BNP PARIBAS | The bank for a changing world

CONSOLIDATED FINANCIAL STATEMENTS (AUDITED)

Year ended 31 December 2010

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CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED FINANCIAL STATEMENTS

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

The consolidated financial statements of the BNP Paribas Group are presented for the years ended 31 December 2010 and 31 December 2009. In accordance with Article 20.1 of Annex I of European Commission Regulation (EC) 809/2004, the consolidated financial statements for 2008 are provided in the registration document filed with the Autorité des marchés financiers on 11 March 2009 under number D.09-0114.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

In millions of euros	Note	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Interest income	2.a	47,388	46,460
Interest expense	2.a	(23,328)	(25,439)
Commission income	2.b	13,857	12,276
Commission expense	2.b	(5,371)	(4,809)
Net gain/loss on financial instruments at fair value through profit or loss	2.c	5,109	6,085
Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value	2.d	452	436
Income from other activities	2.e	30,385	28,781
Expense on other activities	2.e	(24,612)	(23,599)
REVENUES		43,880	40,191
Operating expense		(24,924)	(21,958)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	5.m	(1,593)	(1,382)
GROSS OPERATING INCOME		17,363	16,851
Cost of risk	2.f	(4,802)	(8,369)
OPERATING INCOME		12,561	8,482
Share of earnings of associates		268	178
Net gain on non-current assets		269	87
Goodwill	5.n	(78)	253
PRE-TAX INCOME		13,020	9,000
Corporate income tax	2.g	(3,856)	(2,526)
NET INCOME		9,164	6,474
Net income attributable to minority interests		1,321	642
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		7,843	5,832
Basic earnings per share	8.a	6.33	5.20
Diluted earnings per share	8.a	6.32	5.20

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

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Net income for the period	**9,164**	**6,474**
Changes in assets and liabilities recognised directly in equity	**(1,085)**	**2,927**
- Items related to exchange rate movements	1,354	64
- Changes in fair value of available-for-sale financial assets	(2,373)	2,834
- Changes in fair value of available-for-sale assets reported in net income	(69)	8
- Changes in fair value of hedging instruments	33	(137)
- Changes in fair value of hedging instruments reported in net income	(28)	(37)
- Items related to equity-accounted companies	(2)	195
Total	**8,079**	**9,401**
- Attributable to equity shareholders	6,837	8,537
- Attributable to minority interests	1,242	864

BALANCE SHEET AT 31 DECEMBER 2010

In millions of euros	Note	31 December 2010	31 December 2009
ASSETS			
Cash and amounts due from central banks and post office banks		33,568	56,076
Financial assets at fair value through profit or loss	5.a	832,945	828,784
Derivatives used for hedging purposes	5.b	5,440	4,952
Available-for-sale financial assets	5.c	219,958	221,425
Loans and receivables due from credit institutions	5.f	62,718	88,920
Loans and receivables due from customers	5.g	684,686	678,766
Remeasurement adjustment on interest-rate risk hedged portfolios		2,317	2,407
Held-to-maturity financial assets	5.i	13,773	14,023
Current and deferred tax assets	5.j	11,557	12,117
Accrued income and other assets	5.k	83,124	103,361
Investments in associates	5.l	4,798	4,761
Investment property	5.m	12,327	11,872
Property, plant and equipment	5.m	17,125	17,056
Intangible assets	5.m	2,498	2,199
Goodwill	5.n	11,324	10,979
TOTAL ASSETS		1,998,158	2,057,698
LIABILITIES			
Due to central banks and post office banks		2,123	5,510
Financial liabilities at fair value through profit or loss	5.a	725,105	709,337
Derivatives used for hedging purposes	5.b	8,480	8,108
Due to credit institutions	5.f	167,985	220,696
Due to customers	5.g	580,913	604,903
Debt securities	5.h	208,669	211,029
Remeasurement adjustment on interest-rate risk hedged portfolios		301	356
Current and deferred tax liabilities	5.j	3,745	4,762
Accrued expenses and other liabilities	5.k	65,229	72,425
Technical reserves of insurance companies	5.o	114,918	101,555
Provisions for contingencies and charges	5.p	10,311	10,464
Subordinated debt	5.h	24,750	28,209
TOTAL LIABILITIES		1,912,529	1,977,354
CONSOLIDATED EQUITY			
Share capital and additional paid-in capital		*25,659*	*25,061*
Retained earnings		*40,961*	*37,433*
Net income for the period attributable to shareholders		*7,843*	*5,832*
Total capital, retained earnings and net income for the period attributable to shareholders		74,463	68,326
Change in assets and liabilities recognised directly in equity		169	1,175
Shareholders' equity		74,632	69,501
Retained earnings and net income for the period attributable to minority interests		11,293	11,060
Change in assets and liabilities recognised directly in equity		(296)	(217)
Total minority interests		10,997	10,843
Total consolidated equity		85,629	80,344
TOTAL LIABILITIES AND EQUITY		1,998,158	2,057,698

CASH FLOWS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

In millions of euros	Note	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Pre-tax net income		13,020	9,000
Non-monetary items included in pre-tax net income and other adjustments		18,832	8,017
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		3,739	3,534
Impairment of goodwill and other non-current assets		136	(95)
Net addition to provisions		10,877	15,794
Share of earnings of associates		(269)	(178)
Net income from investing activities		288	(39)
Net income from financing activities		(2,303)	(1,200)
Other movements		6,364	(9,799)
Net (decrease) increase in cash related to assets and liabilities generated by operating activities		(34,550)	14,976
Net decrease in cash related to transactions with credit institutions		(31,425)	(51,299)
Net (decrease) increase in cash related to transactions with customers		(34,964)	48,115
Net increase in cash related to transactions involving other financial assets and liabilities		37,530	22,583
Net decrease in cash related to transactions involving non-financial assets and liabilities		(2,557)	(2,311)
Taxes paid		(3,134)	(2,112)
NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		(2,698)	31,993
Net (decrease) increase in cash related to acquisitions and disposals of consolidated entities	8.d	(4,940)	1,763
Net decrease related to property, plant and equipment and intangible assets		(1,790)	(1,391)
NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS RELATED TO INVESTING ACTIVITIES		(6,730)	372
(Decrease) Increase in cash and equivalents related to transactions with shareholders		(759)	4,342
Decrease in cash and equivalents generated by other financing activities		(22,054)	(24,580)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO FINANCING ACTIVITIES		(22,813)	(20,238)
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS		3,053	(886)
NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS		(29,188)	11,241
Balance of cash and equivalent accounts at the start of the period		54,202	42,961
Cash and amounts due from central banks and post office banks		56,076	39,219
Due to central banks and post office banks		(5,510)	(1,047)
Demand deposits with credit institutions	5.f	16,379	13,514
Demand loans from credit institutions	5.f	(12,380)	(8,673)
Deduction of receivables and accrued interest on cash and equivalents		(362)	(52)
Balance of cash and equivalent accounts at the end of the period		25,015	54,202
Cash and amounts due from central banks and post office banks		33,568	56,076
Due to central banks and post office banks		(2,123)	(5,510)
Demand deposits with credit institutions	5.f	11,273	16,379
Demand loans from credit institutions	5.f	(17,464)	(12,381)
Deduction of receivables and accrued interest on cash and equivalents		(239)	(362)
NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS		(29,188)	11,241

STATEMENT OF CHANGES IN SHAREHOLDERS'

	Capital and retained earnings						
	Attributable to shareholders				Minority interests		
In millions of euros	Ordinary shares, non voting shares and additional paid-in capital	Undated Super Subordinated Notes eligible as Tier 1 capital	Non-distributed reserves	Total	Capital and retained earnings	Preferred shares eligible as Tier 1 capital	Total
Capital and retained earnings at 31 December 2008	13,527	10,521	30,710	54,758	3,849	2,330	6,179
Appropriation of net income for 2008			(1,044)	(1,044)	(226)		(226)
Increase in share capital linked to the acquisition of Fortis	6,197			6,197			-
Issue of non voting shares	5,097			5,097			-
Increase in capital with a view to the repurchase of non voting shares	4,253			4,253			-
Redemption of non voting shares	(5,253)			(5,253)			-
Other increases in capital	1,080	69		1,149			-
Redemption of undated floating-rate subordinated notes		(2,550)		(2,550)			-
Movements in own equity instruments	258	5	(72)	191			-
Share-based payment plans	79		14	93			-
Remuneration on Preferred Shares and undated super subordinated notes			(335)	(335)	(149)		(149)
Impact of the acquisition of Fortis				-	4,087		4,087
Impact of internal transactions impacting minority shareholders (Note 8.c)			(17)	(17)	17		17
Change in consolidation method impacting minority shareholders				-	(23)		(23)
Acquisitions of additional interests or partial sales of interests (note 8.c)			(40)	(40)	506		506
Change in commitments to repurchase minority shareholders' interests			15	15	(20)		(20)
Other movements	(50)		30	(20)	91		91
Change in assets and liabilities recognised directly in equity				-			-
Net income for 2009			5,832	5,832	642		642
Interim dividend payments				-	(44)		(44)
Capital and retained earnings at 31 December 2009	25,188	8,045	35,093	68,326	8,730	2,330	11,060
Appropriation of net income for 2009			(1,776)	(1,776)	(359)		(359)
Increases in capital and issues	624			624	132		132
Reduction in capital	(40)			(40)	(130)	(440)	(570)
Impact of redemption of non voting shares	(72)			(72)			-
Movements in own equity instruments	9	(16)	5	(2)		2	2
Share-based payment plans	7		(5)	2			-
Remuneration on Preferred Shares and undated super subordinated notes			(310)	(310)	(146)		(146)
Impact of internal transactions impacting minority shareholders (Note 8.c)			(23)	(23)	23		23
Change in consolidation method impacting minority shareholders			-	-	(223)		(223)
Acquisitions of additional interests or partial sales of interests			(53)	(53)	(137)		(137)
Change in commitments to repurchase minority shareholders' interests			2	2	145		145
Other movements	(5)		(53)	(58)	90		90
Change in assets and liabilities recognised directly in equity				-			-
Net income for 2010			7,843	7,843	1,321		1,321
Interim dividend payments				-	(45)		(45)
Capital and retained earnings at 31 December 2010	25,711	8,029	40,723	74,463	9,401	1,892	11,293

EQUITY BETWEEN 1 JAN. 2009 AND 31 DEC 2010

Change in assets and liabilities recognised directly in equity					Total equity
Attributable to shareholders				Minority interests	
Exchange rates	Financial assets available for sale	Derivatives used for hedging purposes	Total		
(1,680)	(568)	718	(1,530)	(439)	58,968
					(1,270)
					6,197
					5,097
					4,253
					(5,253)
					1,149
					(2,550)
					191
					93
					(484)
					4,087
					-
					(23)
					466
					(5)
					71
121	2,729	(145)	2,705	222	2,927
					6,474
					(44)
(1,559)	2,161	573	1,175	(217)	80,344
					(2,135)
					756
					(610)
					(72)
					()
					2
					(456)
					-
					(223)
					(190)
					147
					32
1,158	(2,175)	11	(1,006)	(79)	(1,085)
					9,164
					(45)
(401)	(14)	584	169	(296)	85,629

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 APPLICABLE ACCOUNTING STANDARDS

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

In the consolidated financial statements at 31 December 2010, the Group applies the provisions of the revised IFRS 3 and IAS 27 on Business Combinations and on Consolidated and Separate Financial Statements respectively. These revised standards are applicable prospectively and therefore had no effect on the accounting treatment of transactions completed prior to 1 January 2010.

The introduction of other standards, which are mandatory as of 1 January 2010, had no effect on the consolidated financial statements for the year ended 31 December 2010.

The Group did not choose to early-adopt the new standards, amendments, and interpretations adopted by the European Union and whose application in 2010 was optional.

1.b CONSOLIDATION

1.b.1 SCOPE OF CONSOLIDATION

The consolidated financial statements of BNP Paribas include all entities under the exclusive or joint control of the Group or over which the Group exercises 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 8 million of consolidated Revenues, EUR 1 million of, consolidated gross operating income or net income before tax, EUR 40 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.

The Group also consolidates special purpose entities (SPEs) formed specifically to manage a transaction or a group of transactions with similar characteristics, even where the Group has no equity interest in the entity, provided that the substance of the relationship indicates that the Group exercises control as assessed by reference to the following criteria:

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

- the activities of the SPE are being conducted exclusively on behalf of the Group, such that the Group obtains benefits from those activities;
- the Group has the decision-making and management powers to obtain the majority of the benefits of the ordinary activities of the SPE (as evidenced, for example, by the power to dissolve the SPE, to amend its bylaws, or to exercise a formal veto over amendments to its bylaws);
- the Group has the ability to obtain the majority of the benefits of the SPE, and therefore may be exposed to risks incident to the activities of the SPE. These benefits may be in the form of rights to some or all of the SPE's earnings (calculated on an annual basis), to a share of its net assets, to benefit from one or more assets, or to receive the majority of the residual assets in the event of liquidation;
- the Group retains the majority of the risks taken by the SPE in order to obtain benefits from its activities. This would apply, for example, if the Group remains exposed to the initial losses on a portfolio of assets held by the SPE.

1.b.2 CONSOLIDATION METHODS

Enterprises under the exclusive control of the Group are fully consolidated. The Group has exclusive control over an enterprise where it is in a position to govern the financial and operating policies of the enterprise so as to obtain benefits from its activities. Exclusive control is presumed to exist when the BNP Paribas Group owns, directly or indirectly, more than half of the voting rights of an enterprise. It also exists when the Group has the power to govern the financial and operating policies of the enterprise under an agreement; to appoint or remove the majority of the members of the Board of Directors or equivalent governing body; or to cast the majority of votes at meetings of the Board of Directors or equivalent governing body.

Currently exercisable or convertible potential voting rights are taken into account when determining the percentage of control held.

Jointly-controlled companies are consolidated using the proportional method. The Group exercises joint control when, under a contractual arrangement, strategic financial and operating decisions require the unanimous consent of the parties that share control.

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 decision 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 decision-making tools, and 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 associates” and in the relevant component of shareholders’ equity. Goodwill on associates is also included under “Investments in associates”.

If the Group’s share of losses of an associate equals or exceeds the carrying amount of its investment in the associate, the Group discontinues including its share of further losses. The investment is reported at nil value. Additional losses of the associate 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 the associate.

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

Transactions resulting in a loss of control completed prior to 1 January 2010 give rise to the recognition of a gain or loss equal to the difference between the sale price and the Group's share in the underlying

equity. For transactions completed after 1 January 2010, the revised IAS 27 now requires any equity interest retained by the Group to be 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, by transfer to retained earnings, all cumulative translation differences attributable to shareholders and to minority interests in the opening balance sheet at 1 January 2004.

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, significant influence or joint control), the cumulative translation adjustment recorded in equity at the date of the liquidation or sale is recognised in the profit and loss account.

Should the percentage interest 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 associates and joint ventures, 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 completed prior to 1 January 2010**

Business combinations are accounted for using the purchase method. Under this method, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the IFRS recognition criteria 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 Group may recognise any adjustments to the provisional accounting within 12 months of the acquisition date.

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities assumed, and equity instruments issued to obtain control of the acquiree, plus any costs directly attributable to the combination.

Goodwill represents the difference between the cost of the combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent 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.

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

When a business combination is achieved in stages (step acquisition), each stage is treated separately using the consideration transferred and the fair value of identifiable assets, liabilities and contingent liabilities acquired in each stage to determine the goodwill. The change in fair value of identifiable assets, liabilities and contingent liabilities corresponding to the previously held equity interest is recognised in other comprehensive income.

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 set out above.

- **Business combinations completed after 1 January 2010**

IFRS 3 revised has introduced the following main changes to the policies described above:

- The acquiree's contingent liabilities are not recognised in the consolidated balance sheet unless they represent a present obligation (and not a present or possible obligation, as before) on the acquisition date and their fair value can be reliably estimated.

- 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 consideration transferred at its acquisition-date fair value (and no longer when it is probable and can be reliably measured as before). After the measurement period of 12 months following the business combination, changes in the value of any contingent consideration recognised as a financial liability are recognised through profit or loss.

- 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 and no longer by reference to the fair value of the assets and liabilities acquired in each stage.

- **Measurement of goodwill**

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

- Cash-generating units

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

- Testing cash-generating units for impairment

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

- Recoverable amount of a cash-generating unit

The recoverable amount of a cash-generating unit is the higher of the fair value of the unit 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.

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.

[2] As defined by IAS 36.

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 loan outstandings and actual loan outstandings;
- 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 outstandings 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 loan outstandings 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 euro-denominated life insurance products 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

Financial assets at fair value through profit or loss comprise of:

- financial assets held for trading purposes;
- financial assets that the Group has designed, 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.10.

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, "Unrealised or deferred gains or losses". 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".

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, except in cases where the borrowed securities are subsequently sold by the Group. In such cases, 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.

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

1.c.4 FOREIGN CURRENCY TRANSACTIONS

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

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

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

- Non-monetary assets and liabilities expressed in foreign currencies

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

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

1.c.5 IMPAIRMENT OF FINANCIAL ASSETS

- **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 ragarding the following events:

- 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);

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

- 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.

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 recognised in 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, 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 five consecutive years and the final one being a decline on average of at least 30% over an observation period of one year. A period of five years is what the Group believes 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 unlisted variable-income securities.

In the case of fixed-income securities, impairment is assessed based on the same criteria applied to individually impaired loans and receivables.

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.

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 rate 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) or by its fully consolidated subsidiaries.

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 present value of the debt 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 actual changes in the fair value or cash flows of the hedging instrument and the hedged item are 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 recognise 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

Financial assets and liabilities classified as fair value through profit or loss, and financial assets classified as available-for-sale, are measured and accounted for at fair value upon initial recognition and at subsequent dates. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. On initial recognition, the value of a financial instrument is generally the transaction price (i.e. the value of the consideration paid or received).

Fair value is determined:

- based on quoted prices in an active market; or
- using valuation techniques involving:
  - mathematical calculation methods based on accepted financial theories; and
  - parameters derived in some cases from the prices of instruments traded in active markets, and in others from statistical estimates or other quantitative methods resulting from the absence of an active market.

Whether or not a market is active is determined on the basis of a variety of factors. Characteristics of an inactive market include a significant decline in the volume and level of trading activity in identical or similar instruments, the available prices vary significantly over time or among market participants or observed transaction prices are not current.

- **Use of quoted prices in an active market**

If quoted prices in an active market are available, they are used to determine fair value. These represent directly quoted prices for identical instruments.

- **Use of models to value unquoted financial instruments**

The majority of over-the-counter derivatives are traded in active markets. Valuations are determined using generally accepted models (discounted cash flows, Black & Scholes model, interpolation techniques) based on quoted market prices for similar instruments or underlyings.

Some financial instruments, although not traded in an active market, are valued using methods based on observable market data.

These models use market parameters calibrated on the basis of observable data such as yield curves, implicit volatility layers of options, default rates, and loss assumptions.

The valuation derived from models is adjusted for liquidity and credit risk. Starting from valuations derived from median market prices, price adjustments are used to value the net position in each financial instrument at bid price in the case of short positions, or at asking price in the case of long positions. Bid price is the price at which a counterparty would buy the instrument, and asking price is the price at which a seller would sell the same instrument.

Similarly, a counterparty risk adjustment is included in the valuation derived from the model in order to reflect the credit quality of the derivative instrument.

The margin generated when these financial instruments are traded is taken to the profit and loss account immediately.

Other illiquid complex financial instruments are valued using internally-developed techniques, that are entirely based on data or on partially non observable active markets.

In the absence of observable inputs, these instruments are measured on initial recognition in a way that reflects the transaction price, regarded as the best indication of fair value. Valuations derived from these models are adjusted for liquidity risk and credit risk.

The margin generated when these complex financial instruments are traded (day one profit) is deferred and taken 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.

Lastly, the fair value of unlisted equity securities is measured in comparison with recent transactions in the equity of the company in question carried out with an independent third party on an arm's length

basis. If no such points of reference are available, the valuation is determined either on the basis of generally accepted practices (EBIT or EBITDA multiples) or of the Group's share of net assets calculated using the most recent information available.

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

The amendment to IAS 39 relating to the "fair value option" was adopted by the European Union on 15 November 2005, in effect starting 1 January 2005.

This option allows entities to designate any financial asset or financial liability on initial recognition measured at fair value, with changes in fair value recognised in 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 account of all fees received or paid that are an integral part of the effective interest rate of the contract, transaction costs, and (iii) 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.

External costs that are directly attributable to an issue of new shares are deducted from equity net of all related taxes.

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 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 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 comprise 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, as a supplement to guaranteed benefits, a share of actual profits.

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, the bulk of this reserve is reclassified to “Policyholders’ surplus” on the liabilities side of the consolidated balance sheet; a deferred tax liability is recognised on the portion taken to shareholders' equity.

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 account of 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 “Expenses 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 comprise on 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 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 that may require replacement at regular intervals, or that have different uses or different patterns of consumption of economic benefits, 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 "Expenses 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 "Expenses 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. 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 major business line, 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 resale.

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 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 post-employment benefits and termination benefits, which are not settled fully within 12 months after the employees render the related service. 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 actuarial gains and losses are recognised immediately as is the effect of any plan amendments.

- **Termination benefits**

Termination benefits are employee benefits payable as a result of 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**

The 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 “consequently” 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 amount of the obligation recognised as a liability 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, such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate. The value of any plan assets is deducted from the amount of the obligation.

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 amount of the obligation under a plan and the value of the plan assets may show significant fluctuations from one period to the next, due to changes in actuarial assumptions, thereby causing actuarial gains and losses. The Group applies the “corridor” method in accounting for actuarial gains and losses. Under this method, the Group is allowed to recognise, as of the following period and over the average remaining service lives of employees, only that portion of actuarial gains and losses that exceeds the greater of (i) 10% of the present value of the gross defined-benefit obligation or (ii) 10% of the fair value of plan assets at the end of the previous period.

At the date of first-time adoption, BNP Paribas elected for the exemption allowed under IFRS 1, under which all unamortised actuarial gains and losses at 1 January 2004 are recognised as a deduction from equity at that date.

The effects of plan amendments on past service costs are recognised in profit or loss over the full vesting period of the amended benefits.

The annual expense recognised in the profit and loss account under “Salaries and employee benefits”, with respect to defined-benefit plans, is comprised of the current service cost (the rights vested by each employee during the period in return for service rendered), interest cost (the effect of discounting the obligation), the expected return on plan assets, amortisation of actuarial gains and losses and past service cost arising from plan amendments, and the effect of any plan curtailments or settlements.

1.i SHARE-BASED PAYMENT

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 salaries and employee benefits’ account, with the credit entry is posted 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 that will vest 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 salaries and employee benefits' account 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 by 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 a group tax election 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, excepted for deferred taxes relating to unrealised gains or losses on available-for-sale assets or to changes in the fair value of instruments designated as cash flow hedges, which are taken to shareholders' equity.

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

1.l CASH FLOWS STATEMENT

The cash and cash equivalents balance is composed of the net balance of cash accounts and accounts with central banks and post office 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 organised 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 YEAR ENDED 31 DECEMBER 2010

2.a NET INTEREST INCOME

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

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

In millions of euros	Year to 31 Dec. 2010			Year to 31 Dec. 2009		
	Income	Expense	Net	Income	Expense	Net
Customer items	28,933	(8,515)	20,418	27,918	(8,682)	19,236
Deposits, loans and borrowings	26,900	(8,044)	18,856	25,955	(8,169)	17,786
Repurchase agreements	145	(209)	(64)	204	(367)	(163)
Finance leases	1,888	(262)	1,626	1,759	(146)	1,613
Interbank items	2,855	(3,499)	(644)	3,120	(3,894)	(774)
Deposits, loans and borrowings	2,634	(2,973)	(339)	2,855	(3,388)	(533)
Repurchase agreements	221	(526)	(305)	265	(506)	(241)
Debt securities issued	-	(3,320)	(3,320)	-	(4,215)	(4,215)
Cash flow hedge instruments	3,251	(2,909)	342	1,896	(1,832)	64
Interest rate portfolio hedge instruments	1,299	(2,822)	(1,523)	1,045	(2,906)	(1,861)
Trading book	4,080	(2,263)	1,817	6,576	(3,910)	2,666
Fixed-income securities	2,586		2,586	3,481	-	3,481
Repurchase agreements	1,081	(1,210)	(129)	2,775	(2,430)	345
Loans / Borrowings	413	(539)	(126)	320	(895)	(575)
Debt securities	-	(514)	(514)	-	(585)	(585)
Available-for-sale financial assets	6,258	-	6,258	5,142	-	5,142
Held-to-maturity financial assets	712	-	712	763	-	763
Total interest income/(expense)	47,388	(23,328)	24,060	46,460	(25,439)	21,021

Interest income on individually impaired loans amounted to EUR 572 million in the year ended 31 December 2010 compared with EUR 567 million in the year ended 31 December 2009.

The amount related to hedges of future income previously recognised in the “Changes in assets and liabilities recognised directly in equity” but recognised in the profit and loss account in 2010 is a net gain of EUR 28 million (versus a net gain of EUR 28 million in the year ended 31 December 2009).

2.b COMMISSION INCOME AND EXPENSE

Commission income and expense on financial instruments, which are not measured at fair value through profit or loss amounted to EUR 3,438 million and EUR 554 million respectively in 2010, compared with income of EUR 3,097 million and expense of EUR 447 million in 2009.

Net commission income related to trust and similar activities through which the Group holds or invests assets on behalf of clients, trusts, pension and personal risk funds or other institutions amounted to EUR 2,451 million in 2010, compared with EUR 2,215 million in 2009.

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

Net gain/loss on financial instruments at fair value through profit or loss includes all profit and loss items relating to financial instruments managed in the trading book and financial instruments (including dividends) 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).

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Trading book	3,670	7,698
Debt instruments	1,657	2,715
Equity instruments (1)	1,303	4,526
Other derivatives	734	687
Repurchase agreements	(24)	(230)
Financial instruments designated at fair value through profit or loss	524	(3,058)
Impact of hedge accounting	27	26
Fair value hedges	(322)	660
Hedged items in fair value hedge	349	(634)
Remeasurement of currency positions	888	1,419
Total	5,109	6,085

(1) equity-linked certificates are included under equity instruments

Net gains on the trading book in 2010 and 2009 include a non-material amount related to the ineffective portion of cash flow hedges.

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

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Loans and receivables, fixed-income securities (1)	372	266
Disposal gains and losses	372	266
Equities and other variable-income securities	80	170
Dividend income	430	488
Additions to impairment provisions	(730)	(1,223)
Net disposal gains	380	905
Total	452	436

(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).

Unrealised gains and losses, previously recorded under “Change in assets and liabilities recognised directly in shareholders’ equity” and included in the pre-tax income, amounted to a net gain of EUR 99 million for the year ended 31 December 2010 compared with a loss of EUR 44 million for the year ended 31 December 2009.

2.e NET INCOME FROM OTHER ACTIVITIES

In millions of euros	Year to 31 Dec. 2010			Year to 31 Dec. 2009		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities	21,497	(18,088)	3,409	21,085	(18,004)	3,081
Net income from investment property	1,577	(787)	790	1,556	(700)	856
Net income from assets held under operating leases	5,133	(3,971)	1,162	4,552	(3,802)	750
Net income from property development activities	191	(48)	143	168	(49)	119
Other income and expense	1,987	(1,718)	269	1,420	(1,044)	376
Total net income from other activities	30,385	(24,612)	5,773	28,781	(23,599)	5,182

- **Net income from insurance activities**

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Gross premiums written	18,691	16,876
Movement in technical reserves	(7,608)	(10,075)
Claims and benefits expense	(8,996)	(7,516)
Reinsurance ceded, net	(292)	(162)
Change in value of admissible investments related to unit-linked business	1,412	3,864
Other income and expense	202	94
Total net income from insurance activities	3,409	3,081

"Claims and benefits expense" includes expenses arising from surrenders, maturities and claims relating to insurance contracts. "Movement in technical reserves" reflects changes in the value of financial contracts, in particular unit-linked contracts. 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	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Net additions to impairment provisions	(4,594)	(8,161)
Recoveries on loans and receivables previously written off	393	420
Irrecoverable loans and receivables not covered by impairment provisions	(601)	(628)
Total cost of risk for the period	(4,802)	(8,369)

Cost of risk for the period by asset type

in millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Loans and receivables due from credit institutions	105	12
Loans and receivables due from customers	(4,921)	(7,818)
Available-for-sale financial assets	131	(200)
Financial instruments on trading activities	(167)	(130)
Other assets	70	(7)
Off-balance sheet commitments and other items	(20)	(226)
Total cost of risk for the period	(4,802)	(8,369)

- **Provisions for impairment: credit risks**

Movement in impairment provisions during the period

in millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Total impairment provisions at start of period	28,800	17,216
Net additions to impairment provisions	4,594	8,161
Impact of the consolidation of Fortis	-	6,715
Utilisation of impairment provisions	(3,254)	(3,256)
Effect of exchange rate movements and other items	(357)	(36)
Total impairment provisions at end of period	29,783	28,800

Impairment provision by asset type

In millions of euros	31 December 2010	31 December 2009
Impairment of assets		
Loans and receivables due from credit institutions (note 5.f)	994	1,028
Loans and receivables due from customers (note 5.g)	26,671	25,369
Financial instruments on trading activities	528	651
Available-for-sale financial assets (note 5.c)	454	432
Other assets	41	67
Total impairment provisions against financial assets	28,688	27,547
Provisions recognised as liabilities		
Provisions for off-balance sheet commitments		
- to credit institutions	6	12
- to customers	600	818
Other items subject to provisions	489	423
Total provisions recognised as liabilities	1,095	1,253
Total impairment provisions	29,783	28,800

2.g CORPORATE INCOME TAX

Reconciliation of income tax expense to theoretical tax expense at standard tax rate in France [1]	Year to 31 Dec. 2010		Year to 31 Dec. 2009	
	in millions of euros	Tax rate	in millions of euros	Tax rate
Corporate income at standard tax rate expense in France[2]	(4,418)	34.4%	(2,950)	34.4%
Differential effect in tax rates applicable to foreign entities	286	-2.2%	107	-1.2%
Effect of dividends and asset disposals taxed at reduced rate	3	-	250	-2.9%
Tax effect linked to the capitalisation of tax loss carryforwards and prior temporary differences	80	-0.6%	78	-0.9%
Tax effect of using prior tax losses not capitalised	60	-0.5%	28	-0.3%
Other items	133	-1.0%	(39)	0.4%
Corporate income tax expense	(3,856)	30.1%	(2,526)	29.5%
Of which				
Current tax expense for the year to 31 December	(2,284)		(2,327)	
Deferred tax expense for the year to 31 December (note 5.j)	(1,572)		(199)	

(1) including 3.3% social security contribution tax calculated on French corporate tax at 33.33% lifting it to 34.43%.

(2) Restated for the share of income from companies accounted for under the equity method and goodwill amortisation.

3. SEGMENT INFORMATION

The Group is composed of three core businesses:

- Retail Banking, which covers French retail banking (FRB), Italian Retail Banking (BNL banca commerciale) and the new personal and business retail banking entity in Belgium and Luxembourg (Belux Retail Banking), the Group's new domestic markets. It also includes retail financial services, which is split into two sub-divisions: Personal Finance providing credit solutions to private individuals and Equipment Solutions providing credit and other services to corporates. It also includes retail banking activities in the United States (BancWest) and in emerging markets;
- Investment Solutions (IS), which includes Private Banking; Investment Partners – covering all of the Group's Asset Management businesses; Personal Investors – providing private individuals with independent financial advice and investment services; Securities Services to management companies, financial institutions and other corporations; and Insurance and Real Estate Services;
- Corporate and Investment Banking (CIB), which includes Advisory & Capital Markets (Equities and Equity Derivatives, Fixed Income & Forex, Corporate Finance) and Financing (Specialised and Structured Financing) businesses.

As part of the integration plan for the Fortis Group entities acquired, the business activities of BNP Paribas-Fortis and BGL BNP Paribas have been transferred to the corresponding business lines and divisions of the BNP Paribas Group. To make it comparable to the 2010 figures, the 2009 data has been restated as if these transfers had taken place on the acquisition date.

Other activities mainly include Principal Investments, the Klépierre property investment company, and the Group's corporate functions.

They also include non-recurring items resulting from applying the rules on business combinations to the Fortis Group acquisition and the acquisition of a controlling interest in Findomestic SPA. In order to provide consistent economic and relevant information for each area of operations, the exceptional gain reflecting the negative goodwill arising in 2009 on the combination (see note 8.d), the impact of amortising fair value adjustments recognised in the net equity of entities acquired and restructuring costs incurred in respect to the Fortis Group integration and in Italy have been allocated to this segment.

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

This capital allocation is carried out on the basis of risk exposure, taking into account various assumptions 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 business segment is determined by attributing to each segment the income of its allocated equity.

- **Information by business segment**

- Income by business segment

In millions of euros	Year to 31 Dec. 2010						Year to 31 Dec. 2009					
	Revenues	Operating expense	Cost of risk	Operating income	Non-operating items	Pre-tax income	Revenues	Operating expense	Cost of risk	Operating income	Non-operating items	Pre-tax income
Retail Banking												
French retail Banking [(1)]	6,609	(4,418)	(482)	1,709	1	1,710	6,247	(4,249)	(515)	1,483	1	1,484
BNL banca commerciale [(1)]	3,026	(1,776)	(817)	433	(1)	432	2,975	(1,780)	(671)	524	-	524
BeLux Retail Banking [(1)]	3,250	(2,343)	(222)	685	3	688	1,931	(1,444)	(352)	135	(4)	131
Personal Finance	5,050	(2,324)	(1,921)	805	88	893	4,340	(2,068)	(1,938)	334	92	426
Other Retail Banking activities	5,668	(3,458)	(1,140)	1,070	14	1,084	5,209	(3,101)	(2,371)	(263)	10	(253)
Investment Solution	6,163	(4,365)	16	1,814	168	1,982	5,363	(3,835)	(41)	1,487	(24)	1,463
Corporate and Investment Banking												
Advisory & Capital Markets	7,630	(4,760)	(307)	2,563	14	2,577	9,921	(4,747)	(940)	4,234	(2)	4,232
Financing	4,368	(1,682)	(7)	2,679	49	2,728	3,576	(1,427)	(1,533)	616	18	634
Other Activities	2,116	(1,391)	78	803	123	926	629	(689)	(8)	(68)	427	359
Total Group	43,880	(26,517)	(4,802)	12,561	459	13,020	40,191	(23,340)	(8,369)	8,482	518	9,000

(1) French Retail Banking, BNL banca commerciale and BeLux Retail Banking after the reallocation within Investment Solutions of one-third of the Private Banking activities in France, Italy and Belgium.

- Assets and liabilities by business segment

For most Group entities, the segmental allocation of assets and liabilities is based on the core business to which they report, with the exception of the key ones, which are broken down or allocated specifically on the basis of risk-weighted assets.

In millions of euros	31 December 2010		31 December 2009	
	Assets	Liabilities	Assets	Liabilities
Retail Banking				
French retail Banking	155,770	*149,999*	140,286	136,173
BNL banca commerciale	88,464	*81,957*	77,855	72,405
BeLux Retail Banking	98,318	*95,590*	66,487	56,632
Personal Finance	91,888	*85,600*	84,653	79,332
Other activities Retail Banking	131,372	*118,740*	140,628	130,099
Investment Solution	227,962	219,366	196,667	189,734
Corporate and Investment Banking	1,083,280	1,069,487	1,242,025	1,232,845
Other Activities	121,104	177,419	109,097	160,478
Total Group	1,998,158	1,998,158	2,057,698	2,057,698

Information by business segment relating to companies accounted for under the equity method and goodwill amortisation in the period is presented respectively in note 5.l Investments in Associates and note 5.n Goodwill.

- **Information by geographic area**

The geographic split of segment results, assets and liabilities is based on the region in which they are recognised for accounting purposes and does not necessarily reflect the counterparty's nationality or the location of operations.

- Revenues by geographic area

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
France	15,300	13,824
Other European Countries	19,270	16,984
Americas	5,664	5,763
Asia - Oceania	2,036	1,919
Other countries	1,610	1,701
Total	43,880	40,191

- Assets and liabilities by geographic area

In millions of euros	31 December 2010	31 December 2009
France	959,561	953,332
Other European Countries	677,218	722,068
Americas	206,693	222,992
Asia - Oceania	123,075	125,747
Other countries	31,611	33,559
Total	1,998,158	2,057,698

4. RISK MANAGEMENT AND CAPITAL ADEQUACY

As a follow up of Basel II Pillar 3 implementation, which introduced new requirements concerning risk transparency, BNP Paribas has decided to combine the information about the Group required under IFRS 7 and Pillar 3, in order to ensure maximum consistency and clarity.

The Group calculates the risks related to its banking activities using methods approved by the French banking supervisor under Pillar 1. The scope covered by the methods (called the "prudential scope") is discussed in note 8.b, "Scope of consolidation."

A significant event of 2009 was the first-time consolidation of the Fortis Group entities acquired by BNP Paribas and the launch of convergence work on the rating systems applied within the BNP Paribas Group. The convergence of methodologies is subject to a procedure worked out with the Autorité de Contrôle Prudentiel, whereby the French supervisor ("home") has to approve common methodologies jointly with its local counterparts ("hosts"), principally the Belgian and Luxemburgish supervisors. Pending completion of the convergence work, the Group applies thus a hybrid approach to calculate risk-weighted assets based, depending on the relevant scope, on methods validated by the regulators in France, Belgium and Luxembourg.

The information presented in this note reflects all the risks carried by the Group, which are measured as consistently as possible.

In addition to the regulatory-required information about its banking risks, BNP Paribas has provided information about the risks related to its insurance business, which is given in note 4.i, "Insurance risks".

4.a RISK MANAGEMENT ORGANISATION

Risk management is key in the business of banking. At BNP Paribas, operating methods and procedures throughout the organisation are geared towards effectively addressing this matter. The entire process is supervised primarily by the Group Risk Management Department (GRM), which is responsible for measuring and controlling risks at Group level. GRM is independent from the core businesses, business lines and territories and reports directly to Group Executive Management. The Group Compliance (GC) function monitors the operational risk under the authority of GRM, which is responsible for all the risk management procedures, and the reputation risk as part of its permanent control responsibilities.

While front-line responsibility for managing risks lies with the divisions and business lines that propose the underlying transactions, GRM is responsible for providing assurance that the risks taken by the Bank comply and are compatible with its risk policies and its profitability and rating objectives. GRM, and GC for operational and reputation risk, perform continuous, generally ex-ante controls that are fundamentally different from the periodic, ex-post examinations of the Internal Auditors. GRM reports regularly to the Internal Control, Risk and Compliance Committee of the Board on its main findings, as well as on the methods used by GRM to measure these risks and consolidate them on a Group-wide basis. GC reports to the Committee on issues relevant to its remit, particularly those concerning operational risk, financial security, reputation risk and permanent controls.

GRM covers risks resulting from the Group's business operations. It intervenes at all levels in the risk taking and monitoring process. Its remit includes formulating recommendations concerning risk policies, analysing the loan portfolio on a forward-looking basis, approving corporate loans and trading limits, guaranteeing the quality and effectiveness of monitoring procedures, defining and/or validating risk measurement methods, and producing comprehensive and reliable risk reporting data for Group management. GRM is also responsible for ensuring that all the risk implications of new businesses or products have been adequately evaluated. These evaluations are performed jointly by the sponsoring business line and all the functions concerned (Group Tax Department, Group Legal Department, Group Development and Finance and, Group Compliance and Information Technology and Processes). The quality of the validation process is overseen by GRM which reviews identified risks and the resources

deployed to mitigate them, as well as defining the minimum criteria to be met to ensure that growth is based on sound business practices. GC has identical responsibilities as regards operational and reputation risk. It plays an important oversight and reporting role in the process of validating new products, new business activities and exceptional transactions.

4.b RISK CATEGORIES

The risk categories reported by BNP Paribas evolve in line with methodological developments and regulatory requirements.

All the risk categories discussed below are managed by BNP Paribas. However, no specific capital requirement is identified for reputation and strategy risk as these are risks that may lead to a change in share price which is borne directly by the shareholders and cannot be protected by the Bank's capital.

Reputation risk is thus contingent on other risks and, apart from market rumours leading to a change in share price, its impacts are included in estimated losses incurred for other risk categories.

Similarly, strategy risk arising from the strategic decisions published by the Bank, which could give rise to a change in share price, is a matter for the highest level of governance and is the shareholder's responsibility.

The implementation of regulatory definitions in accordance with the Basel Accord (International Convergence of Capital Measurement and Capital Standard), or Basel II, is discussed in parts 4.d to 4.f of this section.

CREDIT AND COUNTERPARTY RISK

Credit risk is the risk of incurring a loss on loans and receivables (existing or potential due to commitments given) resulting from a change in the credit quality of the Bank's debtors, which can ultimately result in default. The probability of default and the expected recovery on the loan or receivable in the event of default are key components of the credit quality assessment.

Credit risk is measured at portfolio level, taking into account correlations between the values of the loans and receivables making up the portfolio concerned.

Counterparty risk is the manifestation of credit risk in market, investment and/or payment transactions that potentially expose the Bank to the risk of default by the counterparty. It is a bilateral risk on a counterparty with whom one or more market transactions have been concluded. The amount of this risk may vary over time in line with market parameters that impact the value of the relevant market instrument.

MARKET RISK

Market risk is the risk of incurring a loss of value due to adverse trends in market prices or parameters, whether directly observable or not.

Observable market parameters include, but are not limited to, exchange rates, interest rates, prices of securities and commodities (whether listed or obtained by reference to a similar asset), prices of derivatives, prices of other goods, and other parameters that can be directly inferred from them, such as credit spreads, volatilities and implied correlations or other similar parameters.

Non-observable factors are those based on working assumptions such as parameters contained in models or based on statistical or economic analysis, non confirmed by market informations.

Liquidity is an important component of market risk. In times of limited or no liquidity, instruments or goods may not be tradable or may not be tradable at their estimated value. This may arise, for example, due to low transaction volumes, legal restrictions or a strong imbalance between demand and supply for certain assets.

OPERATIONAL RISK

Operational risk is the risk of incurring a loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Management of operational risk is based on an analysis of the "cause – event – effect" chain.

Internal processes giving rise to operational risk may involve employees and/or IT systems. External events include, but are not limited to floods, fire, earthquakes and terrorist attacks. Credit or market events such as default or fluctuations in value do not fall within the scope of operational risk.

Operational risk encompasses human resources risks, legal risks, tax risks, information system risks, misprocessing risks, risks related to published financial information and the financial implications resulting from reputation and compliance risks.

Compliance and reputation risk

According to French regulation, compliance risk is the risk of legal, administrative or disciplinary sanctions, together with the significant financial loss that a bank may suffer as a result of its failure to comply with all the laws, regulations, codes of conduct and standards of good practice applicable to banking and financial activities (including instructions given by an executive body, particularly in application of guidelines issued by a supervisory body).

By definition, this risk is a sub-category of operational risk. However, as certain implications of compliance risk involve more than a purely financial loss and may actually damage the institution's reputation, the Bank treats compliance risk separately.

Reputation risk is the risk of damaging the trust placed in a corporation by its customers, counterparties, suppliers, employees, shareholders, regulators and any other stakeholder whose trust is an essential condition for the corporation to carry out its day-to-day operations.

Reputation risk is primarily contingent on all the other risks borne by the Bank.

ADDITIONAL INFORMATION ABOUT RISK DEFINITIONS

Although a lot of material has been written on the classification of banking risks, and industry regulations have produced a number of widely accepted definitions, there is still no comprehensive account of all of the risks to which banks are exposed. A good deal of progress has nevertheless been made in understanding the precise nature of risks and how they interact. The interaction between these risks has not yet been quantified, but is captured by global stress scenarios. The following comments review the Group's latest conceptual developments.

Market risk and credit/counterparty risk

In fixed income trading books, credit instruments are valued on the basis of bond yields and credit spreads, which represent market parameters in the same way as interest rates or exchange rates. The credit risk arising on the issuer of the debt instrument is therefore a component of market risk known as issuer risk.

Issuer risk is different from counterparty risk. In the case of credit derivatives, issuer risk corresponds to the credit risk on the underlying asset, whereas counterparty risk represents the credit risk on the third party with whom the derivative was contracted. Counterparty risk is a credit risk, while issuer risk is a component of market risk.

Operational risk, credit risk and market risk

Operational risk arises from inadequate or failed internal processes of all kinds, ranging from loan origination and market risk-taking to transaction execution and risk oversight.

However, human decisions taken in compliance with applicable rules and regulations cannot give rise to operational risk, even when they involve an error of judgment.

Residual risk, defined by internal control regulations as the risk that credit risk mitigation techniques prove less efficient than expected, is considered to derive from an operational failure and is therefore a component of operational risk.

ASSET-LIABILITY MANAGEMENT RISK

Asset-liability management risk is the risk of incurring a loss as a result of mismatches in interest rates, maturities or nature between assets and liabilities. For banking activities, asset-liability management risk arises in non-trading portfolios and primarily relates to global interest rate risk. For insurance activities, it also includes the risk of mismatches arising from changes in the value of shares and other assets (particularly property) held by the general insurance fund.

LIQUIDITY AND REFINANCING RISK

Liquidity and refinancing risk is the risk of the Bank being unable to fulfil its obligations at an acceptable price in a given place and currency.

INSURANCE SUBSCRIPTION RISK

Insurance subscription risk corresponds to the risk of a financial loss caused by an adverse trend in insurance claims. Depending on the type of insurance business (life, personal risk or annuities), this risk may be statistical, macro-economic or behavioural, or may be related to public health issues or natural disasters. It is not the main risk factor arising in the life insurance business, where financial risks are predominant.

BREAKEVEN RISK

Breakeven risk is the risk of incurring an operating loss due to a change in the economic environment leading to a decline in revenue coupled with insufficient cost-elasticity.

STRATEGY RISK

Strategy risk is the risk that the Bank's share price may fall because of its strategic decisions.

CONCENTRATION RISK

Concentration risk and its corollary, diversification effects, are embedded within each risk, especially for credit, market and operational risks using the correlation parameters taken into account by the corresponding risk models.

It is assessed at consolidated Group level and at financial conglomerate level.

SUMMARY OF RISKS

- Risks monitored by the BNP Paribas Group:

Risks affecting the Group's capital adequacy	Risks affecting the Group's value (share price)	Pillar 1		ICAAP[4] (Pillar 2)		Additional risk identified by BNP Paribas
		Risk covered	Measure-ment method	Risk covered	Measurement and management method	
Credit and counterparty risk		✔	Basel II	✔	Internal Model	
Equity risk		✔	Basel II	✔	Internal Model	
Operational risk		✔	Basel II	✔	Internal Model	
Market risk		✔	Basel II	✔	Internal Model	
Concentration risk [1]				✔	Internal Model	
Asset & liability management risk [2]				✔	Internal Model	
Breakeven risk				✔	Internal Model	
Insurance risks [3], including insurance subscription risks					Internal Model	✔
	Strategy risk			✔	Procedures; market multiples	
Liquidity and Refinancing risk				✔	Quantitative and qualitative rules; stress tests	
	Reputation risk			✔	Procedures	

(1) Concentration risk is managed within credit risk at BNP Paribas.
(2) Asset & liability management risk comes under what the banking supervisors call global interest rate risk.
(3) Insurance risks are not included in the scope of banking activities. Insurance businesses are exposed to market risk, operational risk, and insurance subscription risk
(4) Internal Capital Adequacy Assessment Process.

The capital requirements for risks monitored under Pillar 1 are included in the capital adequacy ratio calculation.

The ARC (All Reportings on Capital) system consolidates all capital calculations produced by the risk management and accounting functions. It generates and circulates capital reports both for internal and external communication purposes.

- Internal Capital Adequacy Assessment Process (ICAAP)

The second pillar of the Basel II capital framework prescribes how supervisory authorities and banks can effectively assess the appropriate level of regulatory capital. The assessment must cover all the risks incurred by the Group, their sensitivity to crisis scenarios, and how they are expected to evolve in light of changes in the Group's business going forward.

BNP Paribas continues to fine-tune its internal model for measuring economic capital requirements, linked to its activities. It is also in the process of identifying the risks it believes should not be covered by a capital requirement but governed by appropriate management and control procedures. As a result of its analysis, the Group drew up the risk typology chart shown in the table above.

This internal assessment system is regularly integrated into the Group's decision-making and management processes and supported, where appropriate, by impact analyses of crisis scenarii on business plans and by internal models notably reflecting concentrations and diversifications in an economic manner. The tool is developed at Group level.

RISK FACTORS

Risks Related to the Bank and its Industry

Difficult market and economic conditions could in the future have a material adverse effect on the operating environment for financial institutions and hence on the Bank's financial condition, results of operations and cost of risk.

As a global financial institution, the Bank's businesses are highly sensitive to changes in financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. The Bank could be confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting capital, credit or liquidity markets, regional or global recessions, sharp fluctuations in commodity prices (including oil), currency exchange rates or interest rates, inflation or deflation, sovereign debt rating downgrades, restructurings or defaults, or adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts). Market disruptions and sharp economic downturns, which may develop quickly and hence not be fully hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on the Bank's financial condition, results of operations or cost of risk.

European markets have recently experienced significant disruptions as a result of concerns regarding the ability of certain countries in the euro-zone to refinance their debt obligations and of the financial assistance provided to certain European Union member states. These disruptions have contributed to increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the near-term economic prospects of countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union. There has also been an indirect impact on financial markets worldwide. If economic conditions in the relevant European countries or in Europe more generally were to deteriorate or if further disruptions were to impair the capacity of the European or global markets to recover from the recent worldwide financial crisis, then the impact on the Bank could be significantly adverse.

The recent financial crisis has resulted, and is likely to continue to result, in more restrictive regulation of the financial services industry, which could have a material adverse effect on the Bank's business, financial condition and results of operations.

Legislators, governments, regulators, advisory groups, trade and professional associations and various committees at the national, European and international level have adopted or proposed an array of measures in response to the recent financial crisis, including the "Basel III" framework proposed by the Basel Committee in December 2009 and the Dodd-Frank Act enacted in the United States in July 2010. The analysis and interpretation of these measures, which are drawn from various and sometimes contradictory sources, may increase compliance risk. Implementation of these new measures and compliance with them will increase the Bank's costs and its regulatory capital and liquidity requirements and could limit its ability to conduct certain types of activities. Specifically, the Dodd-Frank Act increases the oversight powers of U.S regulators over domestic and foreign financial institutions considered as systemically significant, and organizes an orderly liquidation process in the event of a failure of a systemically significant financial institution, thereby in principle ending the "too big to fail" doctrine. These measures could also substantially affect the Bank's competitiveness, its ability to attract and retain talent and its profitability, particularly with respect to its investment banking and financing businesses, which would in turn have an adverse effect on its business, financial condition, and results of operations. Finally, it is difficult to predict what impact these measures would have on financial market conditions and thus indirectly on the Bank and it is uncertain whether they would prevent or limit possible future financial crises.

A number of the exceptional measures taken by governments, central banks and regulators to remedy the financial crisis, stabilize financial markets and bolster financial institutions have recently been or will soon be completed or stopped, which, given the relatively fragile economic recovery, could adversely affect operating conditions for banks.

In response to the financial crisis, governments, central banks and regulators implemented measures intended to support financial institutions and thereby stabilize financial markets. Central banks took measures to facilitate financial institutions' access to credit and liquidity, in particular by lowering interest rates to historic lows for a prolonged period. Various central banks decided to substantially increase the amount and duration of liquidity provided to banks and, in some cases, implemented "non-conventional" measures to inject substantial liquidity into the financial system, including direct market purchases of treasury bonds, corporate commercial paper and mortgage-backed securities. Some of these measures remain in place and interest rates remain at historically low levels. These central banks may decide, acting alone or in coordination, to modify their monetary policies (and, in particular, raise interest rates) and tighten their policies regarding access to liquidity, which could substantially and abruptly decrease the flow of liquidity in the financial system. Given that the recovery remains relatively fragile, such changes could have an adverse effect on operating conditions for financial institutions and, hence, on the Bank's financial condition and results of operations.

A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect the Bank's results of operations and financial condition.

In connection with its lending activities, the Bank regularly establishes provisions for loan losses, which are recorded in its profit and loss account under "cost of risk". The Bank's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. Although the Bank uses its best efforts to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of deteriorating economic conditions or other causes. Any significant increase in provisions for loan losses or a significant change in the Bank's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on the Bank's results of operations and financial condition.

The Bank may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

The Bank maintains trading and investment positions in the debt, currency, commodity and equity markets, and in unlisted securities, real estate and other asset classes. These positions could be adversely affected by volatility in financial and other markets, *i.e.,* the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. The capital and credit markets experienced unprecedented volatility and disruption for an extended period from mid 2007 and particularly in the months following the bankruptcy filing of Lehman Brothers in mid September 2008; as a result, the Bank incurred significant losses on its capital market and investment activities in the fourth quarter of 2008. There can be no assurance that the extreme volatility and market disruptions experienced during the height of the recent financial crisis will not return in the future and that the Bank will not incur substantial losses on its capital market activities as a result. Moreover, volatility trends that prove substantially different from the Bank's expectations may lead to losses relating to a broad range of other products that the Bank uses, including swaps, forward and future contracts, options and structured products.

To the extent that the Bank owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that the Bank has sold assets that it does not own, or has net short positions in any of those markets, a market upturn could expose it to potentially unlimited losses as it attempts to cover its net short positions by acquiring assets in a rising market. The Bank may from time to time have a trading strategy of holding a long position in one asset and a short position in another, from which it expects to earn revenues based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the Bank did not anticipate or against which it is not hedged, the Bank might realize a loss on those paired positions. Such losses, if significant, could adversely affect the Bank's results of operations and financial condition.

The Bank may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.

During the market downturn in 2009 the Bank experienced a decline in the volume of transactions that it executed for its clients and, therefore, a decline in its revenues from this activity. There can be no assurance that it will not experience a similar trend in future market downturns, which may occur periodically and unexpectedly. In addition, because the fees that the Bank charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues the Bank receives from its asset management, equity derivatives and private banking businesses.

Independently of market changes, below-market performance by the Bank's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues the Bank receives from its asset management business.

Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.

In some of the Bank's businesses, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Bank cannot close out deteriorating positions in a timely way. This is particularly true for assets that are intrinsically illiquid. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, may have values that the Bank calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses that the Bank did not anticipate.

Significant interest rate changes could adversely affect the Bank's revenues or profitability.

The amount of net interest income earned by the Bank during any given period significantly affects its overall revenues and profitability for that period. Interest rates are affected by many factors beyond the Bank's control. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in the Bank's net interest income from its lending activities. In addition, maturity mismatches and increases in the interest rates relating to the Bank's short-term financing may adversely affect the Bank's profitability.

The soundness and conduct of other financial institutions and market participants could adversely affect the Bank.

The Bank's ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, have led to market-wide liquidity problems and could lead to further losses or defaults. The Bank has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients with which it regularly executes transactions. Many of these transactions expose the Bank to credit risk in the event of default of a group of the Bank's counterparties or clients. In addition, the Bank's credit risk may be exacerbated when the collateral held by it cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to the Bank.

In addition, misconduct by financial market participants can have a material adverse effect on financial institutions due to the interrelated nature of the financial markets. A recent example is the fraud perpetrated by Bernard Madoff, as a result of which numerous financial institutions globally, including the Bank, have announced losses or exposure to losses in substantial amounts. Potentially significant additional potential exposure is also possible in the form of litigation, claims in the context of the bankruptcy proceedings of Bernard Madoff Investment Services (BMIS), and other potential claims relating to counterparty or client investments made, directly or indirectly, in BMIS or other entities controlled by Bernard Madoff, or to the receipt of investment proceeds from BMIS.

There can be no assurance that any losses resulting from the risks summarized above will not materially and adversely affect the Bank's results of operations.

The Bank's competitive position could be harmed if its reputation is damaged.

Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to the Bank's ability to attract and retain customers. The Bank's reputation could be harmed if it fails to adequately promote and market its products and services. The Bank's reputation could also be damaged if, as it increases its client base and the scale of its businesses, the Bank's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address conflicts of interest properly. At the same time, the Bank's reputation could be damaged by employee misconduct, misconduct by market participants to which the Bank is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action. The loss of business that could result from damage to the Bank's reputation could have an adverse effect on its results of operations and financial position.

An interruption in or a breach of the Bank's information systems may result in lost business and other losses.

As with most other banks, BNP Paribas relies heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Bank's customer relationship management, general ledger, deposit, servicing and/or loan organization systems. The Bank cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could have an adverse effect on the Bank's financial condition and results of operations.

Unforeseen external events can interrupt the Bank's operations and cause substantial losses and additional costs.

Unforeseen events such as severe natural disasters, terrorist attacks or other states of emergency could lead to an abrupt interruption of the Bank's operations and, to the extent not covered by insurance, could cause substantial losses. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events could also lead to additional costs (such as relocation of employees affected) and increase the Bank's costs (particularly insurance premiums).

The Bank is subject to extensive and evolving regulatory regimes in the countries and regions in which it operates.

The Bank is exposed to regulatory compliance risk, such as the inability to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. Besides damage to the Bank's reputation, non-compliance could lead to fines, public reprimand, enforced suspension of operations or, in extreme cases, withdrawal of operating licenses. This risk is exacerbated by continuously increasing regulatory oversight. This is the case in particular with respect to money laundering, the financing of terrorist activities or transactions with countries that are subject to economic sanctions. For example, U.S. laws require compliance with the rules administered by the Office of Foreign Assets Control relating to certain foreign countries, nationals or others that are subject to economic sanctions.

In addition to the measures described above, which were taken or proposed specifically in response to the financial crisis, the Bank is exposed to the risk of legislative or regulatory changes in all of the countries in which it operates, including, but not limited to, the following:

- monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investors' decisions, particularly in the markets in which the Group operates;
- general changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable capital adequacy and liquidity frameworks;
- changes in tax legislation or the application thereof;
- changes in the competitive environment and prices;

- changes in accounting norms;
- changes in financial reporting requirements; and
- expropriation, nationalization, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect the Bank, and have an adverse effect on its business, financial condition and results of operations.

Notwithstanding the Bank's risk management policies, procedures and methods, it could still be exposed to unidentified or unanticipated risks, which could lead to material losses.

The Bank has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, the Bank's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risk, particularly risks that the Bank may have failed to identify or anticipate. The Bank's ability to assess the creditworthiness of its customers or to estimate the values of its assets may be impaired if, as a result of market turmoil such as that experienced during the recent financial crisis, the models and approaches it uses become less predictive of future behaviors, valuations, assumptions or estimates. Some of the Bank's qualitative tools and metrics for managing risk are based on its use of observed historical market behavior. The Bank applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process the Bank uses to estimate losses inherent in its credit exposure or estimate the value of certain assets requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of its borrowers to repay their loans or impact the value of assets, which may, during periods of market disruption, be incapable of accurate estimation and, in turn, impact the reliability of the process. These tools and metrics may fail to predict future risk exposures, e.g., if the Bank does not anticipate or correctly evaluate certain factors in its statistical models, or upon the occurrence of an event deemed extremely unlikely by the tools and metrics. This would limit the Bank's ability to manage its risks. The Bank's losses could therefore be significantly greater than the historical measures indicate. In addition, the Bank's quantified modeling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.

The Bank's hedging strategies may not prevent losses.

If any of the variety of instruments and strategies that the Bank uses to hedge its exposure to various types of risk in its businesses is not effective, the Bank may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the Bank holds a long position in an asset, it may hedge that position by taking a short position in another asset where the short position has historically moved in a direction that would offset a change in the value of the long position. However, the hedge may only be partial, or the strategies used may not protect against all future risks or may not be fully effective in mitigating the Bank's risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of the Bank's hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the Bank's reported earnings.

The Bank's external growth policy carries certain risks, particularly with respect to the integration of acquired entities, and the Bank may be unable to realize the benefits expected from its acquisitions.

Growth through acquisitions is a component of the Bank's strategy. This strategy exposes the Bank to a number of risks.

Integrating acquired businesses is a long and complex process. Successful integration and the realization of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than

expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realization. Moreover, the integration of the Bank's existing operations with those of the acquired operations could interfere with the respective businesses and divert management's attention from other aspects of the Bank's business, which could have a negative impact on the business and results of the Bank. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

Although the Bank undertakes an in-depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. As a result, the Bank may increase its exposure to doubtful or troubled assets and incur greater risks as a result of its acquisitions, particularly in cases in which it was unable to conduct comprehensive due diligence prior to the acquisition.

Intense competition, especially in France where it has the largest single concentration of its businesses, could adversely affect the Bank's revenues and profitability.

Competition is intense in all of the Bank's primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the Bank's industry could intensify as a result of the ongoing consolidation of financial services that accelerated during the recent financial crisis. If the Bank is unable to respond to the competitive environment in France or in its other major markets by offering attractive and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the Bank and its competitors. In addition, new lower-cost competitors may enter the market, which may not be subject to the same capital or regulatory requirements or may have other inherent regulatory advantages and, therefore, may be able to offer their products and services on more favorable terms. It is also possible that the increased presence in the global marketplace of nationalized financial institutions, or financial institutions benefiting from State guarantees or other similar advantages, following the recent financial crisis could lead to distortions in competition in a manner adverse to private-sector institutions such as the Bank.

4.c RISK MANAGEMENT AND CAPITAL ADEQUACY

The BNP Paribas Group is required to comply with the French regulation that transpose European Union capital adequacy directives (Directive on the Capital Adequacy of Investment Firms and Credit Institutions and Financial Conglomerates Directive) into French law.

In the various countries in which the Group operates, BNP Paribas also complies with specific regulatory ratios in line with procedures controlled by the relevant supervisory authorities. These ratios mainly address the issues of capital adequacy, risk concentration, liquidity and asset/liability mismatches.

Since 1 January 2008, the capital adequacy ratio has been calculated in accordance with the Decree issued by the Ministry of the Economy, Finance and Industry on 20 February 2007 introducing the Basel II capital adequacy ratio, i.e. regulatory capital expressed as a percentage of the sum of:

- risk-weighted assets calculated using the standardised approach or the internal ratings based approach depending on the entity or Group business concerned;
- the regulatory capital requirement for market and operational risks, multiplied by 12.5. The capital requirement for operational risk is measured using the basic indicator, standardised or advanced measurement approach, depending on the Group entity concerned.

REGULATORY CAPITAL

- Breakdown of regulatory capital

Regulatory capital is determined in accordance with Comité de la Réglementation Bancaire et Financière (CRBF) regulation 90-02 dated 23 February 1990. It comprises three components – Tier 1 capital, Tier 2 capital and Tier 3 capital – determined as follows:

- core capital (Tier 1) corresponds to consolidated equity (excluding unrealised or deferred gains and losses), adjusted for certain items known as "prudential filters". The main adjustments consist of (i) deducting the planned dividend for the year, as well as goodwill and other intangibles, (ii) excluding consolidated subsidiaries that are not subject to banking regulations – mainly insurance companies – and (iii) applying limits to the eligibility of certain securities, such as undated super subordinated notes;
- supplementary capital (Tier 2) comprises some subordinated debt and any positive credit and counterparty risk valuation differences between provisions for incurred losses taken under the book method and expected losses on credit exposure measured using the internal ratings based approach;
- a discount is applied to subordinated debt with a maturity of less than five years, and dated subordinated debt included in Tier 2 capital is capped at the equivalent of 50% of Tier 1 capital. Total Tier 2 capital is capped at the equivalent of 100% of Tier 1 capital;
- Tier 3 capital comprises subordinated debt with shorter maturities and can only be used to cover a certain proportion of market risks;
- the following items are deducted for the purpose of calculating regulatory capital, half from Tier 1 capital and half from Tier 2 capital: (i) the carrying amount of investments in credit institutions and finance companies accounted for by the equity method; (ii) the regulatory capital of credit institutions and finance companies more than 10% owned by the Group; (iii) the portion of expected losses on credit exposure measured using the internal ratings based approach which is not covered by provisions and other value adjustments.

- Amount of regulatory capital

Table 1: Amount of regulatory capital.

In millions of euros	31 December 2010	31 December 2009
Consolidated equity before appropriation of income	85,629	80,344
Regulatory deductions and other items	(17,093)	(17,434)
Intangible assets deductions	(13,837)	(13,316)
of which goodwills	(11,735)	(11,410)
Subordinated debt (notes 5.a and 5.h)	3,187	3,005
Other regulatory items	(6,443)	(7,123)
of which dividend payment (1)	(2,511)	(1,772)
of which deductions of 50% for uneligible items	(1,303)	(1,146)
TIER 1 CAPITAL	68,536	62,910
Total Tier 2 capital	20,109	25,298
of which positive differences between provisions and expected losses over 1 year	482	1,314
Regulatory deductions for remaining uneligible items	(1,303)	(1,146)
Allocated Tier 3 capital	982	1,352
REGULATORY CAPITAL	88,324	88,414

(1) Dividend to be recommended at the Annual General Meeting of shareholders.

CAPITAL RATIO

Under the European Union regulation transposed into French law by regulation 91-05, the Group's capital adequacy ratio must be at least 8% at all times, including a Tier One ratio of at least 4%. Under United States capital adequacy regulations, BNP Paribas is qualified as a Financial Holding Company and as such is required to have a capital adequacy ratio of at least 10%, including a Tier One ratio of at least 6%.

Ratios are monitored and managed centrally, on a consolidated basis, at Group level. Where a French or international entity is required to comply with banking regulations at its own level, its ratios are also monitored and managed directly by the entity.

- Capital management and planning

Capital adequacy ratios are managed prospectively on a prudent basis that takes into account the Group's profitability and growth targets. The Group maintains a balance sheet structure that allows it to finance business growth on the best possible terms while preserving its very high quality credit rating. In line with the commitment to offering shareholders an optimum return on their investment, the Group places considerable emphasis on efficiently investing equity capital and attentively managing the balance between financial strength and shareholder return. In 2009 and 2010, the BNP Paribas Group's capital adequacy ratios complied with regulatory requirements and its own targets.

Regulatory capital levels are managed using information produced during the budget process and quarterly estimates, including forecast growth in earnings and risk-weighted assets, planned acquisitions, planned issues of hybrid capital instruments and exchange rate assumptions. Changes in ratios are reviewed quarterly by the Group's executive management and whenever an event occurs or a decision is made that will materially affect consolidated ratios.

4.d CREDIT AND COUNTERPARTY RISK

The following table shows all of BNP Paribas Group's financial assets, including fixed-income securities, which are exposed to credit risk. Credit risk exposure does not include collateral and other security taken by the Group in its lending business or purchases of credit protection. It is based on the carrying value of financial assets recognised on the balance sheet.

Table 2: Exposure to credit risk by Basel asset class

In millions of euros	31 December 2010				31 December 2009			
	IRBA	Standardised Approach	Total	Average exposure	IRBA	Standardised Approach	Total	Average exposure(***)
Central governments and central banks	174,362	19,618	193,980	203,515	181,691	31,359	213,050	156,019
Corporates	446,141	154,683	600,824	584,582	419,000	149,341	568,341	507,994
Institutions (*)	100,104	27,217	127,321	132,842	109,701	28,661	138,362	134,093
Retail	198,304	176,009	374,313	363,328	184,382	167,960	352,342	308,891
Securitisation positions	53,332	3,784	57,116	57,498	52,621	5,260	57,881	44,396
Other non credit-obligation assets (**)		89,455	89,455	84,805	261	79,894	80,155	78,461
Total exposure	**972,243**	**470,766**	**1,443,009**	**1,426,570**	**947,656**	**462,475**	**1,410,131**	**1,229,854**

(*) The Basel II Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities.
(**) Other non credit-obligation assets include tangible assets and accrued income and other assets.
(***) For the record, BNP Paribas Fortis and BGL BNP Paribas have been consolidated only since 30 June 2009.

The table above shows the entire prudential scope based on the asset classes defined in Article 40-1 of the Decree of 20 February 2007 on capital requirements for credit institutions and investment firms.

The credit risk exposure shown in the table above at 31 December 2010 represents the gross amount before impairment of deposit accounts with central banks and post office banks (EUR 34 billion), loans granted to customers (EUR 711 billion), and credit institutions (EUR 64 billion), loans and fixed-income securities classified as "available-for-sale financial assets", "held-to-maturity financial assets" or designated as at fair value through profit or loss (EUR 227 billion), remeasurement adjustment on interest-rate risk hedged portfolios (EUR 2 billion), property, plant and equipment, and investment property (EUR 29 billion), accrued income and other assets (EUR 83 billion), and financing and guarantee commitments given (EUR 418 billion). Exposure to repo transactions, which is included in the counterparty risk exposures below (EUR -24 billion) and exposure not included in the prudential covered scope (EUR -101 billion) have been deducted from these amounts.

The table below shows exposure to counterparty risk (measured as exposure at the time of default) by Basel asset class on derivatives contracts and securities lending/borrowing transactions, after the impact of any netting agreements.

Table 3: Exposure at default to counterparty risk by Basel asset class of derivatives and securities lending/borrowing instruments

In millions of euros	31 December 2010				31 December 2009			
	IRBA	Standardised Approach	Total	Average exposure	IRBA	Standardised Approach	Total	Average exposure(**)
Central governments and central banks	8,997	6	9,003	8,293	7,582	1	7,583	9,469
Corporates	42,212	2,555	44,767	47,525	46,414	3,869	50,283	53,907
Institutions (*)	37,635	898	38,533	40,307	41,042	1,039	42,081	40,035
Retail	-	12	12	13	-	14	14	7
Total exposure	**88,844**	**3,471**	**92,315**	**96,138**	**95,038**	**4,923**	**99,961**	**103,418**

(*) The Basel II Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities.
(**) For the record, BNP Paribas Fortis and BGL BNP Paribas have been consolidated only since 30 June 2009.

CREDIT RISK

- Management of credit risk - lending activities

- General credit policy and control and provisioning procedures

The Bank's lending activities are governed by the Global Credit Policy approved by the Risk Committee, chaired by the Chief Executive Officer. The purpose of the Committee is to determine the Group's risk management strategy. The policy is underpinned by core principles related to compliance with the Group's ethical standards, clear definition of responsibilities, the existence and implementation of procedures and thorough analysis of risks. It is rolled down in the form of specific policies tailored to each type of business or counterparty.

- Decision-making procedures

A system of discretionary lending limits has been established, under which all lending decisions must be approved by a formally designated member of GRM. Approvals are systematically evidenced in writing, either by means of a signed approval form or in the minutes of formal meetings of a Credit Committee. Discretionary lending limits correspond to aggregate commitments by business group and vary according to internal credit ratings and the specific nature of the business concerned. Certain types of lending commitments, such as loans to banks, sovereign loans and loans to customers operating in certain industries are subject to specific authorization procedures and require the sign-off of industry expert or designated specialist. In retail banking, simplified procedures are applied, based on statistical decision-making aids.

Loan applications must comply with the Bank's Global Credit Policy and with any specific policies, and must in all cases comply with the applicable laws and regulations. In particular, before making any commitments BNP Paribas carries out an in-depth review of any known development plans of the borrower, and ensures that it has thorough knowledge of all the structural aspects of the borrower's operations and that adequate monitoring will be possible.

The Group Credit Committee, chaired by one of the Chief Operating Officers or the head of GRM, has ultimate decision-making authority for all credit and counterparty risks.

- Monitoring procedures

A comprehensive risk monitoring and reporting system applies to all Group entities. The system is organised around Credit Risk Control units which are responsible for ensuring that lending commitments comply with the loan approval decision, that credit risk reporting data are reliable and that risks accepted by the Bank are effectively monitored. Daily exception reports are produced and various forecasting tools are used to provide early warnings of potential escalations of credit risks. Monitoring is carried out at different levels, generally reflecting the organisation of discretionary lending limits. Depending on the level, the monitoring teams report to GRM or to the Group Debtor Committee. This Committee meets at monthly intervals to examine all loans in excess of a given threshold, for which it decides on the amount of impairment losses to be recognised or reversed, based on a recommendation from the business lines, with GRM’s approval. In addition, a quarterly Committee reviews sensitive or non-performing loans.

- Impairment procedures

GRM reviews all corporate, bank and sovereign loans in default at monthly intervals to determine the amount of any impairment loss to be recognised, either by reducing the carrying amount or by recording a provision for impairment, depending on the applicable accounting standards. The amount of the impairment loss is based on the present value of probable net recoveries, including from the possible realisation of collateral.

In addition, a collective impairment is established for each core business on a statistical basis. A committee comprising the Core Business Director, the Group Chief Financial Officer or his representative and the head of GRM meets quarterly to determine the amount of the impairment. This is based on simulations of losses to maturity on portfolios of loans whose credit quality is considered as impaired, but where the customers in question have not been identified as in default (i.e. loans not covered by specific impairment). The simulations carried out by GRM use the parameters of the internal rating system described below.

- Internal rating system

The BNP Paribas Group uses an advanced internal ratings-based approach (IRBA) to credit risk for the retail, sovereign, institutions, corporate and equity asset classes to calculate the regulatory capital requirements for Corporate and Investment Banking, French Retail Banking, part of Personal Finance, BNP Paribas Fortis and BNP Paribas Securities Services (BP2S). For other businesses, the Basel II standardised approach is used to calculate regulatory capital based on external ratings. Each counterparty is rated internally by the Group using the same methods, regardless of the approach used to calculate regulatory capital requirements.

The Bank has a comprehensive internal rating system compliant with regulatory requirements regarding capital adequacy. A periodic assessment and control process has been deployed within the bank to ensure that the system is appropriate and correctly implemented. The system was formally validated by the French banking supervisor (Autorité de Contrôle Prudentiel) in December 2007. BNP Paribas' rating system was rolled out at BNP Paribas Fortis in May 2010.

For corporate loans, the system is based on three parameters: the counterparty's probability of default expressed via a rating, global recovery rate (or Loss Given Default), which depends on the structure of the transaction, and the credit conversion factor (CCF), which estimates the portion of off-balance sheet exposure at risk.

There are twelve counterparty ratings. Ten cover performing clients with credit assessments ranging from "excellent" to "very concerning", and two relate to clients classified as in default, as per the definition by the banking supervisor.

Ratings are determined at least once a year, in connection with the loan approval process, drawing on the combined expertise of business line staff and GRM credit risk managers, who conduct a second review. High quality tools have been developed to support the rating process, including analysis aids and credit scoring systems. The decision to use these tools and the choice of technique depends on the nature of the risk.

Where external ratings exist, they are taken into account by credit risk analysts, relying on an indicative mapping of the internal rating scale against the external ratings based on the one-year default probability for each rating. The Bank's internal rating for an exposure is not necessarily the same as the external rating, and there is no strict correspondence between an external "investment grade" rating[4] and an internal rating equal to or higher than 5. Counterparties with a BBB- external rating may be rated 6 internally, even though an external BBB- theoretically equates to an internal 5. Annual benchmarking studies are carried out to compare internal and external ratings.

Various quantitative and other methods are used to check rating consistency and the rating system's robustness. Loans to private customers and very small businesses are rated using statistical analyses of groups of risks with the same characteristics. GRM has overall responsibility for the quality of the entire system. This responsibility is fulfilled by either defining the system directly, validating it or verifying its performance.

Loss given default is determined either using statistical models for books with the highest degree of granularity or using expert judgment based on comparative values, in line with a process similar to the one used to determine the counterparty rating for corporate books.[5] Basel II defines loss given default as the loss that the Bank would suffer in the event of the counterparty's default in times of economic crisis.

4 Defined as an external rating from AAA to BBB-.

5 Within the Group, the "Corporate" book includes institutions, corporates, specialised financing and sovereign states.

For each transaction, it is measured using the recovery rate for a senior unsecured exposure to the counterparty concerned, adjusted for any effects related to the transaction structure (e.g. subordination) and for the effects of any risk mitigation techniques (collateral and other security). Amounts recoverable against collateral and other security are estimated each year on a conservative basis and discounts are applied for realising security in a stressed environment.

Various credit conversion factors have been modelled by the Bank where permitted (i.e. excluding high-risk transactions where the conversion factor is 100%), either using historical internal default data or other techniques when there is insufficient historical data. Conversion factors are used to measure the off-balance sheet exposure at risk in the event of borrower default. Unlike rating and recovery rate, this parameter is assigned automatically depending on the transaction type and is not determined by the Credit Committee.

Each of the three credit risk parameters are backtested and benchmarked annually to check the system's performance for each of the Bank's business segments. Backtesting consists of comparing estimated and actual results for each parameter. Benchmarking consists of comparing the parameters estimated internally with those of external organisations.

For backtesting ratings, the default rate of populations in each rating category, or each group of risks with similar characteristics for retail banking operations, is compared with the actual default rate observed on a year by year basis. An analysis by rating policy, rating, geographical area and rating method is carried out to identify any areas where the models might be underperforming. The stability of the rating and its population is also verified. The Group has also developed backtesting techniques for default probabilities tailored to low default portfolios to assess the appropriateness of the system, even where the number of actual defaults is very low, such as sovereigns and banks, for example. The impacts of economic cycles are also taken into account. This backtesting work has proved that the ratings assigned by the Group are consistent with "through the cycle" ratings and that, the estimated default rate is conservative.

For benchmarking work on non retail exposures, internal ratings are compared with the external ratings of several agencies based on the mapping between internal and external rating scales. Some 10% to 15% of the Group's corporate clients have an external rating and the benchmarking studies reveal a conservative approach to internal ratings.

Backtesting of global recovery rates is based mainly on analysing recovery flows on exposures in default. When an exposure has been written off, each amount recovered is discounted back to the default date and calculated as a percentage of the exposure. When an exposure has not yet been written off, the amount of provisions taken is used as a proxy for future recoveries. The recovery rate determined in this way is then compared with the initially forecasted rate. As with ratings, recovery rates are analysed on an overall basis and by rating policy and geographical area. Variances on an item by item and average basis are analysed taking into account the bimodal distribution of recovery rates. The results of these tests show that the Group's estimates are relevant in economic downturns and are conservative on an average basis. Benchmarking of recovery rates is based on data pooling initiatives in which the Group takes part.

The result of all backtesting and benchmarking work is presented annually to the Chief Risk Officer and to the bodies responsible for overseeing the rating system and risk practitioners worldwide. These results and ensuing discussions are used to help set priorities in terms of developing methodology and deploying tools.

Internal estimates of risk parameters are used in the Bank’s day-to-day management in line with Basel II recommendations. Thus apart from calculating capital requirements, they are used for example when granting new loans or reviewing existing loans to measure profitability, determine collective impairment and for internal and external reporting purposes.

Prior to its acquisition, the Fortis Group had obtained approval from its supervisor, the Commission Bancaire, Financière et des Assurances (CBFA) in Belgium, to use the advanced IRB approach to calculate its capital requirements under Basel II, pillar 1. The ratings policies and systems of BNP Paribas Fortis and BGL BNP Paribas are due to converge with those of BNP Paribas, leading to a consistent methodology being used across the entire Group. The review being conducted for this purpose has shown the compatibility of the concepts developed in each of the two scopes and facilitated harmonisation of the ratings of the key counterparties, but has not been completed yet. A hybrid

approach has therefore been used at 31 December 2010, depending on the relevant businesses, based on the methods approved by the supervisors in France, Belgium and Luxembourg.

- Portfolio policy

In addition to carefully selecting and evaluating individual risks, BNP Paribas follows a portfolio-based policy, including the management of portfolio concentration by borrower, industry and country. The results of this policy are regularly reviewed by the various risk units, including the Risk Policy Committee and its various bodies, which may modify or fine-tune the general priorities as appropriate, based on GRM's analysis framework and recommendations. As part of this policy, BNP Paribas may use credit risk transfer instruments (such as securitisation programmes or credit derivatives) to hedge individual risks, reduce portfolio concentration or cap potential losses arising from crisis scenarii.

- Scope and nature of risk reporting and measurement systems

All the processes and information systems used by the credit risk reporting function were submitted for review to the French banking supervisor (Autorité de Contrôle Prudentiel). For BNP Paribas Fortis and BGL BNP Paribas, where the convergence work has not yet been completed, the processes and information systems used are those approved by the banking supervisory authorities of Belgium and Luxembourg.

The current credit risk measurement system is based on a two-tier architecture:

- a central tier mainly comprising the credit risk exposure consolidation system, central databases and the engine for computing regulatory capital, developed in-house;
- a local tier comprising credit risk monitoring and reporting systems owned by GRM.

• Diversification of exposure to credit risk

The Group's gross exposure to credit risk (prudential scope) stands at EUR 1,296 billion at 31 December 2010, compared with EUR 1,272 million at 31 December 2009. This portfolio, which is analysed below in terms of its diversification, comprises all exposures to credit risk shown in table 2, excluding securitisation positions and other non credit-obligation assets[6].

No single counterparty gives rise to an excessive concentration of credit risk, due to the size of the business and the high level industrial and geographical diversification of the client base. The breakdown of credit risks by industry and by region is presented in the charts below.

- Diversification by counterparty

Diversification is a key component of the Bank's policy and is assessed by taking account of all exposure to a single business group. BNP achieves diversification largely through the extent and variety of its business activities and the widespread system of discretionary lending authorities.

Diversification of the portfolio by counterparty is monitored on a regular basis, notably under the Group's individual risk concentration policy. The risk concentration ratio also ensures that the aggregate risk on each beneficiary[7] does not exceed 25% of the Group's net consolidated shareholders'

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[6] The scope covered includes loans and receivables due from customers, amounts due from credit institutions and central banks, the Group's credit accounts with other credit institutions and central banks, financing and guarantee commitments given (excluding repos) and fixed-income securities in the banking book.

[7] Beneficiaries whose individual risks each exceed 10% of shareholders' equity, with a disclosure threshold set by the ACP at EUR 300 million in exposure, are considered as Large Exposures.

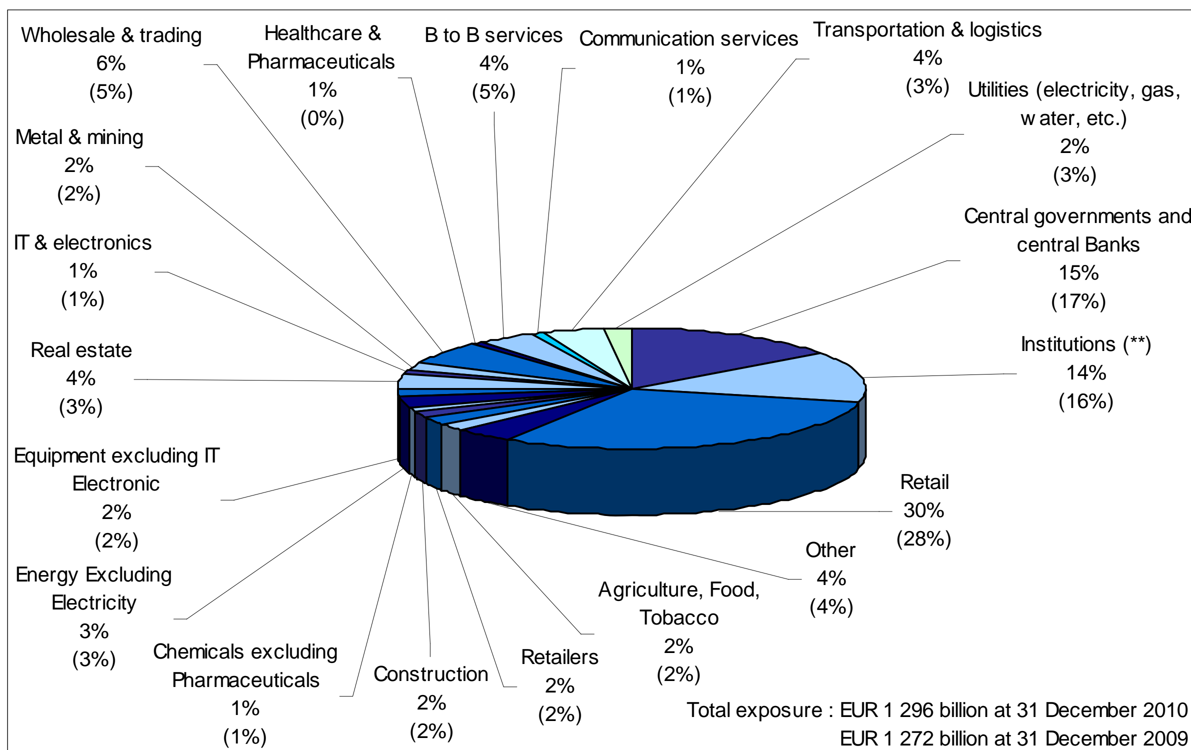
equity. BNP Paribas remains well below the concentration limits set out in the European Directive on Large Exposures.

In addition, gross commitments to the top 20 counterparties in the corporate asset class accounted for 4% of this asset class total gross exposure at 31 December 2010, which represents a similar proportion to that recorded at 31 December 2009.

- Industry diversification

The breakdown of exposure by business sector is monitored carefully and supported by a forward-looking analysis for dynamic management of the Bank's exposure. This analysis is based on the in-depth knowledge of independent sector experts who express an opinion on trends in the sectors they follow and identify the factors underlying the risks faced by the main companies in the sector. This process is adjusted by sector according to its weighting in the Group's exposure, the technical knowledge required to understand the sector, its cyclicality and degree of globalisation and the existence of any particular risk issues.

Table 4: Breakdown of credit risk by Basel II asset class and by Corporate industry at 31 December 2010(*)



Prudential scope: exposures excluding counterparty risk, other non credit obligation assets and securitisation positions.

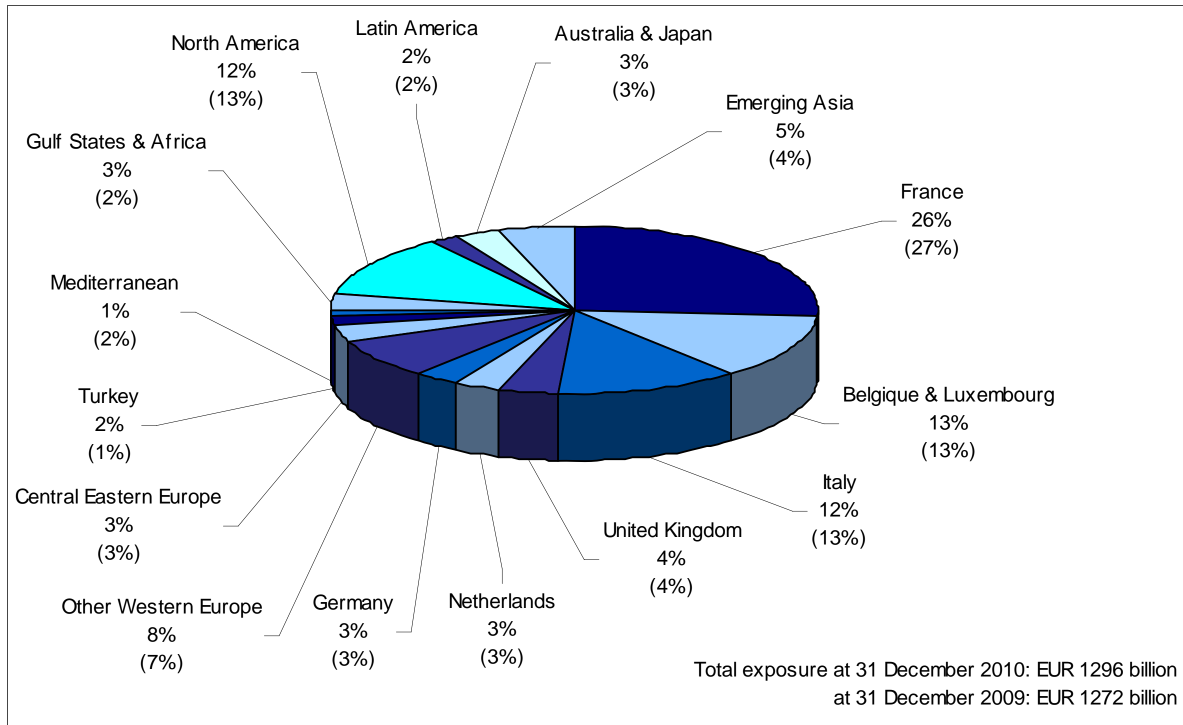
[*] The percentages in brackets reflect the breakdown at 31 December 2009.
[**] The Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities.

- Geographic diversification

Country risk is the sum of all exposures to obligors in the country concerned. It is not the same as sovereign risk, which is the sum of all exposures to the central government and its various offshoots. Country risk reflects the Bank's exposure to a given economic and political environment, which are taken into consideration when assessing counterparty quality.

The geographic breakdown below is based on the country where the counterparty conducts its principal business activities, without taking into account the location of its head office. Accordingly, a French company's exposure arising from a subsidiary or branch located in the United Kingdom is classified in the United Kingdom.

Table 5: Geographic breakdown of credit risk by counterparty's country of business at 31 December 2010(*)



Prudential scope: exposure excluding counterparty risk, other non credit obligation assets and securitisation positions

(*) The percentages in brackets reflect the breakdown at 31 December 2009

The geographic breakdown of the portfolio's exposure has remained balanced and stable. The group has retained its predominantly European dimension (72% at 31 December 2010 compared with 73% at 31 December 2009).

The Group, which is naturally present in most economically active areas, strives to avoid excessive concentrations of risk in countries whose political and economic infrastructure is acknowledged to be weak.

- Quality of the portfolio exposed to credit risk

- Advanced Internal Ratings Based Approach (IRBA)

The internal rating system developed by the Group covers the entire Bank. The IRBA, validated in December 2007, covers the Corporate and Investment Banking (CIB) portfolio, the French Retail Banking (FRB) portfolio, as well as BP2S and part of Personal Finance. Convergence projects are

continuing with a view to harmonise methods, processes and systems, particularly in the scope resulting from the acquisition of BNP Paribas Fortis and BGL BNP Paribas. Common methods have already been rolled out for institutions and sovereigns. Proposals for most of the other portfolios will be made to the relevant banking supervisors during 2011.

Corporate model

The IRBA for the Corporate book (i.e. institutions, corporates, specialised financing and sovereigns) is based on a consistent rating procedure in which GRM has the final say regarding the rating assigned to the counterparty and the recovery rate assigned to transactions. Credit conversion factors (CCF) are assigned according to counterparty and transaction type.

The generic process for assigning a rating to each segment of the Corporate book is as follows:

- for corporates and structured financing, an analysis is carried out by the unit proposing the rating and a global recovery rate to the Credit Committee, using the rating models and tools developed by GRM. The rating and global recovery rate are validated or revised by the GRM representative during the Credit Committee meeting. The Committee decides whether or not to grant or renew a loan and, if applicable, reviews the counterparty rating at least once a year;
- for banks, the analysis is carried out by analysts in the risk management function. Counterparty ratings and global recovery rates are determined during review committees by geographical area to ensure comparability between similar banks;
- for sovereigns, the ratings are proposed by the Economic Research Department and approved at Country Committee meetings which take place several times a year. The committee comprises members of Executive Management, the Risk Management Department and the business lines;
- for medium-sized companies, a score is assigned by the business line's credit analysts and GRM has the final say;
- for each of these sub-portfolios, the risk parameters are measured using a model certified and validated by the GRM teams, based mainly on an analysis of the Bank's historical data. The model is supported as far as possible by tools available through a network to ensure consistent use. However, expert judgment remains an indispensable factor. Each rating and recovery rate is subject to an opinion which may differ from the results of the model, provided it can be justified.

The method of measuring risk parameters is based on a set of common principles, and particularly the "two pairs of eyes" principle which requires at least two people, one of whom has no commercial involvement, to give their opinion on each counterparty rating and each transaction global recovery rate (GRR).

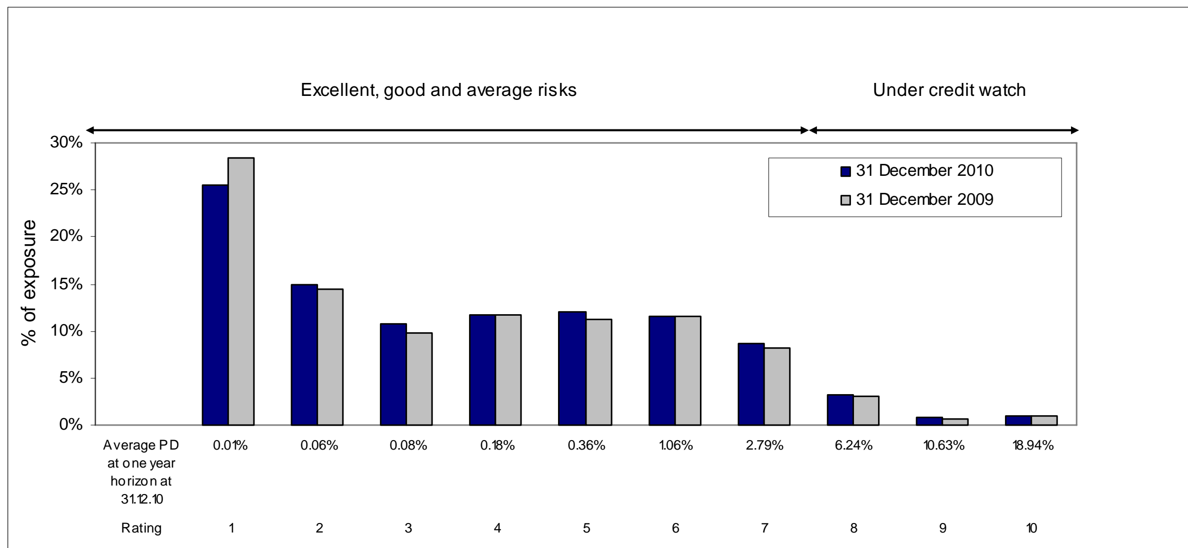
The same definition of default is used consistently throughout the Group.

The chart below shows a breakdown by credit rating of performing loans and commitments in the Corporate book (asset classes: corporates, central governments and central banks, institutions) for all the Group's business lines, measured using the internal ratings-based approach.

This exposure represented EUR 707 billion of the gross credit risk at 31 December 2010 compared with EUR 696 billion at 31 December 2009.

The majority of commitments are towards borrowers rated as good even excellent quality, reflecting the heavy weighting of large multinational groups and financial institutions in the Bank's client base. A significant proportion of commitments to non-investment grade borrowers are highly structured or secured by high quality guarantees implying a high recovery rate in the event of default. They include export financing covered by export credit insurance written by international agencies, project finance, structured finance and transaction financing.

Table 6: Breakdown of IRBA Corporate* exposures by credit rating



*The Corporate book shown in the chart above includes corporates, central governments and central banks, and institutions.

The breakdown of Corporate exposures in the IRBA scope remained broadly steady, with the exception of exposures rated 1. These exposures recorded a significant decline during 2010 owing to the high base of comparison set in 2009 as a result of the non-conventional policy set by central banks, which prompted the Bank to place its surplus cash with them.

Retail banking operations:

Retail banking operations are carried out either by the BNP Paribas network of branches in France, Italy, Belgium and Luxembourg or by a number of subsidiaries and notably Personal Finance.

The Standard Ratings Policy for Retail Operations [SRPRO] provides a framework allowing Group core businesses and risk management departments to assess, prioritise and monitor credit risks consistently. This policy is used for transactions presenting a high degree of granularity, small unit volumes and a standard risk profile. Borrowers are assigned scores in accordance with the policy, which sets out:

- standard internal ratings based principles, underlining the importance of a watertight process and its ability to adapt to changes in the credit environment;
- principles for defining homogeneous pools of credit risk exposures;
- principles relative to credit models, particularly the need to develop discriminating and understandable models, and to model or observe risk indicators downstream in order to calibrate exposures. Risk indicators must be quantified based on historical data covering a minimum period of five years, and in-depth, representative sampling. All models must be documented in detail.

The majority of FRB's retail borrowers are assigned a behavioural score which serves as a basis to determine the probability of default and, for each transaction, the global recovery rate (GRR) and exposure at default (EAD). These parameters are calculated monthly on the basis of the latest available information. They are drilled down into different scores and made available to the commercial function, which has no involvement in determining risk parameters. These methods are used consistently for all retail banking customers.

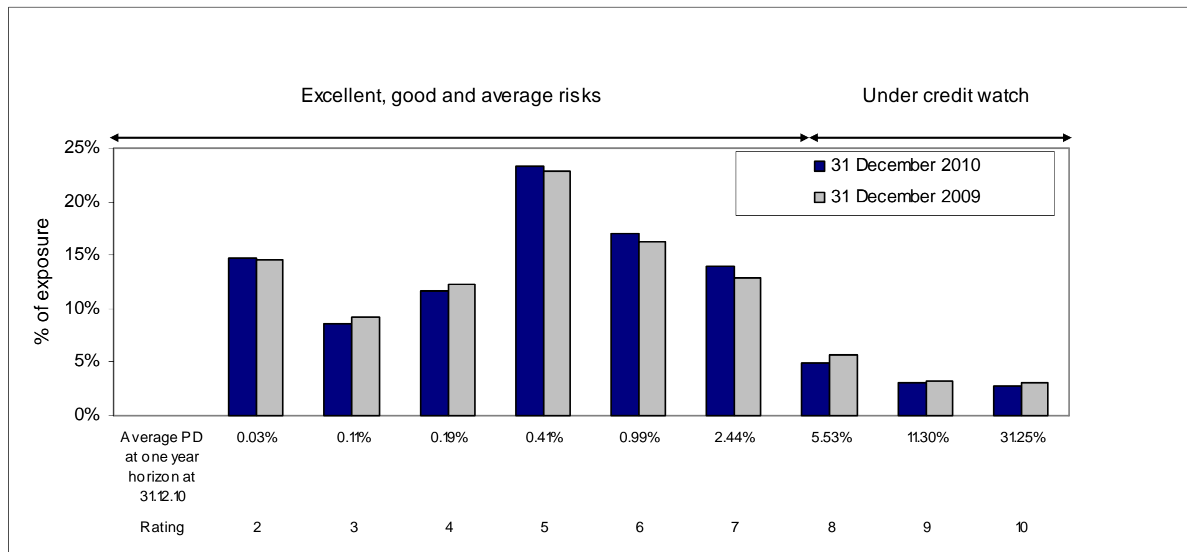
For the portion of the Personal Finance book eligible for the IRBA, the risk parameters are determined by the Risk Management Department on a statistical basis according to customer type and relationship history.

Scoring techniques are used to assign retail customers to risk groups presenting the same default risk characteristics. This also applies to the other credit risk inputs: Exposure at Default (EAD) and Loss Given Default (LGD).

The chart below shows a breakdown by credit rating of performing loans and commitments in the retail book for all the Group's business lines, measured using the internal ratings based approach.

This exposure represented EUR 191 billion of the gross credit risk at 31 December 2010 compared with EUR 177 billion at 31 December 2009.

Table 7: Breakdown of IRBA Retail exposures by credit rating



Compared with at 31 December 2009, the distribution of retail exposures by rating is broadly stable.

- Standardised approach

For exposures in the standardised approach, BNP Paribas uses the external ratings assigned by Standard & Poor's, Moody's and Fitch Ratings. These ratings are mapped into equivalent credit quality levels as required by the Basel II framework in accordance with the instructions issued by the French banking supervisor (Autorité de Contrôle Prudentiel).

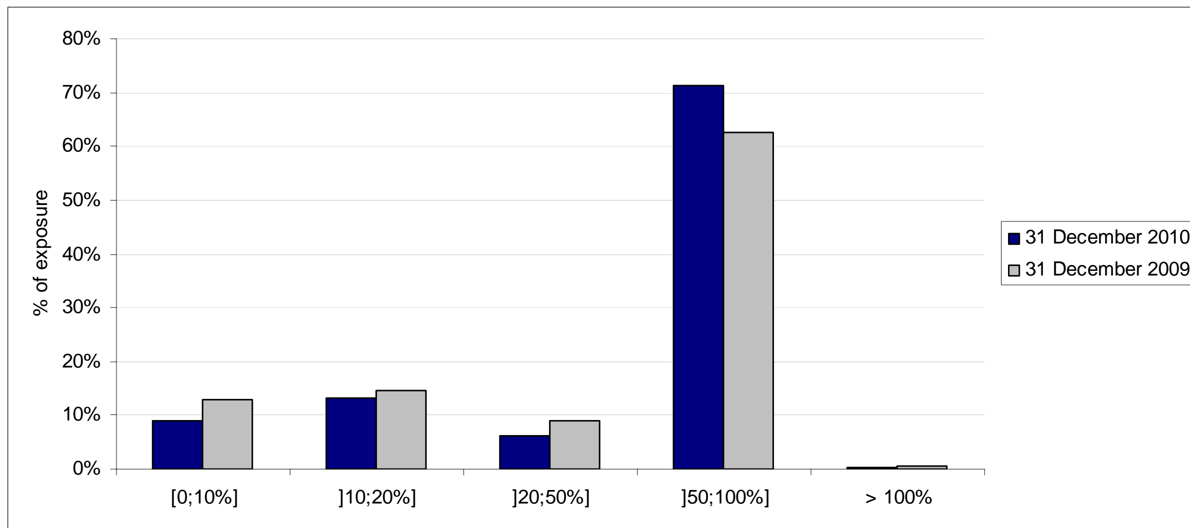
When there is no directly applicable external rating, the issuer's senior unsecured rating may, if available, be obtained from external databases and used for risk-weighting purposes in some cases.

Standardised approach exposure represents 29% of the BNP Paribas Group’s total gross exposures, compared with 30% at 31 December 2009. The main entities that used the standardised approach at 31 December 2010 are BNL, BancWest, Personal Finance (consumer finance outside western Europe and all mortgage lending), BNP Paribas Leasing Solutions (BPLS), UkrSibbank, private banking entities, emerging country subsidiaries and Banque de la Poste in Belgium.

The chart below shows a breakdown by credit rating of performing loans and commitments in the Corporate book (exposure classes: corporates, central governments and central banks, institutions) for all the Group's business lines, measured using the standardised approach.

This exposure represented EUR 192 billion of the gross credit risk at 31 December 2010 compared with EUR 203 billion at 31 December 2009.

Table 8: Breakdown of Corporate(*) exposure by weighting in the standardised approach



* The Corporate book shown in the chart above includes corporates, central governments and central banks, and institutions

The increase in the proportion of exposure with a weighting of between 50% and 100% at 31 December 2010 compared with at 31 December 2009 was chiefly attributable to stronger currency effects owing notably to movements in the euro/dollar exchange rate over the period.

Loans with past-due instalments, whether impaired or not, and related collateral or other security

The following table presents, for the accounting scope, the carrying amounts of financial assets that are past due but not impaired (by age of past due), impaired assets and related collateral or other security. The amounts shown are stated before any provision on a portfolio basis.

Table 9: Loans with past-due instalments, whether impaired or not, and related collateral or other security

In millions of euros	31 December 2010								
	Maturities of unimpaired past-due loans					Impaired assets and commitments covered by provisions	Total loans and commitments	Collateral received in respect of unimpaired past-due loans	Collateral received in respect of impaired assets
	Total	Up to 90 days	Between 90 days and 180 days	Between 180 days and 1 year	More than 1 year				
Financial assets at fair value through profit or loss (excl. variable-income securities)	7	7	-	-	-	-	7	-	-
Available-for-sale financial assets (excl. variable-income securities)	3	3	-	-	-	348	351	-	3
Loans and receivables due from credit institutions	371	351	3	1	16	491	862	173	278
Loans and receivables due from customers	15,212	14,380	519	84	229	20,746	35,958	8,818	10,042
Past-due assets, net of individual impairment provisions	15,593	14,741	522	85	245	21,585	37,178	8,991	10,323
Financing commitments given						802	802		303
Guarantee commitments given						1,153	1,153		441
Off-balance sheet non-performing commitments, net of provisions						1,955	1,955	-	744
Total	15,593	14,741	522	85	245	23,540	39,133	8,991	11,067

In millions of euros	31 December 2009								
	Maturities of unimpaired past-due loans					Impaired assets and commitments covered by provisions	Total loans and commitments	Collateral received in respect of unimpaired past-due loans	Collateral received in respect of impaired assets
	Total	Up to 90 days	Between 90 days and 180 days	Between 180 days and 1 year	More than 1 year				
Financial assets at fair value through profit or loss (excl. variable-income securities)	4				4		4		
Available-for-sale financial assets (excl. variable-income securities)	18	18				143	161		
Loans and receivables due from credit institutions	358	330	5	8	15	973	1,331	52	291
Loans and receivables due from customers	15,122	14,362	573	107	80	18,983	34,105	9,425	10,652
Past-due assets, net of individual impairment provisions	15,502	14,710	578	115	99	20,099	35,601	9,477	10,943
Financing commitments given						1,129	1,129		790
Guarantee commitments given						461	461		85
Off-balance sheet non-performing commitments, net of provisions						1,590	1,590	-	875
Total	15,502	14,710	578	115	99	21,689	37,191	9,477	11,818

The amounts shown for collateral and other security correspond to the lower of the value of the collateral or other security and the value of the secured assets.

COUNTERPARTY RISK

BNP Paribas is exposed to counterparty risk on its capital markets transactions. This risk is managed through the widespread use of standard close-out netting and collateral agreements and through a dynamic hedging policy. Changes in the value of the Bank's exposure are taken into account in the measurement of over-the-counter financial instruments through a credit adjustment process.

- Netting agreements

Netting is a technique used by the Bank to mitigate counterparty risks on derivatives transactions. The Bank primarily uses close-out netting, which enables it to close out all positions at current market value in the event of default by the counterparty. All amounts due to and from the counterparty are then netted, to arrive at the net amount payable or receivable. The net amount may be secured by collateral in the form of cash, securities or deposits.

The Bank also uses bilateral payment flow netting to mitigate counterparty risk on foreign currency payments. Bilateral payment flow netting consists of replacing payment streams in a given currency by a cumulative balance due to or from each party, representing a single net sum in each currency to be settled on a given day between the Bank and the counterparty.

The transactions are executed according to the terms of bilateral or multilateral master agreements that comply with the general provisions of national or international master agreements. The main bilateral agreement models used are those of the Fédération Bancaire Française (FBF), or those of the International Swaps and Derivatives Association (ISDA) for international agreements.

- Measurement of exposure

Exposure at Default (EAD) for counterparty risk is measured using an internal assessment procedure which is subsequently integrated within the credit risk assessment tool. This tool has been used by the Group for the past ten years and is updated on an ongoing basis. It is based on Monte Carlo simulations which allow analysts to identify likely movements in exposure amounts. The stochastic processes used are sensitive to parameters (including volatility and correlation) calibrated on historical market data. Potential future exposures to counterparty risk are captured using ValRisk, an internal model that simulates several thousand possible market trend scenarii and revalue transactions carried out with each counterparty at several hundred future points in time (from 1 day to more than 30 years for very long-term transactions). Changes in exposure amounts are calculated up to the maturity of the corresponding transactions. To aggregate transactions on each counterparty, ValRisk takes into account the legal jurisdiction in which each counterparty operates, and any netting or margin call agreements.

Counterparty risk exposures fluctuate significantly over time due to constant changes in the market parameters affecting the value of the underlying transactions. Accordingly, any assessment of counterparty risk must consider possible future changes in the value of these transactions as well as their present value.

For counterparty risk exposures in the BNP Paribas Fortis and BGL BNP Paribas books which have not migrated to BNP Paribas systems, the value at risk is not calculated on the basis of an internal model.

- Monitoring and control of Counterparty Risk

Every day, potential future exposures calculated by ValRisk are checked against the approved limits per counterparty. ValRisk allows analysts to simulate new transactions and measure their impact on the counterparty portfolio, making it an essential tool in the risk approval process. Limits are set by the following committees (in increasing order of authority) : Regional Credit Committee, Global Credit Committee and General Management Credit Committee, according to their level of delegated authority.

- Credit adjustments to over-the-counter financial instruments

The fair values of financial instruments traded over-the-counter by the Fixed Income and Global Equity & Commodity Derivatives units include credit value adjustments. A credit value adjustment (CVA) is an adjustment to the value of the trading book to take account of counterparty risk. It reflects the expected fair value loss on the existing exposure to a counterparty due to the potential positive value of the contract, the probability of default, migration of credit quality and the estimated global recovery rate.

- Dynamic counterparty risk management

The CVA varies according to changes in the existing exposure and in the prices quoted for the counterparty's credit risk, which may be reflected in particular in the credit default swap (CDS) spread variations used to calculate the probability of default.

