full	-	-	E2
Bank of the West Auto Trust 2016-2	USA	Full	-	-	E2				
BOW Auto Receivables LLC	USA	Full	-	-		Full	-	-	
Commercial Federal Realty Investors Corporation	USA								S1
Commercial Federal Service Corporation	USA								S1
Equipment Lot FH	USA				S2	Full	-	-	
Equipment Lot Siemens 1998A-FH	USA	Full	-	-		Full	-	-	
Glendale Corporate Center Acquisition LLC	USA	Full	-	-		Full	-	-	
LACMTA Real Estate Trust (FH1)	USA	Full	-	-		Full	-	-	
Lexington Blue LLC	USA	Equity	-	-		Equity	-	-	
MNCRC Equipment Lot	USA								S2
Riverwalk Village Three Holdings LLC	USA	Full	-	-		Full	-	-	
Santa Rita Townhomes Acquisition LLC	USA	Full	-	-		Full	-	-	
Southwest Airlines 1993 Trust N363SW	USA								S2
ST 2001 FH-1 Statutory Trust	USA	Full	-	-		Full	-	-	
SWB 99-1	USA	Full	-	-		Full	-	-	
VTA 1998-FH	USA	Full	-	-		Full	-	-	
Europe Mediterranean									
Bank SOZ BNP Paribas SA	Poland	Full	88.3%	88.3%		Full	88.3%	88.3%	V1&V3
Bank of Ningbo	China	Equity	18.8%	18.8%	V1	Equity	18.8%	18.8%	V1
Banque Internationale pour le Commerce et l'Industrie de la Cote d'Ivoire	Ivory Coast	Full	59.8%	59.8%		Full	59.8%	59.8%	
Banque Internationale pour le Commerce et l'Industrie de la Guinée	Guinea	Full	55.6%	55.6%	D1	Equity *	55.6%	55.6%	
Banque Internationale pour le Commerce et l'Industrie du Burkina Faso	Burkina Faso	Full	51.0%	51.0%		Full	51.0%	51.0%	
Banque Internationale pour le Commerce et l'Industrie du Gabon	Gabon	Equity	47.0%	47.0%		Equity	47.0%	47.0%	
Banque Internationale pour le Commerce et l'Industrie du Mali	Mali	Full	85.0%	85.0%		Full	85.0%	85.0%	
Banque Internationale pour le Commerce et l'Industrie du Sénégal	Senegal	Full	54.1%	54.1%		Full	54.1%	54.1%	
Banque Marocaine pour le Commerce et l'Industrie	Morocco	Full	66.7%	66.7%		Full	66.7%	66.7%	
Banque Marocaine pour le Commerce et l'Industrie Banque Offshore	Morocco	Full	100%	66.7%		Full	100%	66.7%	V3
BICI Bourse	Ivory Coast	Equity *	90.0%	53.5%		Equity *	90.0%	53.5%	E1
BMCI Asset Management	Morocco	Equity *	100%	66.7%		Equity *	100%	66.7%	V3
BMCI Assurance SARL	Morocco	Equity *	100%	66.7%		Equity *	100%	66.7%	V3
BMCI Leasing	Morocco	Full	86.9%	58.0%		Full	86.9%	58.0%	V3
BNP Intercontinental	France								S4
BNP Paribas Bank Polska SA	Poland								S4
BNP Paribas El Djazair	Algeria	Full	100%	100%		Full	100%	100%	
BNP Paribas Fortis Yatirimlar Holding AS	Turkey	Full	100%	99.9%		Full	100%	99.9%	
BNP Paribas RB Participations	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Yatirimlar Holding AS	Turkey	Full	100%	100%		Full	100%	100%	
IC Asia Insurance, JSC	Ukraine	Equity	49.8%	29.9%	V2	Equity	49.8%	29.9%	
Kronenburg Vastgoed BV	Netherlands								S3
Orient Commercial Bank	Viet Nam								S2
Sichting Efidan Dienstverlening	Netherlands								S2
Sygnia Bank Polska SA (Spolka Akcyjna)	Poland				S4	Full	100%	88.3%	E3
TEB Fakring AS	Turkey	Full	100%	72.4%		Full	100%	72.4%	V4

Name	Country	30 June 2016				31 December 2015			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
TEB Holding AS	Turkey	Full	50.0%	50.0%		Full	50.0%	50.0%	
TEB Porfay Yonetimi AS	Turkey	Full	100%	72.5%		Full	100%	72.5%	V1
TEB SH A	Serbia	Full	100%	50.0%		Full	100%	50.0%	
TEB Yatirim Menkul Değerler AS	Turkey	Full	100%	72.4%		Full	100%	72.4%	V1
The Economy Bank NV	Netherlands								S3
Turk Ekonomi Bankasi AS	Turkey	Full	100%	72.4%		Full	100%	72.4%	V1
Turk Ekonomi Bankasi AS (Bahrain branch)	Bahrain								S1
UkrSibbank Public JSC	Ukraine	Full	60.0%	60.0%	V2	Full	60.0%	60.0%	
Union Bancaire pour le Commerce et l'Industrie	Tunisia	Full	50.1%	50.1%		Full	50.1%	50.1%	
Insurance									
AG Insurance	Belgium	Equity	25.0%	25.0%		Equity	25.0%	25.0%	
BNP Paribas Cardif	France	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif BV	Netherlands	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif Emekli Anonim Sirketi	Turkey	Full (2)	100%	100%	D1	Equity *	100%	100%	
BNP Paribas Cardif General Insurance Co Ltd	Rep. of Korea	Equity *	79.6%	79.6%	V4	Equity *	77.5%	77.5%	V4
BNP Paribas Cardif Levensverzekeringen NV	Netherlands	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif Pobjavna AS	Czech Republic	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif PSC Ltd	UK				S3	Equity *	100%	100%	
BNP Paribas Cardif Schadeverzekeringen NV	Netherlands	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif Seguros de Vida SA	Chile	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif Seguros Generales SA	Chile	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif Servicios y Asistencia Limitada	Chile	Equity *	100%	100%		Equity *	100%	100%	
BNP Paribas Cardif TCS Life Insurance Company I	Taiwan	Equity	49.0%	49.0%		Equity	49.0%	49.0%	
BNP Paribas Cardif Via Compagnia di Assicurazione E Riassicurazione SPA	Italy	Full (2)	100%	100%		Full (2)	100%	100%	
BOB-Cardif Life Insurance Company Ltd	China	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
Cardif Assurance Vie	France	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Austria branch)	Austria	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Belgium branch)	Belgium	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Bulgaria branch)	Bulgaria	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Germany branch)	Germany	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Italy branch)	Italy	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Japan branch)	Japan	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Portugal branch)	Portugal	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Romania branch)	Romania	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Spain branch)	Spain	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Switzerland branch)	Switzerland	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Taiwan branch)	Taiwan	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers	France	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers (Austria branch)	Austria	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers (Belgium branch)	Belgium	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers (Bulgaria branch)	Bulgaria	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers (Germany branch)	Germany	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers (Italy branch)	Italy	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers (Japan branch)	Japan	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers (Luxembourg branch)	Luxembourg	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers (Poland branch)	Poland	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers (Portugal branch)	Portugal	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers (Romania branch)	Romania	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers (Spain branch)	Spain	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers (Switzerland branch)	Switzerland	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Riques Divers (Taiwan branch)	Taiwan	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Biznosa Magyarorszag ZRT	Hungary				S3	Equity *	100%	100%	
Cardif Colombia Seguros Generales SA	Colombia	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif del Peru Sa Compania de Seguros	Peru								S3
Cardif do Brasil Seguros e Garantias SA	Brazil	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif do Brasil Vida e Previdencia SA	Brazil	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif El Djazair	Algeria	Equity *	100%	100%		Equity *	100%	100%	E1
Cardif Forsakring AB	Sweden	Equity *	100%	100%		Equity *	100%	100%	
Cardif Forsakring AB (Denmark branch)	Denmark	Equity *	100%	100%		Equity *	100%	100%	
Cardif Forsakring AB (Norway branch)	Norway	Equity *	100%	100%		Equity *	100%	100%	
Cardif Hayet Sigorta Anonim Sirketi	Turkey								S3
Cardif Insurance Company LLC	Russia	Full (2)	100%	100%					

Name	Country	30 June 2016				31 December 2015			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Cargas Assicurazioni SPA	Italy	Equity	50.0%	50.0%	Equity	50.0%	50.0%		
CB (UK) Ltd	UK	Full (2)	100%	100%	Full (2)	100%	100%		
Damel Ltd	Ireland	Full (2)	100%	100%	Full (2)	100%	100%		
F&B Insurance Holdings SA	Belgium							S1	
GIE BNP Paribas Cardif	France	Full (2)	100%	99.0%	Full (2)	100%	99.0%		
Icare	France	Full (2)	100%	100%	Full (2)	100%	100%		
Icare Assurance	France	Full (2)	100%	100%	Full (2)	100%	100%		
Luzensag	Brazil	Equity	50.0%	50.0%	Equity	50.0%	50.0%		
Natio Assurance	France	Equity	50.0%	50.0%	Equity	50.0%	50.0%		
NCVP Participacoes Societarias SA	Brazil	Full (2)	100%	100%	Full (2)	100%	100%		
Prinadeo Insurance PLC	UK	Full (2)	100%	100%	Full (2)	100%	100%		
Procyfion Arka Powszozhne Towarzystwo Emerytalne SA	Poland				S3	Equity	33.3%	33.3%	
Posivna Cardif Slovakia AS	Slovakia	Equity *	100%	100%	Equity *	100%	100%		
Portes de Clays SCI	France	Equity	45.0%	45.0%	Equity	45.0%	45.0%	V3	
Soox SCI	France	Equity	46.4%	46.4%	Equity	46.4%	46.4%	V3	
State Bank of India Life Insurance Company Ltd	India	Equity	26.0%	26.0%	Equity	26.0%	26.0%		
Structured Entities									
BNP Paribas Adcom Euroland	France	Full (2)	-	-	Full (2)	-	-	E1	
BNP Paribas Aqua	France	Full (2)	-	-	Full (2)	-	-	-	
BNP Paribas Convictions	France	Full (2)	-	-	Full (2)	-	-	E1	
BNP Paribas Developpement Humain	France	Full (2)	-	-	Full (2)	-	-	E1	
BNP Paribas Global Senior Corporate Loans	France	Full (2)	-	-	Full (2)	-	-	-	
BNP Paribas Money 3M	France							S3	
Cardimmo	France	Full (2)	-	-	Full (2)	-	-	-	
Natio Fonds Ampère 1	France	Full (2)	-	-	Full (2)	-	-	-	
Odyssee SCI	France	Full (2)	-	-	Full (2)	-	-	-	
Profesa Monde Equilibre	France							S4	
Société Immobilière du Royal Building SA	Luxembourg	Full (2)	-	-	Full (2)	-	-	-	
Theam Quant Equity Europe Guru	France	Full (2)	-	-	Full (2)	-	-	E1	
Wealth Management									
B-Capital	France	Full (1)	100%	100%	Full (1)	100%	100%		
Bank Ininger de Beaufort NV	Netherlands	Full	63.0%	63.0%	Full	63.0%	63.0%		
Bank Ininger de Beaufort NV (UK branch)	UK	Full	100%	63.0%	Full	100%	63.0%		
BNP Paribas Espana SA	Spain	Full	99.7%	99.7%	Full	99.7%	99.7%		
BNP Paribas Wealth Management	France	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Wealth Management (Hong Kong branch)	Hong Kong	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Wealth Management (Singapore branch)	Singapore	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Wealth Management Monaco	Monaco	Full (1)	100%	100%	Full (1)	100%	100%		
Conseil Investissement SNC	France	Equity *	100%	100%	Equity *	100%	100%		
Investment Partners									
Alfred Berg Asset Management AB	Sweden	Full	100%	98.3%	Full	100%	98.3%		
Alfred Berg Asset Management AB (Denmark branch)	Denmark				S1	Full	100%	98.3%	
Alfred Berg Asset Management AB (Finland branch)	Finland	Full	100%	98.3%	Full	100%	98.3%		
Alfred Berg Asset Management AB (Norway branch)	Norway	Full	100%	98.3%	Full	100%	98.3%		
Alfred Berg Fonder AB	Sweden	Full	100%	98.3%	Full	100%	98.3%		
Alfred Berg Kapitalforvaltning AB	Sweden	Full	100%	98.3%	Full	100%	98.3%		
Alfred Berg Kapitalforvaltning AS	Norway	Full	100%	98.3%	Full	100%	98.3%		
Alfred Berg Kapitalforvaltning Finland AB	Finland	Full	100%	98.3%	Full	100%	98.3%		
Alfred Berg Rahastusto Oy	Finland	Full	100%	98.3%	Full	100%	98.3%		
Bancoestado Administradora General de Fondos SA	Chile	Equity	50.0%	49.1%	Equity	50.0%	49.1%		
BNP Paribas Asset Management Brazil Ltda	Brazil	Full	100%	99.6%	Full	100%	99.6%		
BNP Paribas Asset Management Inc	USA							S4	
BNP Paribas Asset Management India Private Ltd	India	Equity *	100%	98.3%	Equity *	100%	98.3%		
BNP Paribas Asset Management SAS	France	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Asset Management SAS (Austria branch)	Austria	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Capital Partners	France	Equity *	100%	100%	Equity *	100%	100%		
BNP Paribas Investment Partners	France	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Investment Partners (Australia) Holdings Pty Ltd	Australia	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Investment Partners (Australia) Ltd	Australia	Equity *	100%	98.3%	Equity *	100%	98.3%		
BNP Paribas Investment Partners Argentina SA	Argentina	Equity *	100%	99.6%	Equity *	100%	99.6%		
BNP Paribas Investment Partners Asia Ltd	Hong Kong	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Investment Partners BE Holding	Belgium	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Investment Partners Belgium	Belgium	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Investment Partners Belgium (Germany branch)	Germany	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Investment Partners Funds (Nederland) NV	Netherlands	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Investment Partners Japan Ltd	Japan	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Investment Partners Latam SA	Mexico	Equity *	99.1%	97.4%	Equity *	99.1%	97.4%		
BNP Paribas Investment Partners Luxembourg	Luxembourg	Full	99.7%	98.0%	Full	99.7%	98.0%		
BNP Paribas Investment Partners Netherlands NV	Netherlands	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Investment Partners NL Holding NV	Netherlands	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Investment Partners PT	Indonesia	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Investment Partners Singapore Ltd	Singapore	Equity *	100%	98.3%	Equity *	100%	98.3%		
BNP Paribas Investment Partners Societe di Gestione del Risparmio SPA	Italy	Full	100%	100%	Full	100%	100%	V4	
BNP Paribas Investment Partners UK Ltd	UK	Full	100%	98.3%	Full	100%	98.3%		
BNP Paribas Investment Partners USA Holdings Inc	USA	Full	100%	100%	Full	100%	100%		
CamGeston	France	Full	100%	98.3%	Full	100%	98.3%		

