



# Half-year Results 30 June 1999

20 September, 1999



# Sharp Increase in Gross Operating Income

<i>( in € million)</i>	H1 99	H1 98	% change
<b>NET BANKING INCOME</b>	<b>4,437</b>	<b>3,540 <sup>(2)</sup></b>	<b>+ 25.3 %</b>
Value added to capital <sup>(1)</sup>	2,921	2,299	+ 27.1 %
Commissions <sup>(1)</sup>	1,432	1,230	+ 16.4 %
<b>OPERATING EXPENSES</b>	<b>- 2,763</b>	<b>- 2,407</b>	<b>+ 14.8 %</b>
<b>GROSS OPERATING INCOME</b>	<b>1,674</b>	<b>1,133 <sup>(2)</sup></b>	<b>+ 47.7 %</b>
Cost-income ratio	62.3 %	68.0 %	

*(1) Economic definition*

*(2) Excluding securitisation of Ivory Coast and Kenya debt (i.e. € 126 million) - Before this adjustment, the NBI and GOI increases would have been 21.0 % and 33.0 % respectively*

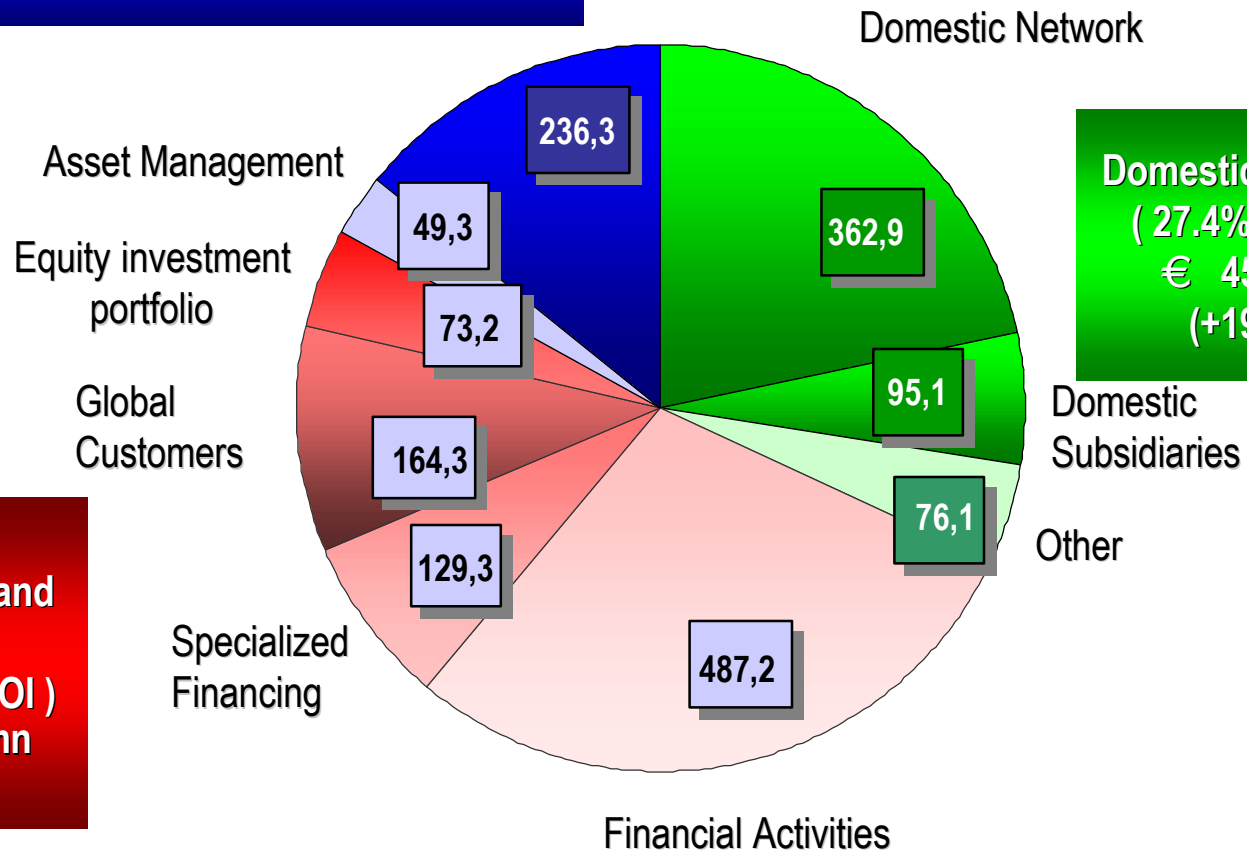
Group



# Consistently Recurring Gross Operating Income

Group

**Retail Banking outside Europe**  
( 14.1% of GOI ) € 236.3 mn (+91.9%)



**Global Customers and Markets**  
( 54.0% of GOI )  
€ 903.3 mn  
(+ 58.4%)

**Domestic Banking**  
( 27.4% of GOI )  
€ 458.0 mn  
(+19.6%)



# A Strong Increase in Net Operating Income

<i>( in € million)</i>	H1 99	H1 98	% change
<b>GROSS OPERATING INCOME</b>	<b>1,674</b>	<b>1,133 <sup>(1)</sup></b>	<b>+ 47.7 %</b>
Provisions	- 196	- 520 <sup>(1)</sup>	- 62.3 %
■ <i>Domestic Banking</i>	- 80	- 111	- 27.9 %
■ <i>Asia 5</i>	-	- 290	n.s.
■ <i>Reserve for general banking risks</i>	-	- 76	n.s.
<b>NET OPERATING INCOME</b>	<b>1,478</b>	<b>613</b>	<b>+141%</b>

Group

*(1) Excluding securitisation of Ivory Coast and Kenya debt (i.e. € 126 million) - Before this adjustment, provisions would have decreased by 69.8%*