To reduce the risk resulting from a deterioration in the inherent credit quality of a portfolio of financial instruments, BNP Paribas may use a dynamic hedging strategy based on the purchase of market instruments such as credit derivatives.

SECURITISATION

The BNP Paribas Group is involved in securitisation transactions as originator, sponsor and investor as defined by Basel II.

The securitisation transactions described below are those defined in the CRD (Capital Requirement Directive) and described in Title V of the decree of 20 February 2007. They are transactions in which the credit risk inherent in a pool of exposures is divided into tranches. The main features of these securitisation transactions are:

- there is a significant transfer of risk;
- payments made depend upon the performance of the underlying exposures;
- subordination of the tranches as defined by the transaction determines the distribution of losses during the risk transfer period.

As required by the CRD, assets securitised as part of proprietary securitisation transactions that meet Basel II eligibility criteria, particularly in terms of significant risk transfer, are excluded from the regulatory capital calculation. Only BNP Paribas' positions in the securitisation vehicle, and any commitment subsequently granted to the securitisation vehicle, are included in the capital requirement calculation using the external ratings based approach.

Proprietary securitisation exposures that do not meet the Basel II eligibility criteria remain in the portfolio to which they were initially assigned. The capital requirement is calculated as if they had not been securitised and is included in the section on credit risk.

Consequently, the securitisation transactions discussed below only cover those originated by the Group deemed to be efficient under Basel II, those arranged by the Group in which it has retained positions, and those originated by other parties in which the Group has invested.

The Group's activities in each of these roles are described below:

Table 10: Securitised exposures and securitisation positions (held or acquired) by role

In millions of euros	31 December 2010		31 December 2009	
BNP Paribas role	Securitised exposures originated by BNP Paribas (1)	Securitisation positions held or acquired (EAD) (2)	Securitised exposures originated by BNP Paribas (1)	Securitisation positions held or acquired (EAD) (2)
Originator	15,985	4,351	18,219	5,433
Sponsor	217	17,440	548	18,289
Investor	0	30,140	0	28,354
Total	**16,202**	**51,931**	**18,767**	**52,076**

(1) Securitised exposures originated by the Group correspond to the underlying exposures recognised on the Group's balance sheet which have been securitised.
(2) Securitisation positions correspond to tranches retained in securitisation transactions originated or arranged by the Group, tranches acquired by the Group in securitisation transactions arranged by other parties, and facilities granted to securitisation transactions originated by other parties.

- Proprietary securitisation (originator under Basel II)

As part of the day-to-day management of liquidity, the Group's least liquid assets may be swiftly transformed into liquid assets by securitising loans (mortgages and consumer loans) granted to retail banking customers, as well as loans granted to corporate customers.

Several securitisation transactions were carried out in 2010 by BNP Paribas subsidiaries, Personal Finance in the Netherlands and BNP Paribas Fortis in Belgium. The total amount securitised was EUR 9 billion. All these transactions have been retained by the subsidiaries concerned. Given the weak market appetite for securitisation products since August 2007, the Group's strategy regarding securitising its retail loans has been to carry out proprietary transactions that may serve as collateral for refinancing operations. These transactions are not deemed as securitisation for the calculation of Basel II regulatory capital because they do not give rise to any significant risk transfer. The relevant exposures are therefore included in the section on credit risk.

35 transactions, totalling a securitised exposure (Group BNP Paribas' share) of EUR 60.9 billion, are outstanding at 31 December 2010. These include EUR 16.6 billion for Personal Finance, EUR 0.4 billion for Equipment Solutions, EUR 9.4 billion for BNL and EUR 34.5 billion for BNP Paribas Fortis.

Only five of these transactions, representing a total securitised exposure of EUR 2.7 billion, have been excluded from Basel II credit risk framework and integrated in Basel II securitisation framework (significant risk transfer), and are included in the table above. Securitisation positions retained in these transactions amount to EUR 1.2 billion at 31 December 2010 compared with EUR 0.7 billion at 31 December 2009.

When BNP Paribas acquired the Fortis Group entities, the riskiest portion of their structured asset portfolio was sold to a dedicated SPV, Royal Park Investment. The SPV's securitised exposures amount to EUR 11.5 billion. The Group retains EUR 2.9 billion in securitisation positions in the SPV at 31 December 2010 compared with EUR 4.1 billion at 31 December 2009, including EUR 0.2 billion of the equity tranche, EUR 0.5 billion of financing corresponding to a senior tranche and EUR 2.2 billion of financing corresponding to a super senior tranche (compared with EUR 3.4 billion at 31 December 2009).

Lastly, the exposures retained in securitisation transactions originated by BNP Paribas amounted to EUR 0.2 billion at 31 December 2010, compared with EUR 0.6 billion at 31 December 2009.

- Securitisation as sponsor on behalf of clients

CIB Fixed Income carries out securitisation programmes on behalf of its customers. Under these programmes, liquidity facilities and, where appropriate, guarantees are granted to special purpose entities. Special purpose entities over which the Group does not exercise control are not consolidated.

Short-term refinancing:

At 31 December 2010, six non-consolidated multiseller conduits (Eliopée, Thésée, Starbird, J Bird, J Bird 2 and Matchpoint) were managed by the Group on behalf of customers. These entities are refinanced on the local short-term commercial paper market. In a climate of financial crisis and risk management, CIB Fixed Income has scaled back its international securitisation business and the liquidity facilities granted to these six conduits decreased from EUR 11.1 billion at 31 December 2009 to EUR 9.6 billion at 31 December 2010).

Medium/long-term refinancing:

In Europe and Northern America, the BNP Paribas Group's structuring ability remained intact and it was therefore able to continue providing securitisation solutions to its clients, based on products better geared to current conditions in terms of risk and liquidity. These products are sometimes accompanied by specific banking facilities such as bridge financing, senior loans and cash facilities. “Technical” liquidity facilities, designed to cover maturity mismatches are also granted, where appropriate, to non consolidated funds, arranged by the Group for receiving securitised customer assets. The total of these facilities, including the few residual positions retained, amounted to EUR 1.7 billion at 31 December 2010 compared with EUR 1.3 billion at 31 December 2009.

BNP Paribas Fortis has also granted liquidity facilities to the Scaldis multiseller conduit, totalling EUR 6.1 billion at 31 December 2010 compared with EUR 5.8 billion at 31 December 2009.

During 2010, BNP Paribas continued to manage CLO (Collateralized Loan Obligation) conduits on behalf of clients but did not originate any new European CLO packages during the year in view of market conditions. Securitisation positions retained amounted to EUR 25 million at 31 December 2010.

- Securitisation as investor

The BNP Paribas Group’s securitisation business as an investor (within the meaning of the Basel II rules) is mainly carried out by CIB, Investment Solutions and Bancwest, aside from the portfolio positions inherited from Fortis.

CIB Fixed Income is responsible for monitoring and managing an ABS portfolio (Asset Backed Securities), which represented a total of EUR 4.4 billion of ABS[8] at 31 December 2010 compared with EUR 4.8 billion at 31 December 2009. Fixed Income also manages liquidity facilities granted by banking syndicates to ABCP (Asset Backed Commercial Paper) conduits managed by a number of major international industrial groups that are BNP Paribas clients representing a total of EUR 0.5 billion at 31 December 2010, unchanged compared with at 31 December 2009.

In addition, Fixed Income also houses Negative Basis Trade (NBT) positions representing an exposure at default of EUR 5.5 billion.

CIB Resource & Portfolio Management (RPM) also managed securitisation programmes as an investor during 2010, notably setting up a mixed investment programme (securitisation exposure and corporate loan exposure) that was launched in the fourth quarter of 2010. The exposure of the RPM-managed portfolio stood at EUR 389 million at 31 December 2010, compared with EUR 79 million at 31 December 2009.

During 2010, Investment Solutions did not make any fresh investment in securitisation programmes. Meanwhile, repayments and disposals reduced exposure from EUR 3 billion at 31 December 2009 to EUR 2.1 billion at 31 December 2010.

[8] Exposure At Default (EAD).

BancWest invests exclusively in securitisation positions in listed securities as a core component of its refinancing and own funds investment policy. BancWest carried out some substantial disposals during 2010 to capitalise on market conditions that had become favourable again and thus to reduce positions requiring significant amounts of capital. The riskiest positions were sold. At 31 December 2010, BancWest's securitisation positions amounted to EUR 0.5 billion compared with EUR 1.6 billion at 31 December 2009.

BNP Paribas Fortis' portfolio of structured loans, which was not assigned to a business line and is housed in "Other activities", is worth EUR 8.4 billion.

This portfolio carries a guarantee by the Belgian State on the second level of losses. Beyond a first tranche of final loss, against the notional value of EUR 3.5 billion largely provisioned in BNP Paribas Fortis' opening balance sheet, the Belgian State guarantees on demand a second loss tranche of up to EUR 1.5 billion.

In addition, BNP Paribas Fortis' investments in Dutch RMBS came to EUR 8.1 billion.

- Securitisation risk management

Securitisation transactions arranged by BNP Paribas on behalf of clients are highly technical and specific in nature. They are therefore subject to a specific risk management system:

- independent analysis and monitoring by dedicated teams within the Risk Department;

- specific processes (with specific committees, approval procedures, credit and rating policies) to ensure a consistent, tailored approach.

Given the crisis in the securitisation market since 2007 and the size of the portfolio, especially since the consolidation of BNP Paribas Fortis securitisation exposures, this system has also been strengthened by:

- a crisis reporting procedure (at least quarterly through Capital Market Risk Committees, Internal Control, Risk and Compliance Committee (CCIRC) and Corporate Communication via reports recommended by the Financial Stability Forum);

- creation of a dedicated ABS unit in the Risk Department to coordinate the independent review and monitoring of ABS related risks;

- centralisation of ABS valuation issues in a specialised Fixed Income unit on behalf of all businesses;

- a dedicated Debtors Committee to review trends in ABS related provisions on a quarterly basis.

4.e MARKET RISK

MARKET RISK RELATED TO FINANCIAL INSTRUMENTS

- Definitions

Market risk, as defined in note 4.b, arises mainly from trading activities carried out by the Fixed Income and Equity teams with Corporate and Investment Banking and encompasses different risk factors defined as follows:

- Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.
- Foreign exchange risk is the risk that the value of an instrument will fluctuate due to changes in foreign exchange rates.
- Equity risk arises from changes in the market prices and volatilities of equities and changes in the prices of equity indices.
- Commodities risk arises from changes in the market prices and volatilities of commodities and changes in the prices of commodities indices.
- Credit spread risk arises from the change in the credit quality of an issuer and is reflected in changes in the cost of purchasing protection on that issuer.
- Options give rise to an intrinsic volatility and correlation risk, whose parameters can be determined from observable prices of options traded in an active market.

- Governance

The market risk management system aims to track and control market risks whilst ensuring that the control functions remain totally independent from the business lines.

The system is structured around several committees:

- The Capital Markets Risk Committee (CMRC) is the main committee governing the risks related to capital markets. It is responsible for addressing, in a coherent manner, the issues related to market and counterparty risk. The CMRC sets the aggregate trading limits, outlines risk approval procedures, and reviews loss statements and hypothetical losses estimated on the basis of stress tests. It meets twice a year and is chaired by the Group CEO or by one of the Bank's two COOs.

- The Product and Financial Control Committee (PFCC) meets quarterly to review valuation issues and take any requisite decisions, such as validating master procedures. It is chaired by the Bank's CFO and other members include the Chief Risk Officer (CRO), head of CIB as well as other representatives of Group Development and Finance and of the Risk Department.

- At business unit level, the Valuation Review Committee (VRC) meets monthly to examine and approve the results of MAP Reviews and any changes in reserves. The Valuation Review Committee also acts as the referee in any disagreements between trading and control functions. The committee is chaired by the Senior Trader and other members include representatives from trading, GRM, Group Product Control, and Group Development and Finance.

- Created in 2010, the Valuation Methodology Committee (VMC) meets quarterly to monitor approvals and review models.

- Limit setting and tracking

Responsibility for setting and tracking limits is delegated to three levels, which are, in order, the CMRC, the Head of the Business Line and the Head of Trading.

Limits may be changed either temporarily or permanently, authorised in accordance with the level of delegation and the prevailing procedures.

GRM's responsibility in terms of market risk management is to define, measure and analyse sensitivities and risk factors, and to measure and control Value at Risk (VaR), which is the global indicator of potential losses. GRM ensures that all business activity complies with the limits approved by the various committees. In this respect, it also approves new activities and major transactions, reviews and approves position valuation models and conducts a monthly review of market parameters (MAP review) in association with Group Product Control (GPC).

GRM reports to Executive Management and business lines Senior Management on its risk analysis work.

The Group uses an integrated system called Market Risk eXplorer (MRX) to follow the trading positions on a daily basis and manage VaR calculations. MRX not only tracks VaR, but also detailed positions and sensitivities to market parameters based on various simultaneous criteria (currency, product, counterparty, etc.). MRX is also configured to include trading limits, reserves and stress tests.

- Valuation control processes

Since 2007 the Group has enhanced its portfolio valuation controls by forming a Group Product Control team. This team works under a charter outlining its responsibilities (towards GRM, Group Development and Finance, the front-office, IT, and Operations) in terms of financial instrument valuations, gains or losses on capital market activities, and control processes.

The team's main areas of involvement are:

- Transaction accounting;
- Market Parameter (MAP) Reviews (monthly reviews of book valuations);
- Model reviews; and
- Reserve calculations.

The procedures for these controls are discussed below.

- Transaction accounting controls

Operations (middle-office) is responsible for controlling the transaction accounting process, although GRM checks the process for more structured transactions requiring special attention.

- Market Parameter (MAP) Review

GRM and Group Product Control are jointly responsible for MAP Review. This review entails a formal verification of all market parameters and are generally performed monthly; the more liquid parameters are reviewed daily. Group Product Control is in charge of reviewing plain vanilla market parameters (most of which can be cross-checked against external data). GRM has authority in all matters related to valuation methods and is notably in charge of reviewing complex parameters and models and calculating reserves. The information used for MAP Reviews is obtained from brokers and suppliers of consensus market prices.

The MAP Review methodology is outlined in separate procedures for each major product line, which also set out the responsibilities of GRM and Group Product Control. All MAP Review conclusions are documented, and the corresponding adjustments are made in the middle-office books. MAP Review results are presented to business managers during Valuation Review Committee meetings.

- Models review

The front-office quantitative analysts are mainly responsible for proposing new methodologies aiming to improve product valuation and risk calculation. The Research and IT teams then put them into practice.

GRM is responsible for controlling and analysing these models. The main review processes are as follows:

- Model approval, which consists of performing a formal review when changes are made to a model's methodology ("model event"). The approval process may be swift or it may be comprehensive, in which case the results of the review are documented in a Model Approval Report explaining the basis of and conditions for the approval.
- Model testing, designed to test a model's quality and robustness. Other models may be used for calibration and comparison. The results of the testing are documented.
- Product/model mapping, a process that examines whether pricing models are suited to their products and being used properly within the system, including checking the necessary configurations.

- Reserve calculations

GRM defines and calculates "reserves", which correspond to fair value adjustments and are accounted for as deductions from earnings. Reserves can be considered, depending on the case, either as the price for closing a position or as a premium for a risk that cannot be diversified or hedged.

Reserves mainly cover:

- Liquidity risk and bid/offer spreads;
- Uncertainty and modelling risk.

The reserve mechanisms are documented in detail and GRM is responsible for implementing them. Reserves for uncertainty and modelling risk are compatible with the “prudent valuation” regulatory approach but may not be compatible with accounting standards such as penalties for large positions. In this case, the reserves are not shown in the accounting valuation of the relevant positions and instruments.

The methodology for calculating reserves is regularly reviewed and improved as part of the MAP and models review processes.

- Day-one-profit or loss

Some structured transactions require the use of parameters considered as unobservable, whereas IAS 39 prescribes the deferral of the initial income from these transactions.

GRM works with Group Development and Finance, middle-offices, and business lines on the process of identifying and handling these profit and loss items, and notably:

- determines whether a parameter is observable;
- documents the observability status;
- and determines whether a transaction is observable whenever this determination cannot be performed by the middle-office’s automated processes.

The middle-office calculates the necessary profit and loss adjustments and ensures that the observability criteria for each transaction have been applied correctly.

- Risk reports and information for Executive Management

The Global Risk Analysis and Reporting team is responsible for generating risk reports.

The following risk reports are generated on a regular basis:

- Weekly "Main Position" reports for each business line (equity derivatives, commodities, credit, and interest rate and currency derivatives), summarising all positions and highlighting items needing particular attention; these reports are sent to business line managers;
- Bimonthly "Over €15m at Risk" reports sent to Executive Management;
- "CMRC Events Summary" reports used as a basis for discussions during CMRC meetings;
- "Position Highlights" reports focusing on specific issues; and
- Geographical dashboards such as "UK Risk Dashboard" reports.
- The "Global risk dashboard" presented at bimonthly meetings between CIB and GRM managers to ensure coordinated efforts and make decisions in light of recent market developments and changes in counterparties' circumstances.

- Measurement of market risk

  Market risk is measured using three types of indicator (sensitivities, VaR and stress tests), which aim to capture all risks.

Analysis of sensitivities to market parameters

Market risk is first analysed by systematically measuring portfolio sensitivity to various market parameters. The information thus obtained is used to set tolerance ranges for maturities and option strike prices. The results of these sensitivity analyses are compiled at various aggregate position levels and compared with market limits.

Measurement of market risk under normal market conditions: VAR

VaR is calculated using an internal model. It estimates the potential loss on a trading portfolio under normal market conditions over one trading day, based on changes in the market over the previous 260 days with a confidence level of 99%.The model has been approved by the banking supervisor and takes into account of all usual risk factors (interest rates, credit spreads, exchange rates, equity prices, commodities prices, and associated volatilities), as well as the correlation between these factors in order to include the effects of diversification. It also takes into account of specific credit risk.

The algorithms, methodologies and sets of indicators are reviewed and improved regularly to take into account of growing market complexity and product sophistication.

For the scope comprising the Fortis Group entities acquired by BNP Paribas, market risk is also measured using the global VaR indicator. The methodology has been approved by the Belgian banking supervisor and is similar to that used by the Group.

Measurement of market risk under extreme market conditions

The Group performs stress tests to simulate the impact of extreme market conditions on the value of trading portfolios. These conditions are reflected in the extreme stress scenarii and adjusted to reflect changes in the economic environment. GRM uses 15 stress test scenarii covering all market activities: fixed-income, forex, equity derivatives, commodities and treasury. These scenarii are presented to and reviewed by the CMRC on a monthly basis.

GRM may also outline specific scenarios to carefully manage some types of risks, most notably the more complex risks requiring a full revaluation rather than an estimate based on sensitivity indicators. The results of these stress tests may be presented to business line managers and stress test limits may be set.

Historical VaR (10 days, 99%) in 2010

The Values at Risk (VaRs) set out below are calculated from an internal model, which uses parameters that comply with the method recommended by the Basel Committee for determining estimated value at risk ("Supplement to the Capital Accord to Incorporate Market Risks"). They are based on a ten-day time horizon and a 99% confidence interval.

In 2010, total average VaR for the BNP Paribas scope excluding Fortis is EUR 144 million (with a minimum of EUR 105 million and a maximum of EUR 233 million), after taking into account the EUR -173 million netting effect between the different types of risks. These amounts break down as follows:

Table 11: Value at risk (10 days - 99%): breakdown by risk type for the BNP Paribas scope excluding BNP Paribas Fortis

Type of risk	Year to 31 Dec. 2010			31 December 2010	Year to 31 Dec. 2009	31 December 2009
	Average	Minimum	Maximum		Average	
Interest rate risk	84	54	143	109	132	147
Credit risk	115	80	153	118	141	138
Foreign exchange risk [(1)]	31	14	60	22	44	35
Equity price risk	74	33	162	53	113	89
Commodity price risk	13	7	22	13	16	18
Netting Effect	*(173)*	*(83)*	*(307)*	*(174)*	*(258)*	*(235)*
Total Value at Risk	**144**	**105**	**233**	**141**	**188**	**192**

(1) The VaR for foreign exchange risk is outside the scope of Pillar I of Basel II

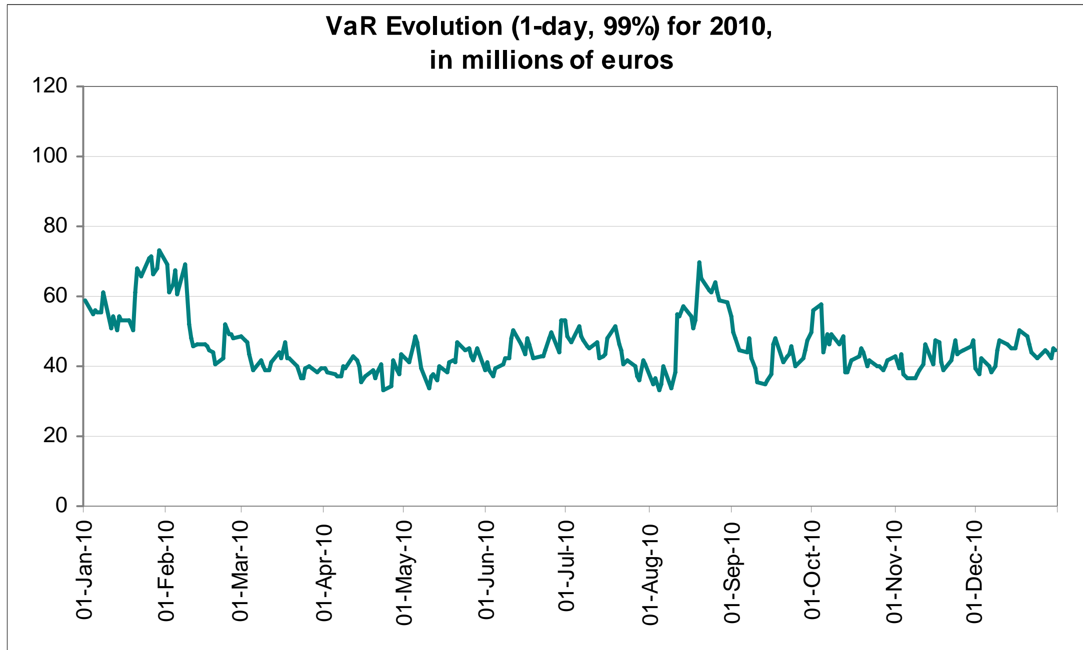
In 2010, total average VaR for the BNP Paribas Fortis scope, which was significantly lower than in 2009, was EUR 32 million (with a minimum of EUR 15 million and a maximum of EUR 62 million), after taking into account the EUR 12 million netting effect between different types of risk. The breakdown is as follow:

Value at risk (10 days - 99%): breakdown by risk type for the BNP Paribas Fortis scope

Type of risk	Year to 31 Dec. 2010			31 December 2010	Year to 31 Dec. 2009	31 December 2009
	Average	Minimum	Maximum		Average	
Interest rate risk	27	10	44	29	54	17
Credit risk						
Foreign exchange risk	4	1	11	4	9	6
Equity price risk	11	5	29	7	31	13
Commodity price risk	2	1	6	1	8	3
Netting Effect	*(12)*	*(2)*	*(28)*	*(3)*	*(23)*	*(15)*
Total Value at Risk	**32**	**15**	**62**	**38**	**79**	**24**

Risk exposure in 2010

Change in VaR (1-day, 99%) in millions of euros for the BNP Paribas scope excluding Fortis

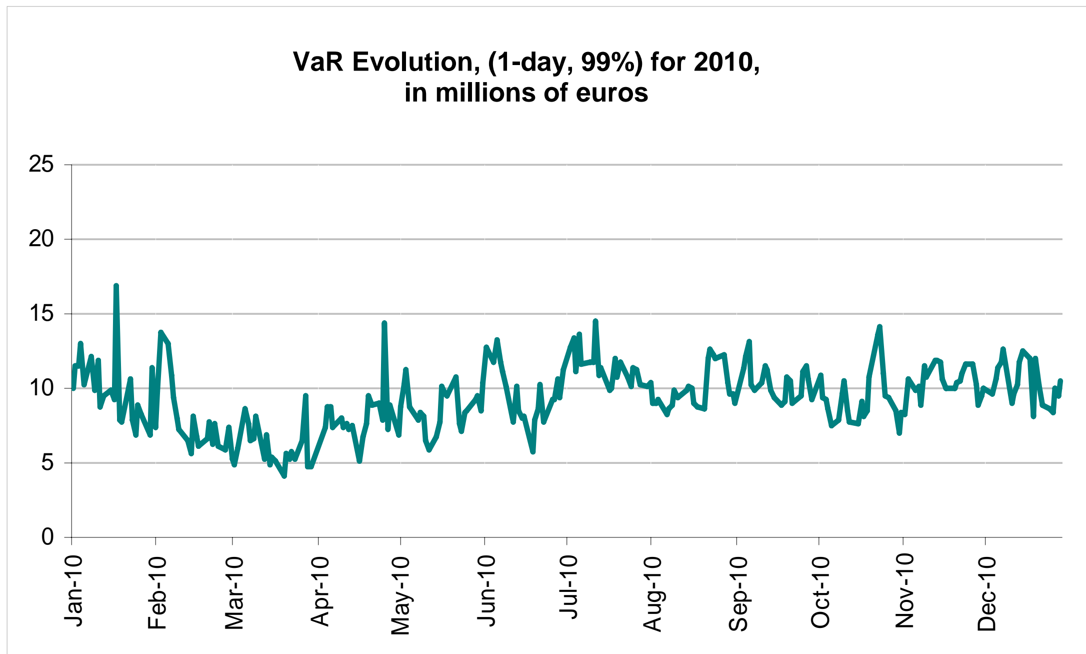


GRM continuously tests the accuracy of its internal model through a variety of techniques, including a regular comparison over a long-term horizon between actual daily losses on capital market transactions and 1day VaR.

A 99% confidence level means that in theory the Bank should not incur daily losses in excess of VaR more than two or three days a year.

In 2010, daily losses exceeded the VaR on one occasion during the second quarter, as the capital markets were affected by growing concerns about the indebtedness of European governments.

Change in VaR (1-day, 99%) in millions of euros for the BNP Paribas Fortis scope



VaR is stable at around EUR 10 million. The increase in volatility evident from March onwards was offset by the reduction in scope since a number of positions reached maturity. In addition, some portfolios were sold to BNP Paribas.

MARKET RISK RELATED TO BANKING ACTIVITIES

The market risk related to banking activities encompasses the risk of loss on equity holdings on the one hand, and the interest rate and foreign exchange risks stemming from banking intermediation activities on the other hand. Only the equity and foreign exchange risks give rise to a weighted assets calculation under Pillar 1. The interest rate risk falls under Pillar 2.

Interest rate and foreign exchange risks related to banking intermediation activities and investments mainly concern retail banking activities in domestic markets (France, Italy, Belgium and Luxemburg), the specialised financing and savings management subsidiaries, the CIB financing businesses, and investments made by the Group. These risks are managed by the ALM-Treasury Department.

At Group level, ALM-Treasury reports directly to one of the Chief Operating Officers. Group ALM-Treasury has functional authority over the ALM and Treasury staff of each subsidiary. Strategic decisions are made by the Asset and Liability Committee (ALCO), which oversees ALM-Treasury's activities. These committees have been set up at Group, division and operating entity level.

- Equity risk

- Scope

Equity interests held by the Group outside the trading book are securities that convey a residual, subordinated claim on the assets or income of the issuer or have a similar economic substance. They include:

- listed and unlisted equities and units in investment funds;
- options embedded in convertible and mandatory convertible bonds;
- equity options;

- super subordinated notes;
- commitments given and hedges related to equity interests; and
- interests in companies accounted for by the equity method.

- Modelling equity risk

In the BNP Paribas historical scope, the Group uses an internal model derived from the one used to calculate daily VaR on the trading book. However, it differs in terms of horizon and confidence interval, which are applied in accordance with article 59.1-c ii of the decree of 20 February 2007 issued by the Ministry of Economics, Finance and Industry. The model estimates the contribution of each equity exposure to the economic loss in the most extreme market conditions for the Bank, and then determines the level of losses actually incurred by the Bank.

Various types of risk factors are used to measure equity risk and they depend largely on the level of available or useable share price information.

- Share price is the risk factor used for listed equities with a sufficiently long historical track record.
- For other listed and unlisted equities, each line is assigned an industry and country-specific systemic risk factor, plus an equity-specific risk factor.
- If the exposure is outside the eurozone, an exchange rate risk factor is also added.

The model has been validated by the banking supervisor for measuring the capital requirement for equity risk as part of the Basel II approval process.

Pending convergence, the approach used temporarily for the BNP Paribas Fortis and BGL BNP Paribas historical scope is that approved by the CBFA.

- Accounting principles and valuation methods

Accounting principles and valuation methods are set out in note 1 – Summary of significant accounting policies applied by the BNP Paribas Group - 1.c.9 Determination of market value.

Table 12: Exposure* to equity risk

In millions of euros	31 December 2010	31 December 2009
Internal model method	**13,797**	**12,463**
Listed equities	4,529	4,727
Other equity exposures	5,994	5,114
Private equity in diversified portfolios	3,274	2,622
Simple risk weight method	**658**	**1,273**
Listed equities	5	278
Other equity exposures	82	416
Private equity in diversified portfolios	571	579
Standardised approach	**1,427**	**1,777**
TOTAL	**15,883**	**15,513**

(*) Fair Value (on and off-balance sheet)

- Total gains and losses

Total gains and losses are set out in Note 5.c. – Available-for-sale financial assets.

- Foreign exchange risk (Pillar 1)

- Calculation of risk-weighted assets

Foreign exchange risk relates to all transactions whether part of the trading book or not. This risk is treated in the same way under both Basel I and Basel II.

Except for BNP Paribas Fortis Belgium's currency exposure, which is calculated using the BNP Paribas Fortis internal model approved by the CBFA, exposure to foreign exchange risk is now determined under the standardised approach, using the option provided by the banking supervisor to limit the scope to operational foreign exchange risk.

Group entities calculate their net position in each currency, including the euro. The net position is equal to the sum of all asset items less all liability items plus off-balance sheet items (including the net forward currency position and the net delta-based equivalent of the currency option book), less structural, non-current assets (long-term equity interests, property, plant and equipment, and intangible assets). These positions are converted into euros at the exchange rate prevailing on the reporting date and aggregated to give the Group's overall net open position in each currency. The net position in a given currency is long when assets exceed liabilities and short when liabilities exceed assets. For each Group entity, the net currency position is balanced in the relevant currency (i.e. its reporting currency) such that the sum of long positions equals the sum of short positions.

The rules for calculating the capital requirement for foreign exchange risk are as follows:

- Matched positions in currencies of Member States participating in the European Monetary System are subject to a capital requirement of 1.6% of the value of the matched positions.
- CFA and CFP francs are matched with the euro, and are not subject to a capital requirement.
- Positions in closely correlated currencies are subject to a capital requirement of 4% of the matched amount.
- Other positions, including the balance of unmatched positions in the currencies mentioned above, are subject to a capital requirement of 8% of their amount.

- Foreign exchange risk and hedging of earnings generated in foreign currencies

The Group's exposure to operational foreign exchange risks stems from the net earnings in currencies other than the euro. The Group's policy is to systematically hedge the variability of its earnings due to currency movements. Earnings generated locally in a currency other than the operation's functional currency are hedged locally. Net earnings generated by foreign subsidiaries and branches and positions relating to portfolio impairment are managed centrally.

- Foreign exchange risk and hedging of net investments in foreign operations

The Group's currency position on investments in foreign operations arises mainly on branch capital allocations and equity interests denominated in foreign currencies, financed by purchasing the currency in question.

The Group’s policy consists in hedging portfolio exposure to liquid currencies. This policy is implemented by borrowing amounts in the same currency as the one of equity investments. Such borrowings are documented as hedges of net investments in foreign operations.

- Interest rate risk (Pillar 2)

- Interest rate risk management framework

Interest rate risk on the commercial transactions of the domestic retail banking (France, Italy, Belgium and Luxemburg) and international retail banking, the specialised financing subsidiaries, and the savings management business lines in the Investment Solutions and CIB's Corporate Banking divisions are managed centrally by ALM-Treasury through the client intermediation book. Interest rate risk on

the Bank's equity and investments is also managed by ALM-Treasury, in the equity intermediation and investments book.

Transactions initiated by each BNP Paribas business line are transferred to ALM-Treasury via internal contracts booked in the management accounts or via loans and borrowings. ALM-Treasury is responsible for managing the interest rate risk inherent in these transactions.

The main decisions concerning positions arising from banking intermediation activities are taken at monthly or quarterly committee meetings for each business line. These meetings are attended by the management of the business line, ALM-Treasury, Group Development and Finance and GRM.

- Measurement of interest rate risk

Banking book interest rate gaps are measured, with embedded behavioural options translated into delta equivalents. Maturities of outstanding assets are determined based on the contractual characteristics of the transactions and historical customer behaviour. For retail banking products, behavioural models are based on historical data and econometric studies. The models deal with early repayments, current accounts in credit and debit and savings accounts. Theoretical maturities of equity capital are determined according to internal assumptions.

In the case of retail banking activities, structural interest rate risk is also measured on a going-concern basis, incorporating dynamic changes in balance sheet items, through an earnings sensitivity indicator. Due to the existence of partial or even zero correlations between customer interest rates and market rates, and the volume sensitivity caused by behavioural options, rotation of balance sheet items generates a structural sensitivity of revenues to interest rate changes. Lastly, for products with underlying behavioural options, a specific option risk indicator is analysed in order to fine-tune hedging strategies.

The choice of indicators and risk modelling, as well as the production of indicators, are controlled by independent Product Control teams and by dedicated Group Risk Management teams. The results of these controls are presented regularly to ad-hoc committees and once a year to the Board of Directors.

These indicators are systematically presented to the ALM Committees, and serve as the basis for hedging decisions taking into account the nature of the risk involved.

- Risk limits

For the customer banking intermediation books, overall interest rate risk for Retail Banking entities is subject to a primary limit, based on the sensitivity of revenues to changes in nominal and real interest rates and in the inflation rate over at least a three-year timeframe. The limit is based on annual revenues, in order to control uncertainty about future fluctuations in revenues caused by changes in interest rates. This limit is supplemented beyond the three-year timeframe by an interest rate gap limit, expressed as a percentage of customer deposits. This percentage is a declining function of the management period. This limit is used to manage long-term interest rate risk.

The specialised financing subsidiaries are exposed to very low levels of interest rate risk, considering the centralisation of risks at ALM-Treasury level. The residual risk is controlled by technical interest rate gap limits that are monitored by the ALM Committee of the relevant business line.

- Sensitivity of revenues to general interest-rate risk

The sensitivity of revenues to a change in interest rates is one of the key indicators used by the Group in its analysis of overall interest-rate risk, both at local and at Group level. The sensitivity of revenues is calculated across the entire banking book including the customer banking intermediation businesses, equity, excluding market activities, and for all currencies to which the Group is exposed. It relies on reasonnable activity assumptions at one year horizon.

The indicator is presented in the table bellow. Over this one-year horizon, the banking intermediation book’s exposure to interest-rate risk is limited: an increase of 100 basis points in interest rates right

across the yield curve would lead to a decrease of less than 0.1% in the Group's revenues, all currencies combined.

Table 13: Sensitivity of revenues to general interest-rate risk based on a 100 basis point increase in interest rates:

In millions of euro	31 December 2010		
	Euros	Other currencies	Total
Sensitivity of 2011 revenue	(44)	5	(39)

In millions of euro	31 December 2009		
	Euros	Other currencies	Total
Sensitivity of 2010 revenue	(44)	70	26

Since the books of financial instruments resulting from the Group's banking intermediation activities are not intended to be sold, they are not managed on the basis of their value. Nonetheless, the sensitivity of the value of these books is calculated in order to measure the overall interest-rate risk over all time horizons. The sensitivity of the value to a 200 basis point increase in interest rates is below 1% of the Group's regulatory capital, compared with the limit of 20% laid down in the Basel regulations.

- Hedging of interest rate and foreign exchange risks

Hedging relationships initiated by the Group mainly consist of interest rate or currency hedges in the form of swaps, options and forwards.

Depending on the hedging objective, derivative financial instruments used for hedging purposes are qualified as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Each hedging relationship is formally documented at inception. The documentation describes the hedging strategy; identifies the hedged item and the hedging instrument, and the nature of the hedged risk; and describes the methodology used to test the expected (prospective) and actual (retrospective) effectiveness of the hedge.

- Interest rate risk in the banking book

The Bank's strategy for managing global interest rate risk is based on closely monitoring the sensitivity of the Bank's earnings to changes in interest rates. In this way, it can determine how to achieve an optimum level of offset between different risks. This procedure requires an extremely accurate assessment of the risks incurred so that the Bank can determine the most appropriate hedging strategy, after taking into account the effects of netting the different types of risk. These hedging strategies are defined and implemented by business line and for each portfolio and currency.

During 2010, market conditions were marked by the extension and indeed reinforcement of the non-conventional measures taken by central banks to boost liquidity in the capital markets and by heavy pressure on certain sovereign issuers in the euro zone. While short-term rates stayed relatively stable, long-term rates recorded a steep decline at the beginning of the year, before moving back close to their year-end 2009 levels.

During 2010, the balance between loan production and inflows of fixed-rate deposits and those showing little correlation with market rates differed fairly significantly from one euro zone domestic market to another.

- In France, the stability of the loan-to-deposit ratio is the result of the net effect of the strong levels of production of fixed-rate home loans owing to the low level of long-term rates on the one hand and growth in non-interest bearing deposits and savings accounts on the other hand, as these show more correlation with the direction of short-term rates and inflation. The net hedging

requirement for fixed-rate loans was accentuated by the impact of financing for subsidiaries specialised in loans to consumers and businesses.

- In Italy, commercial activity did not generate any significant shift in the interest-rate position, given the larger proportion of loan production accounted for by floating-rate mortgage loans.
- In Belgium and Luxembourg, the year was marked by further strong inflows of customer deposits, notably into savings accounts. At the same time, a higher proportion of mortgage loan production was generated by floating-rate products, giving rise to a net hedging requirement for customer deposits that show only moderate correlation with market rates.

Accordingly, the hedging strategies implemented in 2010 varied from one domestic market to another. Derivative-based strategies (in the form of swaps) were supplemented by hedges of optional risks of margin contraction, in relation to both loans (due to loan renegotiations) and deposits (pressure on margins of deposits at market rates).

The hedges comprising derivatives and options are typically accounted for as fair value hedges or cash flow hedges. They may also take the form of government securities and are mostly accounted in the "Available For Sale" category.

Following the amendment to the accounting standard on options used as cash flow hedges, which states that their time value must be recognised in the profit and loss account, BNP Paribas opted to reclassify its entire stock of corresponding options in the trading portfolio at 31 December 2009. The time value of the options used as hedging instruments traded since this date is recognised in the profit and loss account.

- Structural foreign exchange risk

Currency hedges are contracted by the ALM department in respect of the Group's investments in foreign currencies and its future foreign currency revenues. Each hedging relationship is formally documented at inception. The documentation describes the hedging strategy, identifies the hedged item and the hedging instrument, and the nature of the hedged risk and describes the methodology used to test the expected (prospective) and actual (retrospective) effectiveness of the hedge.

A hedging relationship is applied and documented for investments financed by foreign currency loans so that impacts of movements in exchange rates can be recorded in a symmetrical fashion and have no impact on the profit and loss account. These instruments are designated as net investment hedges.

A similar hedging relationship is set up to hedge the foreign exchange risk on net foreign currency assets of consolidated branches and subsidiaries. Fair value hedges are used to hedge the foreign exchange risk on equity investments in non-consolidated companies. During 2010, only negligible amounts of hedges in net investments were disqualified from hedge accounting.

The Group hedges the variability of components of BNP Paribas' earnings, in particular the highly-probable future revenue streams (mainly interest income and fees) denominated in currencies other than the euro generated by the Group's main businesses, subsidiaries or branches.

- Hedging of financial instruments recognised in the balance sheet (fair value hedges)

Fair value hedges of interest rate risks relate either to identified fixed-rate assets or liabilities, or to portfolios of fixed-rate assets or liabilities. Derivatives are contracted to reduce the exposure of the fair value of these instruments to changes in interest rates.

Identified assets consist mainly of available-for-sale securities; identified liabilities consist mainly of debt issued by the Group.

Hedges of portfolios of financial assets and liabilities, constructed by currency, relate to:

- fixed-rate loans (property loans, equipment loans, consumer credit and export loans);
- fixed-rate customer deposits (demand deposits, funds deposited under home savings contracts).

To identify the hedged amount, the residual balance of the hedged item is split into maturity bands, and a separate amount is designated for each band. The maturity split is determined on the basis of the contractual terms of the transactions and historical observations of customer behaviour (prepayment assumptions and estimated default rates).

Demand deposits, which do not bear interest at contractual rates, are qualified as fixed rate medium-term financial liabilities. Consequently, the value of these liabilities is sensitive to changes in interest rates. Estimates of future cash outflows are based on historical analyses. No allowance is made prospectively for the effects of potential increases in customer wealth or for the effects of inflation.

For each hedging relationship, expected hedge effectiveness is measured by ensuring that for each maturity band, the fair value of the hedged items is greater than the fair value of the designated hedging instruments.

Actual effectiveness is assessed on an ex-post basis by ensuring that the monthly change in the fair value of hedged items since the start of the month does not indicate any over-hedging.

- Cash Flow Hedge

In terms of interest rate risk, the Group uses derivative instruments to hedge fluctuations in income and expenses arising on floating-rate assets and liabilities. Highly probable forecast transactions are also hedged. Hedged items are split into maturity bands by currency and benchmark interest rate. After factoring in prepayment assumptions and estimated default rates, the Group uses derivatives to hedge some or all of the risk exposure generated by these floating-rate instruments.

In terms of foreign exchange risk, the Group hedges against variability in components of consolidated earnings. In particular, the Group may hedge future revenue flows (especially interest and fee/commission income) derived from operations carried out by its main subsidiaries and/or branches in a currency other than their functional currencies. As in the case of interest rate hedges, the effectiveness of these hedging relationships is documented and assessed on the basis of forecast maturity bands.

The table below concerns the scope of BNP Paribas SA’s medium- and long-term transactions and shows the amount of hedged future cash flows (split by forecast date of realisation), which constitute the majority of the Group's transactions.

Table 14: Cash flows hedged

In millions of euros	31 December 2010				31 December 2009			
Period to realisation	less than 1 year	1 to 5 year	more than 5 years	Total	less than 1 year	1 to 5 year	more than 5 years	Total
Hedged cash flows	186	556	607	1,350	115	244	332	691

In the year ended 31 December 2010, only one hedge of future income representing a non-material amountwas requalified as ineligible for hedge accounting on the grounds that the related future event would be no longer highly probable (see note 2.c).

4.f OPERATIONAL RISK

RISK MANAGEMENT FRAMEWORK

- Regulatory framework

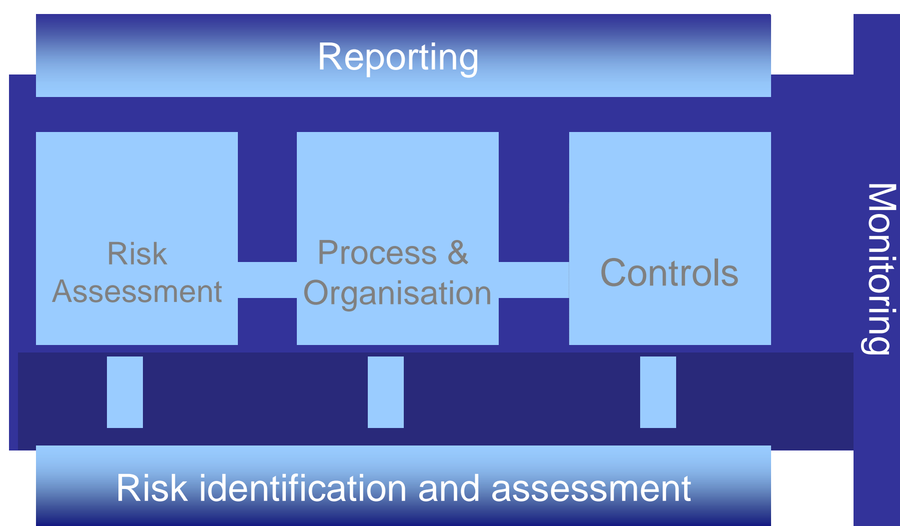
Operational risk management is governed by a strict regulatory framework:

- Basel II, which requires the allocation of capital to operational risks;
- Regulation CRBF 97-02 as amended, which requires implementation of a risk management system covering all types of risk and an internal control system that ensures the effectiveness and quality of the Bank's internal operations, the reliability of internal and external information, the security of transactions and compliance with all laws, regulations and internal policies.

- Objectives and principles

To meet this dual requirement of measuring and managing operational risk, BNP Paribas has developed a five-stage iterative risk management process:

- identifying and assessing operational risk;
- formulating, implementing and monitoring permanent controls, including procedures, checks and all organisational elements designed to help to control risk, such as segregation of tasks, management of clearance rights, etc.;
- producing risk measures and calculating the capital charge for operational risk;
- reporting and analysing oversight information relating to the permanent operational control process;
- managing the system through a governance framework that involves members of management, preparing and monitoring action plans.



There are two key components to the system, which are structuring in scope and illustrate the complementary nature of the Group's operational risk and permanent control systems:

- Calculating capital requirements for the BNP Paribas scope excluding Fortis is based on a hybrid approach that combines an internal model with the standardised approach for other entities in the consolidation scope. Under the Advanced Measurement Approach (AMA), loss distributions are modelled and calibrated using two sets of data: historical event data since 2002 for the BNP Paribas Group and the major international banks, and internally constructed potential event scenarios to take better account of the extreme risks to which the Bank is exposed. This model was approved by the French banking supervisor (Autorité de Contrôle Prudentiel) in 2008.
- Widespread use of control plans: BNP Paribas has embarked on a process of formulating "control plans", which have three objectives: harmonising practices, rationalising the system and standardising controls. The project will also cover the Group's international operations and thereby support its growth. It is based on a risk mapping exercise carried out to identify and quantify potential risk scenarios, involving all the Group's core businesses, operational entities, business lines and Group functions.

- Key players and governance

The BNP Paribas Group’s objective is to implement a permanent control and operational risk management system organised around two types of participants:

- Heads of operational entities, who are on the front line of risk management and implementation of systems to manage these risks.
- Specialised teams, who are present at every level of the Group (core businesses, retail operational entities, functions, business lines) and coordinated centrally by the 2OPC team (Oversight of Operational Permanent Control), which is part of Group Compliance and a participant in the Group’s risk management process. 2010 saw an evolution in the role of these teams, with their missions being refocus on two areas:

- coordinating throughout the areas within their remit the definition and implementation of the permanent control and operational risk management system, its standards and methodologies, reporting and related tools;
- acting as a second pair of eyes that is independent of the operational managers to scrutinise operational risk factors and the functioning of the operational risk and permanent control system, and issuing warnings, where appropriate.

More than 300 employees on a full-time equivalent basis are responsible for these supervisory activities.

Issues that arise in relation to permanent operational risk management and business continuity are discussed with the Group’s Executive Committee on a regular basis, and periodically with the Internal Control Coordination Committee. This committee is chaired by the Internal Control Coordinator and brings together key players in the internal control process. The Group’s core businesses, retail operational entities, business lines and functions tailor this governance structure to their own organisations, with the participation of Executive Management. Most other Group entities, particularly the major subsidiaries, have set up a similar structure.

- Scope and nature of risk reporting and measurement

Group Executive Committees, core businesses, retail operational entities, business lines and functions are tasked with overseeing the management of operational and non-compliance risk and permanent control in the areas falling within their remit, in accordance with the Group’s operational risk framework. The committees validate the quality and consistency of reporting data, examine their risk profile in light of the tolerance levels set and assess the quality of risk control procedures in light of their objectives and the risks they incur. They monitor the implementation of risk mitigation measures.

Operational risk management has developped a system of data collection of actual or potential incidents using an approach structured by operational process and entity (activities in a country and a single legal

entity) focusing on the cause-and-effect chain behind events. This information is used as the basis for risk mitigation and prevention measures.

The most significant information is brought to the attention of staff at various levels of the organisation, up to and including executive and decision-making bodies, in line with a predefined information reporting process.

MERGER OF BNP PARIBAS WITH THE BNP PARIBAS AND BGL BNP PARIBAS ENTITIES

The Fortis Group entities acquired by BNP Paribas have a very similar operational risk management system to that of BNP Paribas. BNP Paribas Fortis and BGL BNP Paribas are AMA approved by the CBFA and have established a system that analyses historical incidents and forward-looking data. In time, the BNP Paribas Group's system will be extended to encompass BNP Paribas Fortis and BGL BNP Paribas, and the teams of BNP Paribas Fortis and BGL BNP Paribas are gradually being trained in BNP Paribas' methods and standards.

COMPONENTS OF OPERATIONAL RISK RELATED TO LEGAL, TAX AND INFORMATION SECURITY RISKS

- Legal risk

In each country where it operates, BNP Paribas is bound by specific local regulations applicable to companies engaged in banking, insurance and financial services. The Group is notably required to respect the integrity of the markets and the primacy of clients' interests.

For many years, the Group Legal Department has had an overarching internal control system designed to anticipate, detect, measure and manage legal risks. The system is organised around:

- specific committees:
  - the Executive Legal Affairs Committee;
  - the Global Legal Committee, which coordinates the activities of the legal function throughout the Group in all countries that have their own legal staff, and ensures that the Group's legal policies are consistent and applied in a uniform manner;
  - the Legislation Tracking Committee, which monitors draft legislation, and analyses, interprets and distributes throughout the Group the texts of new laws and regulations, as well as details of changes in French and European case law;
  - the Legal Internal Control Committee, whose focuses include overseeing operational risk;
  - the Litigation Committee, which deals with major litigation proceedings in which the Group is the plaintiff or defendant.
- the participation of the Director of Legal Affairs (or one of his/her representatives) as a standing member of the Internal Control, Risk and Compliance Committee;
- internal procedures and databases providing a framework for (i) managing legal risk, in collaboration with the Compliance function for all matters which also fall under their responsibility, and (ii) overseeing the activities of the Group's legal staff and operating staff involved in legal areas. At the end of 2004, a procedures database detailing all internal procedures was set up on the Group intranet;
- legal reviews, which are carried out in Group entities to ensure that local systems for managing legal risks are appropriate, legal risks are properly managed and tools correctly used. Regular visits are made, particularly to countries deemed the most vulnerable, in order to check the effectiveness of the systems developed by international units for managing legal risks;
- internal reporting tools and analytical models, which are upgraded on an ongoing basis by Group Legal Department and contribute to the identification, assessment and analysis of operational risk.

2010 was marked by the launch of analysis and working groups aimed at making the legal teams more pro-active and promoting a single quality standard for legal services throughout the Group. Several priorities were identified, such as increasing the monitoring of legal issues at European level, expanding the control framework for external contracting and knowledge management.

- Tax risk

In each country where it operates, BNP Paribas is bound by specific local tax regulations applicable to companies engaged for example in banking, insurance or financial services.

The Group Tax Department is a global function, responsible for overseeing the consistency of the Group's tax affairs. It also shares responsibility for monitoring global tax risks with Group Development and Finance. The Group Tax Department performs controls to ensure that tax risks remain at an acceptable level and are consistent with the Group's reputation and profitability objectives.

To ensure its mission, the Group Tax Department has established:

- a network of dedicated tax specialists in 16 countries completed by tax correspondents covering other countries where the Group operates;
- a qualitative data reporting system in order to manage tax risks and assess compliance with local tax laws;
- regular reporting to Group Executive Management on the use made of delegations of authority and compliance with internal standards.

The Group Tax Department co-chairs the Tax Coordination Committee with Group Development and Finance. The Committee also includes the Compliance function and may involve the core businesses when appropriate. It is responsible for analysing key tax issues for the Group.

In addition, Group Development and Finance is obliged to consult the Group Tax Department on any tax issues arising on transactions processed.

- Lastly, the Group Tax Department has drawn up procedures covering all core businesses, designed to ensure that tax risks are identified, addressed and controlled appropriately.

- Information security

Information is a key commodity for banks and effective management of information security risk is vital in an era of near full-scale migration to electronic media, growing demand for swift online processing of ever more sophisticated transactions, and widespread use of the internet or multiple networks as the primary interface between a bank and its individual or institutional customers.

Incidents reported in different countries involving banking and credit/payment card industries highlight the increased need for vigilance. This topic has been reiterated by regulations and case law on data protection.

The rules governing information security at BNP Paribas are set out in various types of reference documents. These include a general security policy; more specific policies for various issues related to information systems security; ISO 27001 requirements; practical guides to security requirements; and operational procedures.

The security framework is drilled down to each individual business line, taking account of any regulatory requirements and the risk appetite of the business line in question. It is governed by the Group's general security policy. Each business line takes the same approach to managing information security. The primary methodology used is ISO 27005, supported by the French methodology EBIOS, common objective indicators, control plans, residual risk assessments and action plans. This approach is part of the permanent and periodic control framework set up for each banking activity pursuant to CRBF regulation 97-02 (amended in 2004) in France and similar regulations in other countries.

Each of BNP Paribas' business lines is exposed to some specific form of information security risk, with some risks common to all businesses. The Group's policy for managing these risks takes into consideration the specific nature of the business, often made more complex by legally and culturally-specific regulations in the different countries in which the Group does business.

BNP Paribas takes a continuous progress approach to information security. Apart from investing heavily in protecting its information systems assets and information resources, the level of security must be supervised and controlled continuously. This enables the Bank to adjust swiftly to new threats caused by cyber crime. One of the effects of this continuous progress approach is that investments are made at Group level to develop and improve the management of authorisations and controls over access to the most important applications used by the business lines.

The availability of information systems is vital to allow BNP Paribas to continue operating in a crisis or emergency. Although it is impossible to guarantee 100% availability, the Group maintains, improves and regularly verifies the information back-up capabilities and system robustness, in line with its values of operational excellence, in response to tighter regulations and extreme stress scenarios (natural disasters or other catastrophes, health pandemics, etc.). Its action in this area is consistent with the Group's general business continuity plan.