Name	Country	30 June 2016				31 December 2015			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Fischer Francis Trees & Watts Inc	USA	Full	100%	100%		Full	100%	100%	
Fischer Francis Trees & Watts UK Ltd	UK				S3	Equity *	100%	98.3%	
Fund Channel	Luxembourg	Equity	50.0%	49.1%	Equity	50.0%	49.1%		
FundQuest Advisor	France	Equity *	100%	98.3%	Equity *	100%	98.3%		
FundQuest Advisor (UK branch)	UK	Equity *	100%	98.3%	Equity *	100%	98.3%		
Halting - Fortis Private Equity Fund Management Co Ltd	China	Equity	33.0%	32.4%	Equity	33.0%	32.4%		
HFT Investment Management Co Ltd	China	Equity	49.0%	48.2%	Equity	49.0%	48.2%		
Shinhan BNP Paribas Asset Management Co Ltd	Rep. of Korea	Equity	35.0%	34.4%	Equity	35.0%	34.4%		
THEAM	France	Full	100%	98.3%	Full	100%	98.3%		
TKB BNP Paribas Investment Partners Holding BV	Netherlands							S2	
Real Estate Services									
Atraeal Netherlands BV	Netherlands	Full	100%	100%	Full	100%	100%		
August-Thouard Expertise	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Immobilier Promotoin Immobilier d'entreprise	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Immobilier Promotoin Residential	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Immobilier Residences Services	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Immobilier Residential	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Immobilier Residential Service Clients	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Immobilier Residential Transaction & Conseil	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Immobilier Residential V2	France							S4	
BNP Paribas Real Estate	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Advisory & Property Management Ireland Ltd	Ireland	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Advisory & Property Management LLC	United Arab Emirates							S3	
BNP Paribas Real Estate Advisory & Property Management Luxembourg SA	Luxembourg	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Advisory & Property Management UK Ltd	UK	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Advisory Belgium SA	Belgium	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Advisory Italy SPA	Italy	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Advisory Netherlands BV	Netherlands	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Advisory SA	Romania	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Advisory Spain SA	Spain	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Consult France	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Consult GmbH	Germany	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Facilities Management Ltd	UK	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Financial Partner	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate GmbH	Germany	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Holding Benelux SA	Belgium	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Holding GmbH	Germany	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Hotels France	France	Full	100%	96.0%	Full	100%	96.0%	V3	
BNP Paribas Real Estate Investment Management Belgium	Belgium	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Investment Management France	France	Full	96.8%	96.8%	Full	96.8%	96.8%		
BNP Paribas Real Estate Investment Management Germany GmbH	Germany	Full	94.9%	94.9%	Full	94.9%	94.9%		
BNP Paribas Real Estate Investment Management Italy	Italy	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Investment Management Ltd	UK	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Investment Management Luxembourg SA	Luxembourg	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Investment Management Spain SA	Spain	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Investment Management UK Ltd	UK	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Investment Services	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Italy SRL	Italy	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Jersey Ltd	Jersey	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Poland SP ZOO	Poland	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Property Development UK Ltd	UK	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Property Development Italy SPA	Italy	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Property Management Belgium	Belgium	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Property Management France SAS	France	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Property Management GmbH	Germany	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Property Management Italy SRL	Italy	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Property Management Spain SA	Spain	Full	100%	100%	Full	100%	100%		
BNP Paribas Real Estate Transaction France	France	Full	96.0%	96.0%	Full	96.0%	96.0%	V3	
BNP Paribas Real Estate Valuation France	France	Full	100%	100%	Full	100%	100%		
BNP PR Real Estate Advisory & Property Management Czech Republic SRO	Czech Republic	Full	100%	100%	Full	100%	100%		
BNP PR Real Estate Advisory & Property Management Hungary Ltd	Hungary	Full	100%	100%	Full	100%	100%		
FC Ingenierie et Promotoin Immobilière	France	Full	100%	100%	Full	100%	100%		
Immobilier des Bergues	France	Full	100%	100%	Full	100%	100%		
Lochi SRL	Italy	Full	100%	100%	Full	100%	100%	E1	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

E1	Passing qualifying thresholds as defined by the Group (see note 1.b)
E2	Incorporation
E3	Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

S1	Cessation of activity (including dissolution, liquidation)
S2	Disposal, loss of control or loss of significant influence
S3	Entities removed from the scope because < qualifying thresholds (see note 1.b)
S4	Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

V1	Additional purchase
V2	

Name	Country	30 June 2016				31 December 2015			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Meurer Hispania	Spain	Full	100%	100%	Full	100%	100%		
Parker Tower Ltd	UK	Full	100%	100%	Full	100%	100%	E3	
Partner's Services	France	Full	100%	100%	Full	100%	100%		
Pyrotek GB 1 SA	Luxembourg	Full	100%	100%	Full	100%	100%		
Pyrotek SARL	Luxembourg	Full	100%	100%	Full	100%	100%		
San Basilio 45 SRL	Italy				S2	Full	100%	100%	
Sigèe Italy	France	Full	100%	100%	Full	100%	100%		
Sociétés de Construction de Vente	France	Full			Full/Equity			D2	
Sviluppo HQ Tournai SRL	Italy	Full	100%	100%	Full	100%	100%		
Sviluppo Residenziale Italia SRL	Italy	Full	100%	100%	Full	100%	100%		
Via Crespi 26 SRL	Italy							S2	
Structured Entities									
REPO Parker Ltd	UK	Full	-	-	Full	-	-	E2	
Corporate & Institutional Banking									
Securities services									
BNP Paribas Dealing Services	France	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Dealing Services (UK branch)	UK	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Dealing Services Asia Ltd	Hong Kong	Full	100%	100%	Full	100%	100%		
BNP Paribas Fund Administration Services Ireland Ltd	Ireland	Full	100%	100%	Full	100%	100%	E3	
BNP Paribas Fund Services Australasia Pty Ltd	Australia	Equity *	100%	100%	Equity *	100%	100%	D1	
BNP Paribas Fund Services Australasia Pty Ltd (New Zealand branch)	New Zealand	Equity *	100%	100%	Equity *	100%	100%	D1	
BNP Paribas Fund Services Dublin Ltd	Ireland							S4	
BNP Paribas Fund Services France	France				S4	Full	100%	100%	
BNP Paribas Securities Services	France	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Australia branch)	Australia	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Belgium branch)	Belgium	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Germany branch)	Germany	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Greece branch)	Greece	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Guernsey branch)	Guernsey	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Hong Kong branch)	Hong Kong	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Hungary branch)	Hungary	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Ireland branch)	Ireland	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Italy branch)	Italy	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Jersey branch)	Jersey	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Luxembourg branch)	Luxembourg	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Netherlands branch)	Netherlands	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Poland branch)	Poland	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Portugal branch)	Portugal	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Singapore branch)	Singapore	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Spain branch)	Spain	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (Switzerland branch)	Switzerland	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Securities Services (UK branch)	UK	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Sundaram Global Securities Operations Private Ltd	India	Full	100%	100%	Full	100%	100%	V1	
CIB EMEA (Europ, Middle East, Africa)									
France									
BNP Paribas Arbitrage	France	Full (1)	100%	100%	Full (1)	100%	100%		
BNP Paribas Arbitrage (UK branch)	UK	Full (1)	100%	100%	Full (1)	100%	100%		
Esomet	France	Full	100%	100%	Full	100%	100%		
Lafite Participation 22	France	Full	100%	100%	Full	100%	100%		
Opéra Trading Capital	France	Full	100%	100%	Full	100%	100%	E2	
Opéra Trading Capital (Hong Kong branch)	Hong Kong	Full	100%	100%	Full	100%	100%	E2	
Opéra Trading Capital (UK branch)	UK	Full	100%	100%	Full	100%	100%	E2	
Parilase	France	Full (1)	100%	100%	Full (1)	100%	100%		
Talbot/Participation 3 SNC	France	Full	100%	100%	Full	100%	100%		
Verner Investments	France	Equity	40.0%	50.0%	Equity	40.0%	50.0%		
Other European countries									
Alpha Murcia Holding BV	Netherlands	Equity *	100%	99.9%	Equity *	100%	99.9%		
BNP Paribas Arbitrage Insurance BV	Netherlands	Full	100%	100%	Full	100%	100%		
BNP Paribas Bank JSC	Russia	Full	100%	100%	Full	100%	100%		
BNP Paribas Commodity Futures Ltd	UK	Full	100%	100%	Full	100%	100%		
BNP Paribas Emission-und Handel MSB	Germany	Full	100%	100%	Full	100%	100%		
BNP Paribas Ireland	Ireland	Full	100%	100%	Full	100%	100%		
BNP Paribas Islamic Issuance BV	Netherlands	Full	100%	100%	Full	100%	100%		
BNP Paribas Net Ltd	UK	Equity *	100%	100%	Equity *	100%	100%		
BNP Paribas Prime Brokerage International Ltd	Ireland	Full	100%	100%	Full	100%	100%		
BNP Paribas UK Holdings Ltd	UK	Full	100%	100%	Full	100%	100%		
BNP Paribas UK Ltd	UK	Full	100%	100%	Full	100%	100%		
BNP Paribas Varsity Reinsurance Ltd	Ireland	Equity *	100%	100%	Equity *	100%	100%	D1	
BNP PLUK Holding Ltd	UK	Full	100%	100%	Full	100%	100%		
Fschoolen	Belgium	Equity	50.0%	50.0%	Equity	50.0%	50.0%		
GreenStars BNP Paribas	Luxembourg	Equity *	100%	100%	Equity *	100%	100%		
Harewood Holdings Ltd	UK	Full	100%	100%	Full	100%	100%		
Hime Holding 1 SA	Luxembourg							S3	