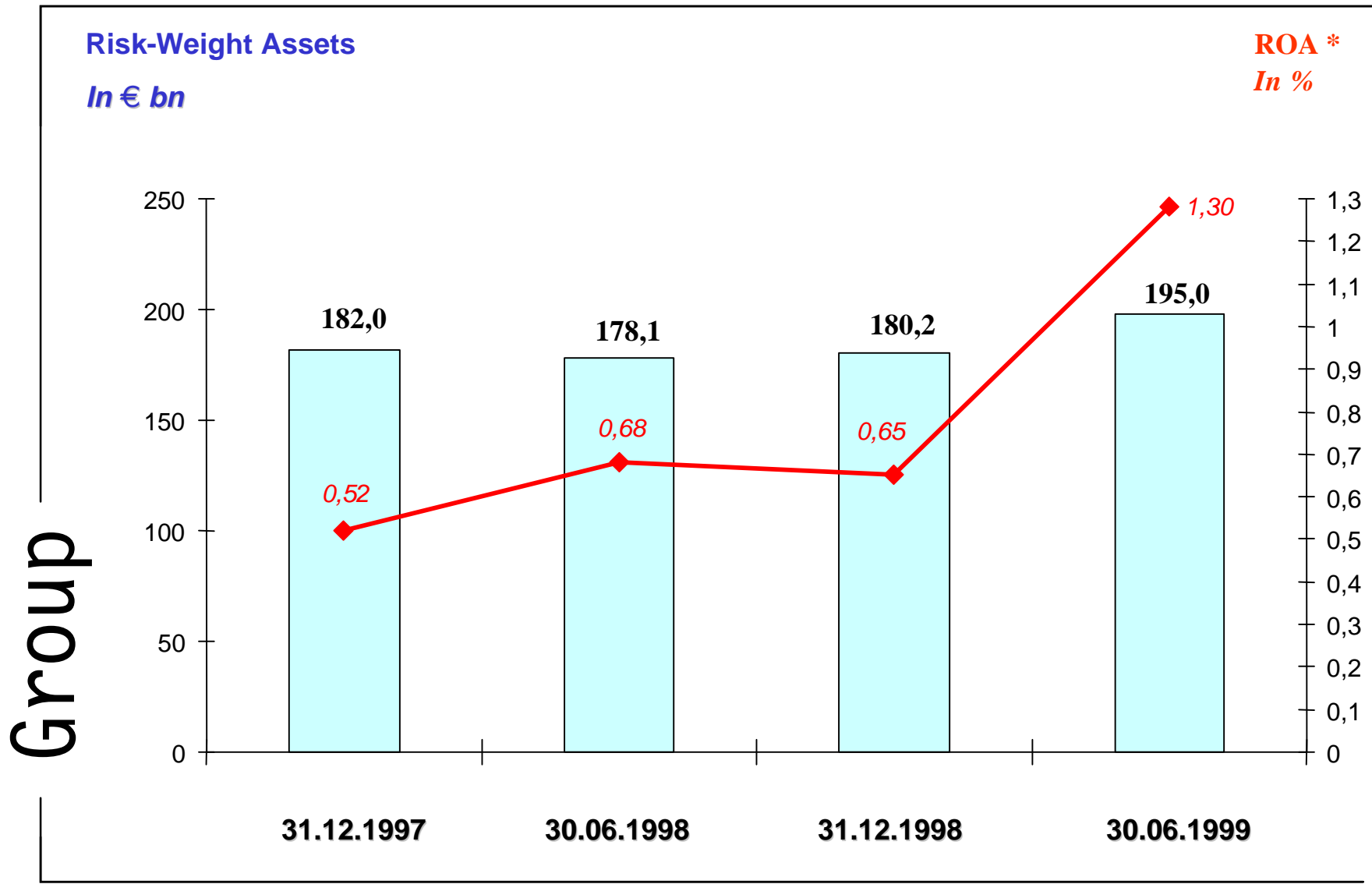
## A Two-Fold Increase in Net Income

<i>( in € million)</i>	H1 99	H1 98	% change
<b>NET OPERATING INCOME</b>	<b>1,478</b>	<b>613</b>	<b>+141%</b>
Capital gains (investment portfolio)	280	244	+ 14.8 %
Equity affiliates	78	53	+ 47.2 %
Exceptionals and miscellaneous	- 19	- 36	+ 50.0 %
Tax	- 550	- 266	+ 106.7%
Minority interests	- 68	- 29	na
<b>NET INCOME Group share</b>	<b>1,200</b>	<b>579</b>	<b>+107%</b>
<i>Net income after restructuring charge and excep. Amortization of goodwill</i>	605	579	+ 4.5 %

Group



# RISK WEIGHTED ASSET



\* calculated on risk-weighted assets as of end of period



## Profitability by Business Line

	Capital allocated *		Pre-tax Net Income	
	€ bn	Change	€ bn	Change
Domestic Banking	4.2	2.4%	464.1	+ 30.3 %
Retail Banking outside Europe	0.9	74.6%	166.0	+ 82.4 %
Global Customers and Markets	5.6	- 7.3%	1,110.6	+ 159.6%