BNP Paribas seeks to minimise information security risk and optimise resources by:

- setting up a procedural framework for each business line governing day-to-day data production and management of existing software and new applications;
- raising employees' awareness of information security imperatives and training key players in the appropriate procedures and behaviours related to information system resources;
- adopting a formal approach for evaluating systems and improving management of security risks through measurable key performance indicators and action plans. This approach is applicable to business projects and shared information system architecture and applications, and is embedded within the Group's system of permanent and periodic controls;
- monitoring incidents and developing intelligence of technological vulnerability and information systems attacks.

INSURANCE POLICIES

Risks incurred by the BNP Paribas Group may be covered by major insurers with the dual aim of protecting its balance sheet and profit and loss account.

The Group's insurance policy is based on an in-depth identification of risks underpinned by detailed operating loss data. The risks identified are then mapped and their impact quantified.

The Group purchases insurance from leading insurers in the market covering fraud, theft, property and casualty, business disruption, liability and other risks for which it may be held responsible.

In order to optimise costs and effectively manage its exposure, the Group self-insures some well identified risks whose impact in terms of frequency and cost is known or can be adequately estimated.

In selecting insurers, the Group pays close attention to the credit rating and claims paying ability of the companies concerned.

Detailed information on risks incurred by BNP Paribas as well as risk assessment visits, enable insurers to assess the quality of coverage and risk prevention within the Group, as well as the safeguard measures put in place and upgraded on a regular basis in light of new standards and regulations.

4.g COMPLIANCE AND REPUTATION RISKS

Effective management of compliance risk is a core component of the Bank's internal control framework and covers adherence to applicable laws, regulations, codes of conduct and standards of good practice. Compliance also involves protecting the Group's reputation as well as the reputation of its investors and customers; ensuring that members of staff act in an ethical manner and avoid conflicts of interest; protecting the interests of its customers and the integrity of the market; implementing anti-money laundering procedures, combating corruption and terrorist financing; and respecting financial embargos.

As required by French regulations, the Compliance function manages compliance risk for all of the Group's domestic and international businesses. The Compliance Function reports to the Chief Executive Officer and has direct, independent access to the Board's Internal Control, Risk and Compliance Committee.

The function includes a central structure in Paris responsible for overseeing and supervising all compliance matters, and local teams within the Group’s various core businesses, retail operational entities, business lines and functions acting under delegated authority from the central team. This system has been reinforced on a regular basis since 2004.

Management of compliance and reputation risks is based on a system of permanent controls built on four axes:

- general and specific procedures;
- coordination of action taken within the Group to guarantee the consistency and effectiveness of monitoring systems and tools;
- deployment of tools for detecting and preventing money laundering, terrorist financing and corruption, and detecting market abuses, etc.;
- training, both at Group level and in the divisions and business lines.

Protecting the Bank's reputation is high on the Group's agenda. It requires ongoing revisions to the risk management policy in line with developments in the external environment. The Group has strengthened its anti-money laundering, terrorist financing and corruption techniques due to the international climate, the increasing number of fraudulent practices and the introduction of tighter regulations by many countries. Following discussion with the US Department of Justice and the New York County District Attorney’s Office, the Bank has decided to conduct an internal review of certain U.S. dollar payments involving countries, persons and entities that could be subject to U.S. sanctions.

4.h LIQUIDITY AND REFINANCING RISK

Liquidity and refinancing risk is the risk of the Bank being unable to fulfil current or future foreseen or unforeseen cash or collateral requirements without affecting routine transactions or its financial position.

Liquidity and refinancing risk is managed through a global liquidity policy approved by Group Executive Management. This policy is based on management principles designed to apply both in normal conditions and in a liquidity crisis. The Group's liquidity position is assessed on the basis of internal standards, warning flags and regulatory ratios.

LIQUIDITY RISK MANAGEMENT POLICY

- Policy objectives

The objectives of the Group's liquidity management policy are to (i) secure a balanced financing mix to support BNP Paribas' development strategy; (ii) ensure that the Group is always in a position to discharge its obligations to its customers; (iii) ensure that it does not trigger a systemic crisis solely by its own actions; (iv) comply with the standards set by the local banking supervisor; (v) keep the cost of refinancing as low as possible; and (vi) cope with any liquidity crises.

- Roles and responsibilities in liquidity risk management

The Group's Executive Committee sets the general liquidity risk management policy, including risk measurement principles, acceptable risk levels and the internal billing system. Responsibility for monitoring and implementation has been delegated to the Group ALM Committee. The Internal Control, Risk and Compliance Committee reports quarterly to the Board of Directors on liquidity policy principles and the Bank's position.

Group ALM Committee authorizes implementation of the liquidity policy proposed by ALM Treasury, and which relies on the principles set by the Executive Committee. The Executive Committee is notably informed on a regular basis of liquidity indicators, results of stress tests, and the execution of financing programmes. It is also informed of any crisis situation, and is responsible for deciding on the allocation of crisis management roles and approving emergency plans.

After validation by Group ALM Committee, ALM-Treasury is responsible for implementing the policy at both central and individual entity level.

The business line and entity ALM committees implement at local level the strategy approved by Group ALM Committee.

GRM contributes to defining liquidity policy principles. It also provides second-line control by validating the models, risk indicators (including liquidity stress tests), limits and market parameters used. GRM is a member of Group ALM Committee and the business lines / entities ALCOs.

- Centralised liquidity risk management

Liquidity risk is managed centrally by ALM-Treasury across all maturities. The Treasury unit is responsible for refinancing and for short-term issues (certificates of deposit, commercial paper, etc.), while the ALM unit is responsible for senior and subordinated debt issues (MTNs, bonds, medium/long-term deposits, covered bonds, etc), preferred share issues, and loan securitisation programmes for the retail banking business and the financing business lines within Corporate and Investment Banking. ALM-Treasury is also tasked with providing financing to the Group's core businesses, operational entities and business lines, and investing their surplus cash.

LIQUIDITY RISK MANAGEMENT AND SUPERVISION

Liquidity risk management and supervision is predicated on the following four factors:

- internal standards and indicators at various maturities;
- regulatory ratios;
- available refinancing capacity;
- other measures supplementing these indicators.

▪ Liquidity management is based on a full range of internal standards and indicators at various maturities.

  An overnight target is set for each Treasury unit, limiting the amount raised on interbank overnight markets. This applies to the major currencies in which the Group operates.

  The Group's consolidated liquidity position by maturity (1 month, 3 months, 6 months, then annually to 15 years) is measured regularly by business line and currency.

  Liquidity stress tests are performed, on a regular basis, based on market factors and/or factors specific to BNP Paribas that would adversely affect its liquidity position.

  Medium and long term liquidity management is mainly based on the medium and long term liabilities vs assets mismatch analysis.

  At a one year horizon, the liabilities/assets ratio has to be greater than 85%. It is also monitored on the 2 to 5 years maturities. This ratio is based on the liquidity schedules of the balance sheet and off-balance sheet items for all Group entities (contractuals as well as conventionals), under assumptions concerning clients behaviour (anticipated pre-payments on loans, customers behaviour modelling for regulated savings accounts) or under a number of conventions.

▪ In addition, regulatory ratios complete the liquidity risk management framework.

  These include the 1-month liquidity ratio, which is calculated monthly for the parent company BNP Paribas SA (French operations and branches) and separately by each subsidiary concerned by the regulations.

  Foreign subsidiaries and branches may be required to comply with local regulatory ratios.

▪ The available refinancing capacity required to cope with an unexpected surge in liquidity needs is regularly measured at Group level. It mainly comprises available securities and loans eligible for central bank refinancing, available ineligible securities that can be sold under repurchase agreements or immediately on the market, and overnight loans not bound to be renewed.

▪ These arrangements are supplemented by additional measures: diversification of BNP Paribas' sources of short-term funds on a worldwide basis to ensure that it is not dependent on a too limited number of capital providers, monitoring of trends in liquidity spreads and the renewal of market-based funding.

RISK EXPOSURE IN 2010

- Consolidated balance sheet evolution

The Group had total assets of EUR 1,998 billion at 31 December 2010.

The loan-to-deposit ratio[9] stood at 121% at 31 December 2010 (unchanged compared with 31 December 2009).

A net total of EUR 1,097 billion in assets were due to be refinanced at 31 December 2010, representing a drop of EUR 119 billion compared with 31 December 2009, deriving in particular from a fall in interbank assets and those placed with central banks (EUR -49 billion) and a decrease in net trading assets and liabilities (EUR -19 billion) and net accrued income and expenses (EUR -13 billion).

This reduction resulted in a corresponding decline in interbank liabilities and repurchase agreements (down EUR -88 billion).

- Internal medium and long-term liquidity ratios

Over one year liabilities/assets ratio was 86% at the end of December 2010 for the consolidated BNP Paribas Group, versus 87% at end-December 2009.

- Regulatory liquidity ratios

The average one-month regulatory liquidity ratio for BNP Paribas SA (mother company and branches) was 136% in 2010 compared with a minimum requirement of 100%.

RISK MITIGATION TECHNIQUES

Whithin the normal course of the liquidity management or in the event of a liquidity crisis, the Group's most liquid assets constitute a financing reserve enabling the Bank to adjust its treasury position by selling them in the open market, in the repos market or by pledging them as collateral to a central bank.

Less liquid assets may be transformed into liquid assets by securitizing pools of loans granted to retail banking clients as well as pools of corporate loans.

The diversification of the financing sources by market, maturity and structure carried on during 2010.

Accordingly, the Group also expanded its sources of funding through the collateralisation of assets (increased volumes and pool allocation strategy). As a result, the secured debt (with an initial maturity of over 1 year) issued in 2010 are the following :

- EUR 5.7 billion BNP Paribas Home Loan Covered Bonds issues, with US dollars 2 billion inaugural issue, 5 years maturity;
- EUR 2 billion BNP Paribas Public Sector SCF issues (two EUR 1 billion issues, maturities 10 years and 5 years);
- EUR 0.8 billion borrowed from CRH (Caisse de Refinancement de l'Habitat).

[9] Repos not distributed via the networks have been excluded in the calculation of this ratio.

Liabilities from “deposit product line”, set up in ordor to diversify the corporates and institutional depositors base, rose by 13% at EUR 19 billion. Accordingly, the interbank borrowing advances decrease in 2010.

Liabilities raised by the Bank in the markets with an initial maturity of over 1 year came to EUR 36.5 billion in 2010 (EUR 45.7 billion in 2009), mainly in euros, US dollars, yen and Australian dollars. In addition, senior issues with a maturity of 1 year were launched raising EUR 7.3 billion, chiefly in euros, US dollars and sterling.

- Proprietary securitisations

(See the section on Proprietary securitisation in note 4.d).

4.i INSURANCE RISKS

The insurance subsidiaries' risk exposures result from the sale, in France and abroad, of savings and protection contracts.

FINANCIAL RISKS

Financial risks arise mainly in the Savings business, which accounts for over 95% of the insurance subsidiaries' liabilities.

There are three types of financial risk:

- Interest rate risk

Policyholder yields on non-unit-linked life insurance policies are based on either a fixed rate specified in the policy or a variable rate, with or without a fixed floor rate. All of these policies give rise to an interest rate risk, corresponding to the risk that the return on admissible assets (i.e. assets acquired by investing premiums) is less than the contractual yield payable to policyholders.

This risk is managed centrally by the BNP Paribas Assurance Asset/Liability Management unit, which coordinates its activities with the BNP Paribas ALM-Treasury Department. Regular asset-liability matching reviews are performed to measure and manage the financial risks, based on medium and/or long-term income statement and balance sheet projections prepared according to various economic scenarios. The results of these reviews are analysed in order to determine any adjustments to assets (through diversification, use of derivatives, etc.) that are required to reduce the risks arising from changes in interest rates and asset values.

In France, to cover future potential financial losses, estimated over the life of the policies, a provision for future adverse deviation (*provision pour aléas financiers*) is booked when total amount of technical interest plus the guaranteed yield payable to policyholders through technical reserves is not covered by 80% of the yield on the admissible assets. No provision for future adverse deviation was booked at 31 December 2010 or 2009 as the yields guaranteed by the insurance subsidiaries are low and the guarantees are for short periods, resulting in only limited exposure.

- Surrender risk

Savings contracts include a surrender clause allowing insured people to request reimbursement of all or part of their accumulated savings. The insurer is exposed to the risk of surrender rates being higher than the forecasts used for ALM purposes, which may force it to sell assets at a loss.

The surrender risk is limited, however, as:

- Most policies provide for the temporary suspension of surrender rights in the event that the insurer's financial position were to be severely impaired such that the surrenders would deprive other policyholders of the ability to exercise their rights.
- Policyholder behaviour is monitored on an ongoing basis, in order to regularly align the duration of assets with that of the corresponding liabilities and reduce the risk of abrupt, large-scale asset sales. Changes in assets and liabilities are projected over periods of up to 40 years, in order to identify mismatches giving rise to a liquidity risk. These analyses are then used to determine the choice of maturities for new investments and the assets to be sold.
- In addition to the guaranteed yield, policyholders are paid dividends that raise the total yield to a level in line with market benchmarks. These dividends, which are partly discretionary, reduce the risk of an increase in surrender rates in periods of rising market interest rates.
- The return on financial assets is protected mainly through the use of hedging instruments.

- Unit-linked contracts with a capital guarantee

The carrying amount of linked liabilities is equal to the sum of the fair values of the assets held in the unit-linked portfolios. The insurer's liability is therefore covered by corresponding assets. The match between linked liabilities and the related assets is checked at monthly intervals.

Certain unit-linked contracts include whole life cover providing for the payment of a death benefit at least equal to the cumulative premiums invested in the contract, whatever the conditions on the financial markets at the time of the insured's death. The risk on these contracts is both statistical (probability of a claim) and financial (market value of the units).

The capital guarantee is generally subject to certain limits. In France, for example, most contracts limit the guarantee to one year and a maximum of EUR 765,000 per insured. In addition, the guarantee is not normally available beyond the insured's 80th birthday.

The capital guarantee reserve is (re)assessed every quarter and takes into account the probability of death, based on a deterministic scenario, and stochastic analyses of changing financial market prices. The capital guarantee reserve amounted to EUR 16 million at 31 December 2010 (versus EUR 19 million at 31 December 2009).

INSURANCE UNDERWRITING RISKS

The insurance underwriting risks arise mainly in the Protection Business Line, which accounts for some 5% of the insurance subsidiaries' liabilities.

They result mainly from the sale of loan protection insurance worldwide and other personal risk insurance (individual death and disability, extended warranty, annuity policies in France).

The actuarial oversight system set up to prevent and control actuarial risks in France and internationally is based on guidelines and tools that describe (i) the principles, rules, methods and best practices to be followed by each actuary throughout the policies' life cycle, (ii) the tasks to be performed by the actuaries and their reporting obligations and (iii) practices that are banned or that are allowed only if certain conditions are met.

Underwriting limits are set at various local and central levels, based on capital at risk, estimated maximum acceptable losses and estimated margins on the policies concerned. The experience acquired in managing geographically diversified portfolios is used to regularly update risk pricing databases comprising a wide range of criteria such as credit risk, the type of guarantee and the insured population). Each contract is priced by reference to the margin and return-on-equity targets set by the executive management of BNP Paribas Assurance.

Risk exposures are monitored at quarterly intervals by BNP Paribas Assurance's Executive Committee, based on an analysis of loss ratios.

Loan protection insurance covers death, total or partial disability, loss of employment and financial loss risks for personal loans and home loans. The insurance book comprises a very large number of individual policies representing low risks and low premiums. Margins depend on the size of the insurance book, effective pooling of risks and tight control of administrative costs.

Loss ratios for annuity contracts are based on mortality tables applicable under insurance regulations, adjusted in some cases by portfolio specific data which is certified by independent actuaries. Annuity risks are low.

Actual loss ratios are compared with forecast ratios on a regular basis by the actuarial department, and premium rates are adjusted when necessary.

The insurance subscription risks are covered by various technical reserves, including the unearned premiums reserve generally calculated on an accruals basis policy-by-policy, the outstanding claims reserve, determined by reference to reported claims, and the IBNR (claims incurred but not reported) reserve, determined on the basis of either observed settlements or the expected number of claims and the average cost per claim.

5. NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2010

5.a FINANCIAL ASSETS, FINANCIAL LIABILITIES AND DERIVATIVES 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 issue.

In millions of euros	31 December 2010			31 December 2009		
	Trading book	Assets designated at fair value through profit or loss	TOTAL	Trading book	Assets designated at fair value through profit or loss	TOTAL
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Negotiable certificates of deposit	51,612	147	51,759	59,260	398	59,658
Treasury bills and other bills eligible for central bank refinancing	39,260	-	39,260	41,695	3	41,698
Other negotiable certificates of deposit	12,352	147	12,499	17,565	395	17,960
Bonds	102,454	6,985	109,439	88,421	6,608	95,029
Government bonds	69,704	489	70,193	56,876	501	57,377
Other bonds	32,750	6,496	39,246	31,545	6,107	37,652
Equities and other variable-income securities	68,281	42,901	111,182	58,393	38,892	97,285
Repurchase agreements	210,904	47	210,951	208,810	47	208,857
Loans	725	1,106	1,831	858	3,392	4,250
Trading book derivatives	347,783	-	347,783	363,705	-	363,705
Currency derivatives	31,017		31,017	29,426		29,426
Interest rate derivatives	239,985		239,985	217,983		217,983
Equity derivatives	39,397		39,397	70,239		70,239
Credit derivatives	30,349		30,349	35,528		35,528
Other derivatives	7,035		7,035	10,529		10,529
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	781,759	51,186	832,945	779,447	49,337	828,784
of which loaned securities	*30,565*		*30,565*	*25,545*		*25,545*
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						
Borrowed securities and short selling	102,060	-	102,060	83,214	-	83,214
Repurchase agreements	223,362	-	223,362	209,293	-	209,293
Borrowings	1,170	2,178	3,348	1,884	2,962	4,846
Debt securities (note 5.h)	-	47,735	47,735	-	52,228	52,228
Subordinated debt	-	3,108	3,108	-	3,604	3,604
Perpetual subordinated debt	-	1,587	1,587	-	1,915	1,915
Redeemable subordinated debt (note 5.h)	-	1,521	1,521	-	1,689	1,689
Trading book derivatives	345,492	-	345,492	356,152	-	356,152
Currency derivatives	30,234		30,234	29,492		29,492
Interest rate derivatives	236,416		236,416	210,798		210,798
Equity derivatives	40,927		40,927	67,762		67,762
Credit derivatives	30,263		30,263	35,466		35,466
Other derivatives	7,652		7,652	12,634		12,634
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	672,084	53,021	725,105	650,543	58,794	709,337

FINANCIAL INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

Admissible investments related to unit-linked insurance business include securities issued by the Group's consolidated entities, which are not eliminated upon consolidation in order to keep the figures shown in respect of the assets invested under these contracts at the same level as the technical reserves set aside in respect of the corresponding policyholder liabilities. The fixed-income securities (certificates and EMTNs) not eliminated upon consolidation amounted to EUR 634 million at 31 December 2010 compared with EUR 748 million at 31 December 2009 and variable-rate securities (shares mainly issued by BNP Paribas SA) came to EUR 19 million at 31 December 2010 compared with EUR 16 million at 31 December 2009. Eliminating these securities would not have a material impact on the financial statements for the period.

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

Financial liabilities at fair value through profit or loss mainly comprise issues originated and structured on behalf of customers, where the risk exposure is managed in combination with the hedging strategy. These types of issue contain significant embedded derivatives, whose changes in value are cancelled out by changes in the value of the hedging instrument.

The redemption value of financial liabilities designated at fair value through profit or loss at 31 December 2010 was EUR 58,356 million (EUR 64,475 million at 31 December 2009). Their fair value takes into account any change attributable to issuer risk relating to the BNP Paribas Group itself in respect of the Group's conditions of issuance. The carrying value of the liabilities stated at fair value declined by EUR 457 million (EUR 362 million at 31 December 2009).

- Subordinated Debt

The Group has designated certain subordinated debt as at fair value through profit and loss in order to eliminate the potential accounting differences resulting from the embedded derivatives and associated securities as a result of hedges.

Subordinated debt mainly comprises an issue of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) made by Fortis Bank (now BNP Paribas Fortis) in December 2007, for a nominal amount of EUR 3,000 million and a market value of EUR 1,500 million at 31 December 2010. The interest rate on these securities is 3-month Euribor plus 2% and interest is paid quarterly in arrears.

The CASHES are perpetual securities but may be exchanged for Fortis SA/NV (renamed Ageas) shares at the holder's sole discretion at a price of EUR 23.94. However, as of 19 December 2014, the CASHES will be automatically exchanged into Fortis SA/NV shares if the price is equal to or higher than EUR 35.91 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the 125,313,283 Fortis SA/NV shares that Fortis Bank acquired on the date of issuance of the CASHES and pledged to them: they are recognised as financial assets and measured at fair value through profit or loss, which amounted to EUR 214 million at 31 December 2010 (EUR 328 million at 31 December 2009). Fortis SA/NV and Fortis Bank have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on Fortis Bank of the relative difference between changes in the value of the CASHES and changes in the value of the Fortis SA/NV shares. At 31 December 2010, the value of the RPN was EUR 635 million (EUR 641 million at 31 December 2009) recognised on the balance sheet under "Derivative

instruments held for trading" (Financial assets at fair value through profit or loss). On the basis of this RPN value, the debtor pays the creditor interest at 3-month Euribor plus 20 basis points, for which BNP Paribas has a guarantee from the Belgian government.

The net balance represents a subordinated liability of EUR 651 million that is permitted for inclusion in Tier 1 capital.

DERIVATIVE FINANCIAL INSTRUMENTS HELD FOR TRADING

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

Trading account derivative instruments also include derivatives contracted to hedge financial assets or financial liabilities but 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.

The positive or negative fair value of derivative instruments classified in the trading book represents the replacement value of these instruments. This value may fluctuate significantly in response to changes in market parameters (such as interest rates or exchange rates).

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	31 December 2010	31 December 2009
Trading book derivatives	44,200,645	41,557,195
Currency derivatives	2,019,347	1,746,509
Interest rate derivatives	37,904,560	36,509,248
Equity derivatives	1,703,970	1,540,515
Credit derivatives	2,370,101	1,591,712
Other derivatives	202,667	169,211

Derivatives traded on organised markets represented 45% of the Group's derivatives transactions at 31 December 2010 (42% at 31 December 2009).

5.b DERIVATIVES USED FOR HEDGING PURPOSES

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

In millions of euros	31 December 2010		31 December 2009	
	Negative fair value	Positive fair value	Negative fair value	Positive fair value
FAIR VALUE HEDGES	7,736	3,788	7,658	3,348
Currency derivatives	1	1	10	6
Interest rate derivatives	7,681	3,787	7,554	3,306
Other derivatives	54	-	94	36
CASH FLOW HEDGES	740	1,647	445	1,591
Currency derivatives	137	62	40	47
Interest rate derivatives	360	1,422	375	1,210
Other derivatives	243	163	30	334
NET FOREIGN INVESTMENT HEDGES	4	5	5	13
Currency derivatives	4	5	5	13
DERIVATIVES USED FOR HEDGING PURPOSES	8,480	5,440	8,108	4,952

The total notional amount of derivatives used for hedging purposes stood at EUR 577,464 million at 31 December 2010, compared with EUR 482,932 million at 31 December 2009.

Derivatives used for hedging purposes are primarily contracted on over-the-counter markets.

5.c AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are measured at fair value or model value for unlisted securities.

In millions of euros	31 December 2010	31 December 2009
Fixed-income securities	202,561	201,716
Treasury bills and other bills eligible for central bank refinancing	25,289	20,387
Other negotiable certificates of deposit	7,154	7,890
Government bonds	123,907	122,903
Other bonds	46,211	50,536
Variable-income securities	17,397	19,709
Listed securities	9,104	9,700
Unlisted securities	8,293	10,009
Total available-for-sale financial assets	219,958	221,425
of which loaned securities	*433*	*651*
of which changes in value recognised directly in equity		
Fixed-income securities	*(2,554)*	*2,100*
Variable-income securities	*2,953*	*2,299*
of which provisions for impairment recognised in the profit and loss account		
Fixed-income securities	*(454)*	*(432)*
Variable-income securities	*(3,261)*	*(2,766)*

5.d MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments are classified into three levels in descending order of the observability of their value and of the inputs used for their valuation:

- Level 1 – Financial instruments with quoted market prices:

This level comprises financial instruments with quoted prices in an active market that can be used directly.

It notably includes liquid shares and bonds, borrowings and short sales of these instruments, derivatives traded on organised markets (futures and options, etc.), and units in funds with net asset value calculated on a daily basis.

- Level 2 - Financial instruments measured using valuation techniques based on observable inputs:

This level consists of financial instruments measured by reference to the price of similar instruments quoted in an active market or to identical or similar instruments quoted in a non-active market, but for which transaction prices are readily and regularly available on the market or, lastly, instruments measured using valuation techniques based on observable inputs.

This level notably includes illiquid shares with low liquidity and bonds, borrowings and short sales of these instruments, short-term repurchase agreements not measured based on a quoted price directly observed in the market, units in civil property companies (SCIs) held in unit-linked contract portfolios, where the underlying assets are appraised from time to time using observable market data, units in funds for which liquidity is provided on a regular basis, derivatives traded in OTC markets measured using techniques based on observable inputs and structured debt issues measured using only observable inputs.

- Level 3 - Financial instruments measured using valuation techniques based on non-observable inputs:

This level comprises financial instruments measured using valuation techniques based wholly or partially on non-observable inputs. A non-observable input is defined as a parameter, the value of which is derived from assumptions or correlations not based either on observable transaction prices in the identical instrument at the measurement date or observable market data available at the same date.

An instrument is classified in Level 3 if a significant portion of its valuation is based on non-observable inputs.

This level notably comprises unlisted shares, bonds measured using valuation models employing at least one significant non-observable input or derived from price data in a non-active market (such as CDO, CLO and ABS units), long-term or structured repurchase agreements, units in funds undergoing liquidation or quotation which have been suspended, complex derivatives with multiple underlyings (hybrid instruments, synthetic CDOs, etc.) and the structured debt underlying these derivatives.

BREAKDOWN BY MEASUREMENT METHOD APPLIED TO FINANCIAL INSTRUMENTS RECOGNISED AT FAIR VALUE PRESENTED IN LINE WITH THE LATEST RECOMMENDATIONS OF IFRS 7.

In millions of euros,	31 December 2010				31 December 2009			
	Quoted market prices (level 1)	Valuation techniques using observable inputs (level 2)	Valuation techniques using non-observable inputs (level 3)	TOTAL	Quoted market prices (level 1)	Valuation techniques using observable inputs (level 2)	Valuation techniques using non-observable inputs (level 3)	TOTAL
FINANCIAL ASSETS								
Financial instruments at fair value through profit or loss held for trading (note 5.a)	179,814	579,064	22,881	781,759	182,584	571,245	25,618	779,447
Financial instruments designated as at fair value through profit or loss (note 5.a)	37,356	12,127	1,703	51,186	31,723	15,784	1,830	49,337
Derivatives used for hedging purposes (note 5.b)	-	5,440	-	5,440	-	4,952	-	4,952
Available-for-sale financial assets (note 5.c.)	163,368	48,436	8,154	219,958	156,736	57,396	7,293	221,425
FINANCIAL LIABILITIES								
Financial instruments at fair value through profit or loss held for trading (note 5.a)	116,858	529,818	25,408	672,084	107,975	514,237	28,331	650,543
Financial instruments designated as at fair value through profit or loss (note 5.a)	5,588	38,696	8,737	53,021	5,390	42,831	10,573	58,794
Derivatives used for hedging purposes (note 5.b)	-	8,480	-	8,480	-	8,108	-	8,108

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

For Level 3 financial instruments, the following movements occurred between 1 January 2010 and 31 December 2010:

In millions of euros in 2010	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
Beginning of the period	25,618	1,830	7,293	34,741	(28,331)	(10,573)	(38,904)
- purchases	5,091	463	1,511	7,065	-		-
- issues	-	-	-	-	(9,206)	(3,957)	(13,163)
- sales	(979)	(139)	(1,066)	(2,184)	-	-	-
- settlements (2)	819	(240)	30	609	2,106	5,555	7,661
Transfers to level 3	2,436	39	1,688	4,163	(312)	(56)	(368)
Transfers from level 3	(5,716)	(361)	(1,866)	(7,943)	5,553	787	6,340
Gains (or losses) recognised in income	(5,027)	111	(97)	(5,013)	5,484	(493)	4,991
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	639	-	55	694	(702)	-	(702)
- Changes in fair value of assets and liabilities recognised in equity	-	-	606	606	-	-	-
End of the period	22,881	1,703	8,154	32,738	(25,408)	(8,737)	(34,145)
Total gains (or losses) in the period recognised in income for instruments outstanding at the end of the period	3,469	88	(86)	3,471	(3,461)	(531)	(3,992)

In millions of euros in 2009	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
Beginning of the period	36,327	2,813	12,117	51,257	(20,333)	(10,090)	(30,423)
- purchases (1)	6,840	405	1,556	8,801	(1,952)	(368)	(2,320)
- issues	-	-	-	-	(5,922)	(3,842)	(9,764)
- sales	(4,115)	(1,102)	(4,291)	(9,508)	-	-	-
- settlements (2)	(1,569)	(118)	(800)	(2,487)	(3,304)	3,651	347
Reclassifications (3)	(2,760)	-	(1,158)	(3,918)	-	-	-
Transfers to level 3	893		36	929	(64)	-	(64)
Transfers from level 3	(1,868)	(278)	(4)	(2,150)	51	-	51
Gains (or losses) recognised in income	(10,163)	108	142	(9,913)	4,409	76	4,485
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	2,033	2	79	2,114	(1,216)	-	(1,216)
- Changes in fair value of assets and liabilities recognised in equity	-	-	(384)	(384)	-	-	-
End of the period	25,618	1,830	7,293	34,741	(28,331)	(10,573)	(38,904)
Total gains (or losses) in the period recognised in income for instruments outstanding at the end of the period	(3,367)	94	235	(3,038)	3,387	365	3,752

(1) Includes instruments resulting from the consolidation of Fortis Banque by the BNP Paribas Group.
(2) For the assets, includes redemptions of principal, interest payments as well as cash inflows and outflows relating to derivatives whose fair value is positive. For the liabilities, includes principal redemptions, interest payments as well as cash inflows and outflows relating to derivatives whose fair value is negative.
(3) These are financial instruments initially recognised at fair value and reclassified as loans and receivables.

The Level 3 financial instruments may be hedged by other Level 1 and/or Level 2 instruments, the gains and losses on 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. More particularly, losses and gains on financial assets and liabilities at fair value through profit or loss held for trading purposes, amounting respectively to EUR 5,027 million and EUR 5,484 million at 31 December 2010 (compared with EUR 10,163 million and EUR 4,409 million at 31 December 2009), primarily correspond to changes in the value of CDO positions classified in Level 3 hedged by CDS positions classified in Level 2.

SENSITIVITY OF MODEL VALUES TO REASONABLY LIKELY CHANGES IN LEVEL 3 ASSUMPTIONS

Trading portfolio instruments, which are managed using dynamic risk hedging, generally complex derivatives, are subject to value adjustments for the portfolio's model risks.

These value adjustments help to factor in risks not included in the model and the uncertainty inherent in the estimate of the inputs and form a component of the fair value of these portfolios.

To measure the sensitivity of the portfolio's fair value to a change in assumptions, the following two scenarios were considered: a favourable scenario in which no valuations of Level 3 financial instruments require value adjustments for and an unfavourable scenario in which all these valuations require a model risk value adjustment of double the size.

Based on this method, each position (portfolios of instruments managed together with netting of risks) is considered individually, and no diversification effect between non-observable inputs of a different type is taken into account.

The sensitivity of the fair value of securities positions, be they trading portfolio securities, available-for-sale assets or instruments designated as at fair value through profit or loss, is based on a change of 1% in fair value. For instruments with doubtful counterparties, sensitivity is calculated based on the scenario of a 1% change in the assumed recovery rate.

	31 December 2010		31 December 2009	
In millions of euros	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Financial instruments at fair value through profit or loss held for trading or designated as at fair value (1)	+/- 1 304		+/- 1 418	
Available-for-sale financial assets		+/- 91		+/- 81

(1) Financial instruments at fair value through profit or loss are presented under the same heading, whether they are part of the trading portfolio or have been designated at fair value through profit or loss, as sensitivity is calculated on the net positions in instruments classified as Level 3 regardless of their accounting classification

DEFERRED MARGIN ON FINANCIAL INSTRUMENTS MEASURED USING TECHNIQUES DEVELOPED INTERNALLY AND BASED ON INPUTS PARTLY NON-OBSERVABLE 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 reserves for uncertainties as described previously and taken back to profit or loss over the expected period for which the inputs will be non-observable. The yet to be unamortised amount is included under “Financial instruments held for trading purposes at fair value through profit or loss” as a reduction in the fair value of the relevant complex transactions.

Changes in the deferred margin included in the price of derivatives sold to clients and measured with internal models based on non-observable inputs (“day one profit”) can be analysed as follows over 2009 and 2010:

In millions of euros	31 December 2010	31 December 2009
Deferred margin at the beginning of the period	860	710
Deferred margin on transactions during the year	437	580
Margin taken to the profit and loss account during the year	(377)	(430)
Deferred margin at the end of the period	920	860

5.e RECLASSIFICATION OF FINANCIAL INSTRUMENTS INITIALLY RECOGNISED AT FAIR VALUE THROUGH PROFIT OR LOSS HELD FOR TRADING PURPOSES OR AS AVAILABLE-FOR-SALE ASSETS

The amendments to IAS 39 and IFRS 7 adopted by the European Union on 15 October 2008 permitted the reclassification of instruments initially held for trading or available-for-sale within the customer loan portfolios or as securities available-for-sale.

These reclassifications were made during the fourth quarter of 2008 and during the first half of 2009. Data concerning these assets at the date of transfer are as follows:

In millions of euros	Carrying value		Expected cash flows deemed recoverable		Average effective interest rate	
	1st half of 2009	4th quarter of 2008	1st half of 2009	4th quarter of 2008	1st half of 2009	4th quarter of 2008
Financial assets reclassified from the trading portfolio	2,760	7,844	3,345	8,694		
Into loans and receivables due from customers	2,760	7,077	3,345	7,904	8.4%	7.6%
Into available-for-sale assets	-	767	-	790		6.7%
Financial assets reclassified from the available-for-sale financial portfolio	1,158	-	1,479	-		
Into loans and receivables due from customers	1,158	-	1,479	-	8.4%	

The following tables show the items related to the reclassified assets, both as they were recorded during the period and as they would have been recorded if the reclassification had not taken place:

- on the balance sheet

In millions of euros	31 December 2010		31 December 2009	
	Carrying value	Market or model value	Carrying value	Market or model value
Financial assets reclassified from the trading portfolio	5,746	5,729	6,943	6,921
Into loans and receivables due from customers	5,728	5,711	6,913	6,891
Into available-for-sale assets	18	18	30	30
Financial assets reclassified from the available-for-sale financial portfolio	257	295	874	977
Into loans and receivables due from customers	257	295	874	977

- in profit and loss and as a direct change in equity

In millions of euros	*Year to 31 December 2010*		*Year to 31 December 2009*		
	Realised	Pro forma (1)	Realised		Pro forma (1)
			after reclassification	before reclassification	
In profit or loss	387	346	92	(218)	564
In interest and related income	*373*	*235*	*452*	*-*	*298*
in gains or losses on financial instruments at fair value through profit or loss	*40*	*138*	*147*	*(75)*	*425*
in gains or losses on available-for-sale assets and L&R	*(4)*	*3*	*(88)*	*-*	*(28)*
in cost of risk	*(22)*	*(30)*	*(419)*	*(143)*	*(131)*
In direct change in equity (before tax)	79	65	156	(255)	133
Total profit or loss and equity items reclassified	466	411	248	(473)	697

(1) Profit and loss items and direct change in equity (before tax) that would have been generated by the instruments reclassified in 2008 and 2009 had the reclassification not taken place.

(2) The impact on profit and loss items and on direct change in equity (before tax) is recognised separately for instruments reclassified during the year ended 31 December 2009.

5.f INTERBANK AND MONEY-MARKET ITEMS

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

In millions of euros	31 December 2010	31 December 2009
Demand accounts	11,273	16,379
Loans	45,353	45,045
Repurchase agreements	7,086	28,524
Total loans and receivables due from credit institutions, before impairment provisions	63,712	89,948
of which doubtful loans	*1,466*	*1,659*
Provisions for impairment of loans and receivables due from credit institutions (note 2.f)	(994)	(1,028)
Total loans and receivables due from credit institutions, net of impairment provisions	62,718	88,920

- **Due to credit institutions**

In millions of euros	31 December 2010	31 December 2009
Demand accounts	17,464	12,380
Borrowings	131,947	158,908
Repurchase agreements	18,574	49,408
Total due to credit institutions	167,985	220,696

5.g CUSTOMER ITEMS

- **Loans and receivables due from customers**

In millions of euros	31 December 2010	31 December 2009
Demand accounts	28,188	26,474
Loans to customers	633,583	616,908
Repurchase agreements	16,523	25,866
Finance leases	33,063	34,887
Total loans and receivables due from customers, before impairment provisions	711,357	704,135
of which doubtful loans	*42,100*	*38,380*
Impairment of loans and receivables due from customers (note 2.f)	(26,671)	(25,369)
Total loans and receivables due from customers, net of impairment provisions	684,686	678,766

- **Breakdown of finance leases**

In millions of euros	31 December 2010	31 December 2009
Gross investment	36,261	39,228
Receivable within 1 year	*9,829*	*11,666*
Receivable after 1 year but within 5 years	*18,756*	*18,985*
Receivable beyond 5 years	*7,676*	*8,577*
Unearned interest income	(3,198)	(4,341)
Net investment before impairment provisions	33,063	34,887
Receivable within 1 year	*9,106*	*10,549*
Receivable after 1 year but within 5 years	*16,983*	*16,833*
Receivable beyond 5 years	*6,974*	*7,505*
Impairment provisions	(1,302)	(779)
Net investment after impairment provisions	31,761	34,108

- **Due to customers**

In millions of euros	31 December 2010	31 December 2009
Demand deposits	262,358	260,962
Term accounts and short-term notes	241,409	234,506
Regulated savings accounts	49,610	46,342
Repurchase agreements	27,536	63,093
Total due to customers	580,913	604,903

5.h DEBT SECURITIES AND SUBORDINATED DEBT

This note covers all debt securities in issue and subordinated debt measured at amortised cost. Debt securities and subordinated debt measured at fair value through profit or loss are presented in note 5.a.

DEBT SECURITIES MEASURED AT AMORTISED COST

In millions of euros	31 December 2010	31 December 2009
Negotiable certificates of deposit	186,672	191,421
Bond issues	21,997	19,608
Total debt securities at amortised cost	208,669	211,029

- Maturity schedule of medium- and long-term debt securities carried at amortised cost and designated at fair value through profit or loss

The following table shows a maturity schedule of debt securities carried at amortised cost and designated at fair value through profit or loss with a maturity at issuance of more than one year:

Maturity or call option date, in millions of euros	2011	2012	2013	2014	2015	2016 - 2020	After 2020	TOTAL at 31 Dec 2010
Medium- and long-term debt securities carried at amortised cost and designated at fair value through profit or loss	13,804	16,961	8,833	13,336	9,099	9,733	6,299	78,065
Medium- and long-term debt securities designated at fair value through profit or loss (note 5.a)	13,350	7,415	5,041	6,075	5,470	6,281	4,103	47,735
Total	27,154	24,376	13,874	19,411	14,569	16,014	10,402	125,800

Maturity or call option date, in millions of euros	2010	2011	2012	2013	2014	2015-2019	After 2019	TOTAL at 31 Dec 2009
Medium- and long-term debt securities carried at amortised cost and designated at fair value through profit or loss	11,041	16,469	17,488	8,494	7,478	5,987	4,732	71,689
Medium- and long-term debt securities designated at fair value through profit or loss (note 5.a)	12,533	9,230	7,938	4,279	5,645	5,841	6,762	52,228
Total	23,574	25,699	25,426	12,773	13,123	11,828	11,494	123,917

The net carrying value of debt securities carried at amortised cost with a maturity at issuance of less or equal to one year stood at EUR 130,604 million at 31 December 2010 (compared with EUR 139,340 million at 31 December 2009).

SUBORDINATED DEBT MEASURED AT AMORTISED COST

In millions of euros	31 December 2010	31 December 2009
Redeemable subordinated debt	21,423	25,114
Undated subordinated debt	3,327	3,095
Undated floating-rate subordinated notes (TSDIs)	459	420
Other undated subordinated notes	1,813	1,708
Undated subordinated debt	820	740
Undated participating subordinated notes	227	223
Issue costs and fees, accrued interest	8	4
Total Subordinated debt at amortised cost	24,750	28,209

- Redeemable subordinated debt

The redeemable subordinated debt issued by the Group is in the form of medium and long-term debt securities, equivalent to ordinary subordinated debt; these issues are redeemable prior to the contractual maturity date in the event of liquidation of the issuer, and rank after the other creditors but before holders of participating loans and participating subordinated notes.

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 then 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.

Maturity schedule of redeemable subordinated debt carried at amortised cost and designated at fair value through profit or loss:

Maturity or call option date, in millions of euros	2011	2012	2013	2014	2015	2016 - 2020	After 2020	TOTAL at 31 Dec 2010
Redeemable subordinated debt carried at amortised cost	500	2,786	2,439	1,439	1,945	11,528	786	21,423
Redeemable subordinated debt designated at fair value through profit or loss	77	524	181	89	456	132	62	1,521
Total	577	3,310	2,620	1,528	2,401	11,660	848	22,944

Maturity or call option date, in millions of euros	2010	2011	2012	2013	2014	2015-2019	After 2019	TOTAL at 31 Dec 2009
Redeemable subordinated debt carried at amortised cost	1,563	868	2,419	1,459	1,170	16,149	1,486	25,114
Redeemable subordinated debt designated at fair value through profit or loss	254	73	524	182	88	554	14	1,689
Total	1,817	941	2,943	1,641	1,258	16,703	1,500	26,803

- Undated subordinated debt

- Undated floating-rate subordinated notes

The various TSDI issues are as follows:

In millions of euros					31 December 2010	31 December 2009
Issuer	Issue date	Currency	Original amount in issue currency	Rate		
BNP SA	October 1985	EUR	305 million	TMO - 0.25%	254	229
BNP SA	September 1986	USD	500 million	6-month Libor + 0.75%	205	191
TOTAL					459	420

The TSDIs issued by BNP Paribas are redeemable on liquidation of the Bank after repayment of all other debts but ahead of undated participating subordinated notes. They confer no rights over residual assets.

Payment of interest is obligatory on the TSDIs issued in October 1985 representing a nominal amount of EUR 305 million, but the Board of Directors may postpone interest payments if within the twelve months preceding the interest payment date the Ordinary General Meeting of Shareholders notes that there is no income available for distribution.

The TSDIs issued in US dollars in September 1986, contain a specific call option provision, whereby they may be redeemed at par prior to maturity at the issuer's discretion at any time after a date specified in the issue particulars, after approval of the banking supervisory authorities. They are not subject to any interest step up clause. Payment of interest is obligatory, but the Board of Directors may postpone interest payments if within the twelve months preceding the interest payment date the Ordinary General Meeting of Shareholders approves a decision not to pay a dividend.

- Other undated subordinated notes

The other undated subordinated notes issued by the Group may be redeemed at par prior to maturity on certain dates specified in the issue particulars, after approval of the banking supervisory authorities, and are entitled to a step up in interest from the first of such dates if the notes have not been redeemed.

In millions of euros							31 December 2010	31 December 2009
Issuer	Issue date	Currency	Original amount in issue currency (in millions)	Redemption option/interest step up date	Rate	Interest step up (basis points)		
Fortis Luxembourg Finance SA	February 1995	USD	22	February 2013	6-month Libor + 0.835%	6-month Libor + 250 bp	14	11
Fortis Luxembourg Finance SA	August 1995	EUR	23	August 2015	6-month Euribor + 104 bp	6-month Euribor + 250 bp	16	15
Fortis Luxembourg Finance SA	February 1996	USD	35	February 2021	6-month Libor + 77 bp	6-month Libor + 250 bp	9	6
Fortis Bank SA	September 2001	EUR	1,000	September 2011	6.500%	3-month Euribor +237 bp	968	928 (1)
Fortis Bank SA	October 2004	EUR	1,000	October 2014	4.625%	3-month Euribor +170 bp	750	688 (1)
Fortis Bank SA	June 2009	EUR	75	July 2018	7.500%	3-month Euribor + 350 bp	55	52
Others							1	8
TOTAL							1,813	1,708

(1) Eligible as Tier 1 regulatory capital

- Undated subordinated debt

Fortis Bank NV/SA made two issues of undated subordinated debt in 2008, one for USD 750 million at 8.28%, the other for EUR 375 million at 8.03%. They may be redeemed by BNP Paribas Fortis as of 2013. They are eligible as Tier 1 regulatory capital.

- **Undated participating subordinated notes**

Undated participating subordinated notes issued by BNP SA between 1984 and 1988 for a total amount of EUR 337 million are redeemable only in the event of liquidation of BNP Paribas SA, but may be retired on the terms specified in the law of 3 January 1983. Under this option, 434,267 of the 2,212,761 notes initially issued were retired between 2004 and 2007 and subsequently cancelled. Payment of interest is obligatory, but the Board of Directors may postpone interest payments if the Ordinary General Meeting of Shareholders Meeting held to approve the financial statements notes that there is no income available for distribution.

In December 2009, BNP Paribas made a public offer for these securities comprising an exchange offer for Undated Super Subordinated Notes (see note 8.a) and a cash offer. The transaction generated a gross gain of EUR 7 million over the book value of the undated participating notes tendered to the offer.

5.i HELD-TO-MATURITY FINANCIAL ASSETS

In millions of euros	31 December 2010	31 December 2009
Negotiable certificates of deposit	2,952	3,103
Treasury bills and other bills eligible for central bank refinancing	2,892	3,044
Other negotiable certificates of deposit	60	59
Bonds	10,821	10,920
Government bonds	10,664	10,692
Other bonds	157	228
Total held-to-maturity financial assets	13,773	14,023

5.j CURRENT AND DEFERRED TAXES

In millions of euros	31 December 2010	31 December 2009
Current taxes	2,315	2,067
Deferred taxes	9,242	10,050
Current and deferred tax assets	11,557	12,117
Current taxes	2,104	2,669
Deferred taxes	1,641	2,093
Current and deferred tax liabilities	3,745	4,762

Change in deferred taxes over the period:

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Net deferred taxes at start of period	7,957	2,214
Profit (loss) of deferred taxes (note 2.g)	(1,572)	(199)
Impact of the first consolidation of Fortis	-	6,176
Change in deferred taxes linked to the remeasurement and reversal through profit or loss of remeasurement adjustments on available-for-sale financial assets	1,018	(982)
Change in deferred taxes linked to the remeasurement and reversal through profit or loss of remeasurement adjustments on hedging derivatives	16	79
Effect of exchange rate and other movements	182	669
Net deferred taxes at end of period	7,601	7,957

Breakdown of deferred taxes by origin:

In millions of euros	31 December 2010	31 December 2009
Available-for-sale financial assets	827	(577)
Unrealised finance lease reserve	(715)	(666)
Provisions for employee benefit obligations	884	940
Provision for credit risk	3,829	3,939
Other items	(116)	984
Tax loss carryforwards	2,892	3,337
Net deferred taxes	7,601	7,957
of which		
Deferred tax assets	9,242	10,050
Deferred tax liabilities	(1,641)	(2,093)

With a view to determining the size of the tax loss carryforwards capitalised as assets, the Group conducts every year a specific review for each relevant entity based on the applicable tax regime–notably incorporating any peremption rules–and a realistic projection of their future revenue and charges in line with their business plan. Tax loss carryforwards not capitalised as assets at the end of the year totalled EUR 2,241 million at 31 December 2010 compared with EUR 1,785 million at 31 December 2009.

5.k ACCRUED INCOME/EXPENSE AND OTHER ASSETS/LIABILITIES

In millions of euros	31 December 2010	31 December 2009
Guarantee deposits and bank guarantees paid	32,711	25,506
Settlement accounts related to securities transactions	21,889	46,843
Collection accounts	2,486	3,092
Reinsurers' share of technical reserves	2,495	2,403
Accrued income and prepaid expenses	3,405	3,297
Other debtors and miscellaneous assets	20,138	22,220
Total accrued income and other assets	83,124	103,361
Guarantee deposits received	25,777	22,698
Settlement accounts related to securities transactions	19,515	29,424
Collection accounts	566	1,217
Accrued expenses and deferred income	5,630	6,157
Other creditors and miscellaneous liabilities	13,741	12,929
Total accrued expenses and other liabilities	65,229	72,425

The movement in “Reinsurers’ share of technical reserves” breaks down as follows:

In millions of euros	31 December 2010	31 December 2009
Reinsurers' share of technical reserves at start of period	2,403	2,226
Increase in technical reserves borne by reinsurers	1,151	824
Amounts received in respect of claims and benefits passed on to reinsurers	(1,073)	(652)
Effect of changes in exchange rates and scope of consolidation	14	5
Reinsurers' share of technical reserves at end of period	2,495	2,403

5.1 INVESTMENTS IN ASSOCIATES

In millions of euros	31 december 2010	31 december 2009
Retail Banking	**1,058**	**862**
of which Bank of Nanjing	295	175
of which Carrefour Promotora Vendas Participacoes	125	134
of which Servicios Financieros Carrefour EFC SA	102	97
of which Societe Paiement Pass	240	195
Investment Solutions	**1,956**	**2,024**
of which AG Insurance	1,046	1,135
of which B.N.L Vita	232	243
Corporate and Investments Banking	**152**	**192**
Other businesses	**1,632**	**1,683**
of which Erbe	1,219	1,256
of which Verner Investissement	361	361
Investments in associates	**4,798**	**4,761**

Companies accounted for under the equity method with a carrying amount of over EUR 100 million at 31 December 2010 are listed individually above.

The following table gives financial data for the Group's main associates:

In millions of euros	Financial reporting standard	Total assets	Net revenue	Net income attributable to equity holders
AG Insurance (2)	IFRS Gaap	54,795	6,827	559
Bank of Nanjing (2)	Local Gaap	16,977	412	147
BNL Vita (2)	IFRS Gaap	11,705	3,050	133
Carrefour Promotora Vendas Participacoes (2)	IFRS Gaap	257	22	39
Erbe (1)	IFRS Gaap	2,516		109
Servicios Financieros Carrefour EFC SA (2)	Local Gaap	1,289	191	22
Societe de Paiement Pass (2)	Local Gaap	3,279	314	70
Verner Investissement	IFRS Gaap	6,361	409	67

(1) Data at 30 September 2010.
(2) Data for full-year 2009 or at 31 December 2009.

5.m PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS USED IN OPERATIONS, INVESTMENT PROPERTY

In millions of euros	31 December 2010			31 December 2009		
	Gross value	Accumulated depreciation, amortisation and	Carrying amount	Gross value	Accumulated depreciation, amortisation and	Carrying amount
INVESTMENT PROPERTY	14,411	(2,084)	12,327	13,536	(1,664)	11,872
Land and buildings	6,504	(1,286)	5,218	6,719	(1,131)	5,588
Equipment, furniture and fixtures	6,550	(3,999)	2,551	6,157	(3,756)	2,401
Plant and equipment leased as lessor under operating leases	11,927	(4,127)	7,800	11,252	(3,998)	7,254
Other property, plant and equipment	2,279	(723)	1,556	2,426	(613)	1,813
PROPERTY, PLANT AND EQUIPMENT	27,260	(10,135)	17,125	26,554	(9,498)	17,056
Purchased software	2,297	(1,705)	592	2,116	(1,538)	578
Internally-developed software	2,392	(1,679)	713	2,172	(1,501)	671
Other intangible assets	1,989	(796)	1,193	1,821	(871)	950
INTANGIBLE ASSETS	6,678	(4,180)	2,498	6,109	(3,910)	2,199

- **Investment property**

Land and buildings leased by the Group as lessor under operating leases, and land and buildings held as investments in connection with life insurance business, are recorded at amortised cost in "Investment property".

The estimated fair value of investment property accounted for at cost at 31 December 2010 was EUR 18,138 million, compared with EUR 17,137 million at 31 December 2009.

Operating leases and investment property transactions are in certain cases subject to agreements providing for the following minimum future payments:

In millions of euros	31 December 2010	31 December 2009
Future minimum lease payments receivable under non-cancellable leases	6,205	6,202
Payments receivable within 1 year	*2,208*	*2,514*
Payments receivable after 1 year but within 5 years	*3,258*	*3,142*
Payments receivable beyond 5 years	*739*	*546*

Future minimum lease payments receivable under non-cancellable leases comprise payments that the lessee is required to make during the lease term.

- **Intangible assets**

Other intangible assets comprise leasehold rights, goodwill and trademarks acquired by the Group.

- **Depreciation, amortisation and impairment**

Net depreciation and amortisation expense for the year ended 31 December 2010 was EUR 1,613 million, compared with EUR 1,372 million for the year ended 31 December 2009.

The net decrease in impairment losses on property, plant, equipment and intangible assets taken to the profit and loss account in the year ended 31 December 2010 amounted to EUR 20 million, compared with a net increase of EUR 10 million for the year ended 31 December 2009.