Name	Country	30 June 2016				31 December 2015			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Hime Holding 2 SA	Luxembourg								S3
Hime Holding 3 SA	Luxembourg								S3
Landscape Ltd	UK	Full	100%	100%	Full	100%	100%		
SC Nueva Condo Murcia SL	Spain	Equity *	100%	99.9%	Equity *	100%	99.9%		
Ulexam Logistics Ltd	Ireland	Full	100%	100%	Full	100%	100%		
Ulexam Solutions Ltd	Ireland	Full	100%	100%	Full	100%	100%		
Middle East									
BNP Paribas Investment Company KSA	Saudi Arabia	Equity *	100%	100%	Equity *	100%	100%		
Africa									
BNP Paribas Securities South Africa Holdings Pty Ltd	South Africa	Equity *	60.0%	60.0%	Equity *	60.0%	60.0%		
BNP Paribas Securities South Africa Pty Ltd	South Africa	Equity *	100%	60.0%	Equity *	100%	60.0%	V1	
CIB Americas									
Banco BNP Paribas Brasil SA	Brazil	Full	100%	100%	Full	100%	100%		
Banex Holding Corporation	USA	Full	100%	100%	Full	100%	100%		
BNP Paribas (Canada) Valeurs Mobilières	Canada	Equity *	100%	100%	Equity *	100%	100%		
BNP Paribas Canada	Canada	Full	100%	100%	Full	100%	100%		
BNP Paribas Capital Services Inc	USA	Full	100%	100%	Full	100%	100%		
BNP Paribas CC Inc	USA	Full	100%	100%	Full	100%	100%		
BNP Paribas Colombia Corporacion Financiera SA	Colombia	Equity *	100%	100%	Equity *	100%	100%		
BNP Paribas Energy Trading Canada Corp	Canada				S3	Equity *	100%	100%	
BNP Paribas Energy Trading GP	USA	Full	100%	100%	Full	100%	100%		
BNP Paribas Energy Trading Holdings Inc	USA	Full	100%	100%	Full	100%	100%		
BNP Paribas Energy Trading LLC	USA	Full	100%	100%	Full	100%	100%		
BNP Paribas FS LLC	USA	Full	100%	100%	Full	100%	100%		
BNP Paribas IT Solutions Canada Inc	Canada	Equity *	100%	100%	Equity *	100%	100%	E1	
BNP Paribas Leasing Corporation	USA	Equity *	100%	100%	D1	Full	100%	100%	
BNP Paribas Mortgage Corp	USA	Full	100%	100%	Full	100%	100%		
BNP Paribas North America Inc	USA	Full	100%	100%	Full	100%	100%		
BNP Paribas Prime Brokerage Inc	USA	Full	100%	100%	Full	100%	100%		
BNP Paribas RCC Inc	USA	Full	100%	100%	Full	100%	100%		
BNP Paribas Securities Corp	USA	Full	100%	100%	Full	100%	100%		
BNP Paribas USA (ex-Paribas North America Inc)	USA	Full	100%	100%	Full	100%	100%		
Cronos Holding Company Ltd	Bermuda							S3	
FB Transportation Capital LLC	USA	Equity *	100%	99.9%	D1	Full	100%	99.9%	
Fortis Funding LLC	USA				S3	Full	100%	99.9%	
French American Banking Corporation	USA	Full	100%	100%	Full	100%	100%		
FSI Holdings Inc	USA	Full	100%	100%	Full	100%	100%		
Via North America Inc	USA	Full	100%	100%	Full	100%	100%		
Structured Entities									
Ozcar Multi-Strategies LLC	USA	Equity *	-	-	E1				
CIB Pacific Asia									
Bank BNP Paribas Indonesia PT	Indonesia	Full	100%	100%	Full	100%	100%		
BNP Pacific (Australia) Ltd	Australia	Full	100%	100%	Full	100%	100%		
BNP Paribas (China) Ltd	China	Full	100%	100%	Full	100%	100%		
BNP Paribas Arbitrage (Hong Kong) Ltd	Hong Kong	Full	100%	100%	Full	100%	100%		
BNP Paribas Capital (Asia Pacific) Ltd	Hong Kong							S3	
BNP Paribas Commodities Trading (Shanghai) Co Ltd	China	Full	100%	100%	Full	100%	100%		
BNP Paribas Finance (Hong Kong) Ltd	Hong Kong	Full	100%	100%	Full	100%	100%		
BNP Paribas India Holding Private Ltd	India	Full	100%	100%	Full	100%	100%		
BNP Paribas India Solutions Private Ltd	India	Full	100%	100%	Full	100%	100%		
BNP Paribas Malaysia Berhad	Malaysia	Full	100%	100%	Full	100%	100%		
BNP Paribas Securities (Asia) Ltd	Hong Kong	Full	100%	100%	Full	100%	100%		
BNP Paribas Securities (Singapore) Pte Ltd	Singapore	Full	100%	100%	Full	100%	100%		
BNP Paribas Securities (Taiwan) Co Ltd	Taiwan	Full	100%	100%	Full	100%	100%		
BNP Paribas Securities India Private Ltd	India	Full	100%	100%	Full	100%	100%		
BNP Paribas Securities Indonesia PT	Indonesia	Full	99.0%	99.0%	Full	99.0%	99.0%		
BNP Paribas Securities Japan Ltd	Japan	Full	100%	100%	Full	100%	100%		
BNP Paribas Securities Korea Company Ltd	Rep. of Korea	Full	100%	100%	Full	100%	100%		
BNP Paribas SJ Ltd	Hong Kong	Equity *	100%	100%	Equity *	100%	100%		
BNP Paribas SJ Ltd (Japan branch)	Japan	Equity *	100%	100%	Equity *	100%	100%		
BPP Holdings Pte Ltd	Singapore	Full	100%	100%	Full	100%	100%		
Structured Entities									
S4 Lombard Street Investments Ltd	UK							S1	
ACC Capital Partners Singapore Pte Ltd	Singapore							S2	
Alamo Funding II Inc	USA							S2	
Alktra Finance PLC	Ireland	Full	-	-	Full	-	-		
Aleray SARL	Luxembourg				S1	Full	-		
Anfin Participation 8	France				S4	Full	-		
Aquarius - Investments PLC	Ireland	Full	-	-	Full	-	-		
Atargats	France	Full	-	-	Full	-	-		
Austin Finance	France	Full	-	-	Full	-	-		
BNP Paribas EOD Brazil Fund Fundo Invest Multimercado	Brazil	Full	-	-	Full	-	-		
BNP Paribas Finance Inc	USA				S3	Full	-		
BNP Paribas Flexi III Deposit Euro	France							S2	
BNP Paribas International Finance Dublin	Ireland	Full	-	-	Full	-	-		
BNP Paribas Investments N°1 Ltd	UK	Full	-	-	Full	-	-		
BNP Paribas Investments N°2 Ltd	UK	Full	-	-	Full	-	-		
BNP Paribas IP Euro Cds 2015-1 BV	Netherlands							S3	
BNP Paribas Proprietario Fundo de Investimento Multimercado	Brazil	Full	-	-	Full				

Name	Country	30 June 2016				31 December 2015			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNP Paribas VPG Brookline Cre LLC	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG CB LLC	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG CT Holdings LLC	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG EDMC Holdings LLC	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG Express LLC (ex- BNPP VPG Modern Lux Media LLC)	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG Freedom Communications LLC	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG Lake Butler LLC	USA	Full	-	-	-	Full	-	-	S1
BNP Paribas VPG Legacy Cabinets LLC	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG Mark IV LLC	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG Master LLC	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG Medians Group LLC	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG Northstar LLC	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG PCMC LLC	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG SBX Holdings LLC	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG SDI Media Holdings LLC	USA	Full	-	-	-	Full	-	-	-
BNP Paribas VPG Titan Outdoor LLC	USA	Full	-	-	-	Full	-	-	S1
Boug BV	Netherlands	Full	-	-	-	Full	-	-	V1
Boug BV (UK branch)	UK	Full	-	-	-	Full	-	-	-
Compagnie d'investissement Italiens	France	Full	-	-	-	Full	-	-	-
Compagnie d'investissement Opéra	France	Full	-	-	-	Full	-	-	-
Crossan SARL	Luxembourg	Full	-	-	S3	Full	-	-	-
European Index Assets BV	Netherlands	Full	-	-	-	Full	-	-	S2
Financière des Italiens	France	Full	-	-	-	Full	-	-	-
Financière Paris Haussmann	France	Full	-	-	-	Full	-	-	-
Financière Talbot	France	Full	-	-	-	Full	-	-	-
Harewood Financing Ltd	UK	Full	-	-	S3	Full	-	-	-
Madison Arbor Ltd	Ireland	Full	-	-	-	Full	-	-	-
Marc Finance Ltd	Cayman Islands	Full	-	-	-	Full	-	-	S3
Matchpoint Finance Public Company Ltd	Ireland	Full	-	-	-	Full	-	-	-
Matchpoint Master Trust	USA	Full	-	-	S1	Full	-	-	-
Méditerranée	France	Full	-	-	-	Full	-	-	-
Omega Capital Funding Ltd	Ireland	Full	-	-	-	Full	-	-	-
Omega Capital Investments PLC	Ireland	Full	-	-	-	Full	-	-	-
Océan Group	France	Full	-	-	-	Full	-	-	-
Participations Opéra	France	Full	-	-	-	Full	-	-	-
Royale Neuve I SARL	Luxembourg	Full	-	-	-	Full	-	-	-
Scalds Capital (Ireland) Ltd	Ireland	Full	-	-	S3	Full	-	-	-
Scalds Capital LLC	USA	Full	-	-	-	Full	-	-	S1
Scalds Capital Ltd	Jersey	Full	-	-	-	Full	-	-	-
Starbird Funding Corporation	USA	Full	-	-	-	Full	-	-	-
TCG Fund I LP	Cayman Islands	Full	-	-	-	Full	-	-	S1
Tender Option Bond Municipal program	USA	Full	-	-	-	Full	-	-	S3
VPG SDI Media LLC	USA	Equity *	-	-	-	Equity *	-	-	V1
Other Business Units									
BNP Paribas Suisse SA	Switzerland	Full	100%	100%	-	Full	100%	100%	-
BNP Paribas Suisse SA (Guernsey branch)	Guernsey	Full	100%	100%	-	Full	100%	100%	-
BNP Paribas Suisse SA (Jersey branch)	Jersey	Full	100%	100%	-	Full	100%	100%	-
Private Equity (BNP Paribas Capital)									
BNP Paribas Fortis Private Equity Belgium	Belgium	Full	100%	99.9%	-	Full	100%	99.9%	-
BNP Paribas Fortis Private Equity Expansion	Belgium	Full	100%	99.9%	-	Full	100%	99.9%	-
BNP Paribas Fortis Private Equity Management	Belgium	Equity *	100%	99.9%	-	Equity *	100%	99.9%	-
Cobena	Belgium	Full	100%	100%	-	Full	100%	100%	-
Compagnie Financière Obimene SA	Luxembourg	Full	97.2%	97.2%	V1	Full	97.1%	97.0%	V1
Property companies (properly used in operations)									
Arlin Participati 5	France	Full	100%	100%	-	Full	100%	100%	-
Société Immobilière du Marché Saint-Honoré	France	Full	99.9%	99.9%	-	Full	99.9%	99.9%	-
Investment companies and other subsidiaries									
BNL International Investments SA	Luxembourg	Full	100%	100%	-	Full	100%	100%	-
BNP Paribas Home Loan SFH	France	Full	100%	100%	-	Full	100%	100%	-
BNP Paribas Méditerranée Innovation et Technologies	Morocco	Full	-	-	-	Full	-	-	S2
BNP Paribas Partners for Innovation	France	Equity	50.0%	50.0%	-	Equity	50.0%	50.0%	-
BNP Paribas Public Sector SCF	France	Full (1)	100%	100%	-	Full (1)	100%	100%	-
BNP Paribas SB Re	Luxembourg	Full (2)	100%	100%	-	Full (2)	100%	100%	-
Compagnie d'Investissements de Paris	France	Full	-	-	-	Full	-	-	S4
Financière BNP Paribas	France	Full	-	-	-	Full	-	-	S4
Financière du Marché Saint-Honoré	France	Full	100%	100%	-	Full	100%	100%	-
GIE Groupement Auxiliaire de Moyens	France	Full	100%	100%	-	Full	100%	100%	-
La Sphinx Assurances Luxembourg SA	Luxembourg	Full (2)	100%	100%	D1	Equity *	100%	100%	-
Plagefin SA	Luxembourg	Full	100%	65.9%	-	Full	100%	65.9%	-
Sagip	Belgium	Full	100%	100%	-	Full	100%	100%	-
Société Auxiliaire de Construction Immobilière	France	Full	100%	100%	-	Full	100%	100%	-
Société Orbaisienne de Participations	France	Full	100%	100%	-	Full	100%	100%	-
UCB Bail 2	France	Full	100%	100%	-	Full	100%	100%	-
Structured Entities									
BNP Paribas B Institutional II Court Terme	Belgium	Full	-	-	-	Full	-	-	E1
BNP Paribas US Medium Term Notes Program LLC	USA	Full	-	-	S3	Full	-	-	-
BNP Paribas SME-1	France	Full	-	-	-	Full	-	-	-
FCT Luffe 2016	France	Full	-	-	E2	Full	-	-	-
FCT Opéra	France	Full	-	-	-	Full	-	-	-
Klépierre									
Klépierre SA	France	Full	-	-	-	Full	-	-	S2