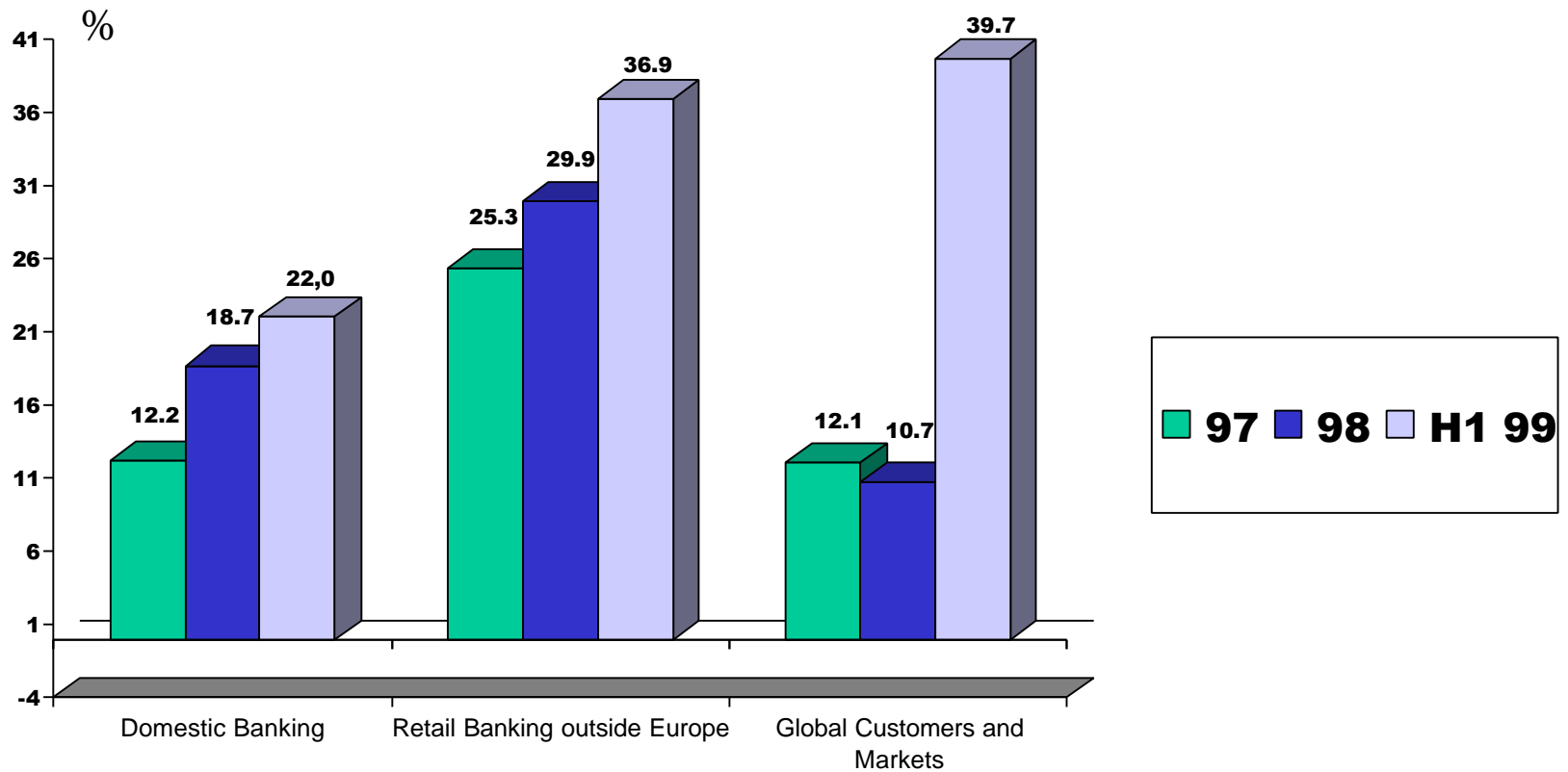
\* 6 % of risk-weighted assets as of 1 January 1999

Group



# Profitability by Business Line

## Pre-tax Return on normalized equity



Group





# Domestic Banking



# A Strong Performance

Domestic Banking

	Net Banking Income		Operating Costs		Gross Operating Income	
	€ mn	Change	€ mn	Change	€ mn	Change
<b>Domestic network</b>	<b>1,780</b>	<b>+ 5.3 %</b>	<b>- 1,418</b>	<b>+ 1.2 % <sup>(1)</sup></b>	<b>363</b>	<b>+ 25.6 %</b>
<b>Domestic subsidiaries</b>	<b>195</b>	<b>+ 3.7 %</b>	<b>- 100</b>	<b>+ 5.9 %</b>	<b>95</b>	<b>+ 1.1 %</b>
<b>Total Domestic Banking</b>	<b>1,975</b>	<b>+ 5.2 %</b>	<b>- 1,517</b>	<b>+ 1.5 %</b>	<b>458</b>	<b>+ 19.6 %</b>

<sup>(1)</sup> Domestic network operating costs : + 0.1 % excl. profit-sharing

*Cost Income ratio (normalized equity) : 73.7 % at 30/06/99 vs. 74.3% at 30/06/98*