5.n GOODWILL

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Carrying amount at start of period	10,979	10,918
Acquisitions	25	612
Divestments	(40)	(3)
Impairment losses recognised during the period	(78)	(582)
Translation adjustments	388	47
Other movements	50	(13)
Carrying amount at end of period	11,324	10,979
In which		
Gross value	11,901	11,574
Accumulated impairment recognised at the end of period	(577)	(595)

Goodwill by core business is as follows:

In millions of euros	Carrying amount		Impairment losses recognised		Acquisitions of the period	
	31 December 2010	31 December 2009	Year to 31 Dec. 2010	Year to 31 Dec. 2009	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Goodwill						
Retail Banking	8,623	8,315	(2)	(582)	11	449
BancWest	*3,733*	*3,482*	-	-	*3*	-
Equipment Solution	*682*	*661*	-	*(105)*	*1*	*3*
French Retail Banking	*68*	*68*	-	-	-	-
Italian Retail Banking	*1,698*	*1,698*	-	-	-	-
Méditerranean Europe	*142*	*136*	*(2)*	*(220)*	*7*	-
Personal Finance	*2,300*	*2,270*	-	*(257)*	-	*446*
Investment Solutions	1,813	1,833	(76)	-	10	158
Insurance	*138*	*144*	-	-	*3*	*1*
Investment Partners	*229*	*274*	*(76)*	-	-	*23*
Personal Investors	*417*	*418*	-	-	-	*18*
Real Estate	*342*	*339*	-	-	-	*8*
Securities Services	*362*	*341*	-	-	*7*	-
Wealth Management	*325*	*317*	-	-	-	*108*
Corporate and Investment Banking	645	624	-	-	4	5
Other businesses	243	207	-	-	-	-
TOTAL GOODWILL	11,324	10,979	(78)	(582)	25	612
Negative goodwill on Fortis acquisition				835		
CHANGE IN VALUE OF GOODWILL			(78)	253		

Goodwill impairment tests are based on three different methods: transaction multiples for comparable businesses, share price data for listed companies with comparable businesses, and discounted future cash flows (DCF).

If one of the two comparables based methods indicates the need for an impairment, the DCF method is used to validate the results and determine the amount of impairment required.

The DCF method is based on a number of assumptions in terms of future revenues, expenses and risk provisions for each business unit. These parameters are taken from the medium-term business plan for the first three years, extrapolated over a sustainable growth period of ten years and then in perpetuity, based on sustainable growth rates up to ten years and the inflation rate thereafter.

The tests take into account the cost of capital based on a risk-free rate plus a business specific risk premium. The key parameters which are sensitive to the assumptions made are therefore the cost/income ratio, the sustainable growth rate and the cost of capital.

The valuation produced did not bring to light any requirement for impairment in any of the Cash-Generating Units. Sensitivity to changes in the various parameters shown above was also measured: these measurements did not reveal any vulnerability in the valuations.

5.o TECHNICAL RESERVES OF INSURANCE COMPANIES

In millions of euros	31 December 2010	31 December 2009
Liabilities related to insurance contracts	103,056	89,986
Gross technical reserves		
Unit-linked contracts	33,058	29,357
Other insurance contracts	69,998	60,629
Liabilities related to financial contracts with discretionary participation feature	10,029	9,513
Policyholders' surplus	1,833	2,056
Total technical reserves of insurance companies	114,918	101,555
Liabilities related to unit-linked financial contracts (1)	1,437	2,257
Liabilities related to general fund financial contracts	54	179
Total liabilities related to contracts written by insurance companies	116,409	103,991

(1) Liabilities related to unit-linked financial contracts are included in "Due to customers" (note 5.g)

The policyholders' surplus reserve arises from the application of shadow accounting. It 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, set at 90% for France (identical to 2009), is an average derived from stochastic analyses of unrealised gains and losses attributable to policyholders in various scenarios.

The movement in liabilities related to insurance contracts breaks down as follows:

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Liabilities related to contracts at start of period	103,991	89,503
Additions to insurance contract technical reserves and deposits taken on financial contracts related to life insurance	16,389	18,067
Claims and benefits paid	(9,799)	(7,502)
Contracts portfolio disposals	(608)	(487)
Effect of changes in scope of consolidation	4,449	319
Effect of movements in exchange rates	575	227
Effect of changes in value of admissible investments related to unit-linked business	1,412	3,864
Liabilities related to contracts at end of period	116,409	103,991

See note 5.k for details of reinsurers' share of technical reserves.

5.p PROVISIONS FOR CONTINGENCIES AND CHARGES

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Total provisions at start of period	10,464	4,388
Additions to provisions	1,527	1,491
Reversals of provisions	(964)	(611)
Provisions used	(1,050)	(1,001)
Impact of the first consolidation of Fortis	-	6,183
Effect of movements in exchange rates and other movements	334	14
Total provisions at end of period	10,311	10,464

At 31 December 2010 and 31 December 2009, provisions for contingencies and charges mainly included provisions for post-employment benefits (note 7.b), for impairment related to credit risks (note 2.f), for risks on regulated savings products and for litigation in connection with banking transactions.

- **Provisions for regulated savings product risks**

- Deposits, loans and savings

In millions of euros	31 December 2010	31 December 2009
Deposits collected under home savings accounts and plans	14,172	14,086
of which deposits collected under home savings plans	11,401	11,252
Aged more than 10 years	*3,764*	*3,424*
Aged between 4 and 10 years	*5,752*	*5,254*
Aged less than 4 years	*1,885*	*2,574*
Outstanding loans granted under home savings accounts and plans	515	589
of which loans granted under home savings plans	126	160
Provisions recognised for home savings accounts and plans	226	202
of which home savings plans	203	166
Aged more than 10 years	*67*	*61*
Aged between 4 and 10 years	*102*	*60*
Aged less than 4 years	*34*	*45*

- Change in provisions

In millions of euros	Year to 31 Dec. 2010		Year to 31 Dec. 2009	
	Provisions recognised - home savings plans	Provisions recognised - home savings accounts	Provisions recognised - home savings plans	Provisions recognised - home savings accounts
Total provisions at start of period	166	36	91	37
Additions to provisions during the period	37	-	75	8
Provision reversals during the period	-	(13)	-	(9)
Total provisions at end of period	203	23	166	36

6. FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS

6.a FINANCING COMMITMENTS GIVEN OR RECEIVED

Contractual value of financing commitments given and received by the Group:

In millions of euros	31 December 2010	31 December 2009
Financing commitments given		
- to credit institutions	45,413	34,882
- to customers:	269,318	238,882
Confirmed letters of credit	225,647	211,563
Other commitments given to customers	43,671	27,319
Total financing commitments given	314,731	273,764
Financing commitments received		
- from credit institutions	104,768	79,471
- from customers	24,728	6,584
Total financing commitments received	129,496	86,055

6.b GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

In millions of euros	31 December 2010	31 December 2009
Guarantee commitments given		
to credit institutions	10,573	10,367
to customers	91,990	94,283
- Property guarantees	1,502	1,313
- Sureties provided to tax and other authorities, other sureties	50,241	59,808
- Other guarantees	40,247	33,162
Total guarantee commitments given	102,563	104,650

6.c OTHER GUARANTEE COMMITMENTS

Financial instruments given as collateral:

In millions of euros	31 December 2010	31 December 2009
Financial instruments (negotiable securities and private receivables) lodged with central banks and eligible for use at any time as collateral for refinancing transactions	94,244	130,240
- Used as collateral with central banks	15,623	44,454
- Available for refinancing transactions	78,621	85,786
Securities sold under repurchase agreements	275,245	340,669
Other financial assets pledged as collateral for transactions with banks and financial customers (1)	64,199	73,776

(1) notably including « Société de Financement de l'Économie Française » and « Caisse de Refinancement de l'Habitat » financing

Financial instruments given as collateral by the Group that the beneficiary is authorised to sell or reuse as collateral amounted to EUR 327,482 million at 31 December 2010 (EUR 366,771 million at 31 December 2009).

Financial instruments received as collateral

In millions of euros	31 December 2010	31 December 2009
Financial instruments received as collateral (excluding repurchase agreements)	73,623	53,863
of which instruments that the Group is authorised to sell and reuse as collateral	41,440	44,062
Securities received under repurchase agreements	250,607	276,730

The financial instruments received as collateral or under repurchase agreements that the Group effectively sold or reused as collateral amounted to EUR 210,356 million at 31 December 2010 (compared with EUR 235,750 million at 31 December 2009).

7. SALARIES AND EMPLOYEE BENEFITS

7.a SALARY AND EMPLOYEE BENEFIT EXPENSES

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Fixed and variable remuneration, incentive bonuses and profit-sharing	11,406	9,795
Retirement bonuses, pension costs and social security taxes	3,234	3,529
Payroll taxes	470	674
Total salary and employee benefit expenses	15,110	13,998

7.b POST-EMPLOYMENT BENEFITS

IAS 19 distinguishes between two categories of plans, each handled differently depending on the risk incurred by the entity. When the entity is committed to paying a fixed amount, stated as a percentage of the beneficiary's annual salary, for example, to an external entity handling payment of the benefits based on the assets available for each plan member, it is described as a defined-contribution plan. Conversely, when the entity's obligation is to manage the financial assets funded through the collection of contributions from employees and to bear the cost of benefits itself–or to guarantee the final amount subject to future events, it is described as a defined-benefit plan. The same applies,if the entity entrusts management of the collection of premiums and payment of benefits to a separate entity, but retains the risk arising from management of the assets and from future changes in the benefits.

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

The BNP Paribas Group has implemented over the past few years a wide compaign of converting defined-benefit plans into defined-contribution plans.

In France, for example, the BNP Paribas Group pays contributions to various nationwide basic and top-up pension schemes. BNP Paribas SA and certain subsidiaries have set up a funded pension plan under a company-wide agreement. Under this plan, employees will receive an annuity on retirement in addition to the pension paid by nationwide schemes.

In addition, since defined-benefit plans have been closed to new employees in most countries outside France, they are offered the benefit of joining defined-contribution pension plans.

The amount paid into defined-contribution post-employment plans in France and other countries for the year to 31 December 2010 was EUR 482 million, compared with EUR 422 million for the year to 31 December 2009.

- Defined-benefit pension plans for Group entities

In France, BNP Paribas pays a top-up banking industry pension arising from rights acquired to 31 December 1993 by retired employees at that date and active employees in service at that date. The residual pension obligations are covered by a provision in the consolidated financial statements or are transferred to an insurance company outside the Group. The defined-benefit plans previously granted to Group executives formerly employed by BNP, Paribas or Compagnie Bancaire have all been closed and converted into top-up type schemes. The amounts allocated to the beneficiaries, subject to their presence within the Group at retirement, were fixed when the previous schemes were closed. These

pension plans have been funded through insurance companies. The fair value of the related plan assets in these companies' balance sheets breaks down as 82.4% bonds, 8.5% equities and 9.1% property assets.

In Belgium, BNP Paribas Fortis provides a defined-benefit plan for its employees and middle managers who joined the bank before its pension plans were harmonised on 1 January 2002, based on final salary and the number of years' service. The obligation is partially funded through AG Insurance, in which the BNP Paribas Group owns an 18.73% interest. BNP Paribas Fortis' senior managers have a pension plan that provides a lump sum based on number of years' service and final salary, which is partially funded through AXA Belgium and AG Insurance.

Under Belgian and Swiss law, the employer is responsible for a guaranteed minimum return on defined-contribution plans. As a result of this obligation, these plans are classified as defined-benefit plans.

Defined-benefit pension plans remain in place in certain countries, but are generally closed to new members. They are based either on the vesting of a pension linked to the employee's final salary and length of service (United Kingdom) or on the annual vesting of rights to a lump sum expressed as a percentage of annual salary and paying interest at a pre-defined rate (United States). Some plans are top-up schemes linked to statutory pensions (Norway). Some plans are managed by an insurance company (Netherlands), a foundation (Switzerland) or by independent funds (United Kingdom).

In Turkey, the pension plan replaces the national pension scheme and is fully funded by financial assets held with an external foundation.

On 31 December 2010, Belgium, the United Kingdom, the United States, Switzerland and Turkey represent 92% of the total gross defined-benefit obligations outside France. The fair value of the related plan assets was split as follows: 57% bonds, 15% equities, 28% other financial instruments (including 11% in insurance contracts).

- Other post-employment benefits

Group employees also receive various other contractual post-employment benefits, such as indemnities payable on retirement. BNP Paribas' obligations for these benefits in France are funded through a contract held with a third-party insurer. In other countries, the Group obligations are mainly concentrated in Italy (77%), where pension reforms changed Italian termination indemnity schemes (TFR) into defined-contribution plans effective from 1 January 2007. Rights vested up to 31 December 2006 continue to be qualified as defined-benefit obligations.

- Post-employment healthcare plans

In France, BNP Paribas no longer has any obligations in relation to healthcare benefits for its retired employees. Several healthcare benefit plans for retired employees exist in other countries, mainly in the United States and Belgium.

- Obligations under defined-benefit plans

- Assets and liabilities recognised on the balance sheet

In millions of euros	Post-employment benefits 31 December 2010	Post-employment benefits 31 December 2009	Post-employment healthcare benefits 31 December 2010	Post-employment healthcare benefits 31 December 2009
Present Value of Defined Benefit Obligation	8,052	8,009	114	99
Defined benefit obligation arising from wholly or partially funded plans	7,328	7,166	-	-
Defined Benefit Obligation arising from wholly unfunded plans	724	843	114	99
Fair value of plan assets	(3,889)	(3,474)	-	-
Fair value of reimbursement rights (1)	(2,366)	(2,566)	-	-
Cost not yet recognised in accordance with IAS 19	(219)	(325)	(1)	6
Prior Service Costs	(178)	(185)	(3)	3
Net actuarial Gains/(Losses)	(41)	(140)	2	3
Effect of asset ceiling	209	162	-	-
Net obligation recognised in the balance sheet for defined-benefit plans	1,787	1,806	113	105
Asset recognised in the balance sheet for defined-benefit plans	(2,473)	(2,636)	-	-
of which net assets of defined-benefit plans	(107)	(70)	-	-
of which fair value of reimbursement rights	(2,366)	(2,566)	-	-
Obligation recognised in the balance sheet for defined-benefit plans	4,260	4,442	113	105

(1) The reimbursement rights are principally found on the balance sheet of the Group's insurance subsidiaries – notably AG Insurance with respect to BNP Paribas Fortis' defined-benefit plan – to hedge its commitments to other Group entities that were transferred to them to cover the post-employment benefits of certain employee categories.

- Change in the present value of the defined benefit obligation

In millions of euros	Post-employment benefits Year to 31 Dec. 2010	Post-employment benefits Year to 31 Dec. 2009	Post-employment healthcare benefits Year to 31 Dec. 2010	Post-employment healthcare benefits Year to 31 Dec. 2009
Present Value of Defined Benefit Obligation at start of period	8,009	4,113	99	48
Current Service Cost	308	280	2	2
Interest Cost	335	289	5	4
Plan amendments	5	1	2	1
Curtailments or settlements	(319)	(53)	-	-
Actuarial (Gains)/Losses on obligation	(95)	(206)	6	(4)
Actual Employee Contributions	30	23	-	-
Benefits paid directly by employer	(120)	(392)	(4)	(4)
Benefits paid from assets/reimbursement rights	(327)	(205)	-	-
Exchange rate (Gains)/Losses on obligation	212	47	3	-
Consolidation variation (Gains)/Losses on obligation	16	4,088	-	52
Others	(2)	24	1	-
Present Value of Defined Benefit Obligation at end of period	8,052	8,009	114	99

- Change in the fair value of plan assets

In millions of euros	Post-employment benefits	
	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Fair value of plan assets at start of period	3,474	2,129
Expected return on plan assets	197	151
Settlements	(6)	(40)
Actuarial Gains/(Losses) on plan assets	61	108
Actual Employee contributions	22	18
Employer contributions	123	527
Benefits paid from plan assets	(171)	(205)
Exchange rate Gains/(Losses) on plan assets	185	30
Consolidation variation Gains/(Losses) on plan assets	4	756
Fair value of plan assets at end of period	3,889	3,474

Healthcare benefit plans are not funded plans.

- Change in the fair value of reimbursement rights

In millions of euros	Post-employment benefits	
	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Fair value of reimbursement rights at start of period	2,566	15
Expected return on reimbursement rights	96	72
Settlements	(199)	-
Actuarial Gains/(Losses) on reimbursement rights	(58)	93
Actual Employee contributions	8	5
Employer contributions	108	88
Benefits paid from reimbursement rights	(156)	(258)
Consolidation variation Gains/(Losses) on reimbursement rights	-	2,550
Others	1	1
Fair value of reimbursement rights at end of period	2,366	2,566

Healthcare benefit plans are not funded plans.

- Components of the cost of defined-benefit plans

In millions of euros	Post-employment benefits		Post-employment healthcare benefits	
	Year to 31 Dec. 2010	Year to 31 Dec. 2009	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Current Service Cost	308	280	2	2
Interest Cost	335	289	5	4
Expected return on plan assets	(197)	(152)	-	-
Expected return on reimbursement rights	(96)	(72)	-	-
Amortization of actuarial (Gains)/Losses	4	28	-	-
Amortization of Prior Service Costs	13	10	1	-
(Gains)/Losses on curtailments or settlements	(104)	(13)	-	-
Effect of asset ceiling	41	15	-	-
Others	(2)	-	-	-
Total expense recognised in profit and loss	302	386	8	6

- Method used to measure obligations

Defined-benefit plans are valued by independent firms using actuarial techniques, applying the projected unit credit method, in order to determine the expense arising from rights vested by employees and benefits payable to retired employees. The demographic and financial assumptions used to estimate

the present value of these obligations and of plan assets take into account economic conditions specific to each country and Group company.

Obligations under post-employment healthcare benefit plans are measured using the specific mortality tables applicable in each country and healthcare cost trend assumptions. These assumptions, which are derived from historical data, take into account expectations about healthcare benefit costs, including expected trend in the cost of healthcare benefits and expected inflation.

- Principal actuarial assumptions used to calculate post-employment benefit obligations (excluding post-employment healthcare benefits)

The Group discounts its obligations at the government bond yield in the eurozone and the yield on high quality corporate bonds in other currency areas, the term of the corporate or government bonds being consistent with the duration of the estimated obligations. When the market for such bonds is not sufficiently deep, the obligation is discounted at the government bond yield.

The rates used are as follows:

In %	31 December 2010				31 December 2009			
	France	Euro zone excl. France	UK	USA	France	Euro zone excl. France	UK	USA
Discount rate	3.26%-4.40%	3.15%-4.50%	4.70%	5.25%	3.06%-4.25%	3.06%-4.50%	4,5%-4,95%	5.75%
Rate of compensation increase (*)	3.00%-4.50%	1.80%-5.80%	2.00%-5.20%	4.00%	3.00%-4.50%	2.00%-4.00%	3.50%-5.15%	4.00%

(*) including price increases (inflation)

- Actual rate of return on plan assets and reimbursement rights over the period

The expected return on plan assets is determined by weighting the expected return on each asset class by its respective contribution to the fair value of total plan assets.

In %,	Year to 31 Dec. 2010				Year to 31 Dec. 2009			
	France	Euro zone excl. France	UK	USA	France	Euro zone excl. France	UK	USA
Expected return on plan assets and reimbursement rights (1)	3.90%	3.25%-4.70%	4.40%-6.80%	5.00%-6.00%	4.00%	3.25%-5.75%	4.85%-6.40%	5.00%-6.00%
Actual return on plan assets and reimbursement rights (1)	3.89%	3.00%-13.00%	3.30%-13.60%	9.70%-11.30%	3.95%	(4.00)%-22.00%	10.00%-21.00%	14.00%-30.00%

(1) Range of values, reflecting the existence of several plans within a single country or geographical or monetary zone.

- Actuarial gains and losses

Actuarial gains and losses reflect increases or decreases in the present value of a defined-benefit obligation or in the fair value of the corresponding plan assets. Actuarial gains and losses resulting from the change in the present value of a defined-benefit plan obligation are the cumulative effect of experience adjustments (differences between previous actuarial assumptions and actual occurrences) and the effects of changing actuarial assumptions.
BNP Paribas applies the “corridor” approach permitted in IAS 19, which specifies that recognition of actuarial gains and losses is deferred when they do not exceed 10% of the greater of the i) obligation and ii) value of the plan assets. The “corridor” is calculated separately for each defined-benefit plan. Where this limit is breached, the exceeding portion of cumulative actuarial gains and losses is amortised in the profit and loss account over the remaining working lives of employees participating to the plan.

The following table shows the actuarial gains and losses:

	Post-employment benefits	
In millions of euros	31 December 2010	31 December 2009
Cumulative unrecognised actuarial losses	(41)	(140)
Net actuarial gains generated over the period	98	407
of which Actuarial Gains on plan assets or reimbursement rights	3	
of which Actuarial Gains from changes in actuarial assumptions on obligation	137	
of which Experience Losses on obligation	(42)	

7.c OTHER LONG-TERM BENEFITS

BNP Paribas offers its employees various long-term benefits, mainly long-service awards, the ability to save up paid annual leave in time savings accounts, and certain guarantees protecting them in the event they become incapacitated.

As part of the Group's variable compensation policy, annual deferred compensation plans are set up for certain high-performing employees or pursuant to special regulatory frameworks.

Under these plans, payment is deferred over time and is subject to the performance achieved by the business lines, divisions and Group.

In millions of euros	31 December 2010	31 December 2009
Net provisions for other long-term benefits	821	622

7.d TERMINATION BENEFITS

BNP Paribas has implemented a number of voluntary redundancy plans for employees who meet certain eligibility criteria. The obligations to eligible active employees under such plans are provided for where the plan is the subject of a bilateral agreement or a draft bilateral agreement.

Such plans chiefly exist in Italy and Belgium. In France, all the voluntary early retirement plans are currently closed; the residual obligation related to these plans is not material.

In millions of euros	31 December 2010	31 December 2009
Provisions for voluntary departure and early retirement plans	389	232

7.e SHARE-BASED PAYMENTS

SHARE-BASED LOYALTY, COMPENSATION AND INCENTIVE SCHEMES

BNP Paribas has set up share-based payment systems for certain employees, including stock option and share award plans put in place in connection with deferred compensation plans and a Global Share-Based Incentive Plan. In addition, some cash-settled long-term compensation plans are linked to the share price.

- Global Share-Based Incentive Plan

Until 2005, various stock option plans were granted to Group employees by BNP Paribas and BNL, under successive authorisations given by Extraordinary Shareholders' Meetings.

Since 2005, the Group has set up stock option plans on an annual basis with a view to actively involving various categories of managers in creating value for the Group, and thereby encouraging the convergence of their interests with those of the Group's shareholders. The managers selected for these plans represent the Group's best talent, including the next generation of leaders: senior managers, managers in key positions, line managers and technical experts, high-potential managers, high-performing young managers with good career development prospects, and major contributors to the Group's results.

The option exercise price under these plans is determined at the time of issuance in accordance with the terms of the authorisation given by the corresponding Extraordinary Shareholders' Meeting. No discount is offered. Since the 2005 plan, the life of the options granted has been reduced to 8 years.

The plans are subject to vesting conditions under which a portion of the options granted over and above a minimum threshold is conditional upon the performance of the BNP Paribas share relative to the Dow Jones Euro Stoxx Bank index. This relative performance is measured at the end of the first, second, third and fourth years of the compulsory holding period and, at each measurement date, applies to one quarter of the options subject to the performance condition.

The conditional portion granted in 2010 differs according to employee category and is set at 100% of the total award for members of the BNP Paribas Group Executive Committee and senior managers and 20% for other beneficiaries (respectively 60%, 40% and 20% in 2009).

The performance of the BNP Paribas share relative to the index is determined by comparing the percentage ratio between the average opening price of the BNP Paribas share in each compulsory holding year and its average opening price in the previous year, with the percentage ratio between the average of the opening prices of the index in the same periods.

If the BNP Paribas share outperforms the index, the exercise price of the corresponding portion of the options remains unchanged. If it underperforms the index by 20 points or more, the options subject to the performance condition will lapse and may no longer be exercised.

If the BNP Paribas share underperforms the index by less than 5 points, by 5 to less than 10 points, or by 10 to less than 20 points, the initial exercise price of the relevant portion of the options will be increased by 5%, 10% or 20% respectively.

Under stock option plans set up since 2003, the performance condition was not fully met on six of seventeen occasions and the adjustments described above were therefore implemented.

In 2006, BNP Paribas used the authorisations granted by the Extraordinary Shareholders' Meeting of 18 May 2005 to set up a Global Share-Based Incentive Plan for the above-mentioned employee categories, which consists of stock options and share awards.

Employees' rights under share awards made in 2010 vest after a period of 3 or 4 years, depending on the case and provided the employee is still a member of the Group. The compulsory holding period for the shares granted free of consideration is two years for French employees. Up until 2009, the vesting period was either two years or four years, depending on the exact circumstances. Share awards were

made to Group employees outside France from 2009 onwards. Since 2009, a performance condition has been introduced for share awards.

The conditional portion differs according to the employee category and was set at 100% of the total award for members of the BNP Paribas Group Executive Committee and senior managers and 20% for other beneficiaries.

This performance condition can be met either on an annual basis, if the Group's earnings per share increase by 5% or more compared with the previous year, or on an aggregate basis over the first three years of the vesting period.

If this condition is not met, the relevant portion of the share awards will lapse.

All unexpired plans settle in subscription or purchase of BNP Paribas shares.

- Deferred share price-linked, cash-settled compensation plans

As part of the Group's variable remuneration policy, deferred annual compensation plans offered to certain high-performing employees or set up pursuant to special regulatory frameworks may entitle beneficiaries to variable compensation settled in cash but linked to the share price, payable over several years.

- Variable compensation, with respect to 2009 and 2010, for employees, subject to special regulatory frameworks

  In 2009, the relevant Group employees were primarily trading staff. The variable compensation plan was established in accordance with the rules set out in the Decree of 3 November 2009 on compensation for employees whose activities are likely to have an impact on the risk exposure of credit institutions and investment firms, and with the industry guidelines for variable compensation paid to trading staff issued on 5 November 2009.

  The 2010 variable compensation plan applies to Group employees performing activities that may have a material impact on the Group's risk profile and takes into account the regulatory changes that occurred upon publication of the Decree by the French ministry of finance on 13 December 2010.

  Under these plans, payment is deferred over time and is contingent on the performance achieved by the business lines, divisions and Group.

  Sums are paid mostly in cash and are linked to the negative or positive change in the BNP Paribas share price. In addition, in accordance with the Decree of 13 December 2010, some of the variable compensation awarded in 2011 in respect of 2010 performance will also be indexed to the BNP Paribas share price and paid to beneficiaries during 2011.

- Deferred variable compensation for other Group employees

  Sums due under the annual deferred compensation plans for high-performing employees are paid all or part in cash and are linked to the negative or positive change in the BNP Paribas share price.

- Expense of share-based payment

Expense in millions of euros	2010				2009
	Stock option plans	Share award plans	Variable deferred compensation plans	Total expense	Total expense
Prior deferred compensation plans	-	-	9	9	435
Deferred compensation plan for the year	-	-	566	566	710
Global Share-Based Incentive Plan	46	25	-	71	88
Total	46	25	575	646	1,233

- Valuation of stock options and share awards

As required under IFRS 2, BNP Paribas attributes a value to stock options and share awards granted to employees and recognises an expense, determined at the date of grant, calculated respectively on the basis of the fair value of the options and shares concerned. This initial fair value may not subsequently be adjusted for changes in the quoted market price of BNP Paribas shares. The only assumptions that may result in a revision to fair value during the vesting period, and hence an adjustment in the expense, are those related to the population of grantees (loss of rights) and internal performance conditions. The Group's share-based payment plans are valued by an independent specialist firm.

- Measurement of stock subscription options

Binomial or trinomial tree algorithms are used to build in the possibility of non-optimal exercise of options from the vesting date. The Monte Carlo method is also used to price in the characteristics of certain secondary grants linking options to the performance of the BNP Paribas share relative to a sector index.

The implied volatility used in measuring stock option plans is estimated on the basis of a range of ratings prepared by various dealing rooms. The level of volatility used by the Group takes account of historical volatility trends for the benchmark index and BNP Paribas shares over a 10-year period.

Stock subscription options granted in 2010 were valued at between EUR 13.28 and EUR 14.98 depending on whether or not they are subject to performance conditions according to the various secondary award tranches (compared with EUR 11.70 and EUR 13.57, respectively in 2009).

	Year to 31 Dec. 2010	Year to 31 Dec. 2009
	Plan granted on 5 March 2010	Plan granted on 6 April 2009
BNP Paribas share price on the grant date (in euros)	54.97	36.00
Option exercise price (in euros)	51.20	35.11
Implied volatility of BNP Paribas shares	27.6%	39.9%
Expected option holding period	8 years	8 years
Expected dividend on BNP Paribas shares (1)	3.0%	2.5%
Risk-free interest rate	3.2%	3.2%
Expected proportion of options that will be forfeited	1.5%	1.5%

(1) The dividend yield indicated above is the average of a series of estimated annual dividends.

- Measurement of share awards

The unit value used to measure shares awarded free of consideration is the value at the end of the compulsory holding period plus dividends paid since the vesting date, discounted at the grant date.

	Year to 31 Dec. 2010 Plan granted on 5 March 2010		Year to 31 Dec. 2009 Plan granted on 6 April 2009	
	Vested on 5 March 2013	Vested on 5 March 2014	Vested on 10 April 2012	Vested on 8 April 2013
BNP Paribas share price on the grant date (in euros)	54.97	54.97	36.00	36.00
Date of availability	6 March 2015	5 March 2014	10 April 2014	8 April 2013
Expected dividend on BNP Paribas shares [1]	3.01%	3.01%	2.50%	2.50%
Risk-free interest rate	2.50%	2.21%	2.65%	2.39%
Expected proportion of options that will be forfeited	2.00%	2.00%	2.00%	2.00%
Theoretical unit value	50.00 €	48.57 €	33.20 €	32.55 €

(1) The dividend yield indicated above is the average of a series of estimated annual dividends.

- History of plans granted under the Global Share-Based Incentive Plan

The tables below give details of the characteristics and terms of all unexpired plans at 31 December 2010:

- Stock subscription option plans

Characteristics of the plan							Options outstanding at end of period	
Originating company	Date of grant	Number of grantees	Number of options granted (1)	Start date of exercise period	Option expiry date	Adjusted exercise price (in euros) (1)	Number of options (1)	Remaining period until expiry of options (years)
BNL (4)	13/09/1999	137	614,763	13/09/2001	13/09/2011	82.05	410,557	1
BNL (4)	20/10/2000	161	504,926	20/10/2003	20/10/2013	103.55	424,518	3
BNP Paribas SA (1) (2)	15/05/2001	932	6,069,000	15/05/2005	14/05/2011	47.37	2,434,358	1
BNL (4)	26/10/2001	223	573,250	26/10/2004	26/10/2014	63.45	4,739	4
BNL (4)	26/10/2001	153	479,685	26/10/2004	26/10/2012	63.45	2,073	2
BNP Paribas SA (2)	31/05/2002	1,384	2,158,570	31/05/2006	30/05/2012	58.02	1,033,565	2
BNP Paribas SA (3)	21/03/2003	1,302	6,693,000	21/03/2007	20/03/2013	35.87	2,982,978	3
BNP Paribas SA (3)	24/03/2004	1,458	1,779,850	24/03/2009	21/03/2014	48.15	1,304,926	4
BNP Paribas SA (3)	25/03/2005	2,380	4,332,550	25/03/2010	22/03/2013	53.28	4,062,017	3
BNP Paribas SA (3)	05/04/2006	2,583	3,894,770	06/04/2010	04/04/2014	73.40	3,627,375	4
BNP Paribas SA (3)	08/03/2007	2,023	3,630,165	08/03/2011	06/03/2015	80.66	3,457,593	5
BNP Paribas SA (3)	06/04/2007	219	405,680	06/04/2011	03/04/2015	76.57	378,573	5
BNP Paribas SA (3)	18/04/2008	2,402	3,985,590	18/04/2012	15/04/2016	64.47	3,870,367	6
BNP Paribas SA (3)	06/04/2009	1,397	2,376,600	08/04/2013	05/04/2017	35.11	2,355,161	7
BNP Paribas SA (3)	05/03/2010	1,820	2,423,700	05/03/2014	02/03/2018	51.20	2,403,800	8
Total options outstanding at end of period							28,752,600	

(1) The number of options and the exercise price have been adjusted, where appropriate, for the two-for-one BNP Paribas share split that took place on 20 February 2002, and the pre-emptive subscription rights allotted on 7 March 2006 and 30 September 2009, in accordance with the regulations in force.

(2) These options were subject to vesting conditions related to the financial performance of the Group as measured by the ratio of net income (attributable to equity holders) to average shareholders' equity for the year in question. The minimum requirement is an average ratio of 16% over four years starting in the year of grant, or alternatively over three rolling years starting in the second year after the year of grant.

This condition has been met for the plans concerned.

(3) The plan is subject to vesting conditions under which a proportion of the options granted to employees is conditional upon the performance of the BNP Paribas share relative to the Dow Jones Euro Stoxx Bank index during the applicable holding period.
Based on this relative performance condition, the adjusted exercise price for these options has been set at:
- EUR 37.67 for 391,950 options under the 21 March 2003 plan, outstanding at the year-end
- EUR 50.55 for 3,080 options under the 24 March 2004 plan, outstanding at the year-end
- EUR 55.99 for 175,139 options under the 25 March 2005 plan, outstanding at the year-end
- EUR 77.06 for 164,346 options under the 5 April 2006 plan, outstanding at the year-end

(4) Following the merger between BNL and BNP Paribas on 1 October 2007, stock option plans granted by BNL between 1999 and 2001 entitle beneficiaries to subscribe to BNP Paribas shares as of the date of the merger. Beneficiaries may subscribe to the shares based on a ratio of 1 BNP Paribas share for 27 BNL shares. The exercise price has been adjusted in line with this ratio.

- Share award plans

Characteristics of the plan						Number of shares outstanding at end of period (2)
Originating company	Date of grant	Number of grantees	Number of shares granted	Vesting date of share granted (1)	Expiry date of holding period for shares granted	
BNP Paribas SA	2006-2008	-	-	-	-	2,009
BNP Paribas SA	06/04/2009	2,247	359,930	10/04/2012	10/04/2014	366,337
BNP Paribas SA	06/04/2009	1,686	278,325	08/04/2013	08/04/2013	276,891
BNP Paribas SA	05/03/2010	2,536	510,445	05/03/2013	05/03/2015	507,670
BNP Paribas SA	05/03/2010	2,661	487,570	05/03/2014	05/03/2014	484,960
Total shares outstanding at end of period						1,637,867

(1) The vesting date for certain shares has been deferred due to the beneficiaries' absence on the date initially scheduled.

(2) The number of shares has been adjusted for the pre-emptive subscription rights allotted on 30 September 2009

- Movements over the past two years

- Stock subscription option plans

	2010		2009	
	Number of options	Weighted average exercise price (in euros)	Number of options	Weighted average exercise price (in euros)
Options outstanding at 1 January	28,041,693	58.15	27,302,391	59.60
Options granted during the period	2,423,700	51.20	2,376,600	35.11
Options arising from September 2009 capital increase			705,521	
Options exercised during the period	(1,117,744)	42.91	(1,898,604)	54.01
Options expired during the period	(595,049)		(444,215)	
Options outstanding at 31 December	28,752,600	58.05	28,041,693	58.15
Options exercisable at 31 December	16,287,106	55.62	13,935,548	49.95

The average quoted stock market price for the option exercise period in 2010 was EUR 55.56 (EUR 43.22 in 2009).

- Share award plans

	2010	2009
	Number of shares	Number of shares
Shares outstanding at 1 January	1,525,322	1,773,186
Shares granted during the period	998,015	638,255
Shares vested during the period	(865,543)	(873,826)
Shares expired during the period	(19,927)	(52,662)
Adjustment linked to the increase in capital through the subscription of preferential subscription rights		40,369
Shares outstanding at 31 December	1,637,867	1,525,322

SHARES SUBSCRIBED OR PURCHASED BY EMPLOYEES UNDER THE COMPANY SAVINGS PLAN

	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Date plan announced	12 May 2010	5 May 2009
Quoted price of BNP Paribas shares at date plan announced (in euros)	51.32	41.85
Number of shares issued or transfered	3,700,076	8,999,999
Purchase or subscription price (in euros)	42.00	29.40
Five-year risk-free interest rate	1.90%	2.69%
Five-year borrowing cost	7.13%	8.50%
Borrowing cost during the holding period	22.12%	24.06%

The Group did not recognise an expense in relation to the Company Savings Plan as the discount granted to employees subscribing shares under this plan represented a negligible financial expense for BNP Paribas when valued taking into account the five-year compulsory holding period applicable to the shares purchased.
Of the total number of BNP Paribas Group employees who were offered the opportunity of buying shares under the Plan in 2010, 31% accepted the offer and 69% turned it down.

8. ADDITIONAL INFORMATION

8.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

- Resolutions of the Shareholders' General Meeting valid for 2010

The following authorisations to increase or reduce the share capital have been granted to the Board of Directors under resolutions voted in Shareholders' General Meetings and were valid during 2010:

Resolutions adopted at Shareholders' General Meetings		Use of authorisation in 2010
Shareholders' General Meeting of 21 May 2008 (21st resolution)	Authorisation to award shares for no consideration to employees and corporate officers of BNP Paribas and related companies *The shares awarded may be existing shares or new shares to be issued and may not exceed 1.5% of BNP Paribas' share capital, i.e. less than 0.5% a year.* *This authorisation was granted for a period of 38 months.*	998,015 free shares awarded at the Board meeting of 5 March 2010
Shareholders' General Meeting of 21 May 2008 (22nd resolution)	Authorisation to grant stock subscription or purchase options to corporate officers and certain employees *The number of options granted may not exceed 3% of BNP Paribas' share capital, i.e. less than 1% a year. This is a blanket limit covering both the 21st and 22nd resolutions of the Shareholders' General Meeting of 21 May 2008.* *This authorisation was granted for a period of 38 months.*	2,423,700 stock subscription options granted at the Board meeting of 5 March 2010
Shareholders' General Meeting of 13 May 2009 (5th resolution)	Authorisation given to the Board of Directors to set up an ordinary share buyback programme for the Company until it holds at most 10% of the share capital *These acquisitions may be used for several purposes, notably:* *- the award or sale of shares to employees in connection with the employee profit-sharing scheme, employee share ownership plans or corporate savings plans, stock option programmes and the award of free shares to members of staff.* *- the cancellation of shares following authorisation by the Shareholders' General Meeting (15th resolution of the Shareholders' General Meeting of 13 May 2009)* *- remittance in exchange or payment for external growth transactions* *- implementation of a liquidity agreement.* *This authorisation was granted for a period of 18 months and was nullified by the 5th resolution of the Shareholders' General Meeting of 12 May 2010.*	Excluding the market-making agreement 800,000 shares with a par value of EUR 2 were purchased in March 2010 Under the market-making agreement, 1,809,576 shares with a par value of EUR 2 were acquired and 1,806,987 shares with a par value of EUR 2 were sold during 2010.
Shareholders' General Meeting of 13 May 2009 (15th resolution)	Authorisation to reduce the share capital by cancelling shares *Authorisation was given to cancel on one or more occasions through a reduction in the share capital all or some of the shares that BNP Paribas holds and that it may come to hold, provided that the number of shares cancelled in any 24-month period does not exceed 10% of the total number of shares at the operation date.* *Full powers were delegated to complete the capital reduction and deduct the difference between the purchase cost of the cancelled shares and their par value from additional paid-in capital and reserves available for distribution, including from the legal reserve in respect of up to 10% of the capital cancelled.* *This authorisation was granted for a period of 18 months and was nullified by the 20th resolution of the Shareholders' General Meeting of 12 May 2010.*	600,000 shares with a par value of EUR 2 were cancelled on 30 March 2010

Shareholders' General Meeting of 12 May 2010 (3rd resolution)	Resolution to propose a dividend payable in cash or in new shares. *Payment of the dividend in new shares had the effect of increasing the share capital by EUR 18,320,436, or 9,160,218 shares, generating additional paid-in capital of EUR 401,858,763.66*	9,160,218 new shares with a par value of EUR 2 were issued on 15 June 2010
Shareholders' General Meeting of 12 May 2010 (5th resolution)	Authorisation given to the Board of Directors to set up an ordinary share buyback programme for the Company until it holds at most 10% of the share capital. *These acquisitions may be used for several purposes, notably:* *- the award or sale of shares to employees in connection with the employee profit-sharing scheme, employee share ownership plans or corporate savings plans, stock option programmes and the award of free shares to members of staff.* *- the cancellation of shares following authorisation by the Shareholders' General Meeting (20th resolution of the Shareholders' General Meeting of 12 May 2010)* *- remittance in exchange or payment for external growth transactions* *- implementation of a liquidity agreement.* *This authorisation was granted for a period of 18 months and supersedes that given by the 5th resolution of the Shareholders' General Meeting of 13 May 2009.*	This authorisation was not used during the period.
Shareholders' General Meeting of 12 May 2010 (12th resolution)	Authorisation to issue ordinary shares and share equivalents with pre-emptive rights for existing shareholders maintained. *The par value of the capital increases that may be carried out immediately and/or in the future by virtue of this authorisation may not exceed EUR 1 billion (representing 500 million shares).* *The par value of any debt instruments giving access to the capital of BNP Paribas that may be issued by virtue of this authorisation may not exceed EUR 10 billion.* *This authorisation was granted for a period of 26 months and supersedes that given by the 13th resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (13th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, and a priority subscription period granted. *The par value of the capital increases that may be carried out immediately and/or in the future by virtue of this authorisation may not exceed EUR 350 million (representing 175 million shares).* *The par value of any debt instruments giving access to the capital of BNP Paribas that may be issued by virtue of this authorisation may not exceed EUR 7 billion.* *This authorisation was granted for a period of 26 months and supersedes that given by the 14th resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (14th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, in consideration for securities tendered to public exchange offer. *The par value of the capital increases that may be carried out on one or more occasions by virtue of this authorisation may not exceed EUR 350 million.* *This authorisation was granted for a period of 26 months and supersedes that given by the 15th resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (15th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, in consideration for securities tendered to contributions of unlisted shares (up to a maximum of 10% of the capital) *The par value of the capital increases that may be carried out on one or more occasions by virtue of this authorisation may not exceed 10% of the number of shares comprising the issued capital of BNP Paribas.* *This authorisation was granted for a period of 26 months and supersedes that given by the 13th resolution of the Shareholders' General Meeting of 13 May 2009.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (16th resolution)	Blanket limit on authorisations to issue shares with pre-emptive rights for existing shareholders waived. *The maximum par value of all issues made with pre-emptive rights for existing shareholders waived by virtue of the authorisations granted under the 13th to 15th resolutions of the Shareholders' General Meeting of 12 May 2010 may not exceed EUR 350 million for shares immediately and/or in the future and EUR 7 billion for debt instruments.*	Not applicable

Shareholders' General Meeting of 12 May 2010 (17th resolution)	Issue of shares to be paid up by capitalising income, retained earnings or additional paid-in capital. *Authorisation was given to increase the issued capital within the limit of a maximum par value of EUR 1 billion on one or more occasions, by capitalising all or part of the retained earnings, profits or additional paid-in capital, successively or simultaneously, through the issuance and award of free ordinary shares, through an increase in the par value of existing shares, or through a combination of these two methods. This authorisation was granted for a period of 26 months and supersedes that given by the 4th resolution of the Extraordinary Shareholders' Meeting of 27 March 2009.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (18th resolution)	Blanket limit on authorisations to issue shares with or without pre-emptive rights for existing shareholders. *The maximum par value of all issues made with or without pre-emptive rights for existing shareholders by virtue of the authorisations granted under the 12th to 15th resolutions of the Shareholders' General Meeting of 12 May 2010 may not exceed EUR 1 billion for shares immediately and/or in the future and EUR 10 billion for debt instruments.*	Not applicable
Shareholders' General Meeting of 12 May 2010 (19th resolution)	Authorisation granted to the Board of Directors to carry out transactions reserved for members of the BNP Paribas Group's Corporate Savings Plan in the form of new share issues and/or sales of reserved shares. *Authorisation was given to increase the share capital within the limit of a maximum par value of EUR 46 million on one or more occasions by issuing ordinary shares, with pre-emptive rights for existing shareholders waived, reserved for members of the BNP Paribas Group's Corporate Savings Plan. The transactions authorised by this resolution may also take the form of sales of shares to members of the BNP Paribas Group's Corporate Savings Plan. This authorisation was granted for a period of 26 months and supersedes that given by the 3rd resolution of the Extraordinary Shareholders' Meeting of 27 March 2009.*	Issue of 3,700,076 new ordinary shares with a par value of EUR 2 recorded on 16 July 2010
Shareholders' General Meeting of 12 May 2010 (20th resolution)	Authorisation to reduce the share capital by cancelling shares. *Authorisation was given to cancel on one or more occasions through a reduction in the share capital all or some of the shares that BNP Paribas holds and that it may come to hold, provided that the number of shares cancelled in any 24-month period does not exceed 10% of the total number of shares in issue on the transaction date. Full powers were delegated to complete the capital reduction and deduct the difference between the purchase cost of the cancelled shares and their par value from additional paid-in capital and reserves available for distribution, including from the legal reserve in respect of up to 10% of the capital cancelled. This authorisation was granted for a period of 18 months and supersedes that given by the 15th resolution of the Shareholders' General Meeting of 13 May 2009.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (21st resolution)	Approval of the merger-absorption of Fortis Banque France by BNP Paribas and corresponding increase in the share capital. *Issue of 354 new ordinary shares with a par value of EUR 2 pursuant to the merger-absorption of Fortis Banque France duly placed on record on 12 May 2010.*	354 new shares with a par value of EUR 2 on 12 May 2010

- **Share capital transactions**

Operations affecting share capital	Number of shares	Par value (in euros)	in euros	Date of authorisation by Shareholders' Meeting	Date of decision by Board of Directors	Date from which shares carry dividend rights
Number of shares outstanding at 31 December 2008	912,096,107	2	1,824,192,214			
Increase in share capital by exercise of stock subscription options	74,024	2	148,048	(1)	(1)	01 January 08
Increase in share capital by exercise of stock subscription options	1,824,582	2	3,649,164	(1)	(1)	01 January 09
Capital increase arising on the acquisition of Fortis	133,435,603	2	266,871,206	(2)	(2)	01 January 09
Capital increase arising on the issuance of non-voting shares	187,224,669	2	374,449,338	27 March 09	27 March 09	-
Capital increase reserved for members of the Company Savings Plan	9,000,000	2	18,000,000	27 March 09	05 May 09	01 January 09
Capital increase arising on the payment of a stock dividend	21,420,254	2	42,840,508	13 May 09	13 May 09	01 January 09
Capital decrease	(219,294)	2	(438,588)	13 May 09	03 August 09	-
Capital increase	107,650,488	2	215,300,976	21 May 08	25 September 09	01 January 09
Capital decrease arising on the cancellation of non-voting shares	(187,224,669)	2	(374,449,338)	-	04 November 09	-
Number of shares outstanding at 31 December 2009	1,185,281,764	2	2,370,563,528			
Increase in share capital by exercise of stock subscription options	595,215	2	1,190,430	(1)	(1)	01 Janauy 09
Increase in share capital by exercise of stock subscription options	522,529	2	1,045,058	(1)	(1)	01 Janauy 10
Capital decrease	(600,000)	2	(1,200,000)	13 May 09	05 March 10	-
Capital increase arising on the merger of Fortis Bank France	354	2	708	12 May 10	12 May 10	01 Janauy 10
Capital increase arising on the payment of a stock dividend	9,160,218	2	18,320,436	12 May 10	12 May 10	01 Janauy 10
Capital increase reserved for members of the Company Savings Plan	3,700,076	2	7,400,152	12 May 10	12 May 10	01 Janauy 10
Number of shares outstanding at 31 December 2010	1,198,660,156	2	2,397,320,312			

(1) Various resolutions voted in the Shareholders' General Meetings and decisions of the Board of Directors authorising the granting of stock subscription options that were exercised during the period.
(2) Various resolutions adopted by the Shareholders' General Meeting and decisions made by the Board of Directors authorising the issues of shares related to the acquisition of Fortis.

- **Issues of new shares pursuant to the acquisition of Fortis Bank SA/NV and BGL SA**

BNP Paribas signed an agreement with the Belgian government and Luxembourg government related to the acquisition by BNP Paribas of certain Fortis group companies from the Belgian government acting via the SFPI and the Luxembourg government (hereinafter the "transaction").

The transaction comprised four asset contributions, with an issue of shares carried out in consideration for each one:

- 88,235,294 ordinary BNP Paribas shares each with a par value of EUR 2 for the First Contribution, which consisted in the transfer by SFPI of 263,586,083 Fortis Bank SA/NV shares, representing around 54.55% of the latter's share capital and voting rights. The Board of Directors approved the First Contribution on 12 May 2009 using the authorisation granted under the 16th resolution passed at the Shareholders' General Meeting of 21 May 2008. The shares issued in consideration for this contribution were covered by a lock-up commitment that runs until 10 October 2010.

- 32,982,760 ordinary BNP Paribas shares each with a par value of EUR 2 for the Second Contribution, which consists in the transfer by SFPI of 98,529,695 additional Fortis Bank SA/NV shares, representing around 20.39% of the latter's share capital and voting rights. The Shareholders' General Meeting on 13 May 2009 approved this Second Contribution, formally recorded its definitive completion and that of the corresponding issue of shares under its 11th resolution.

- 11,717,549 ordinary BNP Paribas shares each with a par value of EUR 2 for the Third Contribution, which consists in the transfer by the Luxembourg government of 4,540,798 BGL SA shares, representing around 16.57% of the latter's share capital and voting rights. The Shareholders' General Meeting on 13 May 2009 approved this Third Contribution, formally recorded its definitive completion and that of the corresponding issue of shares under its 12th resolution.

The Luxembourg government undertook to hold the 5,858,774 shares received in consideration for its asset contribution until 23 October 2009.

- 500,000 ordinary BNP Paribas shares each with a par value of EUR 2 for the Fourth Contribution, consisting of in the transfer by the Luxembourg government of 193,760 BGL SA shares, representing around 0.69% of the latter's share capital and voting rights. The Board of Directors approved this Fourth Contribution, formally recorded its definitive completion and that of the corresponding issue of shares on 13 May 2009, using the authorisation granted to it by the Shareholders' General Meeting of 13 May 2009 under its 13th resolution. The Grand Duchy of Luxembourg undertook to hold the 250,000 shares received in consideration for its asset contribution until 23 October 2009.

As a result of these four asset contributions, BNP Paribas' share capital increased by 133,435,603 ordinary shares, each with a par value of EUR 2.

- **Non voting shares issued by BNP Paribas**

Following the authorisation granted by the Shareholders' General Meeting on 27 March 2009, BNP Paribas issued 187,224,669 non voting shares on 31 March 2009 at a unit price of EUR 27.24, representing a total amount of EUR 5.1 billion, to Société de Prise de Participation de l'Etat (SPPE) in connection with the French government's economic stimulus plan. These shares do not carry any voting rights, are not convertible into ordinary shares and entitle their holders to receive a dividend only if a dividend is paid to holders of the ordinary shares. The dividend amounts to 105% pro rata temporis of the dividend paid on ordinary shares in respect to 2009 and is subject to a cap and floor stated as a percentage of the issue price. The floor is a fixed rate of 7.65% for 2009 pro rata temporis.

These non voting shares were bought back on 28 October 2009 and were subsequently cancelled on 26 November 2009.

- **Own equity instruments (shares issued by BNP Paribas and held by the Group)**

In accordance with the fifth resolution of the Shareholders' General Meeting of 12 May 2010 replacing and superseding the fifth resolution of the Shareholders' General Meeting of 13 May 2009, BNP Paribas was authorised to buy back shares representing up to 10% of the BNP Paribas' issued capital at a maximum purchase price of EUR 75 per share (compared with EUR 68 previously). The shares may be acquired for the following purposes: for subsequent cancellation under the terms set by the Shareholders' General Meeting, to fulfil its obligations relative to the issue of shares or share equivalents, stock option plans, the award of free shares, the award or sale of shares to employees in connection with the employee profit-sharing scheme, employee share ownership plans or corporate savings plans and to cover any allocation of shares to the employees of BNP Paribas and companies exclusively controlled by BNP Paribas within the meaning of Article L. 233-16 of the French Commercial Code; to be held in treasury stock for subsequent remittance in exchange or as payment for external growth, merger, spin-off or asset contribution transactions; within the scope of a liquidity agreement complying with the Code of Ethics recognised by the AMF; or for asset and financial management purposes.

This latter authorisation was granted for a period of 18 months.

In addition, one of the Group's subsidiaries involved in trading and arbitrage transactions on equity indices sells shares issued by BNP Paribas short in connection with its activities.

Shares issued by BNP Paribas and held by the Group

	Proprietary transactions		Trading account transactions		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 2008	5,448,848	345	(1,450,832)	(44)	3,998,016	301
Acquisitions	127,087	5			127,087	5
Shares delivered to employees	(1,079,980)	(78)			(1,079,980)	(78)
Other movements	(847,639)	(61)	(2,953,477)	(202)	(3,801,116)	(263)
Shares held at 31 December 2009	3,648,316	211	(4,404,309)	(246)	(755,993)	(35)
Acquisitions	2,609,576	140			2,609,576	140
Shares delivered to employees	(921,772)	(55)			(921,772)	(55)
Capital decrease	(600,000)	(40)			(600,000)	(40)
Other movements	(1,821,942)	(94)	(95,485)	32	(1,917,427)	(62)
Shares held at 31 December 2010	2,914,178	162	(4,499,794)	(214)	(1,585,616)	(52)

During 2010, pursuant to the aforementioned authorisations, BNP Paribas SA bought back 800,000 shares in the market at an average price of EUR 58.63 per share each with a par value of EUR 2, with a view to honouring the obligations under the employee share ownership and incentive plans.

Under the Bank's market-making agreement with Exane BNP Paribas, and in line with the Code of Ethics recognised by the AMF, BNP Paribas SA bought back 1,809,576 shares during 2010 at an average share price of EUR 51.41, and sold 1,806,987 treasury shares at an average share price of EUR 51.63. At 31 December 2010, 149,596 shares worth EUR 7.6 million were held by BNP Paribas under this agreement.

From 1 January to 31 December 2010, 865,220 BNP Paribas shares were delivered following the definitive award of free shares to their beneficiaries.

- Preferred shares and Undated Super Subordinated Notes (TSSDI) eligible as Tier 1 regulatory capital

\- Preferred shares issued by the Group's foreign subsidiaries

In October 2000, BNP Paribas Capital Trust, a subsidiary under the exclusive control of the Group, made a USD 500 million issue of undated non-cumulative preferred shares governed by the laws of the United States, which did not dilute BNP Paribas ordinary shares. The shares pay a fixed rate dividend for a period of ten years. Thereafter, they are redeemable at par at the issuer's discretion at the end of each calendar quarter, with unredeemed shares paying a Libor-indexed dividend. The issuer has the option of not paying dividends on these preferred shares if no dividends are paid on BNP Paribas SA ordinary shares and no coupons are paid on preferred share equivalents (Undated Super Subordinated Notes) in the previous year. Unpaid dividends are not carried forward. This issue was repaid during 2010.