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

- E1 Passing qualifying thresholds as defined by the Group (see note 1.b)
- E2 Incorporation
- E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

- S1 Cessation of activity (including dissolution, liquidation)
- S2 Disposal, loss of control or loss of significant influence
- S3 Entities removed from the scope because < qualifying thresholds (see note 1.b)
- S4 Merger, Universal transfer of assets and liabilities

Variance (V) in voting or ownership interest

- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous

- D1 Consolidation method change not related to fluctuation in voting or ownership interest
- D2 71 Construction-Sale Companies (Real Estate programmes) of which 61 fully and 10 equity method consolidated

Prudential scope of consolidation

- (1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in
- (2) Entities consolidated under the equity method for prudential purposes
- (3) Jointly controlled entities under proportional consolidation for prudential purposes.

3.2 Statutory Auditor's report on the interim consolidated financial statements

Deloitte & Associés

185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers

Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

61, rue Henri Regnault
92400 Courbevoie

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BNP Paribas SA

16, boulevard des Italiens
75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of BNP Paribas SA for the six months ended 30 June 2016;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – “Interim Financial Reporting”, as adopted by the European Union.

II – Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 1 August 2016

The Statutory Auditors

Deloitte & Associés

PricewaterhouseCoopers Audit

Mazars

Damien Leurent

Etienne Boris

Hervé Hélias

4. Risks and capital adequacy – Pillar 3 [non audited]

CAPITAL RATIOS

Update of the 2015 Registration document, table 1 page 236.

Phased in ratio

In millions of euros	Phased in	
	30 June 2016 ^(*)	31 December 2015
COMMON EQUITY TIER 1 (CET1) CAPITAL	71,220	69,562
TIER 1 CAPITAL	78,864	76,854
TOTAL CAPITAL	88,940	85,920
RISK-WEIGHTED ASSETS	633,548	629,626
RATIOS		
Common Equity Tier 1 (CET1) capital	11.2%	11.0%
Tier 1 capital	12.4%	12.2%
Total capital	14.0%	13.6%

Fully loaded ratio

In millions of euros	Fully loaded ^(**)	
	30 June 2016 ^(*)	31 December 2015
COMMON EQUITY TIER 1 (CET1) CAPITAL	70,358	68,867
TIER 1 CAPITAL	76,804	74,046
TOTAL CAPITAL	86,585	82,063
RISK-WEIGHTED ASSETS	635,799	633,527
RATIOS		
Common Equity Tier 1 (CET1) capital	11.1%	10.9%
Tier 1 capital	12.1%	11.7%
Total capital	13.6%	13.0%

(*) Subject to the provisions of article 26.2 of Regulation (EU) No. 575/2013.

(**) In accordance with grandfathered Additional Tier 1 and Tier 2 eligibility rules applicable as of 2019.

RISK FACTORS

Update of the 2015 Registration document, page 240.

The United Kingdom's referendum to leave the European Union may lead to significant uncertainty, volatility and disruptions in European and broader financial and economic markets and hence may adversely affect the Issuer's operating environment.

On June 23, 2016, the United Kingdom held a referendum in which a majority of its voters elected to leave the European Union ("Brexit"). The referendum is non-binding, but it is widely expected that the United Kingdom will invoke the appropriate procedures to implement the Brexit. Once it does so, it would begin negotiations to determine its relationship with the European Union going forward, including regarding trade, financial and legal arrangements. The nature, timing and economic and political effects of a potential Brexit remain highly uncertain and will depend upon the results of future negotiations between the United Kingdom and the European Union, and hence may adversely affect the Issuer's operating environment and therefore its results and financial condition.

CONSOLIDATED BALANCE SHEET TO PRUDENTIAL BALANCE SHEET RECONCILIATION

Update of the 2015 Registration document, table 2 page 250.

In millions of euros	30 June 2016				Reference to capital table (Appendix)
	Accounting scope	Adjustment of insurance companies	Other adjustments related to consolidation methods ^(*)	Prudential scope	
ASSETS					
Cash and amounts due from central banks	147,834	(1)	275	148,108	
Financial instruments at fair value through profit or loss					
Trading securities	150,090	-	-	150,090	
Loans and repurchase agreements	173,341	5,669	-	179,010	
Instruments designated as at fair value through profit or loss	82,614	(80,226)	-	2,388	
Derivative financial instruments	383,444	(353)	(24)	383,067	
Derivatives used for hedging purposes	21,927	(15)	-	21,912	
Available-for-sale financial assets	265,409	(113,384)	4,433	156,458	
of which own funds instruments in credit or financial institutions more than 10%-owned	901	1,940	-	2,841	1
of which own funds instruments in credit or financial institutions less than 10%-owned	1,484	-	-	1,484	2
Loans and receivables due from credit institutions	55,967	(1,735)	(3,980)	50,252	
of which own funds instruments in credit or financial institutions more than 10%-owned	439	-	(40)	399	1
of which own funds instruments in credit or financial institutions less than 10%-owned	-	-	-	-	2
Loans and receivables due from customers	693,304	760	5,162	699,226	
of which own funds instruments in credit or financial institutions more than 10%-owned	137	387	(37)	487	1
of which own funds instruments in credit or financial institutions less than 10%-owned	26	-	-	26	2
Remeasurement adjustment on interest-rate risk hedged portfolios	6,287	-	12	6,299	
Held-to-maturity financial assets	7,085	(6,513)	-	572	
Current and deferred tax assets	7,482	(78)	20	7,424	
Accrued income and other assets	133,685	(6,449)	300	127,536	
Equity-method investments	6,706	5,284	(572)	11,418	
of which investments in credit or financial institutions	3,113	-	(572)	2,541	1
of which goodwill	414	222	-	637	3
Investment property	1,902	(1,330)	-	572	
Property, plant and equipment	21,589	(402)	6	21,193	
Intangible assets	3,207	(228)	16	2,995	
of which intangible assets excluding mortgage servicing rights	3,158	(227)	16	2,947	3
Goodwill	10,116	(222)	-	9,894	3
TOTAL ASSETS	2,171,989	(199,223)	5,648	1,978,414	
LIABILITIES					
Due to central banks	3,666	-	-	3,666	
Financial instruments at fair value through profit or loss					
Trading securities	83,056	-	(22)	83,034	
Borrowings and repurchase agreements	205,223	-	-	205,223	
Instruments designated as at fair value through profit or loss	50,806	(677)	-	50,129	
of which liabilities qualifying for Tier 1 capital	198	-	-	198	4
of which liabilities qualifying for Tier 2 capital	462	-	-	462	5
Derivative financial instruments	373,192	(357)	(24)	372,811	
Derivatives used for hedging purposes	22,806	(24)	44	22,826	
Due to credit institutions	98,508	(1,899)	(113)	96,496	
Due to customers	725,596	(3,715)	4,641	726,522	
Debt securities	166,452	2,021	871	169,344	
Remeasurement adjustment on interest-rate risk hedged portfolios	6,254	-	-	6,254	
Current and deferred tax liabilities	3,741	(300)	96	3,537	
Accrued expenses and other liabilities	110,809	(2,896)	112	108,025	
Technical reserves of insurance companies	190,054	(190,054)	-	-	
Provisions for contingencies and charges	11,915	(304)	42	11,653	
Subordinated debt	18,471	(868)	1	17,604	
of which liabilities qualifying for Tier 1 capital	-	-	-	-	4
of which liabilities qualifying for Tier 2 capital	16,147	-	-	16,147	5
TOTAL LIABILITIES	2,070,549	(199,073)	5,648	1,877,124	
Share capital and related share premium accounts	26,972	-	-	26,972	6
Own equity instruments	(36)	-	-	(36)	
Undated Super Subordinated Notes	7,969	11	-	7,981	7
Non-distributed reserves	51,186	-	-	51,186	
Changes in assets and liabilities recognised directly in equity	7,043	-	-	7,043	8
Net income for the period attributable to shareholders	4,374	-	-	4,374	9
Minority interests	3,931	(162)	-	3,770	10
TOTAL CONSOLIDATED EQUITY	101,440	(150)	-	101,290	
TOTAL LIABILITIES AND EQUITY	2,171,989	(199,223)	5,648	1,978,414	

(*) Adjustment of jointly controlled entities under proportional consolidation for prudential purposes, consolidated using the equity-method in the accounting scope