## Growth in Selective Savings Products

Domestic Banking

H1 99, averages	€ billion	% change	Market Share	M. S. change
LIFE INSURANCE	24.2	+ 14.1	4.5	+ 0.1
MUTUAL FUNDS	34.0	+ 23.0	8.3	+ 0.4
CURRENT ACCOUNTS	22.3	+ 12.7	8.3	- 0.1
REGULATED SAVINGS DEPOSITS	28.3	+ 0.2	5.3	- 0.4
MONEY MARKET DEPOSITS	5.9	- 2.2	3.5	- 0.1

*N.B. : excl. subsidiaries  
deposits denominated in FF and Euros*



## Growth in Outstanding Loans to Retail

Domestic Banking

H1 1999, averages

	€ billion	% change	Market Share %	M. S. change
<b>TOTAL</b>	<b>62.1</b>	<b>+ 4.2 <sup>(1)</sup></b>	<b>6.1</b>	<b>- 0.1</b>
<b>CORPORATES</b>	<b>30.6</b>	<b>+ 1.5</b>	<b>6.6</b>	<b>- 0.6</b>
Operating	17.3	+ 1.0		
Investments	9.5	+ 1.9		
<b>RETAIL</b>	<b>27.9</b>	<b>+ 8.4</b>	<b>6.5</b>	<b>+ 0.2</b>
Consumer / Personal loans	4.5	+ 10.2		
Mortgage loans	18.4	+ 7.9		

***Origination of new mortgage loans of € 3.2 billion ( + 39 % v. H1 98 )***

*N.B. : excl. subsidiaries*

*(1) + 5.1 % excl. loans in the process of collection*



# Recurring and Growing Commission Income

42.4 % of French network revenues

( H1 1998 : 41.6 % )

Commissions *	H1 1999	Breakdown	% change
( in € million)			
• Loan related	196	26 %	+ 9.8%
• Payment systems	152	20 %	+ 4.3%
• Life insurance	80	11 %	+ 35.9%
• Portfolio management and custody	104	14 %	+ 3.7%
• Other commissions **	151	20 %	- 4.9%
• Securities and mutual funds orders	71	9 %	+ 15.4%
	<b>754</b>	<b>100 %</b>	<b>+ 7.1 %</b>
(excl. subsidiaries)			