In October 2001, BNP Paribas Capital Trust III, a subsidiary under the exclusive control of the Group, made a EUR 500 million issue of undated non-cumulative preferred shares. The shares pay a fixed rate dividend for a period of ten years. They are redeemable at the issuer's discretion after a ten-year period, and thereafter at each coupon date, with unredeemed shares paying a Euribor-indexed dividend.

In January 2002, BNP Paribas Capital Trust IV, a subsidiary under the exclusive control of the Group, made a EUR 660 million issue of undated non-cumulative preferred shares . The shares pay a fixed rate annual dividend over ten years. They are redeemable at the issuer's discretion after a ten-year period, and thereafter at each coupon date, with unredeemed shares paying a Euribor-indexed dividend.

In January 2003, BNP Paribas Capital Trust VI, a subsidiary under the exclusive control of the Group, made a EUR 700 million issue of undated non-cumulative preferred shares. The shares pay an annual fixed rate dividend. They are redeemable at the end of a 10-year period and thereafter at each coupon date. Shares not redeemed in 2013 will pay a Euribor-indexed quarterly dividend.

In 2003 and 2004, the LaSer-Cofinoga sub-group – which is proportionately consolidated by BNP Paribas – made three issues of undated non-voting preferred shares through special purpose entities governed by UK law and exclusively controlled by the LaSer-Cofinoga sub-group. These shares pay a non-cumulative preferred dividend for a ten-year period, at a fixed rate for those issued in 2003 and an indexed rate for the 2004 issue. After this ten-year period, they will be redeemable at par at the issuer's discretion at the end of each quarter on the coupon date, and the dividend payable on the 2003 issue will become Euribor-indexed.

Preferred shares issued by the Group's subsidiaries

Issuer	Date of issue	Currency	Amount (in million of euros)	Rate and term before 1st call date		Rate after 1st call date
BNPP Capital Trust III	October 2001	EUR	500	6.625%	10 years	3-month Euribor + 2.6%
BNPP Capital Trust IV	January 2002	EUR	660	6.342%	10 years	3-month Euribor + 2.33%
BNPP Capital Trust VI	January 2003	EUR	700	5.868%	10 years	3-month Euribor + 2.48%
Cofinoga Funding I LP	March 2003	EUR	100(1)	6.820%	10 years	3-month Euribor + 3.75%
Cofinoga Funding II LP	January and May 2004	EUR	80(1)	TEC 10 (2) + 1.35%	10 years	TEC 10 (2) + 1.35%
Total			1,892 (3)			

(1) Before application of the proportionate consolidation rate.

(2) TEC 10 is the daily long-term government bond index, corresponding to the yield-to-maturity of a fictitious 10-year Treasury note.
(3) net of shares held in treasury by Group entities

The proceeds of these issues are recorded under "Minority interests" in the balance sheet, and the dividends are reported under "Minority interests" in the profit and loss account.

At 31 December 2010, the BNP Paribas Group held EUR 58 million in preferred shares (EUR 60 million at 31 December 2009), deducted from minority interests.

- Undated Super Subordinated Notes issued by BNP Paribas SA

Since 2005, BNP Paribas SA has carried out nineteen issues of Undated Super Subordinated Notes representing a total amount of EUR 10,612 million. The notes pay a fixed or floating rate coupon and are redeemable at the end of a fixed period and thereafter at each coupon date. Some of these issues will pay a coupon indexed to Euribor or Libor if the notes are not redeemed at the end of this period.

The EUR 2,550 million issue subscribed in December 2008 by Société de Prise de Participation de l'Etat was redeemed upon the issue of the non-voting shares in March 2009.

Fortis Banque France, company absorbed by BNP Paribas SA on 12 May 2010, carried out a EUR 60 million issue during December 2007 of Undated Super Subordinated Notes. This issue offers investors a floating rate of interest and may be repaid after 10 years and thereafter at each coupon date.

The table below summarises the characteristics of these various issues

Undated Super Subordinated Notes

Date of issue	Currency	Amount (in millions)	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
June 2005	USD	1,350	semi-annual	5.186%	10 years	USD 3-month Libor + 1.680%
October 2005	EUR	1,000	annual	4.875%	6 years	4.875%
October 2005	USD	400	annual	6.250%	6 years	6.250%
April 2006	EUR	750	annual	4.730%	10 years	3-month Euribor + 1.690%
April 2006	GBP	450	annual	5.945%	10 years	GBP 3-month Libor + 1.130%
July 2006	EUR	150	annual	5.450%	20 years	3-month Euribor + 1.920%
July 2006	GBP	325	annual	5.945%	10 years	GBP 3-month Libor + 1.810%
April 2007	EUR	750	annual	5.019%	10 years	3-month Euribor + 1.720%
June 2007	USD	600	quarterly	6.500%	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%
December 2007	EUR	60 (1)	quarterly	3-month Euribor + 2,880%	10 years	3-month Euribor + 3.880%
June 2008	EUR	500	annual	7.781%	10 years	3-month Euribor + 3.750%
September 2008	EUR	650	annual	8.667%	5 years	3-month Euribor + 4.050%
September 2008	EUR	100	annual	7.570%	10 years	3-month Euribor + 3.925%
December 2009	EUR	2	quarterly	3-month Euribor + 3.750%	10 years	3-month Euribor + 4.750%
December 2009	EUR	17	annual	7.028%	10 years	3-month Euribor + 4.750%
December 2009	USD	70	quarterly	USD 3-month Libor + 3.750%	10 years	USD 3-month Libor + 4.750%
December 2009	USD	0.5	annual	7.384%	10 years	USD 3-month Libor + 4.750%
Total euro-equivalent value		8,029 (2)				

(1) Through the merger by absorption of Fortis Banque France on 12 May 2010
(2) 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 if no dividends were paid on BNP Paribas SA ordinary shares or on Undated Super Subordinated Note equivalents in the previous year. Unpaid interest is not carried forward.

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–which is not fully offset by a capital increase or any other equivalent measure–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. However, in the event of the liquidation of BNP Paribas SA, the amount due to the holders of these notes will represent their original nominal value irrespective of whether or not their nominal value has been reduced.

The proceeds from these issues are recorded in equity under “Retained earnings”. In accordance with IAS 21, issues denominated in foreign currencies are recognised at their historical value based on their translation into euros at the issue date. Interest on the instruments is treated in the same way as dividends.

At 31 December 2010, the BNP Paribas Group held EUR 93 million of Undated Super Subordinated Notes which were deducted from shareholders’ equity.

- Basic earnings per share

Basic earnings per share is calculated by dividing the net income for the period attributable to ordinary shareholders 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 corresponds to net income for the year 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 share awards made under the Global Share-based Incentive Plan. Conversion of these instruments would have no effect on the net income figure used in this calculation.

	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Net income used to calculate basic and diluted earnings per ordinary share (in millions of euros) (1)	7,531	5,504
Weighted average number of ordinary shares outstanding during the year	1,188,848,011	1,057,526,241
Effect of potentially dilutive ordinary shares		
- Stock subscription plan (2)	1,668,736	641,601
- Share award plan (2)	773,515	999,589
- Stock purchase plan	39,191	69,725
Weighted average number of ordinary shares used to calculate diluted earnings per share	1,191,329,452	1,059,237,156
Basic earnings per share (in euros)	6.33	5.20
Diluted earnings per share (in euros)	6.32	5.20

(1) Net income used to calculate basic and diluted earnings per share is net income per the profit and loss account, adjusted for the remuneration on the preferred shares and the Undated Super Subordinated Notes issued by BNP Paribas SA (treated as preferred share equivalents), which for accounting purposes is handled as dividends.

(2) See note 7.c Share-base payment

The dividend per share paid in 2010 out of 2009 net income amounted to EUR 1.5 compared with EUR 1 per share paid in 2009 out of 2008 net income.

8.b SCOPE OF CONSOLIDATION

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Consolidating company								
BNP Paribas SA		France			Full		100,00%	100,00%
Retail Banking - France								
Banque de Bretagne	*	France			Full		100,00%	100,00%
BNP Paribas Developpement SA		France			Full		100,00%	100,00%
BNP Paribas Factor	*	France			Full		100,00%	100,00%
BNP Paribas Factor Portugal		Portugal			Full		100,00%	100,00%
Compagnie pour le Financement des Loisirs - Cofiloisirs		France	31/12/2010	Additional purchase	Equity		44,62%	44,62%
			31/12/2009		Equity		33,33%	33,33%
Fimagen Holding SA	1	France	31/12/2010	Additional purchase & Merger				
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Banque France SA	1	France	31/12/2010	Additional purchase & Merger				
			31/12/2009	Purchase	Full		99,98%	74,92%
Fortis Gestion Privée	1	France	31/12/2010	Additional purchase & Merger				
			31/12/2009	Purchase	Full		99,99%	74,91%
Fortis Mediacom Finance	1	France	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		99,99%	74,91%
GIE Services Groupe Fortis France	1	France	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		80,33%	59,51%
GIE Immobilier Groupe Fortis France	1	France	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		92,48%	68,10%
BeLux Retail Banking								
Alpha Card SCRL	1	Belgium	31/12/2010		Equity		50,00%	37,47%
			31/12/2009	Purchase	Equity		50,00%	37,47%
Alsabail	1	France	31/12/2010		Equity		40,68%	21,73%
			31/12/2009	Purchase	Equity		40,68%	21,74%
Banking Funding Company SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		33,47%	25,08%
Banque de La Poste SA	1	Belgium	31/12/2010		Prop.		50,00%	37,47%
			31/12/2009	Purchase	Prop.		50,00%	37,47%
BCC Corporate	1	Belgium	31/12/2010		Equity		49,99%	37,47%
			31/12/2009	Purchase	Equity		49,99%	37,46%
Belgolaise SA	1	Belgium	31/12/2010		Equity	2	100,00%	74,93%
			31/12/2009	Purchase	Equity	2	100,00%	74,93%
BNP Paribas Fortis Factor	1	Belgium	31/12/2010		Full		100,00%	74,94%
			31/12/2009	Incorporation	Full		100,00%	74,91%
Brand & Licence Company SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		20,00%	14,99%
Certifimmo V SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
Comptoir Agricole de Wallonie	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity	2	100,00%	74,93%
Credissimo	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity	2	100,00%	74,93%
Credissimo Hainaut SA (ex- La Maison Sociale de Tournai-Ath SA)	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity	2	99,72%	74,72%
Crédit pour Habitations Sociales	1	Belgium	31/12/2010		Equity	2	81,66%	61,19%
			31/12/2009	Purchase	Equity	2	77,56%	61,19%
Demetris NV	1	Belgium	31/12/2010		Equity	2	100,00%	74,93%
			31/12/2009	Purchase	Equity	2	100,00%	74,93%
Dikodi BV	1	Netherlands	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
Europay Belgium	1	Belgium	31/12/2010		Equity		40,02%	29,88%
			31/12/2009	Purchase	Equity		39,80%	29,88%
Fortis Banque SA (BNP Paribas Fortis)	1	Belgium	31/12/2010		Full		74,93%	74,93%
			31/12/2009	Purchase	Full		74,93%	74,93%
Fortis Finance Belgium S.C.R.L.	1	Belgium	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
FV Holding N.V.	1	Belgium	31/12/2010		Equity		40,00%	29,97%
			31/12/2009	Purchase	Equity		40,00%	29,97%
Het Werkmanshuis NV	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		41,04%	30,75%
Immobilière Sauvenière SA	1	Belgium	31/12/2010		Equity	2	100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Isabel SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		25,33%	18,98%
La Propriété Sociale de Binche-Morlanwelz SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		20,81%	16,10%
Landbouwkantoor van Vlaanderen NV	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity	2	100,00%	74,93%
Nieuwe Maatschappij Rond Den Heerd NV	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		23,26%	17,43%
Société Alsacienne de développement et d'expansion	1	France	31/12/2010		Full		100,00%	53,43%
			31/12/2009	Purchase	Full		100,00%	53,43%
Sowo Investment SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		87,50%	65,57%
Visa Belgium SRCL	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		24,86%	18,84%
Special Purpose Entities								
BASS Master Issuer NV	1	Belgium	31/12/2010		Full			
			31/12/2009	Purchase	Full			
Esmée Master Issuer	1	Belgium	31/12/2010		Full			
			31/12/2009	Incorporation	Full			
Park Mountain SME 2007-I BV	1	Netherlands	31/12/2010	Liquidation				
			31/12/2009	Purchase	Full			
Retail Banking - Italy (BNL Banca Commerciale)								
Artigiancassa SPA		Italy			Full		73,86%	73,86%
Artigiansoa - Org. Di Attestazione SPA		Italy			Equity	2	80,00%	59,08%
Banca Nazionale del Lavoro SPA		Italy			Full		100,00%	100,00%
BNL Broker Assicurazioni SPA		Italy	31/12/2009	Disposal				
Retail Banking - Italy (BNL Banca Commerciale) (cont'd)								
BNL Edizioni SRL		Italy	31/12/2009	Merger				
BNL Finance SPA		Italy			Full		100,00%	100,00%
BNL Partecipazioni SPA		Italy	31/12/2009	Merger				
BNL Positivity SRL		Italy			Full		51,00%	51,00%
BNP Paribas Personal Finance SPA		Italy			Full		100,00%	100,00%
Creaimpresa SPA (Groupe)		Italy	31/12/2009	Disposal				
International Factors Italia SPA - Ifitalia		Italy			Full		99,64%	99,64%
Serfactoring SPA		Italy			Equity		27,00%	26,94%
Special Purpose Entities								
EMF IT-2008-1 SRL		Italy			Full			
UCB Service SRL		Italy			Full			
Vela ABS		Italy			Full			
Vela Home SRL		Italy			Full			
Vela Mortgages SRL		Italy			Full			
Vela Public Sector SRL		Italy			Full			
Retail Banking in the United States of America								
1897 Services Corporation		U.S.A			Full		100,00%	100,00%
521 South Seventh Street LLC		U.S.A	31/12/2010	Incorporation	Full		69,23%	69,23%
AmerUS Leasing, Inc.		U.S.A	31/12/2009	Dissolution				
BancWest Corporation		U.S.A			Full		100,00%	100,00%
Bancwest Investment Services, Inc.		U.S.A			Full		100,00%	100,00%
Bank of the West Business Park Association LLC		U.S.A			Full		38,00%	38,00%
Bank of the West		U.S.A			Full		100,00%	100,00%
Bishop Street Capital Management Corporation		U.S.A			Full		100,00%	100,00%
BW Insurance Agency, Inc.		U.S.A			Full		100,00%	100,00%
BW Leasing, Inc.		U.S.A			Full		100,00%	100,00%
Center Club, Inc.		U.S.A			Full		100,00%	100,00%
CFB Community Development Corporation		U.S.A			Full		100,00%	100,00%
Claas Financial Services LLC		U.S.A	31/12/2010	Partial disposal	Full		75,90%	63,64%
			31/12/2009		Full		100,00%	80,45%
Commercial Federal Affordable Housing, Inc.		U.S.A			Full		100,00%	100,00%
Commercial Federal Community Development Corporation		U.S.A			Full		100,00%	100,00%
Commercial Federal Insurance Corporation		U.S.A			Full		100,00%	100,00%
Commercial Federal Investments Services, Inc.		U.S.A			Full		100,00%	100,00%
Commercial Federal Realty Investors Corporation		U.S.A			Full		100,00%	100,00%
Commercial Federal Service Corporation		U.S.A			Full		100,00%	100,00%
Community First Insurance, Inc.		U.S.A	31/12/2010	Dissolution				
			31/12/2009		Full		100,00%	100,00%
Community Service, Inc.		U.S.A			Full		100,00%	100,00%
Equity Lending Inc.		U.S.A			Full		100,00%	100,00%
Essex Credit Corporation		U.S.A			Full		100,00%	100,00%
FHL Lease Holding Company Inc.		U.S.A			Full		100,00%	100,00%
FHL SPC One, Inc.		U.S.A			Full		100,00%	100,00%
First Bancorp		U.S.A			Full		100,00%	100,00%
First Hawaïan Bank		U.S.A			Full		100,00%	100,00%
First Hawaiian Leasing, Inc.		U.S.A			Full		100,00%	100,00%
First National Bancorporation		U.S.A			Full		100,00%	100,00%
First Santa Clara Corporation		U.S.A			Full		100,00%	100,00%
FTS Acquisition LLC		U.S.A	31/12/2010	Incorporation	Full		100,00%	100,00%
Glendale Corporate Center Acquisition LLC		U.S.A	31/12/2010	Incorporation	Full		50,00%	50,00%
KIC Technology1, Inc.		U.S.A	31/12/2010	Dissolution				
			31/12/2009		Full		100,00%	100,00%
KIC Technology2, Inc.		U.S.A	31/12/2010	Dissolution				
			31/12/2009		Full		100,00%	100,00%
KIC Technology3, Inc.		U.S.A	31/12/2010	Dissolution				
			31/12/2009		Full		100,00%	100,00%
Laveen Village Center Acquisition LLC		U.S.A	31/12/2010	Incorporation	Full		58,33%	58,33%
Liberty Leasing Company		U.S.A			Full		100,00%	100,00%
Mountain Falls Acquisition Corporation		U.S.A			Full		100,00%	100,00%
Real Estate Delivery 2 Inc.		U.S.A	31/12/2010		Full		100,00%	100,00%
			31/12/2009	Incorporation	Full		100,00%	100,00%
Riverwalk Village Three Holdings LLC		U.S.A	31/12/2010	Incorporation	Full		100,00%	100,00%
Roxborough Acquisition Corporation		U.S.A	31/12/2009	Dissolution				
Santa Rita Townhomes Acquisition LLC		U.S.A	31/12/2010	Incorporation	Full		100,00%	100,00%
The Bankers Club, Inc.		U.S.A			Full		100,00%	100,00%
Ursus Real estate inc		U.S.A			Full		100,00%	100,00%
Special Purpose Entities								
Beacon Hill		U.S.A	31/12/2010	Purchase & Disposal				
CFB Capital 3		U.S.A	31/12/2009	Dissolution				
CFB Capital 4		U.S.A	31/12/2009	Dissolution				
Commercial Federal Capital Trust 1		U.S.A	31/12/2009	Dissolution				
Commercial Federal Capital Trust 2		U.S.A			Full			
Commercial Federal Capital Trust 3		U.S.A			Full			
C-One Leasing LLC		U.S.A			Full			
First Hawaiian Capital 1		U.S.A			Full			
BNP Paribas Personal Finance								
Alpha Crédit SA	1	Belgium	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Axa Banque Financement		France			Equity		35,00%	35,00%
Banco BGN SA		Brazil			Full		100,00%	100,00%
Banco BNP Paribas Personal Finance SA (ex-Banco Cetelem Portugal)		Portugal			Full		100,00%	100,00%
Banco Cetelem Argentina		Argentina	31/12/2010		Full		100,00%	100,00%
			31/12/2009	Additional purchase	Full		100,00%	100,00%
			31/12/2008		Full		60,00%	60,00%
Banco Cetelem SA		Spain			Full		100,00%	100,00%
BGN Holding Financeira Limitada		Brazil	31/12/2010	Merger				
			31/12/2009		Full		100,00%	100,00%
Bieffe 5 SPA		Italy	31/12/2010		Full		100,00%	75,00%
			31/12/2009	Additional purchase	Full		100,00%	75,00%
			31/12/2008		Equity		50,00%	50,00%
BNP Paribas Personal Finance		France			Full		100,00%	100,00%
BNP Paribas Personal Finance EAD		Bulgaria			Full		100,00%	100,00%
BNP Paribas Personal Finance Belgium		Belgium	31/12/2010	Disposal				
			31/12/2009		Full		100,00%	100,00%

* French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.

1 - Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.

2 - Simplified consolidation by the equity method (non-material entities)

3 - Entities excluded from prudential scope of consolidation

4 - Entites consolidated under the equity method for prudential purposes

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
BNP Paribas Personal Finance (cont'd)								
BNP Paribas Personal Finance BV		Netherlands			Full		100,00%	100,00%
BNP Paribas Personal Finance SA de CV		Mexico			Full		100,00%	100,00%
Cafineo	*	France	31/12/2010		Full		50,99%	50,78%
			31/12/2009	Passing qualifying thresholds	Full		50,99%	50,78%
Carrefour Promotora de Vendas e Participaçoes (CPVP) Limitada (ex- Carrefour Administration Cartos de Creditos - CACC)		Brazil			Equity		40,00%	40,00%
Cetelem Algérie		Algeria			Full		100,00%	100,00%
Cetelem America		Brazil			Full		100,00%	100,00%
Cetelem Asia		Hong-Kong	31/12/2010	Disposal				
			31/12/2009		Full		100,00%	100,00%
Cetelem Bank SA (Palier Laser)		Poland	31/12/2010	Merger				
			31/12/2009	Partial disposal	Prop.		50,00%	50,00%
			31/12/2008		Full		100,00%	100,00%
Cetelem Benelux BV		Netherlands			Full		100,00%	100,00%
Cetelem Brésil		Brazil			Full		100,00%	100,00%
Cetelem CR		Czech Republic			Full		100,00%	100,00%
Cetelem Holding Participaçoes Limitada		Brazil	31/12/2010	Merger				
			31/12/2009		Full		100,00%	100,00%
Cetelem IFN SA		Romania			Full		100,00%	100,00%
Cetelem Latin America Holding Participaçoes Ltda		Brazil	31/12/2010		Full		100,00%	100,00%
			31/12/2009	Incorporation	Full		100,00%	100,00%
Cetelem Maroc		Morocco			Full		99,86%	93,27%
Cetelem Polska Expansion SA (Palier LaSer)		Poland	31/12/2009	Partial disposal & Integration in the LaSer Group				
			31/12/2008		Full		100,00%	100,00%
Cetelem Processing Services (Shanghai) Ltd.		China	31/12/2010	Disposal				
			31/12/2009		Full		100,00%	100,00%
Cetelem Serviços Limitada		Brazil			Equity	2	100,00%	100,00%
Cetelem Servicios SA de CV		Mexico	31/12/2010		Full		100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Full		100,00%	100,00%
Cetelem Slovensko		Slovakia			Full		100,00%	100,00%
Cetelem Thailande		Thailand			Full		100,00%	100,00%
Cetelem UK		UK	31/12/2009	< thresholds				
CMV Médiforce	*	France			Full		100,00%	100,00%
Cofica Bail	*	France			Full		100,00%	100,00%
Cofinoga Portugal SGPS		Portugal	31/12/2010	Merger				
			31/12/2009	Additional purchase	Full		100,00%	100,00%
			31/12/2008		Prop.		50,00%	50,00%
Cofiparc SNC		France			Full		100,00%	100,00%
Cofiplan	*	France			Full		99,99%	99,99%
Commerz Finanz GmbH (ex- Dresdner-Cetelem Kreditbank)		Germany			Full		50,10%	50,10%
Credial Italie SPA		Italy	31/12/2009	Merger				
Credifin Banco SA		Portugal	31/12/2010	Merger				
			31/12/2009	Additional purchase	Full		100,00%	100,00%
			31/12/2008		Prop.		50,00%	50,00%
Credirama SPA		Italy	31/12/2010		Full		51,00%	38,25%
			31/12/2009	Additional purchase	Full		51,00%	38,25%
			31/12/2008		Prop.		50,00%	25,50%
Credisson Holding Ltd.		Cyprus			Full		100,00%	100,00%
Crédit Moderne Antilles Guyane	*	France			Full		100,00%	100,00%
Crédit Moderne Océan Indien	*	France			Full		97,81%	97,81%
Direct Services		Bulgaria			Full		100,00%	100,00%
Domofinance SA	*	France	31/12/2010		Full		55,00%	55,00%
			31/12/2009	Change of control	Full		55,00%	55,00%
			31/12/2008		Prop.		55,00%	55,00%
Effico Iberia		Spain			Full		100,00%	100,00%
Effico Portugal		Portugal			Equity	2	100,00%	100,00%
Effico		France			Full		99,96%	99,96%
Eos Aremas Belgium SA	1	Belgium	31/12/2010		Equity		49,97%	37,44%
			31/12/2009	Purchase	Equity		49,97%	37,44%
Eurocredito		Spain			Full		100,00%	100,00%
Facet	*	France			Full		100,00%	100,00%
Fideicomiso Financiero Cetelem 1		Argentina	31/12/2010	Liquidation				
			31/12/2009	Incorporation	Full		100,00%	100,00%
Fidem	*	France			Full		51,00%	51,00%
Fidexis		Belgium	31/12/2009	Merger				
Fimestic Expansion SA		Spain			Full		100,00%	100,00%
Finalia	1	Belgium	31/12/2010		Full		51,00%	38,22%
			31/12/2009	Purchase	Full		51,00%	38,22%
Findomestic Banca SPA		Italy	31/12/2010		Full		75,00%	75,00%
			31/12/2009	Additional purchase	Full		75,00%	75,00%
			31/12/2008		Prop.		50,00%	50,00%
Findomestic Banka a.d		Serbia	31/12/2010		Full		100,00%	75,00%
			31/12/2009	Additional purchase	Full		100,00%	75,00%
			31/12/2008		Prop.		50,00%	50,00%
Fortis Finanz GmbH	1	Germany	31/12/2009	Purchase & Merger				
Geneve Credit & Leasing SA		Switzerland	31/12/2010	Passing qualifying thresholds	Prop.		51,00%	38,22%
Gesellschaft fur Capital & Vermogensverwaltung GmbH	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
Inkasso Kodat GmbH & Co. KG	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
KBC Pinto Systems		Belgium	31/12/2010	Disposal				
			31/12/2009		Equity		39,99%	39,99%
LaSer - Cofinoga (Groupe)		France			Prop.		50,00%	50,00%
Loisirs Finance	*	France			Full		51,00%	51,00%
Magyar Cetelem Bank Zrt.		Hungary			Full		100,00%	100,00%
Merkur Beteiligungs und Verwaltungsgesellschaft mit Beschränkter Haftung	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
Monabanq		France	31/12/2010	Disposal				
			31/12/2009		Equity		34,00%	34,00%

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
BNP Paribas Personal Finance (cont'd)								
Natixis Financement		France			Equity		33,00%	33,00%
Nissan Finance Belgium NV	1	Belgium	31/12/2010	Additional purchase	Full		100,00%	77,32%
			31/12/2009	Purchase	Full		100,00%	69,55%
Norrsken Finance	*	France			Full		51,00%	51,00%
Prestacomer SA de CV		Mexico	31/12/2010		Full		100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Full		100,00%	100,00%
			31/12/2008		Equity		100,00%	100,00%
Prêts et Services SAS	*	France			Full		100,00%	100,00%
Projeo	*	France			Full		51,00%	51,00%
Servicios Financieros Carrefour EFC		Spain			Equity		37,28%	39,94%
Société des Paiement Pass		France			Equity		39,17%	39,17%
Submarino Finance Promotora de Credito Limitada		Brazil			Prop.		50,00%	50,00%
Sundaram Home Finance Ltd.		India			Prop.		49,90%	49,90%
TEB Tuketici Finansman AS(ex-Palier TEB Mali)		Turkey	31/12/2010	Additional purchase	Full		100,00%	87,49%
			31/12/2009		Prop.		50,00%	50,00%
UCB Ingatlanhitel RT		Hungary			Full		100,00%	100,00%
UCB Suisse		Switzerland			Full		100,00%	100,00%
Union de Creditos Inmobiliarios - UCI (Groupe)		Spain			Prop.		50,00%	50,00%
Von Essen GmbH & Co. KG Bankgesellschaft	1	Germany	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Debt Investment Funds (cont'd)								
FCC Retail ABS Finance - Noria 2005		France	31/12/2010	Dissolution				
			31/12/2009		Full			
FCC Retail ABS Finance - Noria 2008		France			Full			
FCC Retail ABS Finance - Noria 2009		France	31/12/2010		Full			
			31/12/2009	Incorporation	Full			
FCC Domos 2008		France			Full			
FCC Master Domos		France			Full			
FCC Master Domos 5		France			Full			
FCC U.C.I 5 -18		Spain			Prop.			
FCC U.C.I 19		Spain	31/12/2010		Prop.			
			31/12/2009	Incorporation	Prop.			
Fundo de Investimento EM Direitos Creditorios BGN Life		Brazil			Full			
Fundo de Investimento EM Direitos Creditorios BGN Premium		Brazil			Full			
Phedina Hypotheken 2010 BV		Netherlands	31/12/2010	Incorporation	Full			
Viola Finanza SRL		Italy	31/12/2010		Full			
			31/12/2009	Additional purchase	Full			
			31/12/2008		Prop.			
Equipment Solutions								
Ace Equipment Leasing	1	Belgium	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Ace Leasing	1	Belgium	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Ace Leasing BV	1	Netherlands	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
AFL Lease BV	1	Netherlands	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Agrilease BV	1	Netherlands	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Albury Asset Rentals Ltd.		UK	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	100,00%
All In One Vermietungsgesellschaft für Telekommunicationsanlagen mbH.		Germany	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
All In One Vermietung GmbH		Austria	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Allstar Business Solutions Ltd. (ex- Overdrive Business Solutions Ltd.)		UK			Full		100,00%	100,00%
Antin Bail 2 (ex- Antin Bail)	*	France			Full		100,00%	100,00%
Aprolis Finance		France	31/12/2010	Partial disposal	Full		51,00%	43,08%
			31/12/2009		Full		51,00%	51,00%
Arius SA		France	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Artegy Ltd.		UK	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Artegy SAS		France	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Arval Austria GmbH		Austria			Full		100,00%	100,00%
Arval Belgium SA		Belgium			Full		100,00%	100,00%
Arval Benelux BV		Netherlands			Full		100,00%	100,00%
Arval Brasil Limitada		Brazil	31/12/2010		Full		100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Full		100,00%	100,00%
			31/12/2008		Equity	2	100,00%	100,00%
Arval Business Services Ltd.		UK			Full		100,00%	100,00%
Arval BV		Netherlands			Full		100,00%	100,00%
Arval Deutschland GmbH		Germany			Full		100,00%	100,00%
Arval ECL SAS		France			Full		100,00%	100,00%
Arval Hellas Car Rental SA		Greece			Equity	2	100,00%	100,00%
Arval Holding		France	31/12/2010	Merger				
			31/12/2009		Full		100,00%	100,00%
Arval India Private Ltd.		India			Equity	2	100,00%	100,00%
Arval Ltd.		UK			Full		100,00%	100,00%
Arval Luxembourg		Luxembourg			Full		100,00%	100,00%
Arval Maroc		Morocco	31/12/2010		Full		100,00%	88,91%
			31/12/2009	Passing qualifying thresholds	Full		100,00%	88,91%
			31/12/2008		Equity	2	88,73%	88,73%

* French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.

1 - Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 - Simplified consolidation by the equity method (non-material entities)
3 - Entities excluded from prudential scope of consolidation
4 - Entites consolidated under the equity method for prudential purposes

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Equipment Solutions (cont'd)								
Arval NV		Belgium			Full		100,00%	100,00%
Arval PHH Holdings Ltd.		UK			Full		100,00%	100,00%
Arval PHH Holdings UK Ltd.		UK			Full		100,00%	100,00%
Arval PHH Service Lease CZ		Czech Republic			Full		100,00%	100,00%
Arval OOO (ex-Arval Russie)		Russia	31/12/2010		Full		100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Full		100,00%	100,00%
			31/12/2008		Equity	2	100,00%	100,00%
Arval Schweiz AG		Switzerland			Full		100,00%	100,00%
Arval Service Lease		France			Full		100,00%	100,00%
Arval Service Lease Aluger Operational Automoveis		Portugal			Full		100,00%	100,00%
Arval Service Lease Italia S. p. A.		Italy			Full		100,00%	100,00%
Arval Service Lease Polska sp. z o. o.		Poland			Full		100,00%	100,00%
Arval Service Lease Romania SRL		Romania			Equity	2	100,00%	100,00%
Arval Service Lease SA		Spain			Full		99,99%	99,99%
Arval Slovakia		Slovakia	31/12/2010		Full		100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Full		100,00%	100,00%
			31/12/2008		Equity	2	100,00%	100,00%
Arval Trading		France			Full		100,00%	100,00%
Arval UK Group Ltd.		UK			Full		100,00%	100,00%
Arval UK Ltd.		UK			Full		100,00%	100,00%
Autovalley		France	31/12/2010	Passing qualifying thresholds	Equity	2	100,00%	100,00%
Barloword Heftruck BV		Netherlands	31/12/2010	Partial disposal	Equity		50,00%	42,24%
			31/12/2009		Equity		50,00%	50,00%
BNP Paribas Fleet Holdings Ltd.		UK			Full		100,00%	100,00%
BNP Paribas Lease Group	*	France	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Lease Group (Rentals) Ltd.		UK	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Lease Group BV		Netherlands	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Lease Group GmbH & Co KG		Austria	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Lease Group KFT		Hungary	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Lease Group Luxembourg SA (ex-Fortis Lease Luxembourg)	1	Luxembourg	31/12/2010	Additional purchase	Full		100,00%	84,47%
			31/12/2009	Purchase	Full		100,00%	53,43%
BNP Paribas Lease Group Netherlands BV		Netherlands	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Lease Group Polska SP z.o.o		Poland	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Lease Group RT		Hungary	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Lease Group SA Belgium		Belgium	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Lease Group SPA		Italy	31/12/2010	Partial disposal	Full		100,00%	95,94%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Lease Group PLC		UK	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Leasing Gmbh		Germany	31/12/2009	Merger				
CA Motor Finance Ltd.	1	UK	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Captive Finance Ltd.	1	Hong-Kong	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Captive Finance Taiwan Co. Ltd.	1	Taiwan	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Claas Financial Services	*	France	31/12/2010	Partial disposal	Full		60,11%	50,78%
			31/12/2009		Full		60,11%	60,11%
Claas Financial Services Inc.		U.S.A	31/12/2010	Partial disposal	Full		100,00%	50,78%
			31/12/2009		Full		100,00%	60,11%
Claas Financial Services Ltd.		UK	31/12/2010	Partial disposal	Full		51,00%	43,08%
			31/12/2009		Full		51,00%	51,00%
Claas Leasing Gmbh		Germany	31/12/2009	Merger				
CNH Capital Europe	*	France	31/12/2010	Partial disposal	Full		50,10%	42,32%
			31/12/2009		Full		50,10%	50,10%
CNH Capital Europe BV		Netherlands	31/12/2010	Passing qualifying thresholds	Full		100,00%	42,32%
			31/12/2009	< thresholds				
			31/12/2008		Full		100,00%	100,00%
CNH Capital Europe GmbH		Austria	31/12/2010	Partial disposal	Full		100,00%	42,32%
			31/12/2009	Passing qualifying thresholds	Full		100,00%	50,10%
CNH Capital Europe Ltd.		UK	31/12/2010	Partial disposal	Full		100,00%	42,32%
			31/12/2009		Full		100,00%	50,10%
Commercial Vehicle Finance Ltd.		UK	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Dexia Location Longue Durée		France			Equity	2	51,00%	51,00%
Dialcard Fleet Services Ltd.		UK			Full		100,00%	100,00%
Diamond Finance UK Ltd.		UK	31/12/2010	Partial disposal	Full		60,00%	50,69%
			31/12/2009		Full		60,00%	60,00%
Dreieck One Ltd.	1	Cayman Islands	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100,00%	53,43%
Elfa Auto	1	Luxembourg	31/12/2010	Additional purchase	Full		100,00%	84,16%
			31/12/2009	Purchase	Full		100,00%	53,43%
Equipment Lease BV		Netherlands	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
ES-Finance	1	Belgium	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Euro-Scribe SAS	1	France	31/12/2010	Additional purchase	Prop.		50,00%	42,24%
			31/12/2009	Purchase	Equity		50,00%	26,71%
F.L. Zeebrugge	1	Belgium	31/12/2010	Additional purchase	Full		75,00%	63,36%
			31/12/2009	Purchase	Full		75,00%	40,07%
Folea Grundstucksverwaltungs und Vermietungs GmbH & Co. Objekt Burtenbach KG	1	Germany	31/12/2010	Additional purchase	Full		85,00%	7,64%
			31/12/2009	Purchase	Full		90,00%	3,21%
Folea Grundstucksverwaltungs und Vermietungs GmbH & Co. Objekt Leverkusen KG	1	Germany	31/12/2010	Additional purchase	Equity	2	85,00%	7,64%
			31/12/2009	Purchase	Full		90,00%	3,21%
Folea Grundstucksverwaltungs und Vermietungs GmbH & Co. Objekt Thalfingen	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Folea Verwaltungs GmbH	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Folea II Verwaltungs GmbH	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Folea III Verwaltungs GmbH	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Energy Leasing XI	1	Netherlands	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Energy Leasing X2	1	Netherlands	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Energy Leasing X3 BV	1	Netherlands	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Energy Leasing XIV BV	1	Netherlands	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Finansal Kiralama AS	1	Turkey	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease	1	Belgium	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease (China) Co Ltd.	1	China	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease (France)	1 *	France	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease (Malaysia) Sdn. Bhd	1	Malaysia	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Car & Truck	1	Belgium	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Czech	1	Czech Republic	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Danmark AS	1	Denmark	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Deutschland AG	1	Germany	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Finland Oy	1	Finland	31/12/2009	Purchase & Dissolution				
Fortis Lease Group SA	1	Luxembourg	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Group Services	1	Belgium	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Holding Norge AS	1	Norway	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Holdings UK Ltd.	1	UK	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Hong Kong Ltd.	1	Hong-Kong	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Hungaria Equipment Financing Financial Leasing Company	1	Hungary	31/12/2010	Additional purchase	Equity	2	100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Hungaria Real estate	1	Hungary	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Hungaria Vehicle Financing Financial Leasing Company	1	Hungary	31/12/2010	Additional purchase	Equity	2	100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Iberia	1	Spain	31/12/2010	Additional purchase	Full		100,00%	82,44%
			31/12/2009	Purchase	Full		100,00%	58,01%
Fortis Lease Immobilier Suisse	1	Switzerland	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Nederland NV	1	Netherlands	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Norge AS	1	Norway	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Operativ Lizing Zartkoruen Mukodo Reszvenytarsasag	1	Hungary	31/12/2010	Additional purchase	Equity	2	100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Polska Sp.z.o.o.	1	Poland	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Portugal	1	Portugal	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Romania IFN SA	1	Romania	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease S.p.A.	1	Italy	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Singapore Pte Ltd.	1	Singapore	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%

* French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
1 - Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 - Simplified consolidation by the equity method (non-material entities)
3 - Entities excluded from prudential scope of consolidation
4 - Entites consolidated under the equity method for prudential purposes

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Equipment Solutions (cont'd)								
Fortis Lease Suisse	1	Switzerland	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease Sweden AB	1	Sweden	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease UK Ltd.	1	UK	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease UK (1) Ltd.	1	UK	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease UK (2) Ltd.	1	UK	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease UK (3) Ltd.	1	UK	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease UK (4) Ltd.	1	UK	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Lease UK (5) Ltd.	1	UK	31/12/2010	Additional purchase	Full		90,00%	76,03%
			31/12/2009	Purchase	Full		90,00%	48,09%
Fortis Lease UK Retail Ltd.	1	UK	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Vastgoedlease BV	1	Netherlands	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Friedland Participation et Gestion	1	France	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Gestion et Location Holding		France			Full		100,00%	100,00%
Global Management Services	1	Romania	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Greenval Insurance Company Ltd.		Ireland			Full	4	100,00%	100,00%
H.F.G.L Ltd.		UK	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Harpur UK Ltd.		UK	31/12/2010	Dissolution				
			31/12/2009		Full		100,00%	100,00%
Humberclyde Commercial Investments Ltd.		UK	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Humberclyde Commercial Investments N° 4 Ltd.		UK	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Humberclyde Commercial Investments N°1 Ltd.		UK	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Humberclyde Finance Ltd.		UK	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Humberclyde Industrial Finance Ltd.		UK	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Humberclyde Investments Ltd.		UK	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
JCB Finance	*	France	31/12/2010	Partial disposal	Full		100,00%	42,32%
			31/12/2009		Full		100,00%	50,10%
JCB Finance Holdings Ltd.		UK	31/12/2010	Partial disposal	Full		50,10%	42,32%
			31/12/2009		Full		50,10%	50,10%
Kota Jaya Ltd.	1	Hong-Kong	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Kota Juta Ltd.	1	Hong-Kong	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
Locatrice Italiana SPA		Italy	31/12/2010	Partial disposal	Full		100,00%	95,94%
			31/12/2009		Full		100,00%	100,00%
Manitou Finance Ltd.		UK	31/12/2010	Partial disposal	Full		51,00%	43,08%
			31/12/2009		Full		51,00%	51,00%
Marie Lease SARL	1	Luxembourg	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		50,00%	26,71%
MFF SAS	*	France	31/12/2010	Partial disposal	Full		51,00%	43,08%
			31/12/2009		Full		51,00%	51,00%
Natiobail 2		France	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Natiocrédibail	*	France	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Natiocrédimurs	*	France	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Natioénergie	*	France	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Otis Vehicle Rentals Ltd.	1	UK	31/12/2010	Additional purchase	Equity		40,00%	33,79%
			31/12/2009	Purchase	Equity		40,00%	21,37%
Overdrive Credit Card Ltd.		UK	31/12/2009	Dissolution				
Pad Gas Leasing Monroe LLC	1	U.S.A	31/12/2009	Purchase & Dissolution				
Paricomi	*	France			Full		100,00%	100,00%
PHH Financial services Ltd.		UK			Full		100,00%	100,00%
PHH Holdings Ltd.		UK	31/12/2009	Dissolution				
PHH Investment Services Ltd.		UK			Full		100,00%	100,00%
PHH Leasing (N°9) Ltd.		UK	31/12/2009	Dissolution				
PHH Treasury Services Ltd.		UK			Full		100,00%	100,00%
PHH Truck Management Services Ltd.		UK	31/12/2009	Dissolution				
Pointeuro Ltd.		UK	31/12/2009	Dissolution				
Same Deutz Fahr Finance Ltd.		UK	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
Same Deutz-Fahr Finance	*	France	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
SCI Champvernier	1	France	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
SCI FLIF Azur	1	France	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
SCI FLIF Château Landon	1	France	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
SCI FLIF Evry 2	1	France	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
SCI FLIF Le Gallo	1	France	31/12/2010	Additional purchase	Full		100,00%	84,48%
			31/12/2009	Purchase	Full		100,00%	53,43%
SCI FLIF Le Port	1	France	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100,00%	53,43%
SCI FLIF Sainte Marie	1	France	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100,00%	53,43%
SREI Equipement Finance Private Ltd.		India	31/12/2010	Partial disposal	Prop.		50,00%	42,24%
			31/12/2009		Prop.		50,00%	50,00%
TEB Arval Arac Filo Kiralama		Turkey	31/12/2010	Partial disposal	Full		75,00%	68,73%
			31/12/2009	Additional purchase	Full		75,00%	75,00%
			31/12/2008		Prop.		50,00%	50,00%
TEB Finansal Kiralama (ex- Palier TEB Mali)		Turkey	31/12/2010	Additional purchase	Full		98,43%	79,19%
			31/12/2009		Prop.		42,10%	50,00%
The Harpur Group UK Ltd.		UK	31/12/2009	Dissolution				
UFB Asset Finance Ltd.		UK	31/12/2010	Partial disposal	Full		100,00%	84,48%
			31/12/2009		Full		100,00%	100,00%
United Care (Cheshire) Ltd.		UK	31/12/2010	Dissolution				
			31/12/2009		Full		100,00%	100,00%
United Care Group Ltd.		UK	31/12/2010	Dissolution				
			31/12/2009		Full		100,00%	100,00%
#								
Royale Neuve I Sarl		Luxembourg			Full			
Vela Lease SRL		Italy			Full			
Europe Mediterranean								
3D Güvenlik Sistemleri ve Org Tic. AS	1	Turkey	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		99,00%	69,82%
Banque de Nankin		China			Equity		12,68%	12,68%
Banque de Wallis et Futuna	*	France			Full		50,98%	50,98%
Banque du Sahara LSC		Libya	31/12/2010	Loss of control	Equity		19,00%	19,00%
			31/12/2009		Full		19,00%	19,00%
Banque Internationale du Commerce et de l'Industrie Burkina Faso		Burkina Faso			Full		51,00%	51,00%
Banque Internationale du Commerce et de l'Industrie Cote d'Ivoire		Ivory Coast			Full		59,79%	59,79%
Banque Internationale du Commerce et de l'Industrie Gabon		Gabon	31/12/2010		Equity		46,67%	46,67%
			31/12/2009	Loss of control	Equity		46,67%	46,67%
			31/12/2008		Full		46,67%	46,67%
Banque Internationale du Commerce et de l'Industrie Guinée		Guinea			Equity		30,83%	30,83%
Banque Internationale du Commerce et de l'Industrie Mali		Mali			Full		85,00%	85,00%
Banque Internationale du Commerce et de l'Industrie Senegal		Senegal			Full		54,11%	54,11%
Banque Malgache de l'Ocean Indien		Madagascar			Full		75,00%	75,00%
Banque Marocaine du Commerce et de l'Industrie		Morocco			Full		66,74%	66,74%
Banque Marocaine du Commerce et de l'Industrie Crédit Conso		Morocco			Full		100,00%	79,74%
Banque Marocaine du Commerce et de l'Industrie Gestion		Morocco			Equity	2	100,00%	66,74%
Banque Marocaine du Commerce et de l'Industrie Leasing		Morocco			Full		72,03%	48,07%
Banque Marocaine du Commerce et de l'Industrie Offshore		Morocco			Full		100,00%	66,74%
BNP Intercontinentale - BNPI	*	France			Full		100,00%	100,00%
BNP Paribas BDDI Participations		France			Full		100,00%	100,00%
BNP Paribas El Djazair		Algeria			Full		100,00%	100,00%
BNP Paribas Fortis Yatirimlar Holding AS		Turkey	31/12/2010	Incorporation	Full		100,00%	74,93%
BNP Paribas Guadeloupe	*	France			Full		100,00%	100,00%
BNP Paribas Guyane	*	France			Full		100,00%	100,00%
BNP Paribas Martinique	*	France			Full		100,00%	100,00%
BNP Paribas Mauritanie		Mauritania	31/12/2010	Disposal				
			31/12/2009		Equity	2	59,99%	59,99%
BNP Paribas Nouvelle Caledonie	*	France			Full		100,00%	100,00%
BNP Paribas Réunion	*	France			Full		100,00%	100,00%
BNP Paribas SAE (ex- BNP Paribas Egypt)		Egypt			Full		95,19%	95,19%
BNP Paribas Vostok LLC		Russia			Full		100,00%	100,00%
Dominet Bank Spolka Akcyjna	1	Poland	31/12/2009	Purchase & Merger				
Dominet Finanse SA	1	Poland	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100,00%	74,93%
Dominet SA	1	Poland	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Dominet SPV-II Sp z.o.o.	1	Poland	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Bank Anonim Sirketi	1	Turkey	31/12/2010		Full		94,11%	70,52%
			31/12/2009	Purchase	Full		94,11%	70,52%
Fortis Bank Malta Ltd.	1	Malta	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	70,52%
Fortis Bank Polska SA	1	Poland	31/12/2010		Full		99,87%	74,84%
			31/12/2009	Purchase	Full		99,87%	74,79%
Fortis Holding Malta BV	1	Netherlands	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	70,52%
Fortis Holding Malta Ltd.	1	Malta	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	70,52%
Fortis Private Investment Polska	1	Poland	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,84%

* French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.

1 - Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.