In millions of euros	31 December 2015				Reference to capital table (Appendix)
	Accounting scope	Adjustment of insurance companies	Other adjustments related to consolidation methods ^(*)	Prudential scope	
ASSETS					
Cash and amounts due from central banks	134,547	-	126	134,673	
Financial instruments at fair value through profit or loss					
Trading securities	133,500	-	5	133,505	
Loans and repurchase agreements	131,783	5,988	-	137,771	
Instruments designated as at fair value through profit or loss	83,076	(80,468)	-	2,608	
Derivative financial instruments	336,624	(31)	(15)	336,578	
Derivatives used for hedging purposes	18,063	(104)	12	17,971	
Available-for-sale financial assets	258,933	(108,603)	4,501	154,831	
of which own funds instruments in credit or financial institutions more than 10%-owned	945	1,740	-	2,685	1
of which own funds instruments in credit or financial institutions less than 10%-owned	1,360	-	-	1,360	2
Loans and receivables due from credit institutions	43,427	(1,442)	(3,302)	38,683	
of which own funds instruments in credit or financial institutions more than 10%-owned	436	-	(40)	396	1
of which own funds instruments in credit or financial institutions less than 10%-owned	27	-	-	27	2
Loans and receivables due from customers	682,497	1,051	5,473	689,021	
of which own funds instruments in credit or financial institutions more than 10%-owned	137	387	(37)	487	1
of which own funds instruments in credit or financial institutions less than 10%-owned	26	-	-	26	2
Remeasurement adjustment on interest-rate risk hedged portfolios	4,555	-	9	4,564	
Held-to-maturity financial assets	7,757	(7,188)	-	569	
Current and deferred tax assets	7,865	(34)	103	7,934	
Accrued income and other assets	108,018	(5,217)	316	103,117	
Equity-method investments	6,896	4,766	(594)	11,068	
of which investments in credit or financial institutions	3,150	-	(594)	2,556	1
of which goodwill	430	224	-	654	3
Investment property	1,639	(1,312)	-	327	
Property, plant and equipment	21,593	(404)	110	21,299	
Intangible assets	3,104	(156)	15	2,963	
of which intangible assets excluding mortgage servicing rights	3,052	(156)	15	2,911	3
Goodwill	10,316	(224)	-	10,092	3
TOTAL ASSETS	1,994,193	(193,378)	6,759	1,807,574	
LIABILITIES					
Due to central banks	2,385	-	-	2,385	
Financial instruments at fair value through profit or loss					
Trading securities	82,544	-	4	82,548	
Borrowings and repurchase agreements	156,771	-	-	156,771	
Instruments designated as at fair value through profit or loss	53,118	(1,263)	-	51,855	
of which liabilities qualifying for Tier 1 capital	198	-	-	198	4
of which liabilities qualifying for Tier 2 capital	467	-	-	467	5
Derivative financial instruments	325,828	(59)	(19)	325,750	
Derivatives used for hedging purposes	21,068	-	33	21,101	
Due to credit institutions	84,146	(1,696)	840	83,290	
Due to customers	700,309	(3,568)	4,488	701,229	
Debt securities	159,447	2,252	1,046	162,745	
Remeasurement adjustment on interest-rate risk hedged portfolios	3,946	-	-	3,946	
Current and deferred tax liabilities	2,993	(366)	121	2,748	
Accrued expenses and other liabilities	88,629	(2,384)	141	86,386	
Technical reserves of insurance companies	185,043	(185,043)	-	-	
Provisions for contingencies and charges	11,345	(283)	41	11,103	
Subordinated debt	16,544	(823)	64	15,785	
of which liabilities qualifying for Tier 1 capital	-	-	-	-	4
of which liabilities qualifying for Tier 2 capital	14,670	-	-	14,670	5
TOTAL LIABILITIES	1,894,116	(193,233)	6,759	1,707,642	
Share capital and related share premium accounts	26,970	-	-	26,970	6
Own equity instruments	(129)	-	-	(129)	
Undated Super Subordinated Notes	7,855	11	-	7,866	7
Non-distributed reserves	48,143	-	-	48,143	
Changes in assets and liabilities recognised directly in equity	6,736	-	-	6,736	8
Net income for the period attributable to shareholders	6,694	-	-	6,694	9
Minority interests	3,808	(156)	-	3,652	10
TOTAL CONSOLIDATED EQUITY	100,077	(145)	-	99,932	
TOTAL LIABILITIES AND EQUITY	1,994,193	(193,378)	6,759	1,807,574	

(*) Adjustment of jointly controlled entities under proportional consolidation for prudential purposes, consolidated using the equity-method in the accounting scope.

REGULATORY CAPITAL

Update of the 2015 Registration document, table 4 page.256.

In millions of euros	30 June 2016 ^(*)		31 December 2015	
	Phased in	Transitional arrangements ^(**)	Phased in	Transitional arrangements ^(**)
Common Equity Tier 1 (CET1) capital: instruments and reserves				
Capital instruments and the related share premium accounts	26,972		26,970	-
of which ordinary shares	26,972		26,970	-
Retained earnings	51,588	-	48,686	-
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	7,043		6,736	-
Minority interests (amount allowed in consolidated CET1)	2,424	753	2,706	1,047
Interim profits net of any foreseeable charge or dividend	2,266	-	3,536	-
COMMON EQUITY TIER 1 (CET1) CAPITAL BEFORE REGULATORY ADJUSTMENTS	90,294	753	88,634	1,047
Common Equity Tier 1 (CET1) capital: regulatory adjustments^(***)	(19,074)	109	(19,072)	(352)
COMMON EQUITY TIER 1 (CET1) CAPITAL	71,220	862	69,562	695
Additional Tier 1 (AT1) capital: instruments^(***)	8,254	1,784	8,159	2,945
Additional Tier 1 (AT1) capital: regulatory adjustments^(***)	(610)	(585)	(867)	(832)
ADDITIONAL TIER 1 (AT1) CAPITAL	7,644	1,199	7,292	2,113
TIER 1 CAPITAL (T1 = CET1 + AT1)	78,864	2,061	76,854	2,808
Tier 2 (T2) capital: instruments and provisions^(***)	12,466	(341)	10,979	184
Tier 2 (T2) capital: regulatory adjustments^(***)	(2,391)	635	(1,913)	865
TIER 2 (T2) CAPITAL	10,075	294	9,066	1,049
TOTAL CAPITAL (TC = T1 + T2)	88,940	2,355	85,920	3,857

(*) Subject to the provisions of article 26.2 of Regulation (EU) No. 575/2013.

(**) Amounts subject to pre-regulation treatment or prescribed residual amount of Regulation (EU) No. 575/2013, in accordance with grandfathered Additional Tier 1 and Tier 2 eligibility rules applicable as of 2019.

(***) Detail in Appendix.

Information on debt instruments as required by Implementing Regulation (EU) No.1423/2013

The details of the debt instruments recognised as capital, as well as their characteristics, as required by Implementing Regulation (EU) No. 1423/2013, are available in the BNP Paribas Debt section of the Investor Relations website: www.invest.bnpparibas.com.

PILLAR 1 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENT

Update of the 2015 Registration document, table 7 page 258.

RWAs In millions of euros	30 June 2016						Total
	Retail Banking & Services		Corporate & Institutional Banking			Other Activities	
	Domestic Markets	International Financial Services	Corporate Banking	Global Markets	Securities Services		
Credit risk	177,484	142,580	98,072	5,171	2,433	23,469	449,209
Banking book securitisation positions	1,029	533	1,056	6,633	1	883	10,135
Counterparty credit risk	3,070	876	347	28,131	2,236	38	34,698
Equity risk	5,712	35,016	2,248	1,692	442	12,996	58,106
Market risk	27	351	1,020	18,740	9	2,044	22,192
Operational risk	17,676	16,281	9,805	13,844	2,695	1,158	61,459
TOTAL	204,998	195,638	112,548	74,210	7,816	40,588	635,799

RWAs <i>In millions of euros</i>	31 December 2015						
	Retail Banking & Services		Corporate & Institutional Banking			Other Activities	Total
	Domestic Markets	International Financial Services	Corporate Banking	Global Markets	Securities Services		
Credit risk	179,089	141,022	92,042	8,988	1,440	26,700	449,282
Banking book securitisation positions	909	646	221	9,676	1	1,173	12,625
Counterparty credit risk	2,636	909	23	24,021	1,548	91	29,228
Equity risk	5,329	33,595	2,869	1,962	358	13,966	58,079
Market risk	170	424	1,488	19,573	57	2,052	23,764
Operational risk	16,367	15,706	9,122	15,456	2,675	1,222	60,548
TOTAL	204,501	192,301	105,765	79,677	6,079	45,203	633,527

Update of the 2015 Registration document, table 8 page 260.

<i>In millions of euros</i>	30 June 2016		31 December 2015		Variation	
	RWAs	Capital requirements	RWAs	Capital requirements	RWAs	Capital requirements
Credit risk	449,209	35,937	449,282	35,943	(74)	(6)
Credit risk - IRB approach	231,888	18,551	228,740	18,299	3,148	252
Central governments and central banks	4,239	339	4,091	327	149	12
Corporates	166,537	13,323	163,149	13,052	3,388	271
Institutions	9,995	800	9,832	787	163	13
Retail	50,975	4,078	51,532	4,123	(557)	(45)
Other non credit-obligation assets	142	11	136	11	6	0
Credit risk - Standardised approach	217,320	17,386	220,542	17,643	(3,222)	(258)
Central governments and central banks	4,703	376	5,196	416	(493)	(39)
Corporates	90,404	7,232	94,523	7,562	(4,119)	(329)
Institutions	5,441	435	6,280	502	(839)	(67)
Retail	77,694	6,215	74,908	5,993	2,786	223
Other non credit-obligation assets	39,079	3,126	39,636	3,171	(556)	(45)
Banking book securitisation positions	10,135	811	12,625	1,010	(2,490)	(199)
Securitisation positions - IRB approach	9,307	745	11,905	952	(2,598)	(208)
Securitisation positions - Standardised approach	827	66	720	58	107	9
Counterparty credit risk	34,698	2,776	29,228	2,338	5,470	438
Counterparty credit risk - IRB approach	30,477	2,438	26,060	2,085	4,417	353
CCP - excl. default fund contributions	1,210	97	751	60	459	37
CVA Charge	4,052	324	2,979	238	1,073	86
Counterparty credit risk - excl. CCP and CVA charges	25,214	2,017	22,330	1,786	2,885	231
Central governments and central banks	973	78	786	63	187	15
Corporates	18,808	1,505	16,836	1,347	1,972	158
Institutions	5,432	435	4,707	377	726	58
Retail	0	0	1	0	(1)	(0)
Counterparty credit risk - Standardised approach	4,222	338	3,169	253	1,053	84
CCP - default fund contributions	534	43	554	44	(20)	(2)
CCP - excl. default fund contributions	2,117	169	1,127	90	990	79
CVA Charge	360	29	528	42	(168)	(13)
Counterparty credit risk - excl. CCP and CVA charges	1,211	97	960	77	251	20
Central governments and central banks	16	1	1	0	16	1
Corporates	1,038	83	807	65	231	18
Institutions	152	12	146	12	7	1
Retail	4	0	6	0	(2)	(0)
Equity risk	58,106	4,648	58,079	4,646	27	2
Simple weighting method	49,049	3,924	48,260	3,861	789	63
Standardised approach	9,057	725	9,819	786	(762)	(61)
Market risk	22,192	1,775	23,764	1,901	(1,572)	(126)
Internal model	20,716	1,657	21,039	1,683	(323)	(26)
VaR	7,136	571	7,714	617	(578)	(46)
Stressed VaR	9,165	733	8,590	687	575	46
Incremental Risk Charge	3,565	285	3,849	308	(284)	(23)
Comprehensive Risk Measure	849	68	886	71	(37)	(3)
Standardised approach	1,145	92	1,986	159	(841)	(67)
Trading book securitisation positions	330	26	739	59	(408)	(33)
Operational risk	61,459	4,917	60,548	4,844	911	73
Advanced Measurement Approach (AMA)	46,506	3,720	45,518	3,641	989	79
Standardised approach	9,167	733	9,090	727	77	6
Basic indicator approach	5,786	463	5,941	475	(154)	(12)
TOTAL	635,799	50,864	633,527	50,682	2,272	182

At 30 June 2016, the Group's risk-weighted assets amounted to EUR 634 billion taking transitional arrangements into account.

LEVERAGE RATIO

Update of the 2015 Registration document, table 14 page 266.

► Leverage ratio and reconciliation of prudential balance sheet and the leverage exposures

In billions of euros	30 June 2016	31 December 2015
Tier 1 (fully loaded) capital⁽¹⁾	77	74
Total prudential balance sheet	1,978	1,808
Adjustments for derivative financial instruments	(162)	(105)
Adjustments for securities financing transactions "SFTs"	3	3
Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	154	155
Other adjustments	(35)	(25)
Total leverage exposures	1,939	1,836
LEVERAGE RATIO	4.0%	4.0%

(**) In accordance with the eligibility rules for grandfathered debt recognised as additional Tier 1 capital as from 2019.