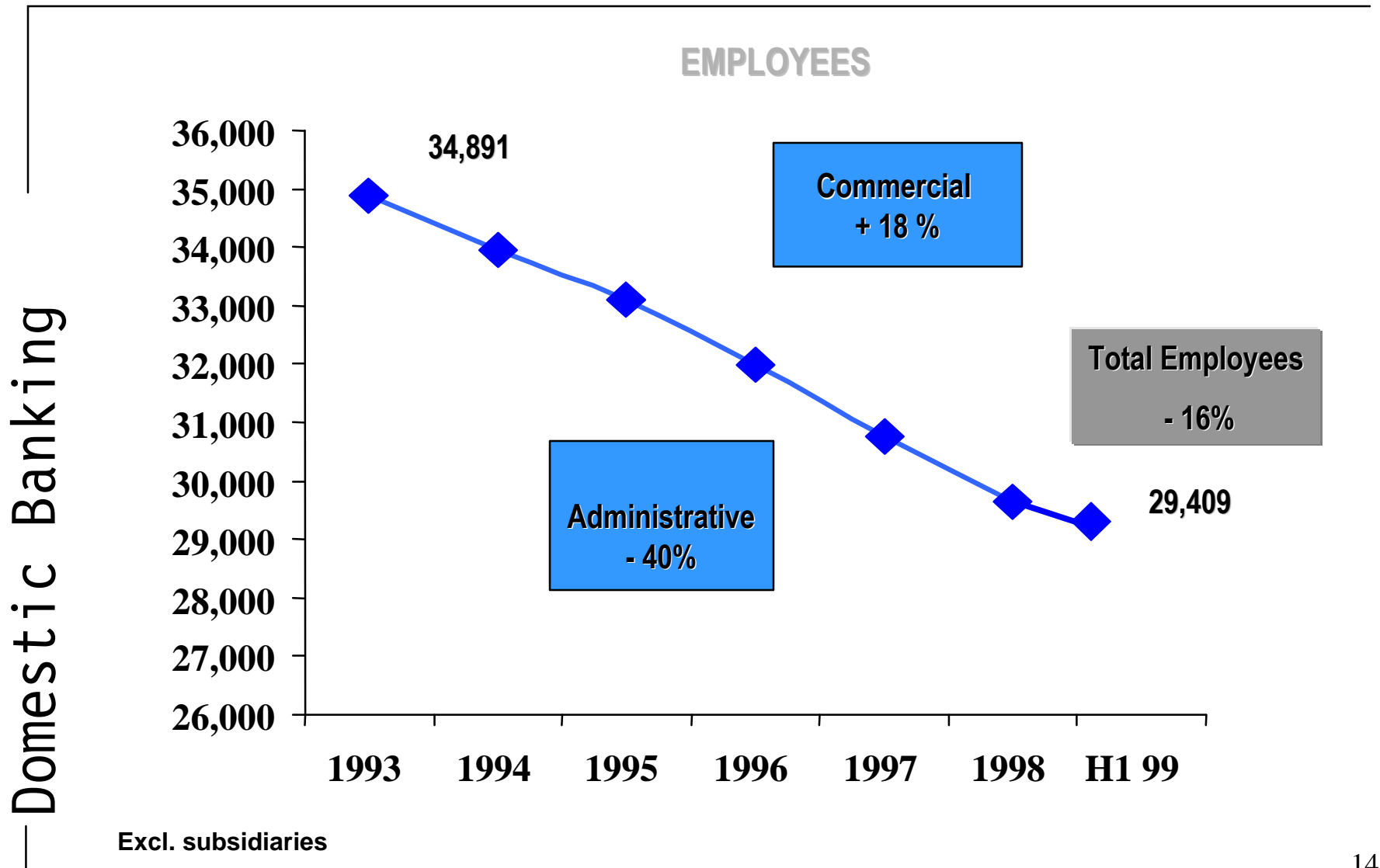
\* Economic definition

\*\* Off-balance sheet commitments, fee recovery and foreign exchange

Domestic Banking



# Continuous Cost Control





# RETAIL BANKING OUTSIDE EUROPE



# Organic and External Growth

Retail Banking ex-Europe

	Net Banking Income		Operating Costs		Gross Operating Income	
	€ m	% change	€ m	% change	€ m	% change
BancWest	375	+ 158.8%	- 216	+ 164.4%	159	+ 151.6%
BNPI / Africa / DOM-TOM	200	+ 14.4 %	- 123	+ 6.6 %	77	+ 29.4 %
<b>Total *</b>	<b>575</b>	<b>+ 80.0 %</b>	<b>- 339</b>	<b>+ 72.2 %</b>	<b>236</b>	<b>+ 91.9 %</b>

*After allocation of Head Office charges*

*\* On a like-for-like basis : Net Banking Income: + 6.6 %; Operating Costs: - 1.1 %;*

*Gross Operating Income: + 20.0 %*

*( First Hawaiian Bank consolidated as of 01/11/98 )*





# GLOBAL CUSTOMERS & MARKETS



# Global Customers & Markets

Global Customers & Markets

	Net banking income		Operating expenses and depreciation		Gross operating income	
	€ mn	Change	€ mn	Change	€ mn	Change
Global customers	408.3	+ 11.5 %	- 244.0	+ 16.6 %	164.3	+ 4.6 %
Specialised financing	248,4	+ 2.1 % <sup>(1)</sup>	- 119.1	+ 7.4 %	129.3	- 2.3 % <sup>(1)</sup>
Financial activities	978.1	+ 76.1 %	- 490.9	+ 28.6 %	487.2	+ 180.5%
Asset management	113.3	+ 27.2 %	- 64.0	+ 42.9%	49.3	+ 11.3 %
Equity investment portfolio	75.8	+ 19.4 %	- 2.6	ns	73.2	+ 16.9 %
<b>Total</b>	<b>1,823.9</b>	<b>+ 38.4 %</b>	<b>- 920.6</b>	<b>+ 23.0%</b>	<b>903.3</b>	<b>+ 58.4 %</b>

(1) Excluding non recurring Net Banking Income due to Eurotunnel debt restructuring in 1998 :