2 - Simplified consolidation by the equity method (non-material entities)

3 - Entities excluded from prudential scope of consolidation

4 - Entites consolidated under the equity method for prudential purposes

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Europe Mediterranean (cont'd)								
IC Axa Insurance		Ukraine	31/12/2010	Additional purchase	Equity	2	49,67%	49,68%
			31/12/2009	Additional purchase	Equity	2	49,67%	40,44%
			31/12/2008	Purchase	Equity	2	49,63%	25,31%
IC Axa Ukraine		Ukraine	31/12/2010	Additional purchase	Equity	2	50,00%	50,00%
			31/12/2009		Equity	2	50,00%	40,71%
Orient Commercial Bank		Vietnam	31/12/2010		Equity		15,00%	15,00%
			31/12/2009	Passing qualifying thresholds	Equity		15,00%	15,00%
TEB Mali Yatirimlar Anonim Sirketi (Groupe)		Turkey	31/12/2010	Partial disposal	Prop.		50,00%	37,47%
			31/12/2009		Prop.		50,00%	50,00%
Ukrainian Leasing Company		Ukraine	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Full		100,00%	81,42%
			31/12/2008	Purchase	Equity	2	100,00%	51,00%
Ukrsib Asset Management		Ukraine	31/12/2010	Additional purchase	Equity	2	99,94%	99,94%
			31/12/2009	Additional purchase	Equity	2	99,94%	81,37%
			31/12/2008		Equity	2	99,94%	50,97%
Ukrsib Asset Management PI Fund		Ukraine	31/12/2010	Additional purchase	Equity	2	100,00%	99,99%
			31/12/2009	Additional purchase	Equity	2	99,94%	81,37%
			31/12/2008		Equity	2	99,94%	50,97%
UkrSibbank		Ukraine	31/12/2010	Additional purchase	Full		99,99%	99,99%
			31/12/2009	Additional purchase	Full		81,42%	81,42%
			31/12/2008		Full		51,00%	51,00%
Union Bancaire pour le Commerce et l'Industrie		Tunisia			Full		50,00%	50,00%
Union Bancaire pour le Commerce et l'Industrie Leasing		Tunisia	31/12/2010	Merger				
			31/12/2009		Full		75,40%	37,70%
Investment Solutions								
BGL BNP Paribas (ex- BGL)	1	Luxembourg	31/12/2010		Full		65,96%	53,43%
			31/12/2009	Purchase	Full		65,96%	53,43%
BNP Paribas Luxembourg SA		Luxembourg	31/12/2010	Merger				
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Suisse SA		Switzerland			Full		99,99%	99,99%
Cofhylux SA	1	Luxembourg	31/12/2010		Full		100,00%	53,43%
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Intertrust Group Holding (Groupe)	1	Switzerland	31/12/2009	Purchase & Disposal				
Immoparibas Royale-Neuve SA		Luxembourg	31/12/2010	Reconsolidation	Full		100,00%	53,43%
IMS ABS FCP		France	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Full		80,74%	80,74%
Insurance								
6 Square Foch SCI		France			Full	4	100,00%	100,00%
8-10 place du Commerce SCI		France			Full	4	100,00%	100,00%
14 rue Vivienne SCI		France			Full	4	100,00%	100,00%
100 rue Lauriston SCI		France			Full	4	100,00%	100,00%
104-106 rue Cambronne SCI		France			Full	4	100,00%	100,00%
AG Insurance-Groupe	1	Belgium	31/12/2010		Equity		25,00%	18,73%
			31/12/2009	Purchase	Equity		25,00%	18,73%
Alpha Park SCI		France			Prop.	4	50,00%	50,00%
Antin Epargne Pension		France	31/12/2010	Purchase	Full	4	100,00%	100,00%
Asnieres 1 SCI		France			Full	4	100,00%	100,00%
Assu-Vie SA		France			Equity	2	50,00%	50,00%
Beausejour SCI		France			Full	4	100,00%	100,00%
BNL Vita SPA		Italy			Equity		49,00%	49,00%
BNP Paribas Assurance		France			Full	4	100,00%	100,00%
BNP Paribas Assurance BV		Netherlands			Full	4	100,00%	100,00%
BNP Paribas Assurance TCB Life Insurance Company Ltd		Taiwan	31/12/2010	Passing qualifying thresholds	Equity		49,00%	49,00%
BNP Paribas Pierre 2 SCI		France			Full	4	100,00%	100,00%
Bobigny Jean Rostand SCI		France	31/12/2010	Incorporation	Full	4	100,00%	100,00%
Boulevard Malesherbes SCI		France			Full	4	100,00%	100,00%
Boulogne Centre SCI		France			Full	4	100,00%	100,00%
Capital France Hotel SCA		France			Prop.	4	61,04%	60,14%
Cardif Assicurazioni SPA		Italy			Full	4	100,00%	100,00%
Cardif Assurances Risques Divers		France			Full	4	100,00%	100,00%
Cardif Assurance Vie		France			Full	4	100,00%	100,00%
Cardif Biztosito Magyarorszag Zrt		Hungary			Equity	2	100,00%	100,00%
Cardif Colombia Seguros Generales		Colombia	31/12/2010		Equity	2	100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Equity	2	100,00%	100,00%
Cardif del Peru Sa Compania de Seguros		Perou			Equity	2	100,00%	100,00%
Cardif do Brasil Vida e Previdencia SA		Brazil			Full	4	100,00%	100,00%
Cardif do Brasil Seguros e Garantias		Brazil	31/12/2010	Passing qualifying thresholds	Full	4	100,00%	100,00%
			31/12/2009		Equity	2	100,00%	100,00%
Cardif Forsakring AB		Sweden			Equity	2	100,00%	100,00%
Cardif Hayat Sigorta Anonim Sirketi (VIE)		Turkey	31/12/2010	Passing qualifying thresholds	Full		100,00%	100,00%
Cardif Holdings Inc.		U.S.A			Full	4	99,60%	99,60%
Cardif Insurance Company		Russia			Equity	2	100,00%	100,00%
Cardif Leven		Belgium			Full	4	100,00%	100,00%
Cardif Levensverzekeringen NV		Netherlands			Full	4	100,00%	100,00%
Cardif Life Insurance Company		U.S.A			Full	4	100,00%	99,60%
Cardif Life Insurance Co. Ltd.		South Korea	31/12/2010		Full	4	85,00%	85,00%
			31/12/2009	Additional purchase	Full	4	85,00%	85,00%
			31/12/2008		Prop.	4	50,00%	50,00%
Cardif Lux International		Luxembourg			Full	4	100,00%	100,00%
Cardif Mexico Seguros de Vida SA de CV		Mexico			Equity	2	100,00%	100,00%

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Insurance (cont'd)								
Cardif Mexico Seguros Generales SA de CV		Mexico			Equity	2	100,00%	100,00%
Cardif Nordic AB		Sweden			Full	4	100,00%	100,00%
Cardif Pinnacle Insurance Holding Ltd.		South Africa	31/12/2009	Disposal				
Cardif Pinnacle Insurance Holdings PLC		UK			Full	4	100,00%	100,00%
Cardif Pinnacle Insurance Management Services PL		UK			Full	4	100,00%	100,00%
Cardif Polska Towarzystwo Ubezpieczen na Zycie S		Poland			Full	4	100,00%	100,00%
Cardif Retraite Assurance Vie		France			Full	4	100,00%	100,00%
Cardif Schadeverzekeringen NV		Netherlands			Full	4	100,00%	100,00%
Cardif Seguros SA		Argentina			Full	4	100,00%	100,00%
Cardivida Correduria de Seguros SRL		Spain			Equity	2	100,00%	100,00%
Carma Grand Horizon SARL		France			Full	4	100,00%	100,00%
CB (UK) Ltd. (Fonds C)		UK			Full	4	100,00%	100,00%
CentroVita Assicurazioni SPA		Italy	31/12/2010	Disposal				
			31/12/2009		Prop.	4	49,00%	49,00%
CJS Insurance Company Cardif		Ukraine			Equity	2	100,00%	100,00%
Compania de Seguros Generales Cardif SA		Chile			Full	4	100,00%	100,00%
Compania de Seguros de Vida Cardif SA		Chile			Full	4	100,00%	100,00%
Corosa SCI		France			Full	4	100,00%	100,00%
Darnell Ltd.		Ireland			Full	4	100,00%	100,00%
Defense Etoile SCI		France	31/12/2009	Disposal				
Defense Vendome SCI		France	31/12/2009	Disposal				
Direct Life & Pensions Services Ltd.		UK			Equity	2	100,00%	100,00%
Etoile SCI		France			Full	4	100,00%	100,00%
European Reinsurance Ltd.		UK			Equity	2	100,00%	100,00%
F & B Insurance Holdings SA (Groupe)		Belgium	31/12/2010		Equity		50,00%	50,00%
			31/12/2009	Incorporation	Equity		50,00%	50,00%
Financial Telemarketing Services Ltd.		UK			Equity	2	100,00%	100,00%
Fonds d'Investissements Immobiliers pour le Commerce et la Distribution - Fondis		France			Prop.	4	25,00%	25,00%
Fortis Emeklilik ve Hayat A.S		Turkey	31/12/2010	Purchase	Full		100,00%	100,00%
Fortis Epargne Retraite	1	France	31/12/2010	Additional purchase & Merger				
			31/12/2009	Purchase	Full		69,99%	51,45%
Fortis Luxembourg - Vie SA	1	Luxembourg	31/12/2010		Equity		50,00%	26,71%
			31/12/2009	Purchase	Equity		50,00%	26,71%
GIE BNP Paribas Assurance		France			Full	4	100,00%	99,00%
Global Euro		France			Full	4	98,75%	98,75%
Hibernia (France)		France			Prop.	4	61,04%	60,14%
Immeuble Demours SCI		France			Full	4	100,00%	100,00%
Luizaseg		Brazil	31/12/2010	Passing qualifying thresholds	Prop.	4	50,00%	50,00%
			31/12/2009		Equity	2	50,00%	50,00%
Maine 49 SCI (ex- SCI Courbevoie)		France			Full	4	100,00%	100,00%
Maine 50 SCI (ex- SCI Boulogne Nungesser)		France			Full	4	100,00%	100,00%
Malesherbes Courcelles CIMACO SCI		France			Full	4	100,00%	100,00%
Moussorgski SCI		France			Full	4	100,00%	100,00%
Natio Assurance		France			Prop.	4	50,00%	50,00%
Natio Fonds Athenes Investissement 5		France			Full	4	100,00%	100,00%
Natio Fonds Collines Investissement 1		France			Full	4	100,00%	100,00%
Natio Fonds Collines Investissement 3		France			Full	4	100,00%	100,00%
NCVP Participacoes Societarias SA		Brazil			Full	4	100,00%	100,00%
Odysee SCI		France			Full	4	99,90%	99,90%
Opera Rendement SCPI		France			Full	4	99,89%	99,89%
Pantin les Moulins SCI		France	31/12/2010	Passing qualifying thresholds	Full	4	99,90%	99,90%
Paris Cours de Vincennes SCI		France			Full	4	100,00%	100,00%
Patrimoine Management & Associés		France	31/12/2010	Disposal				
			31/12/2009	Dilution	Full	4	58,50%	58,50%
			31/12/2008		Full	4	61,50%	61,50%
Pinnacle Insurance PLC		UK			Full	4	100,00%	100,00%
Pinnafrica Insurance Company Ltd.		South Africa	31/12/2009	Disposal				
Pinnafrica Insurance Life Ltd.		South Africa	31/12/2009	Disposal				
Pocztylion Arka Powszechne Towarzystwo Emerytal		Poland			Equity		33,33%	33,33%
Pojistovna Cardif Pro Vita A.S		Czech Republic			Full	4	100,00%	100,00%
Pojistovna Cardif Slovakia A.S		Slovakia			Equity	2	100,00%	100,00%
Porte d'Asnieres SCI		France	31/12/2010	Passing qualifying thresholds	Full	4	99,90%	99,90%
Reumal Investissements SARL		France			Full	4	100,00%	100,00%
Rubin SARL		Luxembourg			Prop.	4	50,00%	50,00%
Rue de l'Ouest SCI (ex- SCI Levallois 2)		France			Full	4	100,00%	100,00%
Rue Mederic SCI		France			Full	4	100,00%	100,00%
Rueil Ariane SCI		France	31/12/2009	Disposal				
Rueil Caudron SCI		France			Full	4	100,00%	100,00%
State Bank of India Life Insurance Company		India			Equity		26,00%	26,00%
Suresnes 3 SCI		France			Full	4	100,00%	100,00%
Thai Cardif Insurance Life Company Ltd.		Thailand			Equity		25,00%	25,00%
Valtitres		France			Full	4	100,00%	100,00%
Vendome Athenes SCI		France			Prop.	4	50,00%	50,00%
Warranty Direct Ltd		UK	31/12/2010		Equity	2	88,33%	90,29%
			31/12/2009	Passing qualifying thresholds	Equity	2	90,29%	90,29%
Wealth Management								
Bank Insinger de Beaufort NV		Netherlands	31/12/2010	Additional purchase	Full		63,02%	63,02%
			31/12/2009	Purchase	Full		59,08%	59,08%
Bank Insinger de Beaufort Safe Custody NV		Netherlands	31/12/2010	Additional purchase	Full		100,00%	63,02%
			31/12/2009	Purchase	Full		100,00%	59,08%
Bergues Finance Holding		Bahamas			Full		100,00%	99,99%
BNP Paribas Bahamas Ltd.		Bahamas			Full		100,00%	99,99%
BNP Paribas Espana SA		Spain			Full		99,59%	99,59%
BNP Paribas Investment Services LLC		U.S.A			Full		100,00%	100,00%
BNP Paribas Private Investment Management Ltd. (ex-Fortis Private Investment Management Ltd.)	1	UK	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		100,00%	74,93%
BNP Paribas Wealth Management	*	France			Full		100,00%	100,00%
BNP Paribas Wealth Management Monaco	*	Monaco			Full		100,00%	99,99%
Conseil Investissement		France			Full		100,00%	100,00%

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Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Wealth Management (cont'd)								
Continuing Care Retirement Community NV	1	Belgium	31/12/2010		Full		99,96%	74,90%
			31/12/2009	Purchase	Full		99,96%	74,90%
Fortis Banque Monaco	1	Monaco	31/12/2009	Purchase & Merger				
Fortis Private Real Estate Holding	1	Luxembourg	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Wealth Management Hong Kong Ltd.	1	Hong-Kong	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Wealth Management Taiwan Co. Ltd.	1	Taiwan	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
FPRE Management (Belgium) SA	1	Belgium	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
FPRE Second Residences SA	1	Belgium	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100,00%	74,93%
FPRE Second Residences SCA	1	Belgium	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100,00%	74,93%
Frynaco	1	Belgium	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Fundamentum Asset Management (FAM)	1	Luxembourg	31/12/2010		Full		100,00%	53,43%
			31/12/2009	Purchase	Full		100,00%	53,43%
Insinger de Beaufort Asset Management AG		Switzerland	31/12/2010	Additional purchase	Full		100,00%	31,51%
			31/12/2009	Purchase	Full		100,00%	29,54%
Insinger de Beaufort Asset Management NV		Netherlands	31/12/2010	Additional purchase	Full		100,00%	63,02%
			31/12/2009	Purchase	Full		100,00%	59,08%
Insinger de Beaufort Associates BV		Netherlands	31/12/2010	Additional purchase	Full		100,00%	63,02%
			31/12/2009	Purchase	Full		100,00%	59,08%
Insinger de Beaufort Consulting BV		Netherlands	31/12/2010	Additional purchase	Full		100,00%	63,02%
			31/12/2009	Purchase	Full		100,00%	59,08%
Klein Haneveld Consulting BV		Netherlands	31/12/2010	Additional purchase	Full		100,00%	63,02%
			31/12/2009	Purchase	Full		100,00%	59,08%
Mees Pierson Private Belgian Offices NV	1	Belgium	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Nachenius, Tjeenk et Co NV		Netherlands	31/12/2009	Merger				
Sodefi Holding AG		Switzerland	31/12/2010	Additional purchase	Full		50,00%	31,51%
			31/12/2009	Purchase	Full		50,00%	29,54%
Personal Investors								
B*Capital	*	France			Full		99,96%	99,94%
Cortal Consors	*	France			Full		100,00%	99,98%
Cortal Consors Select		France			Equity	2	85,00%	84,98%
Geojit BNP Paribas Financial Services Ltd - Groupe		India	31/12/2010		Prop.		33,85%	33,85%
			31/12/2009	Additional purchase	Prop.		34,16%	34,16%
			31/12/2008		Prop.		27,11%	27,11%
Geojit Technologies Private Ltd. (ex- palier Geojit)		India	31/12/2010		Full		57,00%	57,00%
			31/12/2009	Additional purchase	Full		57,20%	57,20%
			31/12/2008		Prop.		27,11%	27,11%
Portzamparc Gestion		France	31/12/2010		Full		100,00%	50,97%
			31/12/2009	Purchase	Full		100,00%	50,98%
Portzamparc société de Bourse	*	France	31/12/2010		Full		51,00%	50,97%
			31/12/2009	Purchase	Full		51,00%	50,98%
Investment Partners								
ABN AMRO Asset Management Investments (Asia) Ltd.	1	Cayman Islands	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100,00%	71,19%
ABN AMRO Asset Management Real Estate (Asia)	1	Cayman Islands	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	71,19%
ABN AMRO Asset Management Real Estate, Korea (Cayman)	1	Cayman Islands	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	71,19%
ABN AMRO Emerging Europe Private Equity (Curaçao)	1	Dutch West Indies	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	71,19%
ABN Amro Investment Trust Company	1	U.S.A	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
ABN Amro Teda Fund Management Co. Ltd	1	China	31/12/2010	Disposal				
			31/12/2009	Purchase	Equity		49,00%	34,88%
Alfred Berg Administration A/S	1	Denmark	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Alfred Berg Asset Management AB	1	Sweden	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Alfred Berg Kapitalforvaltning Finland AB	1	Finland	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Alfred Berg Asset Management Services	1	Sweden	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Alfred Berg Fonder AB	1	Sweden	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Alfred Berg Fondsmaeglerselskab A/S	1	Denmark	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Alfred Berg Forvaltning AS	1	Norway	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Alfred Berg Funds	1	Finland	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Alfred Berg Kapitalförvaltning AB	1	Sweden	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Investment Partners (cont'd)								
Alfred Berg Kapitalforvaltning AS	1	Norway	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Antin Infrastructure Partners		France	31/12/2010	Partial disposal	Equity	2	40,00%	36,22%
			31/12/2009		Equity	2	56,50%	56,50%
Aramea Asset Management AG	1	Germany	31/12/2010	Additional purchase	Equity		30,00%	27,16%
			31/12/2009	Purchase	Equity		30,00%	21,36%
Arnhem Investment Management Pty Ltd. (ex- Fortis Investment Partners Pty Ltd.)	1	Australia	31/12/2010	Additional purchase	Equity		40,00%	36,22%
			31/12/2009	Purchase	Equity		40,00%	28,48%
Artemis Asset Management Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100,00%	74,93%
Artemis Fund Managers Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100,00%	74,93%
Artemis Investment Management Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100,00%	74,93%
Artemis Ocean Racing Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100,00%	74,93%
Artemis Ocean Racing 2 Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100,00%	74,93%
Artemis Strategic Asset Management Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100,00%	74,93%
Artemis Unit Trust Managers Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100,00%	74,93%
Athymis Gestion SA	1	France	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		34,00%	24,20%
Banco Estado Administradora General de Fondos		Chile	31/12/2010	Partial disposal	Equity	2	49,99%	45,26%
			31/12/2009	Passing qualifying thresholds	Equity	2	49,99%	49,99%
Bergère 2009		France	31/12/2009	Merger				
BNP Paribas Asset Management		France	31/12/2010	Partial disposal	Full		100,00%	90,55%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Asset Management Uruguay SA		Uruguay	31/12/2010	Partial disposal	Equity	2	100,00%	90,55%
			31/12/2009		Equity	2	100,00%	100,00%
BNP Paribas Asset Management Australia Ltd.		Australia	31/12/2010	< thresholds				
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Asset Management Brasil Ltda		Brazil	31/12/2010	Partial disposal	Full		100,00%	97,57%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Asset Management GmbH		Germany	31/12/2009	< thresholds				
BNP Paribas Asset Management Inc.		U.S.A			Full		100,00%	100,00%
BNP Paribas Asset Management India Private Ltd. (ex- Fortis Investment Management (India) Ltd.)	1	India	31/12/2010	Additional purchase & < thresholds	Equity	2	100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
BNP Paribas Asset Management SGIIC		Spain			Equity	2	100,00%	99,59%
BNP Paribas Clean Energy Partners Ltd. (ex- Fortis Clean Energy Fund GP Ltd.)	1	UK	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
BNP Paribas Fin' AMS	*	France	31/12/2010		Full		100,00%	100,00%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas FIN'AMS Asia (ex- BNP Paribas Asset Management Asia)		Hong-Kong	31/12/2010	Partial disposal	Equity	2	100,00%	91,84%
			31/12/2009		Equity	2	100,00%	100,00%
BNP Paribas Investment Partners		France	31/12/2010	Partial disposal	Full		100,00%	90,55%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Investment Partners Asia Ltd. (ex- ABN AMRO Asset Management (Asia) Ltd.)	1	Hong-Kong	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
BNP Paribas Investment Partners (Australia) Ltd. (ex- Fortis Investment Management Australia Ltd.)	1	Australia	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
BNP Paribas Investment Partners (Australia) Pty Ltd. (ex- Fortis Investment Management Australia Holdings Pty Ltd.)	1	Australia	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
BNP Paribas Investment Partners BE Holding (ex- Fortis Investment Management SA)	1	Belgium	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
BNP Paribas Investment Partners Belgium (ex- Fortis Investment Management Belgium)	1	Belgium	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
BNP Paribas Investment Partners BSC (ex- BNP Paribas Asset Management BSC)		Bahrain	31/12/2010	Partial disposal	Equity	2	100,00%	90,59%
			31/12/2009	Passing qualifying thresholds	Equity	2	99,58%	99,58%
BNP Paribas Investment Partners Canada Ltd. (ex- Fortis Investment Management Canada Ltd.)	1	Canada	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	71,19%
BNP Paribas Investment Partners Funds (Nederland) NV (ex- Fortis Funds (Nederland) NV)	1	Netherlands	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
BNP Paribas Investment Partners Japan Ltd. (ex- BNP Paribas Asset Management Japan Ltd.)		Japan	31/12/2010	Partial disposal	Full		100,00%	90,55%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Investment Partners Luxembourg SA (ex- BNP Paribas Asset Management Luxembourg)		Luxembourg	31/12/2010	Partial disposal	Full		99,66%	90,24%
			31/12/2009		Full		99,66%	99,66%
BNP Paribas Investment Partners Netherlands NV (ex- Fortis Investment Management Netherlands NV)	1	Netherlands	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
BNP Paribas Investment Partners NL Holding NV (ex- Fortis Investment NL Holding NV)	1	Netherlands	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
BNP Paribas Investment Partners (Suisse) SA (ex- Fortis Investment Management (Schweiz) A.G.)	1	Switzerland	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	71,19%
BNP Paribas Investment Partners Singapore Ltd. (ex- BNP Paribas Asset Management Singapore Ltd.)		Singapore	31/12/2010	Partial disposal	Equity	2	100,00%	90,55%
			31/12/2009		Equity	2	100,00%	100,00%
BNP Paribas Investment Partners Societa di Gestione del Risparmio SPA (ex- BNP Paribas Asset Management SGR Milan)		Italy	31/12/2010	Partial disposal	Full		100,00%	98,42%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Investment Partners Taiwan Co. Ltd. (ex- Fortis Sec Investment Consultant Co Ltd.)	1	Taiwan	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	71,19%

* French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
1 - Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 - Simplified consolidation by the equity method (non-material entities)
3 - Entities excluded from prudential scope of consolidation
4 - Entites consolidated under the equity method for prudential purposes

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Investment Partners (cont'd)								
BNP Paribas Investment Partners UK Holdings Ltd. (ex- Fortis Investment Management Holdings UK Ltd.)	1	UK	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
BNP Paribas Investment Partners UK Ltd. (ex- BNP Paribas Asset Management UK Ltd.)		UK	31/12/2010	Partial disposal	Full		100,00%	90,55%
			31/12/2009		Full		100,00%	100,00%
BNP Paribas Private Equity		France	31/12/2010	Passing qualifying thresholds	Full		100,00%	100,00%
			31/12/2009		Equity	2	100,00%	100,00%
Cadogan Associates LLC	1	U.S.A	31/12/2009	Purchase & Disposal				
Cadogan Management (UK) Ltd.	1	UK	31/12/2009	Purchase & Disposal				
Cadogan Management LLC	1	U.S.A	31/12/2009	Purchase & Disposal				
CamGestion		France	31/12/2010	Partial disposal	Full		100,00%	90,55%
			31/12/2009		Full		100,00%	100,00%
Cardif Gestion d'Actifs		France	31/12/2009	Merger				
Charter Atlantic Capital corporation		U.S.A			Full		100,00%	100,00%
Charter Atlantic Corporation		U.S.A			Full		100,00%	100,00%
EISER Infrastructure Capital Management Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100,00%	71,19%
Fauchier General Partners Ltd		UK	31/12/2010	Additional purchase	Full		100,00%	79,22%
			31/12/2009	Additional purchase	Prop.		47,61%	75,00%
			31/12/2008		Prop.		42,17%	62,50%
Fauchier Partners Asset Management Ltd (ex-palier Fauchier)		UK	31/12/2010	Additional purchase	Full		100,00%	79,22%
			31/12/2009		Prop.		47,61%	75,00%
Fauchier Partners Corporation (ex-palier Fauchier)		U.S.A	31/12/2010	Additional purchase	Full		100,00%	79,22%
			31/12/2009		Prop.		47,61%	75,00%
Fauchier Partners International Ltd (ex-palier Fauchier)		Bermuda	31/12/2010	Additional purchase	Full		100,00%	79,22%
			31/12/2009		Prop.		47,61%	75,00%
Fauchier Partners Ltd. (ex-palier Fauchier)		UK	31/12/2010	Additional purchase	Full		100,00%	79,22%
			31/12/2009		Prop.		47,61%	75,00%
Fauchier Partners LLP (ex-palier Fauchier)		UK	31/12/2010	Additional purchase	Full		83,39%	66,06%
			31/12/2009		Prop.		39,70%	62,54%
Fauchier Partners Management Company Ltd. (ex-palier Fauchier)		UK	31/12/2010	Additional purchase	Full		100,00%	79,22%
			31/12/2009		Prop.		47,61%	75,00%
Fauchier Partners Management Ltd. (ex-palier Fauchier)		UK	31/12/2010	Additional purchase	Full		87,49%	79,22%
			31/12/2009		Prop.		47,61%	75,00%
Fimapierre	1	France	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Fischer Francis Trees & Watts Inc.		U.S.A			Full		100,00%	100,00%
Fischer Francis Trees & Watts Kabushiki Kaisha		Japan	31/12/2010	Dissolution				
			31/12/2009		Full		100,00%	100,00%
Fischer Francis Trees & Watts Ltd.		UK			Full		100,00%	100,00%
Fischer Francis Trees & Watts Pte Ltd.		Singapore	31/12/2010	Merger				
			31/12/2009		Full		100,00%	100,00%
Fischer Francis Trees & Watts Singapore Ltd. (ex-ABN AMRO Asset Management (Singapore) Ltd.)	1	Singapore	31/12/2010	Additional purchase & < thresholds	Equity	2	100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Fischer Francis Trees & Watts UK		UK			Full		100,00%	100,00%
Fischer Francis Trees & Watts UK Ltd. (ex- Fortis Investment Management UK Ltd.)	1	UK	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Flexifund Associates	1	Luxembourg	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100,00%	71,19%
Fortis Asset Management Japan CO Ltd.	1	Japan	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100,00%	71,19%
Fortis Bank Suisse SA	1	Switzerland	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100,00%	53,43%
Fortis Gesbeta SGIIC	1	Spain	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Gestao de Investimentos Brasil Limitada	1	Brazil	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Fortis Investment Finance	1	France	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Fortis Investments Japan Holding Ltd.	1	Japan	31/12/2009	Purchase & Dissolution				
Fortis Investment Management (Cayman) Ltd..	1	Cayman Islands	31/12/2010	Liquidation				
			31/12/2009	Purchase	Full		99,99%	71,19%
Fortis Investment Management Chile SA	1	Chile	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Fortis Investment Management Argentina Soc. Gerente de FCI SA	1	Argentina	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Fortis Investment Management France	1	France	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100,00%	71,19%
Fortis Investment Management Hong Kong Ltd.	1	Hong-Kong	31/12/2010	Liquidation				
			31/12/2009	Purchase	Full		100,00%	71,19%
Fortis Investment Management Luxembourg SA	1	Luxembourg	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100,00%	71,19%
Fortis Investment Management USA Inc.	1	U.S.A	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Fortis Liquidity High Grade USD	1	Luxembourg	31/12/2009	Purchase & Disposal				
Fortis Portfoy Yonetimi AS	1	Turkey	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Fund Channel SA		Luxembourg	31/12/2010	Passing qualifying thresholds	Equity	2	49,96%	45,24%
FundQuest		France	31/12/2010	Partial disposal	Full		100,00%	90,55%
			31/12/2009		Full		100,00%	100,00%
FundQuest Holdings Ltd.		UK	31/12/2010	Partial disposal	Equity	2	100,00%	90,55%
			31/12/2009	Passing qualifying thresholds	Equity	2	100,00%	100,00%
FundQuest Inc.		U.S.A			Full		100,00%	100,00%
FundQuest MM Ltd.		UK	31/12/2010	Partial disposal	Equity	2	100,00%	90,55%
			31/12/2009	Passing qualifying thresholds	Equity	2	100,00%	100,00%
FundQuest UK Ltd.		UK	31/12/2010	Partial disposal	Equity	2	100,00%	90,55%
			31/12/2009	Passing qualifying thresholds	Equity	2	100,00%	100,00%
Gestion Obligataire Diversifiée		France	31/12/2010	Partial disposal	Full		100,00%	93,26%
			31/12/2009	Passing qualifying thresholds	Full		100,00%	100,00%
Groeivermogen NV	1	Netherlands	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Haitong - Fortis Private Equity Fund Management Co. Ltd.	1	China	31/12/2010	Additional purchase	Equity		33,00%	29,88%
			31/12/2009	Purchase	Equity		33,00%	23,49%
HFT Investment Management Co Ltd. (ex- Fortis Haitong Invest Managt Co Ltd.) - Groupe	1	China	31/12/2010	Additional purchase	Equity		49,00%	44,37%
			31/12/2009	Purchase	Equity		49,00%	34,88%
HFT Investment Management (HK) Ltd.	1	Hong-Kong	31/12/2010	Incorporation	Equity		49,00%	44,37%
Impax Asset Management Group PLC (ex- Impax Group PLC)		UK	31/12/2010	Partial disposal	Equity		27,88%	25,24%
			31/12/2009		Equity		27,88%	27,88%
Industrifinans Forskningsparken Eiendom AS	1	Norway	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
KIT Fortis Investment Management	1	Kazakhstan	31/12/2010	Additional purchase	Equity		50,00%	45,27%
			31/12/2009	Purchase	Equity		50,00%	35,60%
Malbec Partners Inc.		U.S.A			Full		100,00%	100,00%
Malbec Partners LLP		UK	31/12/2010	Dissolution				
			31/12/2009		Full		100,00%	100,00%
Malbec UK Ltd.		UK	31/12/2010	Dissolution				
			31/12/2009		Full		100,00%	100,00%
Merconter SA	1	Argentina	31/12/2010	Additional purchase	Full		100,00%	90,55%
			31/12/2009	Purchase	Full		100,00%	71,19%
Ostara Partners Inc.	1	Cayman Islands	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		50,00%	35,82%
Ostara Partners Inc. Korea	1	Cayman Islands	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		50,00%	35,82%
Overlay Asset Management		France	31/12/2010	Partial disposal	Equity	2	100,00%	90,55%
			31/12/2009	< thresholds	Equity	2	100,00%	100,00%
			31/12/2008		Full		100,00%	100,00%
PT ABN AMRO Manajemen Investasi	1	Indonesia	31/12/2010	< thresholds	Equity	2	84,99%	76,96%
			31/12/2009	Purchase	Full		84,99%	60,50%
PT. BNP Paribas Investment Partners (ex- PT Fortis Investments)	1	Indonesia	31/12/2010	Additional purchase	Full		99,00%	89,64%
			31/12/2009	Purchase	Full		99,00%	70,47%
SAIB BNP Paribas Asset Management Cy Ltd.		Saudi Arabia	31/12/2010	Partial disposal	Equity		25,00%	22,64%
			31/12/2009	Passing qualifying thresholds	Equity		25,00%	25,00%
Shenying & Wanguo BNP Paribas Asset Management Company Ltd.		China	31/12/2010	Partial disposal	Equity		33,00%	29,88%
			31/12/2009		Equity		33,00%	33,00%
Shinan BNP Paribas Asset Management Co Ltd		South Korea	31/12/2010	Partial disposal	Prop.		35,00%	31,69%
			31/12/2009	Dilution	Prop.		35,00%	35,00%
			31/12/2008		Prop.		50,00%	50,00%
Sundaram BNP Paribas Asset Management Company Ltd.		India	31/12/2010	Disposal				
			31/12/2009		Equity		49,90%	49,90%
TFunds Mutual Fund Management Company SA (ex- ASPIS International Mutual Funds Management Co.)	1	Greece	31/12/2010	Additional purchase	Equity		45,00%	40,75%
			31/12/2009	Purchase	Equity		45,00%	32,03%
TKB BNP Paribas Investment Partners Holding BV (ex- KIT Fortis Investment Management Holding BV)	1	Netherlands	31/12/2010	Additional purchase	Equity		50,00%	45,27%
			31/12/2009	Purchase	Equity		50,00%	35,60%
TKB BNP Paribas Investment Partners, Jsc (ex- KIT Fortis Investment Management)	1	Russia	31/12/2010	Additional purchase	Equity		50,00%	45,27%
			31/12/2009	Purchase	Equity		50,00%	35,60%
TKB BNP Paribas Investment Partners LLC (ex- KIT Fortis Investment Management Consulting LLC)	1	Russia	31/12/2010	Additional purchase	Equity		50,00%	45,27%
			31/12/2009	Purchase	Equity		50,00%	35,60%
Versiko AG	1	Germany	31/12/2010	Additional purchase	Equity		25,00%	22,64%
			31/12/2009	Purchase	Equity		25,10%	17,87%
Securities services								
BNP Paribas Fund Services Australasia Ltd.		Australia			Full		100,00%	100,00%
BNP Paribas Fund Services Dublin Ltd.		Ireland			Full		100,00%	100,00%
BNP Paribas Fund Services France		France			Full		100,00%	100,00%
BNP Paribas Fund Services Holdings		UK	31/12/2009	< thresholds				
BNP Paribas Fund Services UK Ltd.		UK	31/12/2009	< thresholds				
BNP Paribas Securities Services - BP2S	*	France			Full		100,00%	100,00%
BNP Paribas Securities Services Fund Administration Ltd.		Jersey	31/12/2010	Passing qualifying thresholds	Equity	2	100,00%	100,00%
BNP Paribas Securities Services Custody bank Ltd		Jersey	31/12/2009	< thresholds				
BNP Paribas Securities Services (Holdings) Ltd.		Jersey			Full		100,00%	100,00%
BNP Paribas Trust Company (Guernesey) Ltd.		Guernsey			Equity	2	100,00%	100,00%
F.A.M. Fund Advisory	1	Luxembourg	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100,00%	53,43%

* French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.

1 - Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.

2 - Simplified consolidation by the equity method (non-material entities)

3 - Entities excluded from prudential scope of consolidation

4 - Entites consolidated under the equity method for prudential purposes

Name		Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Securities services (cont'd)							
Fastnet Nederland	1	Netherlands	31/12/2010		Equity	47,84%	25,56%
			31/12/2009	Purchase	Equity	47,84%	25,55%
Fund Administration Services & Technology Network Belgium	1	Belgium	31/12/2010		Equity	47,80%	25,54%
			31/12/2009	Purchase	Equity	47,80%	25,53%
Fund Administration Services & Technology Network Luxembourg	1	Luxembourg	31/12/2010	Disposal			
			31/12/2009	Purchase	Equity	47,79%	25,53%
Real Estate Services							
Aberdeen Property Investors Belgium		Belgium	31/12/2009	Purchase & Merger			
Asset Partenaires		France			Full	100,00%	96,77%
Auguste Thouard Expertise		France	31/12/2010		Full	100,00%	100,00%
			31/12/2009	Incorporation	Full	100,00%	100,00%
BNP Paribas Immobilier Promotion Immobilier d'Entreprise		France			Full	100,00%	100,00%
BNP Paribas Immobilier Residentiel		France			Full	100,00%	100,00%
BNP Paribas Immobilier Residentiel Promotion Ile de France		France			Full	100,00%	100,00%
BNP Paribas Immobilier Residentiel Promotion Mediterranée		France			Full	100,00%	100,00%
BNP Paribas Immobilier Residentiel Promotion Rhône Alpes		France			Full	100,00%	100,00%
BNP Paribas Immobilier Résidentiel Promotion Sud (		France			Full	100,00%	100,00%
BNP Paribas Immobilier Résidentiel Promotion Var		France			Full	100,00%	100,00%
BNP Paribas Immobilier Residentiel Residences Services		France			Full	100,00%	100,00%
BNP Paribas Immobilier Residentiel Residences Services BSA		France			Full	100,00%	100,00%
BNP Paribas Immobilier Residentiel Residences Services Sofiane		France			Full	100,00%	100,00%
BNP Paribas Immobilier Residentiel Service Clients		France			Full	100,00%	100,00%
BNP Paribas Immobilier Residentiel Transaction & Conseil		France			Full	100,00%	100,00%
BNP Paribas Immobilier Residentiel V2i		France			Full	100,00%	100,00%
BNP Paribas Real Estate		France			Full	100,00%	100,00%
BNP Paribas Real Estate Advisory Belgium SA		Belgium			Full	100,00%	100,00%
BNP Paribas Real Estate Advisory Italy SPA		Italy			Full	100,00%	100,00%
BNP PB Real Estate Advisory & Property Management Ireland Ltd.		Ireland			Full	100,00%	100,00%
BNP Paribas Real Estate Advisory & Property Management International		France	31/12/2010	Merger			
			31/12/2009		Full	100,00%	100,00%
BNP Paribas Real Estate Advisory & Property Management LLC		United Arab Emirates	31/12/2010		Full	49,00%	49,00%
			31/12/2009	Incorporation	Full	49,00%	49,00%
BNP Paribas Real Estate Advisory & Property Management Luxembourg SA		Luxembourg			Full	100,00%	100,00%
BNP Paribas Real Estate Advisory & Property Management UK Ltd.		UK			Full	100,00%	100,00%
BNP Paribas Real Estate Advisory Spain SA		Spain			Full	100,00%	100,00%
BNP Paribas Real Estate Advisory USA Inc.		U.S.A	31/12/2010	< thresholds			
			31/12/2009		Full	100,00%	100,00%
BNP Paribas Real Estate Consult France		France			Full	100,00%	100,00%
BNP Paribas Real Estate Consult GmbH		Germany			Full	100,00%	100,00%
BNP Paribas Real Estate Facilities Management Ltd.		UK			Full	100,00%	100,00%
BNP Paribas Real Estate Financial Partner (ex-BNP Paribas Participations Financières Immobilières)		France			Full	100,00%	100,00%
BNP Paribas Real Estate GmbH		Germany			Full	100,00%	100,00%
BNP Paribas Real Estate Holding Benelux SA		Belgium			Full	100,00%	100,00%
BNP Paribas Real Estate Holding GmbH		Germany			Full	100,00%	100,00%
BNP Paribas Real Estate Hotels France		France			Full	96,01%	96,01%
BNP Paribas Real Estate & Infrastructure Advisory Service Private Ltd.		India	31/12/2010		Full	55,00%	55,00%
			31/12/2009	Purchase	Full	55,00%	55,00%
BNP Paribas Real Estate Investment Management		France			Full	96,77%	96,77%
BNP Paribas Real Estate Investment Management Belgium		Belgium	31/12/2010	Incorporation	Full	100,00%	100,00%
BNP Paribas Real Estate Investment Management It		Italy			Full	100,00%	100,00%
BNP Paribas Real Estate Investment Management Ltd.		UK			Full	100,00%	100,00%
BNP Paribas Real Estate Investment Management Luxembourg SA		Luxembourg	31/12/2010	Incorporation	Full	100,00%	100,00%
BNP Paribas Real Estate Investment Management UK Ltd.		UK			Full	100,00%	100,00%
BNP Paribas Real Estate Investment Services SAS		France			Full	100,00%	100,00%
BNP Paribas Real Estate Jersey Ltd.		Jersey	31/12/2010		Full	100,00%	100,00%
			31/12/2009	Purchase	Full	100,00%	100,00%
BNP Paribas Real Estate Project Solutions GmbH		Germany			Full	100,00%	100,00%
BNP Paribas Real Estate Property Developpement Italy SPA		Italy			Full	100,00%	100,00%
BNP Paribas Real Estate Property Management Belgium		Belgium			Full	100,00%	100,00%
BNP Paribas Real Estate Property Management France SAS		France			Full	100,00%	100,00%
BNP Paribas Real Estate Property Management GmbH		Germany			Full	100,00%	100,00%
BNP Paribas Real Estate Property Management International		France			Full	100,00%	100,00%
BNP Paribas Real Estate Property Management Italy SrL		Italy			Full	100,00%	100,00%
BNP Paribas Real Estate Property Management Spain SA		Spain			Full	100,00%	100,00%
BNP Paribas Real Estate Services Holding Italy		Italy	31/12/2010	Incorporation	Full	100,00%	100,00%
BNP Paribas Real Estate Transaction France		France			Full	95,91%	95,91%
BNP Paribas Real Estate Valuation France		France			Full	100,00%	100,00%
BRSI SAS		France	31/12/2009	Disposal			
Cabinet Claude Sanchez		France	31/12/2009	Disposal			
Cristolienne de Participations SAS		France			Full	100,00%	100,00%
F G Ingenierie et Promotion Immobilière		France			Full	100,00%	100,00%

Name		Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Real Estate Services (cont'd)							
Fortis Direct Real Estate Management	1	Luxembourg	31/12/2010	Additional purchase	Full	100,00%	100,00%
			31/12/2009	Purchase	Full	100,00%	74,93%
Gerer SA		France	31/12/2010	Disposal			
			31/12/2009		Full	100,00%	100,00%
Immobiliere des Bergues		France			Full	100,00%	100,00%
Euro Fashion Center SA	1	Belgium	31/12/2010	< thresholds			
			31/12/2009	Purchase	Full	100,00%	74,93%
Fortis / KFH Scof Advisor Ltd.	1	Virgin Islands	31/12/2010	< thresholds			
			31/12/2009	Purchase	Equity	50,00%	37,47%
Lot 2 Porte d'Asnières SNC		France	31/12/2010	< thresholds			
			31/12/2009		Full	100,00%	100,00%
Meunier Hispania SA		Spain			Full	100,00%	100,00%
Multi Vest (France) 4 SAS		France	31/12/2010	< thresholds			
			31/12/2009		Full	100,00%	100,00%
Newport Management SAS		France			Full	100,00%	100,00%
Partner's & Services		France			Full	100,00%	100,00%
Pyrotex SARL		Luxembourg	31/12/2010		Full	100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Full	100,00%	100,00%
S.C BNP Paribas Real Estate Advisory S.A		Romania	31/12/2010		Full	88,00%	88,00%
			31/12/2009	Purchase	Full	88,00%	88,00%
Sesame Conseil SAS		France	31/12/2010	Purchase	Full	95,25%	95,25%
Tasaciones Hipotecarias SA		Spain			Full	100,00%	100,00%
Via Crespi 26 SRL		Italy	31/12/2010		Full	100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Full	100,00%	100,00%
Weatheralls Consultancy Services Ltd.		UK			Full	100,00%	100,00%
Corporate and Investment Banking							
France							
BNP Paribas Arbitrage	*	France			Full	100,00%	100,00%
BNP Paribas Equities France	*	France			Full	99,96%	99,96%
BNP Paribas Equity Strategies		France			Full	100,00%	100,00%
BNP Paribas Stratégies Actions		France			Full	100,00%	100,00%
Capstar Partners SAS France		France	31/12/2009	Merger			
Esomet SAS		France			Full	100,00%	100,00%
Harewood Asset Management		France			Full	100,00%	100,00%
Laffitte Participation 22		France	31/12/2010		Full	100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Full	100,00%	100,00%
Paribas Dérivés Garantis Snc		France			Full 3	100,00%	100,00%
Parifergie	*	France			Full	100,00%	100,00%
Parilease SAS	*	France			Full	100,00%	100,00%
Taitbout Participation 3 Snc		France			Full	100,00%	100,00%
Europe							
Alleray	1	Luxembourg	31/12/2010		Full	100,00%	53,43%
			31/12/2009	Purchase	Full	100,00%	53,43%
Argance	1	Luxembourg	31/12/2010	< thresholds			
			31/12/2009	Purchase	Full	100,00%	53,43%
BNP Paribas Ireland		Ireland			Full	100,00%	100,00%
BNP Paribas Bank NV		Netherlands			Full	100,00%	100,00%
BNP Paribas Capital Investments Ltd.		UK			Full	100,00%	100,00%
BNP Paribas CMG Ltd.		UK			Full	100,00%	100,00%
BNP Paribas Commodity Futures Ltd.		UK			Full	100,00%	100,00%
BNP Paribas Cyprus Ltd.		Cyprus			Full	100,00%	100,00%
BNP Paribas E & B Ltd.		UK			Full	100,00%	100,00%
BNP Paribas Finance PLC		UK			Full	100,00%	100,00%
BNP Paribas Fortis Funding (ex- Fortis Luxembourg Finance SA)	1	Luxembourg	31/12/2010		Full	100,00%	74,93%
			31/12/2009	Purchase	Full	100,00%	74,93%
BNP Paribas Net Ltd.		UK			Full	100,00%	100,00%
BNP Paribas UK Holdings Ltd.		UK			Full	100,00%	100,00%
BNP Paribas UK Ltd.		UK			Full	100,00%	100,00%
BNP PUK Holding Ltd.		UK			Full	100,00%	100,00%
BNP Paribas ZAO		Russia			Full	100,00%	100,00%
Calilux SARL		Luxembourg	31/12/2010	< thresholds			
			31/12/2009		Full	60,00%	60,00%
Camomile Asset Finance (N°5) Partnership	1	UK	31/12/2010	< thresholds			
			31/12/2009	Purchase	Full	100,00%	74,93%
Camomile Investments UK Ltd.	1	UK	31/12/2010	Additional purchase	Full	100,00%	100,00%
			31/12/2009	Purchase	Full	100,00%	74,93%
Capstar Partners Ltd.		UK			Full	100,00%	100,00%
Dalgarno	1	Luxembourg	31/12/2010	< thresholds			
			31/12/2009	Purchase	Full	100,00%	53,43%
Delvino	1	Luxembourg	31/12/2010	< thresholds			
			31/12/2009	Purchase	Full	100,00%	53,43%
Eris Investissements	1	Luxembourg	31/12/2010	< thresholds			
			31/12/2009	Purchase	Full	100,00%	53,43%
Euraussie Finance SARL		Luxembourg			Full	100,00%	100,00%
FB Energy Trading S.à R.L.	1	Luxembourg	31/12/2010		Full	100,00%	74,93%
			31/12/2009	Purchase	Full	100,00%	74,93%
Fidex Holdings Ltd.		UK	31/12/2010		Full	100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Full	100,00%	100,00%
Fortis Film Fund SA	1	Belgium	31/12/2010	< thresholds			
			31/12/2009	Purchase	Full	100,00%	74,93%
Fortis International Finance (Dublin)	1	Ireland	31/12/2010		Full	100,00%	74,93%
			31/12/2009	Purchase	Full	100,00%	74,93%
Fortis International Finance Luxembourg SARL	1	Luxembourg	31/12/2010	Additional purchase	Full	100,00%	100,00%
			31/12/2009	Purchase	Full	100,00%	74,93%
Fortis Park Lane Ireland Ltd.	1	Ireland	31/12/2010	< thresholds			
			31/12/2009	Purchase	Full	100,00%	74,93%
Fortis PF Investments (UK) Ltd.	1	UK	31/12/2010	< thresholds			
			31/12/2009	Purchase	Full	100,00%	74,93%
Fortis Proprietary Investment Ireland Ltd.	1	Ireland	31/12/2010		Full	100,00%	74,93%
			31/12/2009	Purchase	Full	100,00%	74,93%

* French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.

1 - Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 - Simplified consolidation by the equity method (non-material entities)
3 - Entities excluded from prudential scope of consolidation
4 - Entites consolidated under the equity method for prudential purposes

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Europe (cont'd)								
Fortis Yatirim Menkul Degerler AS	1	Turkey	31/12/2010	< thresholds	Equity	2	100,00%	70,52%
			31/12/2009	Purchase	Full		100,00%	70,52%
G I Finance	1	Ireland	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Harewood Holdings Ltd.		UK			Full		100,00%	100,00%
Landspire Ltd.		UK			Full		100,00%	100,00%
Mermoz Jet Finance	1	Spain	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
Money Alpha	1	France	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Money Beta	1	France	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Paribas Trust Luxembourg SA		Luxembourg	31/12/2010	Partial disposal	Full		100,00%	53,43%
			31/12/2009		Full		100,00%	100,00%
Pattison	1	Luxembourg	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Prestibel Left Village	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity	2	70,06%	52,50%
Quainton Funding SARL.	1	Luxembourg	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Tabor Funding	1	Luxembourg	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	53,43%
Upper Hatch Securities Ltd.	1	Ireland	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
Utexam Ltd.		Ireland			Full		100,00%	100,00%
Utexam Logistics Ltd.		Ireland	31/12/2010		Full		100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Full		100,00%	100,00%
Vartry Reinsurance Ltd.		Ireland			Full	4	100,00%	100,00%
Americas								
ACG Capital Partners LLC	1	U.S.A	31/12/2010	Additional purchase	Equity		50,00%	50,00%
			31/12/2009	Purchase	Equity		50,00%	37,47%
ACG Capital Partners II LLC		U.S.A	31/12/2010	Incorporation	Equity		50,00%	50,00%
ACG Investment Capital Partners LLC	1	U.S.A	31/12/2010	Additional purchase & < thresholds				
			31/12/2009	Purchase	Equity		50,00%	37,47%
Banco BNP Paribas Brasil SA		Brazil			Full		100,00%	100,00%
Banexi Holding Corporation		U.S.A	31/12/2010	Passing qualifying thresholds	Full		100,00%	100,00%
BNP Paribas Canada		Canada			Full		100,00%	100,00%
BNP Paribas Capital Services Inc.		Canada	31/12/2010	Passing qualifying thresholds	Full		100,00%	100,00%
BNP Paribas Capstar Partners Inc.		U.S.A			Full		100,00%	100,00%
BNP Paribas Commodity Futures Inc.		U.S.A			Full		100,00%	100,00%
BNP Paribas Energy Trading Canada Corp (ex- FB Energy Canada Corp)	1	Canada	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		100,00%	74,93%
BNP Paribas Energy Trading GP (ex- Fortis Energy Marketing & Trading GP)	1	U.S.A	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		100,00%	74,93%
BNP Paribas Energy Trading Holdings, Inc.		U.S.A	31/12/2010	Passing qualifying thresholds	Full		100,00%	100,00%
BNP Paribas Energy Trading LLC		U.S.A	31/12/2010	Passing qualifying thresholds	Full		100,00%	100,00%
BNP Paribas Leasing Corporation		U.S.A			Full		100,00%	100,00%
BNP Paribas Mortgage Corporation		U.S.A			Full		100,00%	100,00%
BNP Paribas North America Inc.		U.S.A			Full		100,00%	100,00%
BNP Paribas Prime Brokerage Inc.		U.S.A			Full		100,00%	100,00%
BNP Paribas Prime Brokerage International Ltd.		Cayman Islands			Full		100,00%	100,00%
BNP Paribas Principal Inc.		U.S.A	31/12/2009	< thresholds				
BNP Paribas RCC Inc.		U.S.A			Full		100,00%	100,00%
BNP Paribas Securities Corporation		U.S.A			Full		100,00%	100,00%
Camomile Alzette Investments (UK) Ltd.	1	Cayman Islands	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
Camomile Canopia Trading (UK) Ltd.	1	Cayman Islands	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		100,00%	74,93%
Camomile Pearl (UK) Ltd.	1	Cayman Islands	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		100,00%	74,93%
Camomile Ulster Investments (UK) Ltd.	1	Cayman Islands	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		100,00%	74,93%
Capstar Partners LLC		U.S.A			Full		100,00%	100,00%
CF Leasing Ltd.	1	Bermuda	31/12/2010	Partial disposal & Integration in the Cronos Group				
			31/12/2009	Purchase	Equity	2	50,00%	51,93%
CooperNeff Group Inc.		U.S.A			Full		100,00%	100,00%
Cronos Holding Company Ltd. (Groupe)		Bermuda	31/12/2010	Purchase	Equity		30,00%	22,40%
FB Energy Holdings LLC	1	U.S.A	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
FB Funding Company	1	Canada	31/12/2009	Purchase & Disposal				
FB Holdings Canada Corp	1	Canada	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
FB Transportation Capital LLC	1	U.S.A	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
FBC Ltd.	1	Bermuda	31/12/2010	Liquidation				
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis (USA) Financial Markets LLC	1	U.S.A	31/12/2009	Purchase & Dissolution				
Fortis Capital Corporation	1	U.S.A	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Capital (Canada) Ltd.	1	Canada	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Clearing Americas LLC	1	U.S.A	31/12/2009	Purchase & Disposal				
Americas (cont'd)								
Fortis Financial Services LLC	1	U.S.A	31/12/2009	Purchase & Merger				
Fortis Funding LLC	1	U.S.A	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Ifico	1	Cayman Islands	31/12/2009	Purchase & Dissolution				
Fortis Prime Fund Solutions (USA) LLC	1	U.S.A	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Proprietary Capital Inc.	1	U.S.A	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Securities LLC	1	U.S.A	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		100,00%	74,93%
French American Banking Corporation - F.A.B.C		U.S.A			Full		100,00%	100,00%
FSI Holdings Inc.	1	U.S.A	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		100,00%	74,93%
Harewood Asset Management (US) Inc.		U.S.A			Full		100,00%	100,00%
Innocap Investment Management Inc.		Canada			Equity		25,00%	25,00%
Paribas North America Inc.		U.S.A			Full		100,00%	100,00%
Petits Champs Participaçoes e Serviços SA		Brazil			Full		100,00%	100,00%
RFH Ltd.	1	Bermuda	31/12/2010	Additional purchase	Equity		100,00%	74,68%
			31/12/2009	Purchase	Equity		50,00%	49,57%
TCG Fund I, L.P	1	Cayman Islands	31/12/2010		Full		99,66%	74,68%
			31/12/2009	Incorporation	Full		100,00%	74,68%
Textainer Marine Containers Ltd.	1	Bermuda	31/12/2010		Equity		25,00%	18,67%
			31/12/2009	Purchase	Equity		25,00%	18,73%
Trip Rail Holdings LLC		U.S.A	31/12/2010	Passing qualifying thresholds	Equity		16,33%	12,19%
Via North America, Inc.		U.S.A	31/12/2010	Passing qualifying thresholds	Full		100,00%	100,00%
Asia - Oceania								
ACG Capital Partners Singapore Pte. Ltd		Singapore	31/12/2010	Incorporation	Equity		50,00%	50,00%
BNP Equities Asia Ltd.		Malaysia			Full		100,00%	100,00%
BNP Pacific (Australia) Ltd.		Australia			Full		100,00%	100,00%
BNP Paribas (China) Ltd.		China			Full		100,00%	100,00%
BNP Paribas Arbitrage (Hong-Kong) Ltd.		Hong-Kong			Full		100,00%	100,00%
BNP Paribas Capital (Asia Pacific) Ltd.		Hong-Kong			Full		100,00%	100,00%
BNP Paribas Capital (Singapore) Ltd.		Singapore			Full		100,00%	100,00%
BNP Paribas Finance (Hong-Kong) Ltd.		Hong-Kong			Full		100,00%	100,00%
BNP Paribas Futures (Hong-Kong) Ltd.		Hong-Kong			Full		100,00%	100,00%
BNP Paribas India Solutions Private Ltd.		India			Full		100,00%	100,00%
BNP Paribas Japan Ltd.		Japan			Full		100,00%	100,00%
BNP Paribas Principal Investments Japan Ltd.		Japan			Full		100,00%	100,00%
BNP Paribas Securities (Asia) Ltd.		Hong-Kong			Full		100,00%	100,00%
BNP Paribas Securities India Private Ltd.		India	31/12/2010		Full		100,00%	66,93%
			31/12/2009	Incorporation	Full		100,00%	67,08%
BNP Paribas Securities (Japan) Ltd.		Hong-Kong			Full		100,00%	100,00%
BNP Paribas Securities (Taiwan) Co Ltd.		Taiwan			Full		100,00%	100,00%
BNP Paribas Securities Korea Company Ltd.		South Korea			Full		100,00%	100,00%
BNP Paribas Securities (Singapore) Pte Ltd.		Singapore			Full		100,00%	100,00%
BNP Paribas Services (Hong Kong) Ltd.		Hong-Kong			Full		100,00%	100,00%
BPP Holdings Pte Ltd.		Singapore	31/12/2010		Full		100,00%	100,00%
			31/12/2009	Passing qualifying thresholds	Full		100,00%	100,00%
Celestial Hong Kong Ltd. (ex- BNP Paribas SCM Asia (Hong Kong) Ltd.)		Hong-Kong	31/12/2010	< thresholds				
			31/12/2009		Full		100,00%	100,00%
Generale Belgian Finance Cy Ltd.	1	Hong-Kong	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		100,00%	74,93%
Paribas Asia Equity Ltd.		Hong-Kong			Full		100,00%	100,00%
PT Bank BNP Paribas Indonésia		Indonesia			Full		100,00%	99,99%
PT BNP Paribas Securities Indonesia		Indonesia			Full		99,00%	99,00%
Wa Pei Finance Company Ltd.	1	Hong-Kong	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		100,00%	74,93%
Wa Pei Properties Ltd.	1	Hong-Kong	31/12/2010	Additional purchase	Full		100,00%	100,00%
			31/12/2009	Purchase	Full		100,00%	74,93%
Special Purpose Entities								
54 Lombard Street Investments Ltd.		UK			Full			
2007 Panda Finance 2 SAS		France			Full			
2008 Marie Finance SAS		France			Full			
2008 Newine Finance 5 SAS		France			Full			
2008 Panda Finance 6 SAS		France			Full			
2008 Panda Finance 7 SAS		France			Full			
2008 Panda Finance 11 SAS		France			Full			
2009 Koala Finance - MSN 36742		France	31/12/2010		Full			
			31/12/2009	Incorporation	Full			
Alandes BV	1	Netherlands	31/12/2010		Full	3		
			31/12/2009	Purchase	Full	3		
Alectra Finance PLC		Ireland			Full			
APAC Finance Ltd.		New Zealand	31/12/2010	Liquidation				
			31/12/2009		Full			
APAC Investments Ltd.		New Zealand	31/12/2010	Liquidation				
			31/12/2009		Full			
APAC NZ Holdings Ltd.		New Zealand			Full			
Aquarius Capital Investments Ltd.		Ireland			Full			
ARV International Ltd.		Cayman Islands			Full			
Astir BV	1	Netherlands	31/12/2010		Full			
			31/12/2009	Purchase	Full			
Atargatis SNC		France			Full			
Aura Capital Investment SA		Luxembourg	31/12/2010	Incorporation	Full			
Austin Finance		France			Full			
Betul 1 à 4		France	31/12/2010	Incorporation	Full			
Black Kite Investment Ltd.		Ireland	31/12/2010		Full			
			31/12/2009	Incorporation	Full			
BNP Paribas Arbitrage Issuance BV		Netherlands			Full			
BNP Paribas Complex Fundo de Investimento Multimercado		Brazil	31/12/2010		Full			
			31/12/2009	Passing qualifying thresholds	Full			