► Detail of the exposures

In billions of euros	30 June 2016	31 December 2015
On-balance sheet exposures (excluding derivatives and SFTs)		
On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1,361	1,302
Asset amounts deducted in determining Tier 1 capital	(19)	(19)
Total on-balance sheet exposures (excluding derivatives and SFTs)	1,342	1,283
Derivative exposures		
Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	55	51
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	202	201
Deductions of receivables assets for cash variation margin provided in derivatives transactions	(45)	(38)
Adjusted effective notional amount of written credit derivatives	31	36
Total derivative exposures	243	250
Securities financing transaction exposures		
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	293	267
Netted amounts of cash payables and cash receivables of gross SFT assets	(98)	(122)
Counterparty credit risk exposure for SFT assets	5	3
Total securities financing transaction exposures	200	148
Other off-balance sheet exposures		
Off-balance sheet exposures (gross notional amount)	366	366
Adjustments for conversion to credit equivalent amounts	(212)	(211)
Other off-balance sheet exposures	154	155
TOTAL LEVERAGE EXPOSURES	1,939	1,836

► Split-up of on-balance sheet exposures (excluding derivatives and SFTs)

In billions of euros	30 June 2016	31 December 2015
Total on-balance sheet exposures (excluding derivatives and SFTs)	1,342	1,283
Trading book exposures	153	137
Banking book exposures, of which:	1,189	1,146
Covered bonds	-	-
Exposures treated as sovereigns	299	317
Exposures to regional governments, multilateral development banks, international organisations and public sector entities not treated as sovereigns	28	26
Institutions	60	73
Secured by mortgages of immovable properties	167	180
Retail exposures	199	174
Corporates	332	317
Exposures in default	20	20
Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	84	40

APPENDIX: REGULATORY CAPITAL – DETAIL

The table below is presented in the format required under Annex VI of Implementing Regulation (EU) No. 1423/2013 of 20 December 2013.

In millions of euros	30 June 2016		31 December 2015		Reference to table 2	Notes
	Phased in	Transitional arrangements ⁽¹⁾	Phased in	Transitional arrangements ⁽¹⁾		
Common Equity Tier 1 (CET1) capital: instruments and reserves						
1	Capital instruments and the related share premium accounts	26,972	-	26,970	-	6
	<i>of which ordinary shares</i>	26,972	-	26,970	-	-
2	Retained earnings	51,588	-	48,686	-	-
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	7,043	-	6,736	-	8
3a	Funds for general banking risk	-	-	-	-	-
4	Amount of qualifying items referred to in article 484 (3) and the related share premium accounts subject to phase out from CET1	-	-	-	-	-
	Public sector capital injections grandfathered until 1 January 2018	-	-	-	-	-
5	Minority interests (amount allowed in consolidated CET1)	2,424	753	2,706	1,047	10 (1)
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	2,266	-	3,536	-	9 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	90,294	753	88,634	1,047	-
Common Equity Tier 1 (CET1) capital: regulatory adjustments						
7	Additional value adjustments (negative amount)	(1,236)	-	(1,120)	-	-
8	Intangible assets (net of related tax liability) (negative amount)	(13,323)	-	(13,509)	-	3 (3)
9	Empty set in the EU	-	-	-	-	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in article 38 (3) are met) (negative amount)	(271)	759	(139)	871	-
11	Fair value reserves related to gains or losses on cash flow hedges	(1,785)	-	(1,353)	-	-
12	Negative amounts resulting from the calculation of expected loss amounts	(971)	12	(865)	16	-
13	Any increase in equity that results from securitised assets (negative amount)	-	-	-	-	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	69	66	219	90	-
15	Defined-benefit pension fund assets (negative amount)	(16)	-	(138)	-	-
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(125)	83	(100)	149	-
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	-	-	-
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	-	-	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	-	-	-
20	Empty set in the EU	-	-	-	-	-
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-	-	-	-
20b	<i>of which: qualifying holdings outside the financial sector (negative amount)</i>	-	-	-	-	-
20c	<i>of which: securitisation positions (negative amount)</i>	-	-	-	-	-
20d	<i>of which: free deliveries (negative amount)</i>	-	-	-	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in article 38 (3) are met) (negative amount)	-	-	-	-	-
22	Amount exceeding the 15% threshold (negative amount)	-	-	-	-	-
	<i>of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities</i>	-	-	-	-	-
24	Empty set in the EU	-	-	-	-	-
25	<i>of which: deferred tax assets arising from temporary differences</i>	-	-	-	-	-
25a	Losses for the current financial year (negative amount)	-	-	-	-	-
25b	Foreseeable tax charges relating to CET1 items (negative amount)	-	-	-	-	-
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-	-	-	-	-
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to articles 467 and 468	(1,416)	(812)	(2,067)	(1,478)	-
	<i>of which: unrealised gains (phase out)</i>	(812)	(812)	(1,478)	(1,478)	-

	<i>of which: unrealised losses (phase out)</i>	-	-	-	-	-	-
	<i>of which: unrealised gains linked to exposures to central administrations (phase out)</i>	(604)	-	(589)	-	-	-
	<i>of which: unrealised losses linked to exposures to central administrations (phase out)</i>	-	-	-	-	-	-
In millions of euros		30 June 2016		31 December 2015		Reference to table 2	Notes
		Phased in	Transitional arrangements ⁽⁷⁾	Phased in	Transitional arrangements ⁽⁷⁾		
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	-	-	-	-	-	-
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	-	-	-	-	-
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(19,074)	109	(19,072)	(352)	-	-
29	Common Equity Tier 1 (CET1) capital	71,220	862	69,562	695	-	-
Additional Tier 1 (AT1) capital: instruments							
30	Capital instruments and the related share premium accounts	3,412	-	2,096	-	-	-
31	<i>of which: classified as equity under applicable accounting standards</i>	3,412	-	2,096	-	7	-
32	<i>of which: classified as liabilities under applicable accounting standards</i>	-	-	-	-	-	-
33	Amount of qualifying items referred to in article 484 (4) and the related share premium accounts subject to phase out from AT1	4,558	1,523	5,759	2,724	7	-
	Public sector capital injections grandfathered until 1 January 2018	-	-	-	-	-	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	285	261	304	221	-	-
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	270	270	271	271	4	⁽⁴⁾
36	Additional Tier 1 (AT1) capital before regulatory adjustments	8,254	1,784	8,159	2,945	-	-
Additional Tier 1 (AT1) capital: regulatory adjustments							
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	(15)	10	(14)	21	-	-
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	-	-	-	-
39	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	-	-	-	-
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-	-	-	-	-
41	Regulatory adjustments applied to Additional Tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)	-	-	-	-	-	-
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No. 575/2013	(18)	(18)	(49)	(49)	-	-
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No. 575/2013	(577)	(577)	(804)	(804)	1	⁽⁵⁾
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR	-	-	-	-	-	-
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	-	-	-	-	-
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	(610)	(585)	(867)	(832)	-	-
44	Additional Tier 1 (AT1) capital	7,644	1,199	7,292	2,113	-	-
45	Tier 1 capital (T1=CET1+AT1)	78,864	2,061	76,854	2,808	-	-
Tier 2 (T2) capital: instruments and provisions							
46	Capital instruments and the related share premium accounts	11,152	-	8,820	-	5	⁽⁶⁾
47	Amount of qualifying items referred to in article 484(5) and the related share premium accounts subject to phase out from T2	50	50	50	50	5	⁽⁶⁾
	Public sector capital injections grandfathered until 1 January 2018	-	-	-	-	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 and 34) issued by subsidiaries and held by third parties	1,264	(391)	2,109	134	5	⁽⁶⁾
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	201	(355)	723	167	-	-
50	Credit risk adjustments	-	-	-	-	-	-
51	Tier 2 (T2) capital before regulatory adjustments	12,466	(341)	10,979	184	-	-

In millions of euros	30 June 2016		31 December 2015		Reference to table 2	Notes	
	Phased in	Transitional arrangements ⁽¹⁾	Phased in	Transitional arrangements ⁽¹⁾			
Tier 2 (T2) capital: regulatory adjustments							
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(82)	54	(36)	54	-	-
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	(48)	16	(40)	24	-	-
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	-	-	-	-
54a	<i>Of which new holdings not subject to transitional arrangements</i>	-	-	-	-	-	-
54b	<i>Of which holdings existing before 1 January 2013 and subject to transitional arrangements</i>	-	-	-	-	-	-
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(2,261)	565	(1,837)	787	1	-
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)	-	-	-	-	-	-
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No. 575/2013	-	-	-	-	-	-
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No. 575/2013	-	-	-	-	-	-
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	-	-	-	-	-	-
57	Total regulatory adjustments to Tier 2 (T2) capital	(2,391)	635	(1 913)	865	-	-
58	Tier 2 (T2) capital	10,075	294	9,066	1,049	-	-
59	Total capital (TC=T1+T2)	88,940	2,355	85,920	3,857	-	-
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)	-	-	-	-	-	-
	<i>of which: CET1 instruments of financial sector entities not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts)</i>	-	-	-	-	-	-
	<i>of which: Deferred tax assets that rely on future profitability and arising from temporary differences not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts)</i>	-	-	-	-	-	-
	<i>of which: AT1 instrument of financial sector entities not deducted from AT1 (Regulation (EU) No. 575/2013 residual amounts)</i>	-	-	-	-	-	-
	<i>of which: Tier 2 instrument of financial sector entities not deducted from Tier 2 (Regulation (EU) No. 575/2013 residual amounts)</i>	-	-	-	-	-	-
60	Total risk weighted assets	633,548	(2,251)	629,626	(3,901)	-	-
Capital ratios and buffers							
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	11.2%	0.1%	11.0%	0.1%	-	-
62	Tier 1 (as a percentage of risk exposure amount)	12.4%	0.3%	12.2%	0.5%	-	-
63	Total capital (as a percentage of risk exposure amount)	14.0%	0.4%	13.6%	0.6%	-	-
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	1.125%	3.375%	0.0%	4.5%	-	-
65	<i>of which: capital conservation buffer requirement</i>	0.625%	1.875%	0.0%	2.5%	-	-
66	<i>of which: countercyclical buffer requirement</i>	ns	ns	0.0%	0.0%	-	-
67	<i>of which: systemic risk buffer requirement</i>	0.0%	0.0%	0.0%	0.0%	-	-
67a	<i>of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	0.5%	1.5%	0.0%	2.0%	-	-
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	6.7%	0.1%	6.5%	0.1%	-	-
69	[non relevant in EU regulation]	-	-	-	-	-	-
70	[non relevant in EU regulation]	-	-	-	-	-	-
71	[non relevant in EU regulation]	-	-	-	-	-	-
Amounts below the thresholds for deduction (before risk weighting)							
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	2,512	(211)	2,434	(361)	2	(7)
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	3,442	(65)	3,501	(78)	1	-
74	Empty set in the EU	-	-	-	-	-	-

In millions of euros	30 June 2016		31 December 2015		Reference to table 2	Notes
	Phased in	Transitional arrangements ^(*)	Phased in	Transitional arrangements ^(*)		
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in article 38(3) are met)	3,740	-	3,769	-	-
Applicable caps on the inclusion of provisions in Tier 2						
76	Credit risk adjustments included in Tier 2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-	-	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	2,732	-	2,789	-	-
78	Credit risk adjustments included in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-	-	-	-
79	Cap on inclusion of credit risk adjustments in T2 under internal ratings-based approach	1,543	-	1,506	-	-
Capital instruments subject to phase out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)						
80	Current cap on CET1 instruments subject to phase out arrangements	-	-	-	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	6,070	-	7,081	-	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-
84	Current cap on T2 instruments subject to phase out arrangements	1,112	-	1,298	-	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-

(*) Amounts subject to pre-regulation treatment or prescribed residual amount of Regulation (EU) No. 575/2013, in accordance with grandfathered Additional Tier 1 and Tier 2 eligibility rules applicable as of 2019.