- Net Income +13.4%

- Gross Operating Income +19.6%



## Lower commitments in countries at risk

In € bn

30/06/99	CORPORATES	BANKS	PUBLIC SECTOR & STATES	TOTAL (excl. short- term trade- related)	Short-term trade- related	TOTAL	31.12.98
<b>Korea</b>	<b>276</b>	<b>359</b>	<b>421</b>	<b>1,056</b>	302	<b>1,358</b>	<b>1,554</b>
<b>Indonesia</b>	<b>543</b>	<b>31</b>	<b>46</b>	<b>620</b>	114	<b>734</b>	<b>811</b>
<b>Malaysia</b>	<b>200</b>	<b>117</b>	<b>91</b>	<b>408</b>	25	<b>433</b>	<b>449</b>
<b>Philippines</b>	<b>120</b>	<b>75</b>	<b>103</b>	<b>298</b>	160	<b>458</b>	<b>460</b>
<b>Thailand</b>	<b>352</b>	<b>19</b>	<b>81</b>	<b>452</b>	137	<b>589</b>	<b>676</b>
<b>Total 5 Asian countries</b>	<b>1,491</b>	<b>601</b>	<b>742</b>	<b>2,834</b>	738	<b>3,572</b>	<b>3,950</b>
<b>Russia</b>	<b>155</b>	<b>54</b>	<b>400</b>	<b>609</b>	7	<b>616</b>	<b>739</b>

Risk Control

Loans to private clients, 5 asian countries : \$ 198 mn at 30.6.99 compared with 231 at 31.12.98



# Asian Risk :

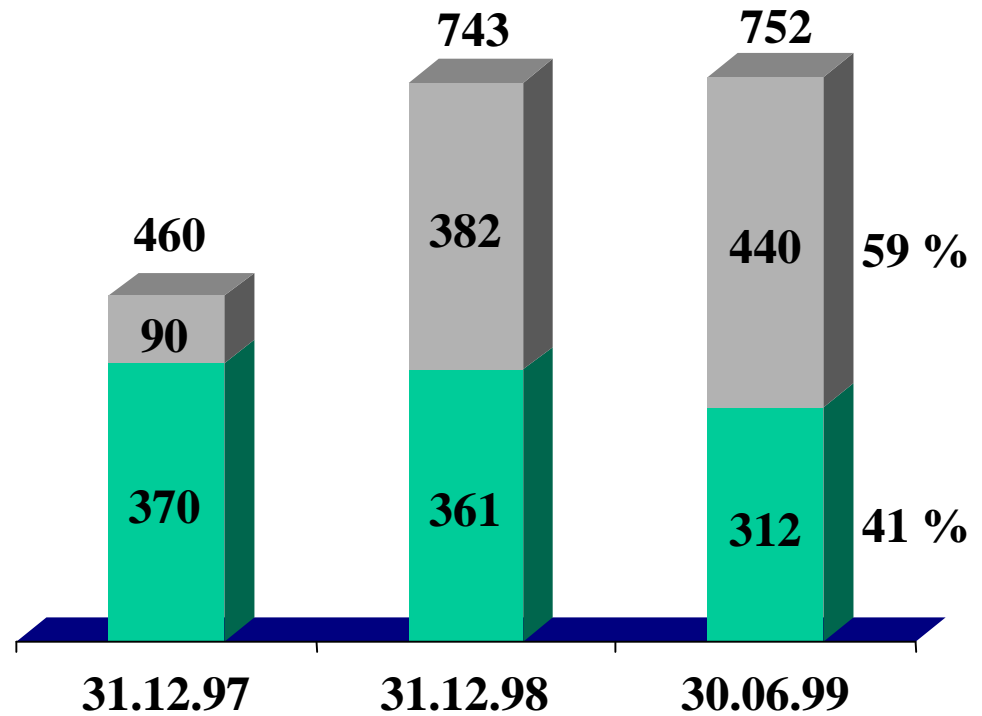
## broad coverage general provisions maintained

Risk Control

In € mn

Provisioning for 5 asian countries\*

- Specific provisions
- General provisions



\* Korea, Indonesia, Malaysia, Philippines, Thailand