- (1) Minority interests are adjusted for their capitalisation surplus for regulated entities. For the other entities, minority interests are not recognised in fully loaded Basel 3.
- (2) Deductions from net income for the period relate mainly to the proposed dividend distribution.
- (3) The deduction of intangible assets is calculated net of deferred tax liabilities.
- (4) Tier 1 capital instruments issued by subsidiaries include subordinated debt, as well as preference shares recognised in equity.
- (5) The residual amount of deductions from Tier 2 capital relates to Tier 2 capital instruments in financial sector entities in which the Bank holds a significant investment, or with which the Bank has a cross holding.
- (6) A prudential discount is applied to Tier 2 capital instruments with less than five years of residual maturity.
- (7) Holdings of equity instruments in financial institutions originate in the banking book, detailed in the table showing the transition from the consolidated accounting balance sheet to the prudential balance sheet, as well in the trading books.

5. Additional information

5.1 Ownership structure as at 30 June 2016

	% of voting rights
SFPI^(*)	10,3%
Gd Duchy of Luxembourg	1,0%
BlackRock Inc.	5,0%
Employees	5,1%
- o/w corporate mutual funds	3,7%
- o/w direct ownership	1,4%
Retail shareholders	4,4%
Institutional investors	71,7%
- Europe	43,4%
- Outside Europe	28,3%
Other and unidentified	2,5%

^(*) *Société Fédérale de Participation et d'Investissement : public-interest société anonyme (public limited company) acting on behalf of the Belgian government*

5.2 Changes in BNP Paribas' capital

On July 11, 2016, BNP Paribas (SA) share capital was updated by subscription of 77 481 new shares with a nominal value of 2 euros each via Option Plans.

Consequently, the amount of BNP Paribas (SA) share capital thus now stands at **2 492 925 268** divided into **1 246 462 634** fully paid-up shares with a nominal value of 2 euros each.

These shares are held in registered or bearer form at the shareholder's discretion, subject to compliance with the relevant legal provisions. None of the Bank's shares carry double voting rights.

5.3 Statuts

SECTION I

FORM – NAME – REGISTERED OFFICE – CORPORATE PURPOSE

Article 1

BNP PARIBAS is a French Public Limited Company (*société anonyme*) licensed to conduct banking operations under the French Monetary and Financial Code, Book V, Section 1 (*Code Monétaire et Financier, Livre V, Titre 1er*) governing banking sector institutions.

The Company was founded pursuant to a decree dated 26 May 1966. Its legal life has been extended to 99 years with effect from 17 September 1993.

Apart from the specific rules relating to its status as an establishment in the banking sector (Book V, Section 1 of the French Monetary and Financial Code - *Code Monétaire et Financier, Livre V, Titre 1er*), BNP PARIBAS shall be governed by the provisions of the French Commercial Code (*Code de Commerce*) concerning commercial companies, as well as by these Articles of Association.

Article 2

The registered office of BNP PARIBAS shall be located in PARIS (9th *arrondissement*), at 16, Boulevard des Italiens (France).

Article 3

The purpose of BNP PARIBAS shall be to provide and carry out the following services with any individual or legal entity, in France and abroad, subject to compliance with the French laws and regulations applicable to credit institutions licensed by the Credit Institutions and Investment Firms Committee (*Comité des Etablissements de Crédit et des Entreprises d'Investissement*):

- any and all investment services,
- any and all services related to investment services,
- any and all banking transactions,
- any and all services related to banking transactions,
- any and all equity investments,

as defined in the French Monetary and Financial Code Book III – Section 1 (*Code Monétaire et Financier, Livre III, Titre 1er*) governing banking transactions and Section II (*Titre II*) governing investment services and related services.

On a regular basis, BNP PARIBAS may also conduct any and all other activities and any and all transactions in addition to those listed above, in particular any and all arbitrage, brokerage and commission transactions, subject to compliance with the regulations applicable to banks.

In general, BNP PARIBAS may, on its own behalf, and on behalf of third parties or jointly therewith, perform any and all financial, commercial, industrial or agricultural, personal property or real estate transactions directly or indirectly related to the activities set out above or which further the accomplishment thereof.

SECTION II

SHARE CAPITAL - SHARES

Article 4

The share capital of BNP PARIBAS shall stand at 2,492,925,268 euros divided into 1,246,462,634 fully paid-up shares with a nominal value of 2 euros each.

Article 5

The fully paid-up shares shall be held in registered or bearer form at the shareholder's discretion, subject to the French laws and regulations in force.

The shares shall be registered in an account in accordance with the terms and conditions set out in the applicable French laws and regulations in force. They shall be assigned by transfer from one account to another.

The Company may request disclosure of information concerning the ownership of its shares in accordance with the provisions of Article L. 228-2 of the French Commercial Code (*Code de Commerce*).

Without prejudice to the legal thresholds set in Article L. 233-7, paragraph 1 of the French Commercial Code (*Code de Commerce*), any shareholder, whether acting alone or in concert, who comes to directly or indirectly hold at least 0.5% of the share capital or voting rights of BNP PARIBAS, or any multiple of that percentage less than 5%, shall be required to notify BNP PARIBAS by registered letter with return receipt within the timeframe set out in Article L. 233-7 of the French Commercial Code (*Code de Commerce*).

Above 5%, the disclosure obligation provided for in the previous paragraph shall apply to 1% increments of the share capital or voting rights.

The disclosures described in the previous two paragraphs shall also apply when the shareholding falls below the above-mentioned thresholds.

Failure to report either legal or statutory thresholds shall result in the loss of voting rights as provided for by Article L. 233-14 of the French Commercial Code (*Code de Commerce*) at the request of one or more shareholders jointly holding at least 2% of the Company's share capital or voting rights.

Article 6

Each share shall grant a right to a part of ownership of the Company's assets and any liquidation surplus that is equal to the proportion of share capital that it represents.

In cases where it is necessary to hold several shares in order to exercise certain rights, and in particular where shares are exchanged, combined or allocated, or following an increase or reduction in share capital, regardless of the terms and conditions thereof, or subsequent to a merger or any other transaction, it shall be the responsibility of those shareholders owning less than the number of shares required to exercise those rights to combine their shares or, if necessary, to purchase or sell the number of shares or voting rights leading to ownership of the required percentage of shares.

SECTION III

GOVERNANCE

Article 7

The Company shall be governed by a Board of Directors composed of:

1/ Directors appointed by the Ordinary General Shareholders' Meeting

There shall be at least nine and no more than eighteen Directors. Directors elected by the employees shall not be included when calculating the minimum and maximum number of Directors.

They shall be appointed for a three-year term.

When a Director is appointed to replace another Director, in accordance with applicable French laws and regulations in force, the new Director's term of office shall be limited to the remainder of the predecessor's term.

A Director's term of office shall end at the close of the Ordinary General Shareholders' Meeting convened to deliberate on the financial statements for the previous financial year and held in the year during which the Director's term of office expires.

Directors may be re-appointed, subject to the provisions of French law, in particular with regard to their age.

Each Director, including Directors elected by employees, must own at least 10 Company shares.

2/ Directors elected by BNP PARIBAS SA employees

The status of these Directors and the related election procedures shall be governed by Articles L. 225-27 to L. 225-34 of the French Commercial Code (*Code de Commerce*) as well as by the provisions of these Articles of Association.

There shall be two such Directors – one representing executive staff and the other representing non-executive staff.

They shall be elected by BNP PARIBAS SA employees.

They shall be elected for a three-year term.

Elections shall be organised by the Executive Management. The timetable and terms and conditions for elections shall be drawn up by the Executive Management in consultation with the national trade union representatives within the Company such that the second round of elections shall be held no later than fifteen days before the end of the term of office of the outgoing Directors.

Each candidate shall be elected on a majority basis after two rounds held in each of the electoral colleges.

Each application submitted during the first round of elections shall include both the candidate's name and the name of a substitute, if any.

Applications may not be amended during the second round of elections.

The candidates shall belong to the electoral college where they stand for election.

Applications other than those presented by a trade union representative within the Company must be submitted together with a document including the names and signatures of one hundred electors belonging to the electoral college where the candidate is presenting for election.

Article 8

The Chairman of the Board of Directors shall be appointed from among the members of the Board of Directors.

Upon proposal from the Chairman, the Board of Directors may appoint one or more Vice-Chairmen.

Article 9

The Board of Directors shall meet as often as necessary in the best interests of the Company. Board meetings shall be convened by the Chairman. Where requested by at least one-third of the Directors, the Chairman may convene a Board meeting with respect to a specific agenda, even if the last Board meeting was held less than two months before. The Chief Executive Officer (CEO) may also request that the Chairman convene a Board meeting to discuss a specific agenda.

Board meetings shall be held either at the Company's registered office, or at any other location specified in the notice of meeting.

Notices of meetings may be communicated by any means, including verbally.

The Board of Directors may meet and make valid decisions at any time, even if no notice of meeting has been communicated, provided all its members are present or represented.

Article 10

Board meetings shall be chaired by the Chairman, by a Director recommended by the Chairman for such purpose or, failing this, by the oldest Director present.

Any Director may attend a Board meeting and take part in its deliberations by videoconference (visioconférence) or all telecommunications and remote transmission means, including Internet, subject to compliance with the conditions set out in applicable legislation at the time of its use.

Any Director who is unable to attend a Board meeting may ask to be represented by a fellow Director, by granting a written proxy, valid for only one specific meeting of the Board. Each Director may represent only one other Director.

At least half of the Board members must be present for decisions taken at Board meetings to be valid.

Should one or both of the offices of Director elected by employees remain vacant, for whatever reason, without the possibility of a replacement as provided for in Article L. 225-34 of the French Commercial Code (*Code de Commerce*), the Board of Directors shall be validly composed of the members elected by the General Shareholders' Meeting and may validly meet and vote.

Members of the Company's Executive Management may, at the request of the Chairman, attend Board meetings in an advisory capacity.

A permanent member of the Company's Central Works Committee, appointed by said Committee, shall attend Board meetings in an advisory capacity, subject to compliance with the provisions of French laws in force.

Decisions shall be made by a majority of Directors present or represented. In the event of a split decision, the Chairman of the meeting shall have the casting vote, except as regards the proposed appointment of the Chairman of the Board of Directors.

The Board of Directors' deliberations shall be recorded in minutes entered in a special register prepared in accordance with French laws in force and signed by the Chairman of the meeting and one of the Directors who attended the meeting.

The Chairman of the meeting shall appoint the Secretary to the Board, who may be chosen from outside the Board's members.

Copies or excerpts of Board minutes may be signed by the Chairman, the Chief Executive Officer, the Chief Operating Officers (COOs) or any representative specifically authorised for such purpose.

Article 11

The Ordinary General Shareholders' Meeting may grant Directors' attendance fees under the conditions provided for by French law.

The Board of Directors shall split these fees among its members as it deems appropriate.

The Board of Directors may grant exceptional compensation for specific assignments or duties performed by the Directors under the conditions applicable to agreements subject to approval, in accordance with the provisions of Articles L. 225-38 to L. 225-43 of the French Commercial Code (*Code de Commerce*). The Board may also authorise the reimbursement of travel and business expenses and any other expenses incurred by the Directors in the interests of the Company.

SECTION IV

DUTIES OF THE BOARD OF DIRECTORS, THE CHAIRMAN, THE EXECUTIVE MANAGEMENT AND THE NON-VOTING DIRECTORS (*Censeurs*)

Article 12

The Board of Directors shall determine the business strategy of BNP PARIBAS and supervise the implementation thereof. Subject to the powers expressly conferred on the Shareholders' Meetings and within the limit of the corporate purpose, the Board shall handle any issue concerning the smooth running of BNP PARIBAS and settle matters concerning the Company pursuant to its deliberations. The Board of Directors shall receive from the Chairman or the Chief Executive Officer all of the documents and information required to fulfil its duties.

The Board of Directors' decisions shall be carried out either by the Chairman, the Chief Executive Officer or the Chief Operating Officers, or by any special representative appointed by the Board.

Upon proposal from the Chairman, the Board of Directors may decide to set up committees responsible for performing specific tasks.

Article 13

The Chairman shall organise and manage the work of the Board of Directors and report thereon to the General Shareholders' Meeting. The Chairman shall also oversee the smooth running of BNP PARIBAS's management bodies and ensure, in particular, that the Directors are in a position to fulfil their duties.

The remuneration of the Chairman of the Board shall be freely determined by the Board of Directors.

Article 14

The Board of Directors shall decide how to organise the Executive Management of the Company: the Executive Management of the Company shall be conducted, under his responsibility, either by the Chairman of the Board of Directors or by another individual appointed by the Board of Directors and who shall have the title of Chief Executive Officer.

Shareholders and third parties shall be informed of this choice in accordance with the regulatory provisions in force.

The Board of Directors shall have the right to decide that this choice be for a fixed term.

In the event that the Board of Directors decides that the Executive Management shall be conducted by the Chairman of the Board, the provisions of these Articles of Association concerning the Chief Executive Officer shall apply to the Chairman of the Board of Directors who will in such case have the title of Chairman and Chief Executive Officer. He shall be deemed to have automatically resigned at the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-five years of age.

In the event that the Board of Directors decides to dissociate the functions of Chairman and Chief Executive Officer, the Chairman shall be deemed to have automatically resigned at the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-eight years of age. However, the Board may decide to extend the term of office of the Chairman of the Board until the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-nine years of age. The Chief Executive Officer shall be deemed to have automatically resigned at the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-three years of age. However, the Board may decide to extend the term of office of the Chief Executive Officer until the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-four years of age.

Article 15

The Chief Executive Officer shall be vested with the broadest powers to act in all circumstances in the name of BNP PARIBAS. He shall exercise these powers within the limit of the corporate purpose and subject to those powers expressly granted by French law to Shareholders' Meetings and the Board of Directors.

He shall represent BNP PARIBAS in its dealings with third parties. BNP PARIBAS shall be bound by the actions of the Chief Executive Officer even if such actions are outside the scope of the corporate purpose, unless BNP PARIBAS can prove that the third party knew that the relevant action was outside the scope of the corporate purpose or had constructive knowledge thereof in view of the circumstances. The publication of the Company's Articles of Association alone shall not constitute such proof.

The Chief Executive Officer shall be responsible for the organisation and procedures of internal control and for all information required by French law regarding the internal control report.

The Board of Directors may limit the powers of the Chief Executive Officer, but such limits shall not be binding as against third parties.

The Chief Executive Officer may delegate partial powers, on a temporary or permanent basis, to as many persons as he sees fit, with or without the option of redelegation.

The remuneration of the Chief Executive Officer shall be freely determined by the Board of Directors.

The Chief Executive Officer may be removed from office by the Board of Directors at any time. Damages may be payable to the Chief Executive Officer if he is removed from office without a valid reason, except where the Chief Executive Officer is also the Chairman of the Board of Directors.

In the event that the Chief Executive Officer is a Director, the term of his office as Chief Executive Officer shall not exceed that of his term of office as a Director.

Article 16

Upon proposal from the Chief Executive Officer, the Board of Directors may, within the limits of French law, appoint one or more individuals, who shall have the title of Chief Operating Officer, responsible for assisting the Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of Directors shall determine the scope and term of the powers granted to the Chief Operating Officers. However, as far as third parties are concerned, the Chief Operating Officers shall have the same powers as the Chief Executive Officer.

When the Chief Executive Officer ceases to perform his duties or is prevented from doing so, the Chief Operating Officers shall, unless the Board of Directors decides otherwise, retain their functions and responsibilities until a new Chief Executive Officer is appointed.

The remuneration of the Chief Operating Officers shall be freely determined by the Board of Directors, at the proposal of the Chief Executive Officer.

The Chief Operating Officers may be removed from office by the Board of Directors at any time, at the proposal of the Chief Executive Officer. Damages may be payable to the Chief Operating Officers if they are removed from office without a valid reason.

Where a Chief Operating Officer is a Director, the term of his office as Chief Operating Officer may not exceed that of his term of office as a Director.

The term of office of the Chief Operating Officers shall expire at the latest at the close of the General Shareholders' Meeting convened to approve the financial statements for the year in which the Chief Operating Officers reach sixty-five years of age.

Article 17

Upon proposal from the Chairman, the Board of Directors may appoint one or two non-voting Directors (*censeurs*).

Non-voting Directors shall be convened to and take part in Board meetings in an advisory capacity.

They shall be appointed for six years and may be reappointed for further terms. They may also be removed at any time under similar conditions.

They shall be selected from among the Company's shareholders and may receive a remuneration determined by the Board of Directors.

SECTION V

SHAREHOLDERS' MEETINGS

Article 18

General Shareholders' Meetings shall be composed of all shareholders.

General Shareholders' Meetings shall be convened and deliberate subject to compliance with the provisions of the French Commercial Code (*Code de Commerce*).

As an exception to the last paragraph of article L.225-123 of the French Commercial Code (*Code de Commerce*), each share carries one voting right, and no double voting rights are conferred.

They shall be held either at the registered office or at any other location specified in the notice of meeting.

They shall be chaired by the Chairman of the Board of Directors, or, in his absence, by a Director appointed for this purpose by the Shareholders' Meeting.

Any shareholder may, subject to providing proof of identity, attend a General Shareholders' Meeting, either in person, or by returning a postal vote or by designating a proxy.

Taking part in the meeting is subject to the shares having been entered either in the BNP PARIBAS' registered share accounts in the name of the shareholder, or in the bearer share accounts held by the authorised intermediary, within the timeframes and under the conditions provided for by the French regulations in force. In the case of bearer shares, the authorised intermediary shall provide a certificate of participation for the shareholders concerned.

The deadline for returning postal votes shall be determined by the Board of Directors and stated in the notice of meeting published in the French Bulletin of Compulsory Legal Announcements (*Bulletin des Annonces Légales Obligatoires – BALO*).

At all General Shareholders' Meetings, the voting right attached to the shares bearing beneficial rights shall be exercised by the beneficial owner.

If the Board of Directors so decides at the time that the General Shareholders' Meeting is convened, the public broadcasting of the entire General Shareholders' Meeting by videoconference (visioconference) or all telecommunications and remote transmission means, including Internet, shall be authorised. Where applicable, this decision shall be communicated in the notice of meeting published in the French Bulletin of Compulsory Legal Announcements (*Bulletin des Annonces Légales Obligatoires – BALO*).

Any shareholder may also, if the Board of Directors so decides at the time of convening the General Shareholders' Meeting, take part in the vote by videoconference (visioconference) or all telecommunications and remote transmission means, including Internet, subject to compliance with the conditions set out in the applicable laws at the time of its use. If an electronic voting form is used, the shareholder's signature may be in the form of a secured digital signature or a reliable identification process safeguarding the link with the document to which it is attached and may consist, in particular, of a user identifier and a password. Where applicable, this decision shall be communicated in the notice of meeting published in the French Bulletin of Compulsory Legal Announcements (*Bulletin des Annonces Légales Obligatoires – BALO*).

SECTION VI

STATUTORY AUDITORS

Article 19

At least two principal statutory auditors and at least two substitute statutory auditors shall be appointed by the General Shareholders' Meeting for a term of six financial years. Their term of office shall expire after approval of the financial statements for the sixth financial year.

SECTION VII

ANNUAL FINANCIAL STATEMENTS

Article 20

The Company's financial year shall start on 1st January and end on 31st December.

At the end of each financial year, the Board of Directors shall draw up annual financial statements and write a management report on the Company's financial position and its business activities during the previous year.

Article 21

Net income for the year is composed of income for the year minus costs, depreciation, amortizations and impairment.

The distributable profit is made up of the year's profit, minus previous losses as well as the sums to be allocated to the reserves in accordance with French law, plus the profit carried forward.

The General Shareholders' Meeting is entitled to levy all sums from the distributable profit to allocate them to all optional, ordinary or extraordinary reserves or to carry them forward.

The General Shareholders' Meeting may also decide to distribute sums levied from the reserves at its disposal.

However, except in the event of a capital reduction, no amounts may be distributed to the shareholders if the shareholders' equity is, or would become following such distribution, lower than the amount of capital plus the reserves which is not open to distribution pursuant to French law or these Articles of Association.

In accordance with the provisions of Article L. 232-18 of the French Commercial Code (*Code de Commerce*), a General Shareholders' Meeting may offer to the shareholders an option for the payment, in whole or in part, of dividends or interim dividends through the issuance of new shares in the Company.

SECTION VIII

DISSOLUTION

Article 22

Should BNP PARIBAS be dissolved, the shareholders shall determine the form of liquidation, appoint the liquidators at the proposal of the Board of Directors and, in general, take on all of the duties of the General Shareholders' Meeting of a French Public Limited Company (*société anonyme*) during the liquidation and until such time as it has been completed.

SECTION IX

DISPUTES

Article 23

Any and all disputes that may arise during the life of BNP PARIBAS or during its liquidation, either between the shareholders themselves or between the shareholders and BNP PARIBAS, pursuant to these Articles of Association, shall be ruled on in accordance with French law and submitted to the courts having jurisdiction.

5.4 Documents on display

This document is freely available at BNP Paribas' head office:
16, boulevard des Italiens, 75009 Paris.

The French version of this document is also available on:

- The *Autorité des Marchés Financiers* (AMF) website at www.amf-france.org
- The BNP Paribas website at www.invest.bnpparibas.com.

5.5 Significant changes

Save as disclosed in this document, there has been no significant change in the financial position of the BNP Paribas Group since the end of the last financial period for which audited financial statements have been published.

5.6 Trends

Refer to the section 12 of the table of concordance in chapter 8 of this document.

6. Statutory Auditors

Deloitte & Associés

185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

61, rue Henri Regnault
92400 Courbevoie

- Deloitte & Associés was re-appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 23 May 2006.
Deloitte & Associés is represented by Damien Leurent.

Deputy:

Société BEAS, 195, avenue Charles de Gaulle, Neuilly-sur-Seine (92), France, SIREN No. 315 172 445, Nanterre trade and companies register.

- PricewaterhouseCoopers audit was re-appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 26 May 1994.
PricewaterhouseCoopers Audit is represented by Etienne Boris.

Deputy:

Anik Chaumartin, 63, rue de Villiers, Neuilly-sur-Seine (92), France.

- Mazars was re-appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 23 May 2000.
Mazars is represented by Hervé Hélias.

Deputy:

Michel Barbet-Massin, 61, rue Henri Regnault, Courbevoie (92), France.

Deloitte & Associés, PricewaterhouseCoopers, and Mazars are registered as Statutory Auditors with the Versailles Regional Association of Statutory Auditors, under the authority of the French National Accounting Oversight Board (*Haut Conseil du Commissariat aux comptes*).

7. Person responsible for the update to the Registration Document

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ITS UPDATES

Jean-Laurent Bonnafé, Chief Executive Officer of BNP Paribas

STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ITS UPDATES

I hereby declare to the best of my knowledge, and after having taken all reasonable precautions, that the information contained in the present update of the Registration document is in accordance with the facts and contains no omission likely to affect its import.

I hereby certify that, to my knowledge, the condensed financial statements for the most recent half-year have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all entities included in the consolidated group, and the half-year report on pages 3 to 67 provides a true and fair view of the important events of the first six months of the current financial year, of the effect of such events on the Company's accounts, of the principal related party transactions, as well as a description of the principal risks and principal uncertainties for the six months remaining in the current financial year.

I obtained a completion letter from the Statutory Auditors, Deloitte & Associés, PricewaterhouseCoopers Audit, and Mazars, in which they state that they have verified the information contained in the present update about the Group's financial position and accounts and that they have read the Registration document and its update in their entirety.

The Statutory Auditors' report on the condensed consolidated financial statements for the six months ended 30 June 2016 presented in this update is given on pages 152 and 153.

Paris, 1 August 2016,

Chief Executive Officer

Jean-Laurent BONNAFÉ

8. Table of concordance

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In accordance with Article 212-13 of the Règlement général of the French Autorité des marchés financiers, this update includes information from the semi-annual financial report specified in Article L. 451-1-2 of the French Financial and Monetary Code.

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