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1 - Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 - Simplified consolidation by the equity method (non-material entities)
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Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Special Purpose Entities (cont'd)								
BNP Paribas EQD Brazil Fund Fundo Invest Multimercado		Brazil	31/12/2010	Passing qualifying thresholds	Full			
BNP Paribas Emission-und Handel. GmbH		Germany			Full			
BNP Paribas Finance Inc.		U.S.A			Full			
BNP Paribas Islamic Issuance BV		Netherlands			Full			
BNP Paribas Proprietario Fundo de Investimento Multimercado		Brazil	31/12/2010		Full			
			31/12/2009	Passing qualifying thresholds	Full			
BNP Paribas Singapore Funding Partnership		Singapore	31/12/2009	< thresholds				
BNP Paribas VPG Brookline Cre, LLC		U.S.A	31/12/2010	Incorporation	Full			
BNP Paribas VPG Master LLC		U.S.A	31/12/2010	Incorporation	Full			
BNP Paribas VPG SDI Media LLC		U.S.A	31/12/2010	Incorporation	Full			
BNP Paribas VPG Semgroup LLC		U.S.A	31/12/2010	Incorporation	Full			
Boug BV		Netherlands			Full			
China Jenna Finance 1 à 3 SAS		France			Full			
China Lucie Finance 1 à 3 SAS		France			Full			
China Marie Finance 1 et 2 SAS		France			Full			
China Newine Finance 1 à 4 SAS		France			Full			
China Samantha Finance 1 à 10 SAS		France			Full			
Compagnie Financière de la Porte Neuve SA		Luxembourg			Full			
Compagnie Investissement Italiens SNC		France			Full			
Compagnie Investissement Opéra SNC		France			Full			
Crisps Ltd.		Cayman Islands	31/12/2010	Dissolution				
			31/12/2009		Full			
CSACL Tiger Finance		France	31/12/2010	Incorporation	Full			
Delphinus Titri 2010 SA		Luxembourg	31/12/2010	Incorporation	Full			
Epping Funding Ltd.		Cayman Islands	31/12/2009	Dissolution				
Epsom Funding Ltd.		Cayman Islands			Full			
Esra 1 à 3 SAS		France			Full			
Fidex Ltd.		UK			Full			
Financière des Italiens SAS		France			Full			
Financière Paris Haussmann		France			Full			
Financière Taitbout		France			Full			
Fintrack Bayamo		France	31/12/2009	Merger				
Fintrack Foehn		France	31/12/2009	Merger				
Fintrack Sirocco		France	31/12/2010	Merger				
			31/12/2009	Purchase	Full			
Global Liberté		Ireland	31/12/2010	< thresholds				
			31/12/2009		Full			
Grenache et Cie SNC		Luxembourg			Full			
Harewood Investments N°2 à 4 Ltd.		UK			Full			
Harewood Investments N°5 Ltd.		Cayman Islands			Full			
Harewood Investments N°7 Ltd.		Cayman Islands	31/12/2010	Incorporation	Full			
Henaross Pty Ltd.		Australia	31/12/2010	< thresholds				
			31/12/2009		Full			
Highbridge Ltd.		Cayman Islands	31/12/2009	< thresholds				
Iliad Investments PLC		Ireland			Full			
Laffitte Participation 2		France	31/12/2009	Merger				
Laffitte Participation 10		France	31/12/2009	Merger				
Laffitte Participation 12		France	31/12/2009	Merger				
Leveraged Finance Europe Capital V BV		Netherlands			Full			
Liquidity Ltd.		Cayman Islands	31/12/2010	Passing qualifying thresholds	Full			
Lisia I Ltd.	1	Jersey	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full			
Lock-In Global Equity Ltd.		Cayman Islands	31/12/2009	Dissolution				
Marc Finance Ltd.		Cayman Islands			Full			
Méditerranéa SNC		France			Full			
Muscat Investments Ltd.		Jersey	31/12/2009	< thresholds				
Omega Capital Investments Plc		Ireland			Full			
Omega Capital Europe PLC		Ireland			Full			
Omega Capital Funding Ltd.		Ireland			Full			
Optichamps		France			Full			
Parritaye Pty Ltd.		Australia	31/12/2010	< thresholds				
			31/12/2009		Full			
Participations Opéra		France			Full			
Reconfiguration BV		Netherlands	31/12/2010	Incorporation	Full			
Renaissance Fund III		Japan	31/12/2010		Full			
			31/12/2009	Passing qualifying thresholds	Full			
Renaissance Fund IV		Japan	31/12/2010		Full			
			31/12/2009	Passing qualifying thresholds	Full			
Ribera del Loira Arbitrage SL		Spain			Full			
Robin Flight Ltd.		Ireland			Full			
Royale Neuve II Sarl		Luxembourg			Full			
Royale Neuve V Sarl		Luxembourg			Full			
Royale Neuve VI Sarl		Luxembourg			Full			
Royale Neuve Finance SARL		Luxembourg			Full			
Royale Neuve Investments Sarl		Luxembourg	31/12/2010		Full			
			31/12/2009	Incorporation	Full			
Scaldis Capital (Ireland) Ltd.	1	Ireland	31/12/2010		Full			
			31/12/2009	Purchase	Full			
Scaldis Capital Ltd.	1	Jersey	31/12/2010		Full	3		
			31/12/2009	Purchase	Full	3		
Scaldis Capital LLC	1	U.S.A	31/12/2010	Passing qualifying thresholds	Full			
Singapore Emma Finance 1 & 2 SAS		France			Full			
Stradios FCP FIS		Luxembourg	31/12/2010	Incorporation	Full			
Sunny Funding Ltd.		Cayman Islands			Full			
Swallow Flight Ltd.		Ireland			Full			
Swan 1 à 3 SAS		France			Full			
Tender Option Bond Municipal program		U.S.A			Full			
Thunderbird Investments PLC		Ireland			Full			
Other Business Units								
Private Equity (BNP Paribas Capital)								
Cobema		Belgium			Full		100,00%	100,00%
Compagnie Financière Ottomane SA		Luxembourg			Full		96,86%	96,86%
Private Equity (BNP Paribas Capital) (cont'd)								
Erbe		Belgium			Equity		47,01%	47,01%
FCM Private Equity II SL	1	Spain	31/12/2009	Purchase & Disposal				
FCM Private Equity SL	1	Spain	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
Fondo Nazca I FCR	1	Spain	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100,00%	74,93%
Fondo Nazca II FCR	1	Spain	31/12/2009	Purchase & Disposal				
Fortis Private Equity Asia Fund SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Private Equity Belgium NV	1	Belgium	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Private Equity Expansion Belgium NV	1	Belgium	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Private Equity France Fund	1	France	31/12/2010		Full		99,90%	74,86%
			31/12/2009	Purchase	Full		99,91%	74,87%
Fortis Private Equity France SAS	1	France	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Private Equity Management NV	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Private Equity Venture Belgium SA	1	Belgium	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Gepeco		Belgium			Full		100,00%	100,00%
Nazca Capital S.G.E.C.R. SA	1	Spain	31/12/2009	Purchase & Disposal				
Nazca Directorships I, S.L.	1	Spain	31/12/2009	Purchase & Disposal				
Nazca Directorships II, S.L.	1	Spain	31/12/2009	Purchase & Disposal				
Nazca Directorships III, S.L.	1	Spain	31/12/2009	Purchase & Disposal				
Nazca Inversiones SA	1	Spain	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,92%
Paribas Participations Limitee		Canada			Full		100,00%	100,00%
Property companies (property used in operations)								
Antin Participation 5		France			Full		100,00%	100,00%
Ejesur		Spain			Full		100,00%	100,00%
Foncière de la Compagnie Bancaire SAS		France			Full		100,00%	100,00%
Noria SAS		France			Full		100,00%	100,00%
Société Immobilière Marché Saint-Honoré		France			Full		100,00%	100,00%
Société d'Etudes Immobilières de Constructions - Setic		France			Full		100,00%	100,00%
Investment companies and other subsidiaries								
Ardi Immo		Luxembourg	31/12/2010		Full	4	100,00%	100,00%
			31/12/2009		Full	4	100,00%	100,00%
BNL International Investment SA		Luxembourg			Full		100,00%	100,00%
BNL Multiservizi SRL		Italy			Equity	2	100,00%	100,00%
BNP Paribas Home Loan Covered Bonds	*	France			Full		100,00%	100,00%
BNP Paribas International BV		Netherlands			Full		100,00%	100,00%
BNP Paribas Mediterranée Innovation & Technologie		Morocco			Full		100,00%	96,67%
BNP Paribas Partners for Innovation (Groupe)		France			Equity		50,00%	50,00%
BNP Paribas Public Sector	*	France	31/12/2010		Full		100,00%	100,00%
			31/12/2009	Incorporation	Full		100,00%	100,00%
BNP Paribas SB Re		Luxembourg	31/12/2010		Full	4	100,00%	100,00%
			31/12/2009	Incorporation	Full	4	100,00%	100,00%
BNP Paribas UK Treasury Ltd.		UK			Full		100,00%	100,00%
Compagnie d'Investissements de Paris - C.I.P		France			Full		100,00%	100,00%
Financière BNP Paribas		France			Full		100,00%	100,00%
Financière du Marché Saint Honoré		France			Full		100,00%	100,00%
Fintrimo SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		50,00%	46,83%
Fortis Bank Reinsurance SA	1	Luxembourg	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Fortis Money Short Term Fund	1	France	31/12/2010	Additional purchase & Liquidation				
			31/12/2009	Purchase	Full		100,00%	73,34%
GeneralCorp 10	1	Luxembourg	31/12/2010		Full	4	100,00%	74,93%
			31/12/2009	Purchase	Full	4	100,00%	74,93%
Generale Bank Pref II NV	1	Netherlands	31/12/2009	Purchase & Dissolution				
Genfinance International SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100,00%	74,93%
GIE Groupement Auxiliaire de Moyens		France			Full		100,00%	100,00%
Internaxx Bank	1	Luxembourg	31/12/2010	Disposal				
			31/12/2009	Purchase	Equity		25,00%	13,35%
Le Sphinx Assurances Luxembourg SA		Luxembourg			Equity	2	100,00%	100,00%
Margareth Inc. (ex- Montag & Caldwell Inc.)	1	U.S.A	31/12/2010		Full		100,00%	74,93%
			31/12/2009	Purchase	Full		100,00%	74,93%
Omnium de Gestion et de Developpement Immobilie		France			Full		100,00%	100,00%
Plagefin - Placement, Gestion, Finance Holding SA		Luxembourg	31/12/2010	Partial disposal	Full		100,00%	53,43%
			31/12/2009		Full		100,00%	100,00%
Postbank Ireland Ltd.	1	Ireland	31/12/2010		Equity		50,00%	26,71%
			31/12/2009	Purchase	Equity		50,00%	26,71%
Sagip		Belgium			Full		100,00%	100,00%
Société Auxiliaire de Construction Immobilière - SAC		France			Full		100,00%	100,00%
Société Orbaisienne de Participations		France			Full		100,00%	100,00%
UCB Bail	*	France			Full		100,00%	100,00%
UCB Entreprises	*	France			Full		100,00%	100,00%
UCB Locabail immobilier	*	France			Equity	2	100,00%	100,00%
Verner Investissements (Groupe)		France			Equity		40,00%	50,00%
WDI Reinsurance SA (ex-BNP Paribas de Réassurance au Luxembourg)		Luxembourg	31/12/2009	Disposal				

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2 - Simplified consolidation by the equity method (non-material entities)

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Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Special Purpose Entities						
BNP Paribas Capital Trust LLC 3 -4 - 6	U.S.A			Full		
BNP Paribas US Medium Term Notes Program	U.S.A			Full		
BNP Paribas US Structured Medium Term Notes LL(	U.S.A			Full		
Park Mountain Lease 2008-I BV 1	Netherlands	31/12/2009	Purchase & Dissolution	Full		
Klépierre						
Klépierre SA	France			Full	56,74%	51,59%
Acheres 2000 SCI	France			Equity	30,00%	15,48%
Albert 31 SCI	France			Full	100,00%	42,82%
Amanda Storesenter AS	Norway			Full	100,00%	28,94%
Angoumars SNC	France			Full	100,00%	51,59%
Anpartsselskabet AF	Denmark	31/12/2010	Dissolution			
		31/12/2009		Full	100,00%	28,73%
Arcol Group AS	Slovakia			Full	100,00%	51,59%
Arken Drift AS	Norway			Prop.	49,90%	14,45%
Arken Holding AS	Norway	31/12/2009	Merger			
Asane Senter AS	Norway	31/12/2010	Passing qualifying thresholds	Prop.	49,90%	14,44%
Asane Storsenter DA	Norway			Prop.	49,90%	14,45%
Aulnes Developpement SCI	France			Prop.	50,00%	13,15%
Bassin Nord SCI	France			Prop.	50,00%	25,79%
Beau Sevran Invest SCI	France			Full	100,00%	42,82%
Begles Arcins SCS	France	31/12/2010		Full	52,00%	26,83%
		31/12/2009	Additional purchase	Full	52,00%	26,92%
		31/12/2008		Prop.	50,00%	26,55%
Bègles Papin SCI	France			Full	100,00%	51,59%
Belvedere Invest SARL	France			Full	75,00%	38,69%
Besançon Chalezeule SCI	France			Full	100,00%	51,59%
Bestes	Czech Republic			Full	100,00%	51,59%
Bois des Fenêtres SARL	France			Equity	20,00%	10,32%
BPSA 10	Portugal	31/12/2009	Purchase & Merger			
Bruun's Galleri AS	Denmark			Full	100,00%	28,94%
Bryggen Vejle AS	Denmark			Full	100,00%	28,94%
Camato AS	Norway	31/12/2009	Merger			
Capucine BV	Netherlands			Full	100,00%	51,59%
Carré Jaude 2	France			Full	100,00%	51,59%
CB Pierre SAS	France			Full	100,00%	51,59%
Cecobil SAS	France			Prop.	50,00%	25,79%
Cecoville SAS	France			Full	100,00%	51,59%
Centre Bourse SC	France			Full	100,00%	51,59%
Centre Jaude Clermont SAS	France			Full	100,00%	51,59%
Clivia SPA	Italy			Prop.	50,00%	25,79%
Combault SCI	France			Full	100,00%	51,59%
Compagnie Immobilière du Brabant Wallon - Coimbra SA	Belgium			Full	100,00%	51,59%
Corvin Retail	Hungary			Full	100,00%	51,59%
Cspl 2002	Hungary			Full	100,00%	51,59%
Debrecen 2002	Hungary			Full	100,00%	51,59%
Des Dunes SCI	France			Prop.	50,00%	25,79%
Des Salines SCI	France			Prop.	50,00%	25,79%
Down Town Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100,00%	28,73%
Du Plateau SCI	France			Equity	30,00%	12,52%
Duna Plaza	Hungary			Full	100,00%	51,59%
Duna Plaza Irodahaz	Hungary			Full	100,00%	51,59%
Edamarzy SCI	France	31/12/2009	Merger			
Effe Kappa SARL	Italy	31/12/2009	Merger			
Ejendomsselskabet Klampenborgvej I/S	Denmark	31/12/2010	Dissolution			
		31/12/2009		Prop.	50,00%	14,36%
Entertainment Plaza	Czech Republic			Full	100,00%	51,59%
Entreprenorselskapet AF	Denmark			Full	100,00%	28,94%
Fastighets AB Allum	Sweden			Full	100,00%	28,94%
Fastighets AB Borlange Kopcentrum	Sweden			Full	100,00%	28,94%
Fastighets AB Centrum Vasterort	Sweden			Full	100,00%	28,94%
Fastighets AB CentrumInvest	Sweden			Full	100,00%	28,94%
Fastighets AB Emporia	Sweden			Full	100,00%	28,94%
Fastighets AB Hageby Centrum	Sweden			Full	100,00%	28,94%
Fastighets AB Lackeraren Borlange	Sweden	31/12/2010	Purchase	Full	100,00%	28,94%
Fastighets AB Lantmateribacken	Sweden			Full	100,00%	28,94%
Fastighets AB Marieberg Centrum	Sweden			Full	100,00%	28,94%
Fastighets AB Molndal Centrum	Sweden			Full	100,00%	28,94%
Fastighets AB Overby Kopcentrum	Sweden			Full	100,00%	28,94%
Fastighets AB P Akanten	Sweden			Full	100,00%	28,94%
Fastighets AB P Brodalen	Sweden			Full	100,00%	28,94%
Fastighets AB P Porthalla	Sweden			Full	100,00%	28,94%
Fastighets AB Sollentuna Centrum	Sweden			Full	100,00%	28,94%
Fastighets AB Uddevallatorp	Sweden			Full	100,00%	28,94%
Fastighets AB Viskaholm	Sweden			Full	100,00%	28,94%
Farmandstredet ANS	Norway			Full	100,00%	28,94%
Farmandstredet Eiendom AS	Norway			Full	100,00%	28,94%
Farmanstredet Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	29,04%
Fayesgate 7 Eiendom AS	Norway	31/12/2009	Merger			
Field's Copenhagen IS	Denmark			Full	100,00%	28,94%
Field's Ejer I AS	Denmark			Full	100,00%	28,94%
Field's Ejer II AS	Denmark			Full	100,00%	28,94%
Finascente SA	Portugal	31/12/2009	Dissolution			
Foncière de Louvain la Neuve SA	Belgium			Full	100,00%	51,59%
Fonciere Saint Germain SNC	France			Full	100,00%	51,59%
Forving SARL	France			Full	90,00%	46,43%
Fritzoe Brygge Drift AS	Norway	31/12/2010	Dissolution			
		31/12/2009		Full	100,00%	28,73%
Galae SNC	France			Full	100,00%	51,59%
Galeria Parque Nascente - Exploracao de espaços comerciais SA	Portugal			Full	100,00%	51,59%
Galeries Drancéennes	France			Full	100,00%	51,59%
Galleria Commerciale Assago SRL	Italy			Full	100,00%	51,59%
Galleria Commerciale Cavallino SRL	Italy			Full	100,00%	51,59%
Galleria Commerciale Collegno SRL	Italy			Full	100,00%	51,59%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Klépierre (cont'd)						
Galleria Commerciale Il Destriero SRL	Italy	31/12/2010		Prop.	50,00%	25,79%
		31/12/2009	Purchase	Prop.	50,00%	25,60%
Galleria Commerciale Klépierre SRL	Italy			Full	100,00%	51,59%
Galleria Commerciale Serravalle SPA	Italy			Full	100,00%	51,59%
Galleria Commerciale Solbiate SRL	Italy			Full	100,00%	51,59%
Général Leclerc 11-11bis Levallois SNC	France	31/12/2010	Merger			
		31/12/2009		Full	100,00%	51,21%
Girardin SCI	France			Prop.	33,40%	17,23%
Gondobrico - Comercio de produtos e artigos de bricolage SA	Portugal			Full	100,00%	51,59%
Grytingen Nya AB	Sweden			Full	64,79%	18,76%
Gulskogen Prosjekt & Eiendom AS	Norway			Full	100,00%	28,94%
Gulskogen Senter ANS	Norway			Full	100,00%	28,94%
Györ 2002	Hungary			Full	100,00%	51,59%
Hamar Panorama AS	Norway	31/12/2009	Merger			
Hamar Storsenter AS	Norway			Full	100,00%	28,94%
Hamar Storsenterdrift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Holding Gondomar 1 SAS	France			Full	100,00%	51,59%
Holding Gondomar 3 SAS	France			Full	100,00%	51,59%
Holding Gondomar 4 SAS	France			Full	100,00%	51,59%
Holding Klege SARL	Luxembourg			Prop.	50,00%	25,79%
Holmen Senterdrift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100,00%	28,73%
Hovlandbanen AS	Norway			Full	100,00%	28,94%
ICD SPA	Luxembourg	31/12/2009	Merger			
Immo Dauland	France			Full	100,00%	43,40%
Immobiliare Gallerie Commerciali S. p. A.	Italy	31/12/2010		Full	71,30%	36,78%
		31/12/2009	Additional purchase	Full	71,30%	36,51%
		31/12/2008		Prop.	50,00%	26,55%
Immobiliare Magnolia SARL	Luxembourg	31/12/2009	Merger			
Immobilière de la Pommeraie SCI	France			Prop.	50,00%	25,79%
K2 Fund	Italy			Full	85,00%	43,85%
Kanizsa 2002	Hungary			Full	100,00%	51,59%
Kaposvar 2002	Hungary			Full	100,00%	51,59%
Karl Johansgate 16 AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100,00%	28,73%
KC 1 à 12 SNC	France			Full	100,00%	42,82%
KC20 SNC	France			Full	100,00%	42,82%
KLE 1 SAS	France			Full	100,00%	51,59%
Kle Projet 1 SAS	France			Full	100,00%	51,59%
Kle Projet 2 SAS	France	31/12/2009	Merger			
Kleaveiro Immobiliaria SA	Portugal	31/12/2010	< thresholds			
		31/12/2009		Full	100,00%	51,21%
Kleber la Perouse SNC	France			Full	100,00%	51,59%
Klecapnor SAS	France			Full	100,00%	43,39%
Klecar Europe Sud SCS	France			Full	83,00%	42,82%
Klecar Foncier Espana SA	Spain			Full	100,00%	42,82%
Klecar Foncier Iberica SA	Spain			Full	100,00%	42,82%
Klecar France SNC	France			Full	83,00%	42,82%
Klecar Italia SPA	Italy			Full	100,00%	42,82%
Klecar Participations Italie SAS	France			Full	83,00%	42,82%
Klefin Italia SPA	Italy			Full	100,00%	51,59%
Klege Portugal SA	Portugal			Prop.	50,00%	25,79%
Klelou Imobiliaria SA	Portugal			Full	100,00%	51,59%
Klementine BV	Netherlands	31/12/2010		Full	100,00%	51,59%
		31/12/2009	Incorporation	Full	100,00%	51,21%
Kleminho Imobiliaria SA	Portugal			Full	100,00%	51,59%
Klemurs SAS	France			Full	84,11%	43,39%
Klenord Imobiliaria SA	Portugal			Full	100,00%	51,59%
Klepierre Athinon Foncière	Greece			Full	100,00%	42,82%
Klépierre Conseil SNC	France			Full	100,00%	51,59%
Klepierre Corvin	Hungary			Full	100,00%	51,59%
Klépierre Créteil SCI	France			Full	100,00%	51,59%
Klepierre CZ SRO	Czech Republic			Full	100,00%	51,59%
Klépierre Finance SAS	France			Full	100,00%	51,59%
Klepierre Galeria Krakow SP z.o.o	Poland			Full	100,00%	51,59%
Klepierre Galeria Poznan SP z.o.o	Poland			Full	100,00%	51,59%
Klepierre Krakow SP z.o.o	Poland			Full	100,00%	51,59%
Klepierre Larissa Ltd.	Greece			Full	100,00%	51,59%
Klepierre Lublin SP z.o.o	Poland			Full	100,00%	51,59%
Klépierre Luxembourg SA	Luxembourg			Full	100,00%	51,59%
Klepierre Makedonia Foncière	Greece			Full	100,00%	42,82%
Klepierre Matera SRL	Italy			Full	100,00%	51,59%
Klepierre Meteores	Luxembourg	31/12/2010	Merger			
		31/12/2009		Full	100,00%	51,21%
Klepierre NEA Efkarpia Foncière	Greece			Full	100,00%	42,82%
Klepierre Nordica BV	Netherlands			Full	100,00%	51,59%
Klépierre Participations et Financements SAS	France			Full	100,00%	51,59%
Klepierre Perivola of Patra Foncière	Greece			Full	100,00%	42,82%
Klepierre Plzen AS	Czech Republic			Full	100,00%	51,59%
Klepierre Pologne SP z.o.o	Poland			Full	100,00%	51,59%
Klepierre Portugal SGPS SA	Portugal			Full	100,00%	51,59%
Klepierre Poznan SP z.o.o	Poland			Full	100,00%	51,59%
Klepierre Rybnik SP z.o.o	Poland			Full	100,00%	51,59%
Klepierre Sadyba SP z.o.o	Poland			Full	100,00%	51,59%
Klepierre Sosnowiec SP z.o.o	Poland			Full	100,00%	51,59%
Klépierre Tourville	France			Full	100,00%	51,59%
Klepierre Trading Energia Kereskedelmi es Szolgaltato KFT	Hungary			Full	100,00%	51,59%
Klepierre Vallecas SA	Spain			Full	100,00%	51,59%
Klepierre Vinaza SA	Spain			Full	100,00%	51,59%
Klepierre Warsaw Sp z.o.o	Poland			Full	100,00%	51,59%
Kletel Imobiliaria SA	Portugal			Full	100,00%	51,59%
Kletransactions SNC	France			Full	100,00%	51,59%
Krakow Plaza SP z.o.o	Poland			Full	100,00%	51,59%
Krokstadelva Senterdrift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100,00%	28,73%

* French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
1 - Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 - Simplified consolidation by the equity method (non-material entities)
3 - Entities excluded from prudential scope of consolidation
4 - Entites consolidated under the equity method for prudential purposes

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Klépierre (cont'd)						
KS Down Town Senter	Norway	31/12/2010	Dissolution			
		31/12/2009		Full	100,00%	28,73%
KS Down Town Senter II	Norway	31/12/2010	Dissolution			
		31/12/2009		Full	100,00%	28,73%
KS Markedet	Norway			Full	100,00%	28,94%
Kvadrat Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100,00%	28,73%
L'Emperi SCI	France	31/12/2010	Disposal			
		31/12/2009		Equity	15,00%	7,68%
La Française SCI	France			Prop.	50,00%	25,79%
La Marquayssonne	France	31/12/2009	Merger			
La Plaine du Moulin à vent SCI	France			Prop.	50,00%	25,79%
La Rive SCI	France	31/12/2010	Additional purchase	Full	51,50%	26,57%
		31/12/2009		Full	47,30%	24,22%
La Rocade SCI	France			Equity	38,00%	19,61%
La Rocade Ouest SCI	France			Equity	36,73%	18,95%
La Roche Invest SCI	France			Full	100,00%	51,59%
Le Champs de Mais SCI	France			Equity	40,00%	20,64%
Le Champs des Haies SCI	France			Full	60,00%	30,95%
LC SCI	France	31/12/2010	Additional purchase	Full	100,00%	45,40%
		31/12/2009		Full	60,00%	18,43%
Le Barjac Victor SNC	France			Full	100,00%	51,59%
Le Grand Pré SCI	France			Full	60,00%	30,95%
Le Havre Lafayette SNC	France			Prop.	50,00%	25,79%
Le Havre Vauban SNC	France			Prop.	50,00%	25,79%
Le Mais SCI	France	31/12/2010	Additional purchase	Full	80,00%	41,27%
		31/12/2009		Full	60,00%	30,72%
Le Plateau des Haies SCI	France			Full	90,00%	46,43%
Les Bas Champs SCI	France			Prop.	50,00%	25,79%
Les Boutiques de Saint Maximin	France			Equity	42,50%	21,92%
Les Boutiques d'Osny SCI	France			Full	67,00%	19,74%
Les Cinémas de l'Esplanade SA	Belgium			Full	100,00%	51,59%
Les Haies de la Haute Pommeraie SCI	France			Full	53,00%	27,34%
Les Jardins des Princes à Boulogne Billancourt SNC	France			Full	100,00%	51,59%
Lille Eiendom AS	Norway			Full	66,00%	19,11%
Lokketangen Torv AS	Norway	31/12/2009	Merger			
LP7 SAS	France			Full	100,00%	51,59%
Mass Center Torp AB	Sweden			Full	100,00%	28,94%
Maximeuble SCI	France			Full	100,00%	51,59%
Metro Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Metro Senter ANS	Norway			Prop.	50,00%	14,48%
Miskolc 2002	Hungary			Full	100,00%	51,59%
MittiCity i Karlstad FAB	Sweden			Full	100,00%	28,94%
Molndal Centrum Byggnads FAB	Sweden			Full	100,00%	28,94%
Molndal Centrum Koljan 1FAB	Sweden	31/12/2010	Purchase	Full	100,00%	28,94%
Molndal Centrum Karpen 12 FAB	Sweden	31/12/2010	Purchase	Full	100,00%	28,94%
Mosseporten Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100,00%	28,73%
Movement Poland SA	Poland			Full	100,00%	51,59%
Nancy Bonsecours SCI	France	31/12/2010		Full	100,00%	51,59%
		31/12/2009	Passing qualifying thresholds	Full	100,00%	51,21%
Nerstranda AS	Norway			Full	100,00%	28,94%
Nerstranda Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Noblespecialiste	France	31/12/2009	Merger			
Nordal ANS	Norway			Prop.	50,00%	14,48%
Nordbyen Senterforening AS	Norway			Full	69,20%	20,04%
Nordica Holdco AB	Sweden			Full	56,10%	28,94%
Norsk Automatdrift AS	Norway	31/12/2009	Merger			
Norsk Kjopesenterforvaltning AS	Norway			Full	100,00%	28,94%
North Man Sverige AB	Sweden			Full	100,00%	28,94%
Novak Eiendom AS	Norway	31/12/2009	Merger			
Novate SARL	Luxembourg	31/12/2009	Merger			
Nyiregyhaza Plaza	Hungary			Full	100,00%	51,59%
Odysseum Place de France SAS	France			Prop.	50,00%	25,79%
Okern Eiendom ANS	Norway			Prop.	50,00%	14,48%
Okern Holding AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Okern Sentrum ANS	Norway			Prop.	50,00%	14,48%
Okern Sentrum AS	Norway			Prop.	50,00%	14,48%
Okern Sentrum Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Os Alle 3 AS	Norway			Full	100,00%	28,94%
Os Alle Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Osny Invest SCI	France			Full	57,12%	29,47%
Ostfoldhallen Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100,00%	28 ,73%
Parc de Coquelles SNC	France			Prop.	50,00%	25,79%
Partille Lexby AB	Sweden			Full	100,00%	28,94%
Pasteur SNC	France			Full	100,00%	51,59%
Pilsen Plaza SRO	Czech Republic			Full	100,00%	51,59%
Place de l'accueil SA	Belgium			Full	100,00%	51,59%
Pommeraie Parc SC	France			Full	60,00%	30,95%
Poznan Plaza SP z.o.o	Poland			Full	100,00%	51,59%
Progest	France			Full	100,00%	51,59%
Proreal SARL	France			Full	51,00%	26,31%
Prosjektselskabet af 10.04.2001 APS	Denmark			Full	100,00%	28,94%
Rebecca SCI	France			Full	70,00%	36,11%
Restorens	France	31/12/2009	Merger			
Reze Sud SA	France	31/12/2010	Disposal			
		31/12/2009		Equity	15,00%	7,68%
Ruda Slaska Plaza SP z.o.o	Poland			Full	100,00%	51,59%
Rybnik Plaza SP z.o.o	Poland	31/12/2010	Liquidation			
		31/12/2009		Full	100,00%	51,21%
Sadyba Center SA	Poland			Full	100,00%	51,59%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Klépierre (cont'd)						
Saint Maximin Construction SCI	France			Full	55,00%	28,37%
Sandens Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100,00%	28,73%
Sandri-Rome SCI	France	31/12/2010	Disposal			
		31/12/2009		Equity	15,00%	7,68%
Seco valde SCI	France			Full	55,00%	28,37%
Ségécé	France			Full	100,00%	51,59%
Ségécé Ceska Republika SRO	Czech Republic			Full	100,00%	51,59%
Ségécé Espana SLU	Spain			Full	100,00%	51,59%
Ségécé Hellas Réal Estate Management SA	Greece			Full	100,00%	51,59%
Ségécé India Private Ltd.	India			Full	100,00%	51,59%
Ségécé Italia SRL	Italy			Full	100,00%	51,59%
Ségécé Magyarorszag	Hungary			Full	100,00%	51,59%
Ségécé Polska SP z.o.o	Poland			Full	100,00%	51,59%
Ségécé Portugal SA	Portugal			Full	100,00%	51,59%
Ségécé Slovensko SRO	Slovakia			Full	100,00%	51,59%
Senterdrift Asane Senter AS	Norway	31/12/2010	Merger			
		31/12/2009		Prop.	49,90%	14,33%
Sjosiden AS	Norway			Full	100,00%	28,94%
Sjosiden Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Skarer Stormarked AS	Norway		Merger			
Soaval - Société d'aménagement et de valorisation de la Gare Saint-Lazare SAS	France			Full	100,00%	51,59%
Soccendre SNC	France	31/12/2010	Liquidation			
		31/12/2009		Full	100,00%	51,21%
Société des Centres d'Oc et d'Oil - SCOO SC	France			Full	100,00%	74,03%
Société des Centres Toulousains	France	31/12/2009	Merger			
Société civile pour la location du centre commercial régional de Créteil SOLOREC	France			Full	80,00%	41,27%
Sodevac SNC	France			Full	100,00%	51,59%
Sodirev SNC	France	31/12/2009	Merger			
Sogegamar SCI	France	31/12/2010	Partial disposal			
		31/12/2009		Equity	33,12%	16,96%
Sosnowiec Plaza z.o.o	Poland	31/12/2010	Liquidation			
		31/12/2009		Full	100,00%	51,21%
Stavanger Storsenter AS	Norway			Full	100,00%	28,94%
Steen & Strom AS	Norway			Full	100,00%	28,94%
Steen & Strom CenterDrift AS	Denmark			Full	100,00%	28,94%
Steen & Strom Centerudvikling IV AS	Denmark			Full	100,00%	28,94%
Steen & Strom Centerudvikling V AS	Denmark			Full	100,00%	28,94%
Steen & Strom CenterUdvikling VI AS	Denmark			Full	100,00%	28,94%
Steen & Strom Centerservice AS (ex- Steen & Strom CenterUdvikling VII AS)	Denmark			Full	100,00%	28,94%
Steen & Strom Danmark AS	Denmark			Full	100,00%	28,89%
Steen & Strom Drammen AS	Norway	31/12/2009	Merger			
Steen & Strom Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100,00%	28,73%
Steen & Strom Eiendomsforvaltning AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Steen & Strom Holding AB	Sweden			Full	100,00%	28,94%
Steen & Strom Holding AS	Denmark			Full	100,00%	28,94%
Steen & Strom Invest Amanda Senterdrift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Steen & Strom Invest AS	Norway	31/12/2009	Merger			
Steen & Strom Invest Gulskogen Senterdrift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Steen & Strom Invest Lillestrom Senterdrift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Steen & Strom Invest Lillestrom Torv AS	Norway			Full	100,00%	28,94%
Steen & Strom Invest Markedet Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Steen & Strom Narvik AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100,00%	28,73%
Steen & Strom Norge AS	Norway			Full	100,00%	28,94%
Steen & Strom Norges Storste Senterkjede AS	Norway	31/12/2009	Merger			
Steen & Strom Senterservice AS	Norway			Full	100,00%	28,94%
Steen & Strom Stavanger Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Steen & Strom Sverige AB	Sweden			Full	100,00%	28,94%
Storm Holding Norway AS	Norway			Full	100,00%	28,94%
Stovner Senter AS	Norway			Full	100,00%	28,94%
Stovner Senter Holding AS	Norway	31/12/2009	Merger			
Stovner Senterdrift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Svenor AS	Norway			Full	100,00%	28,94%
Szeged Plaza	Hungary			Full	100,00%	51,59%
Szolnok Plaza	Hungary			Full	100,00%	51,59%
Tillertorget Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100,00%	28,73%
Torvbyen Drift AS	Norway			Full	38,00%	11,00%
Torvbyen Senter AS	Norway			Full	100,00%	28,94%
Torvbyen Utvikling AS	Norway			Full	100,00%	28,94%
Torvhjornet Lillestrom ANS	Norway			Full	100,00%	28,94%
Uj Alba 2002	Hungary			Full	100,00%	51,59%
Valdebac SCI	France	31/12/2010	Incorporation	Full	55,00%	28,37%
Vannes Coutume SAS	France			Full	100,00%	51,59%
Vastra Torp Mark AB	Sweden			Full	100,00%	28,94%
Vintebro Senter DA	Norway			Full	100,00%	28,94%
Vinterbro Eiendomsdrift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100,00%	28,73%
Zalaegerszeg Plaza	Hungary			Full	100,00%	51,59%

* French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.

1 - Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.

2 - Simplified consolidation by the equity method (non-material entities)

3 - Entities excluded from prudential scope of consolidation

4 - Entites consolidated under the equity method for prudential purposes

8.c CHANGE IN THE GROUP'S INTEREST AND MINORITY INTERESTS IN THE EQUITY OF SUBSIDIARIES

During 2010, the BNP Paribas Group conducted various internal restructuring transactions in connection with the activities of BNP Paribas Fortis and BGL BNP Paribas.

These transactions led to changes in the Group's interest and that held by minority shareholders in the Group's equity in respect to the relevant subsidiaries. The same applied as a result of the acquisition by BNP Paribas of the minority shareholders' holding in UkrSibBank.

- **Internal restructuring that led to a change in minority shareholders' interest in the equity of subsidiaries**

In millions of euros	31 December 2010		31 December 2009	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Partial disposal of BNP Paribas Investment Partners to BNP Paribas Fortis & to BGL BNP Paribas	292	(292)	-	-
Total disposal of BNP Paribas Investment Partners BE Holding (previously FIM) to BNP Paribas Investment Partners	(269)	269	-	-
Full disposal of BNP Paribas Luxembourg to BGL BNP Paribas	224	(224)	-	-
Total disposal of Fortis Capital Corporation and its subsidiaries to Banexi holding Corp	(63)	63	-	-
Disposal of Fortis Bank Branches' assets to BNP Paribas branches at same location	(203)	203	-	-
Other	(4)	4	(17)	17
Total	(23)	23	(17)	17

- **Acquisitions of additional interests and partial sales of interests leading to changes in minority interests in the equity of subsidiaries**

In millions of euros	31 December 2010		31 December 2009	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Ukrsibbank During 2009, following the acquisition of successive additional interests, BNP Paribas's percentage interest in Ukrsibbank went up from 51% to 81.41% On 1[rst] October 2010, BNP Paribas subscribed to the full amount of UkrSibbank's capital increase then bought out minority shareholders interests, lifting its percentage interest in the subsidiary to 100%.	(14)	(130)	(37)	(51)
Fauchier During the first quarter of 2010, BNP Paribas Investment Partners bought out minority shareholders interests representing 12.5% of the capital, lifting its percentage interest to 87.5%	(16)	5		
Findomestic Banca BNP Paribas Personal Finance bought out minority shareholders interests representing 25% of the capital, lifting its percentage interest to 75%			(73)	297
SCS Bègles Arcin The Klépierre group purchased 2% of SCS Bègles Arcin, lifting its percentage interest to 52%			24	93
CGI The Klépierre group acquired 21.3 % of CGI, lifting its percentage interest to 71.3%			23	62
Klépierre Various Group companies carried out partial disposals of Klépierre shares			26	43
Other	(23)	(12)	(3)	62
Total	(53)	(137)	(40)	506

In connection with the acquisition of certain entities, the Group has granted minority shareholders put options on their holdings at a predetermined price.

The total value of these obligations, which are recorded as a reduction in shareholders' equity, amounted to EUR 161 million at 31 December 2010, down from EUR 308 million at 31 December 2009.

8.d BUSINESS COMBINATIONS

- **Business combinations realised in 2010**

  - Antin Epargne Pension

On 30 April 2010, BNP Paribas Assurance finalised the acquisition of Dexia Epargne Pension, a Dexia Group subsidiary specialising in high-end insurance. The company's products and services, aimed at banking partners and independent wealth management advisers, will be sold under the "Antin Epargne Pension" brand instead of "Dexia Epargne Pension". The Antin Epargne Pension Group has been fully consolidated since 30 June 2010 and its contribution to the Group's full-year results is not material.

Acquired subsidiary	Segment	Country	Acquired percentage	In millions of euros		
				Acquisition price	Net cash inflow	Total balance sheet at the acquisition date
Antin Epargne Pension						
	Investment Solution	France	100%	-	72	4,475

(1) Provisional data at market value or equivalent

- **Business combinations realised in 2009**

  - Acquisition of Fortis Bank SA (BNP Paribas Fortis) and BGL SA (BGL BNP Paribas)

Under the Protocol Agreements entered into on 10 October 2008 and 8 March 2009, BNP Paribas acquired Fortis Bank SA and BGL SA via four contributions, two from the Belgian government and two from the Luxembourg government:

The contributions were completed on 12 and 13 May 2009, following which:

- BNP Paribas owns 74.93% of the share capital and voting rights of Fortis Bank SA (which itself has a 50% interest in the share capital plus one share of BGL SA) and a direct 15.96% interest in the share capital and voting rights of BGL SA.

- The Belgian government (through Société Fédérale de Participations et d'Investissement (SFPI), a Belgian-law public interest société anonyme acting on behalf of the Belgian government) owns a blocking minority interest of 25% plus one share of Fortis Bank SA and the Luxembourg government owns a blocking minority interest of 34% of BGL SA.

- The Belgian government (through SFPI) owns 9.83% of the share capital and 11.59% of the voting rights of BNP Paribas and the Luxembourg government owns 0.99% of the share capital and 1.17% of the voting rights of BNP Paribas. The Belgian government has undertaken to hold the 88,235,294 BNP Paribas shares received in consideration for the first of its two contributions until 10 October

2010 and the Luxembourg government has undertaken to hold 50% of the BNP Paribas shares received in consideration for its two contributions (i.e. 6,108,774 BNP Paribas shares) until 23 October 2009.

The acquisition cost of the Fortis Bank SA and BGL SA shares amounted to EUR 5,703 million and EUR 562 million respectively, including transaction costs, and was determined on the basis of the BNP Paribas share price on the date of the contributions, i.e. EUR 46.69 for the share issued on 12 May 2009 and EUR 45.98 for the shares issued on 13 May 2009. A description of the new share issues made to pay for each of the contributions is provided in note 8.a "Changes in share capital and earnings per share".

The operation also included three transactions completed on the same date as the first contribution:

- The acquisition by Fortis Bank SA from Fortis Insurance N.V. of 25% of the share capital plus one share of AG Insurance at a price of EUR 1,375 million;

- The acquisition by BNP Paribas of 11.76% of the share capital (i.e. EUR 200 million) of Royal Park Investments SA/NV (RPI), a defeasance vehicle that had purchased certain structured loans from Fortis Bank SA at a total price of EUR 11.8 billion. The rest of RPI's share capital is 43.53%-owned by the Belgian government and 44.71% by Fortis SA/NV and Fortis N.V. BNP Paribas also provided EUR 519 million of the acquisition debt (i.e. 10% of the senior debt) and the balance was provided by Fortis Bank SA, comprising EUR 4,891 million in super senior debt and EUR 4,668 million in senior debt, the latter being guaranteed by the Belgian government.

- A loan of EUR 1,000 million made by Fortis Bank to Fortis SA/NV, guaranteed by the Belgian government, principally to finance the acquisition of its interest in RPI.

The acquisition of Fortis Bank SA and BGL SA enables BNP Paribas to further expand its integrated banking model in Europe, adding two new domestic markets – Belgium and Luxembourg – to its existing domestic markets in France and Italy.

Fortis Bank SA and BGL SA both have activities in retail banking, private banking, asset management, and corporate and investment banking.

- The retail banking business provides financial services to individuals, the self-employed, the professions and small businesses. It has a network of 1,064 branches and three million customers in Belgium, 37 branches and about 280,000 customers in Luxembourg, and branch networks in Poland, Turkey and France. In addition Fortis Bank SA and its subsidiaries have a postal bank business in Belgium (Banque de La Poste) and Ireland (Postbank), enabling them to provide a broader range of products through these respective postal networks. Fortis Bank SA and its subsidiaries have more than 2,000 outlets in Europe.

- Private banking offers integrated, international wealth management solutions to high-net-worth individuals, their companies and advisers. Assets under management amounted to EUR 43 billion at 31 December 2008. Fortis Bank SA and BGL SA are first-class players in private banking in both Belgium and Luxembourg and have a well-established position in Switzerland.

- In asset management, Fortis Bank SA operates mainly through its subsidiary Fortis Investments. Its activities range from institutional asset management to the development and management of mutual funds. Assets under management amounted to EUR 170 billion at 31 December 2008. Fortis Investments is the fifth largest European asset manager, excluding money market funds.

- Corporate and investment banking provides a broad range of financial products and services tailored to the needs of European-based mid-sized companies, as well as large corporates and institutional clients, with a strong focus on Europe and some areas of North America and Asia. Fortis Bank SA has a high-quality franchise and attractive niche positions in these markets. It will round out BNP Paribas' current franchise in these business activities. The risk management policies currently in place at BNP Paribas will be rolled out to Fortis Bank SA's corporate and investment banking activities.

The consolidated balance sheets of Fortis Bank SA and BGL were restated on the date of acquisition to comply with the accounting methods used by the BNP Paribas Group. The acquisition was accounted for using the purchase method as required by IFRS (see note 1.b.4 "Business combinations and measurement of goodwill").

The restatements amounted to EUR (6,765) million after the tax effect and on a 100% basis. They mainly concerned:

- Specific and collective loan impairment provisions, related mainly to valuation methods, and provisions for disputes and contingent liabilities, totalling EUR (2,715) million;
- Measurement of loans, securities and other assets, as well as financial and other liabilities, at market value or its equivalent (EUR (3,293) million) at the acquisition date;
- Amortisation of existing goodwill and impairment of some other intangible assets (EUR (2,526) million), as well as recognition of the Fortis and BGL brands as intangible assets (EUR 50 million and EUR 10 million respectively), making a total of EUR (2,466) million;
- Measurement of market transactions and investments in variable-income securities in accordance with the methods used by the BNP Paribas Group (EUR (767) million);
- Employee benefits (EUR (1,595) million), mainly to take into account the impact of actuarial inputs on the acquisition date on the measurement of post-employment benefits and retirement-related contingent liabilities;
- Certain other assets, mainly real estate (EUR 193 million);
- Recognition of tax assets, mainly related to tax loss carryforwards and temporary differences, net of contingent liabilities (EUR 1,217 million), as well as the tax effects of the restatements made (EUR 2,661 million), making a total of EUR 3,878 million.

The Fortis and BGL brands were recognised as intangible assets upon allocation of the cost of the acquisition. The brand value was determined in line with market practices for this type of asset in the banking sector and by comparison with listed banks of comparable size, taking account of recent developments in the Fortis brand's reputation and particularly the circumstances that led to the BNP Paribas Group acquiring control.

BNP Paribas did not recognise an intangible asset for customer relationships corresponding to account and deposit agreements entered into with customers. Fortis does not possess any legal or contractual rights giving it control over deposited funds. The level of these funds depends solely on the behaviour of Fortis' customers, with a major round of fund withdrawals being seen in the period of crisis preceding the acquisition of Fortis by BNP Paribas. In addition, the conditions laid down by the standard for the recognition of such assets were not satisfied. In European banks' business model, the advantage deriving from these deposits is embedded in a set of products and services that contribute towards the financial equilibrium of the range offered to customers, such as registrar services that are not billed and property loans that carry low charges. As a result, these advantages are not separable. In addition, no isolated transaction was identified in similar assets. Given the absence of a reference price in a comparable market, this intangible asset cannot be measured reliably.

These restatements led the Group to reduce the shareholders' equity of Fortis Bank SA, BGL SA and their subsidiaries by EUR 5,041 million on the acquisition date, thereby generating negative goodwill of EUR 770 million.

The table below shows the consolidated IFRS balance sheet for Fortis Bank SA, BGL SA and their subsidiaries at 30 April 2009 before and after the restatements made by the Group in accordance with the provisions of IFRS on business combinations and with the accounting policies applied by the BNP Paribas Group:

In millions of euros	30 April 2009	30 April 2009
	After restatements	Before restatements
ASSETS		
Financial assets at fair value through profit or loss	107,125	109,366
Available-for-sale assets	69,692	96,526
Loans and receivables due from credit institutions	50,763	39,793
Loans and receivables due from customers	231,786	213,990
Held-to-maturity financial assets	-	3,553
Property, plant and equipment and intangible assets	3,889	3,657
Goodwill	-	1,931
Other assets	55,767	51,420
TOTAL ASSETS	519,022	520,236
LIABILITIES AND EQUITY		
Financial liabilities at fair value through profit or loss	110,868	111,779
Due to credit institutions	110,550	110,720
Due to customers	203,214	202,616
Debt securities	39,384	39,177
Subordinated debt	18,090	18,246
Other liabilities	25,481	19,904
Total liabilities	**507,587**	**502,442**
Total consolidated equity	**11,435**	**17,794**
TOTAL LIABILITIES AND EQUITY	519,022	520,236

Fortis Bank SA, BGL SA and their subsidiaries have been fully consolidated since their acquisition date. Their contribution to the BNP Paribas Group's net income in 2009 since their acquisition date was EUR 945 million before minority interests and EUR 682 million after minority interests.

The acquisition had the effect of increasing the BNP Paribas Group's net cash by EUR 3,470 million in 2009.

The table below shows the contribution which Fortis Bank SA, BGL SA and their subsidiaries would have made in the first half of 2009 had the acquisition taken place on 1 January 2009. These items reflect an estimate of the impacts that the acquisition restatements to the balance sheet of these two sub-groups would have had on the period from 1st January to the effective date of acquisition had they been made on 1st January 2009.

In millions of euros	Year to 31 Dec. 2009
Interest income	13,131
Interest expense	(7,935)
Commission income	3,120
Commission expense	(1,084)
Net gain/loss on financial instruments at fair value through profit or loss	483
Net gain/loss on available-for-sale financial assets	71
Income from other activities	338
Expense on other activities	(95)
Revenues	8,029
Operating expense	(4,755)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(333)
GROSS OPERATING INCOME	2,941
Cost of risk	(1,560)
OPERATING INCOME	1,381
Share of earnings of associates	84
Net gain on non-current assets	34
Goodwill	(4)
PRE-TAX INCOME	1,495
Corporate income tax	(418)
NET INCOME	1,077
Minority interests	328
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS	749

This table, published with the consolidated financial statements at 30 June 2009, has been revised to take into account the adjustments made since then to the initial measurement of the identifiable assets, liabilities, contingent assets and liabilities of the companies acquired.

The restatements made to the income statement of Fortis Bank SA, BGL SA and their subsidiaries for the period preceding the date of effective acquisition of control were as follows:

- Alignment of the income statement of the sub-groups with the presentation format adopted by the BNP Paribas group.

- Identification within the contributions made by the sub-groups of one-off items that would not have been recognised had the acquisition taken place on 1st January 2009; The results generated by the structured loan portfolio transferred to the Royal Park Investments SA/NV defeasance vehicle until the date of their transfer, as well as any gains or losses on the disposal of this portfolio, were not included in the pro forma income statement.

- Simulation of the reversal effects of the adjustments in the sub-groups' opening balance sheet in accordance with the purchase accounting method required by IFRS 3. These adjustments predominantly include the measurement at fair value at the acquisition date of the portfolios in the banking intermediation book. Since the task of measuring the opening balance sheet had not been completed at 1st January 2009, the pro forma figures were restated to simulate the effects of these reversals based on the opening balance sheet adjustments at the effective acquisition date over the period from 1st January until the effective acquisition date.

In the preparation of the pro forma income statement, the impact of these restatements on the current income tax charge and on the portion attributable to minority interests was also taken into account.

By convention, it was deemed that the income statement of Fortis Bank SA and BGL SA and their subsidiaries reflects the changes in market conditions over the period preceding the acquisition of control. Accordingly, the effects of convergence in the accounting methods of these entities with the BNP Paribas Group's accounting policies concerning adjustments linked to market activities did not lead to a specific restatement in the determination of pro forma data.

Lastly, no restatements were made in respect to reciprocal transactions. This restatement did not have an impact on net income or on the key income statement items, but may affect the individual presentation of income and expense items together determining revenues.

- Other business combinations in 2009

Acquired subsidiaries	Segment	Country	Acquired percentage	In millions of euros						
				Acquisition price	Goodwill (1)	Net cash inflow	Balance sheet key figure at the acquisition date			
							Assets		Liabilities	
Group Bank Insinger de Beaufort										
	Investment Solution	Netherlands	58%	158	103	5	Loans and receivables due from credit institutions	176	Amounts due to customers	352
							Loans and receivables due from customers	111		
Credifin Banco SA										
	Retail Banking	Portugal	50%	148 (3)	93 (3)	(146) (3)	Loans and receivables due from customers	597	Due to credit institutions (2)	526
Findomestic										
	Retail Banking	Italia	25%	517 (3)	348 (3)	(404) (3)	Loans and receivables due from customers	10,421	Due to credit institutions	8,502
									Debt securities	961
									Subordinated Debt	152

(1) In euro equivalent value at the year-end.
(2) Debt mostly subscribed by BNP Paribas SA.
(3) Data corresponding to the additional interest acquired.

- Bank Insinger de Beaufort Group

In April 2009, BNP Paribas Wealth Management International Paris acquired 58% of the Insinger de Beaufort Group, which comprises companies specialized in wealth management in the Netherlands, United Kingdom and Switzerland, with EUR 6.4 billion of assets under management for high-net-worth individuals.
The Insinger de Beaufort Group, which comprises nine consolidated entities, has been fully consolidated as of its acquisition date. Its contribution to the BNP Paribas Group's net income in 2009 was not material.
Following the acquisition, Bank Insinger de Beaufort N.V. absorbed Nachenius Tjeenk & Co N.V., an entity already owned by BNP Paribas Wealth Management International Paris with a similar business in the Netherlands to that of Bank Insinger de Beaufort.

- Credifin Banco SA

At end of May 2009, Banco Cetelem Portugal acquired 100% of Credifin Banco SA from the LaSer group, giving the BNP Paribas Group control. Credifin Banco S.A. has been fully consolidated as of that date. Its contribution to the BNP Paribas Group's net income in 2009 was not material.

- Findomestic

On 10 December 2009, following the authorisation granted by the Bank of Italy, BNP Paribas Personal Finance, a BNP Paribas subsidiary, acquired control of Findomestic by acquiring an additional 25% interest on top of the 50% stake it already held. Findomestic has been fully consolidated as of that date. The impact of this additional acquisition on the BNP Paribas Group's net income was not material in 2009.

8.e COMPENSATION AND BENEFITS AWARDED TO THE GROUP'S CORPORATE OFFICERS

- Compensation and benefits policy relating to the Group's corporate officers

  - Compensation paid to the Group's corporate officers

The compensation paid to the Group's corporate officers is determined by the method recommended by the Compensation committee and approved by the Board of Directors.

This compensation comprises both a fixed and a variable component, the levels of which are determined using market benchmarks established by firms specialised in surveys of executive compensation.

Michel Pébereau, Baudouin Prot and Georges Chodron de Courcel do not receive any compensation from Group companies other than BNP Paribas SA.

On 3 August 2009, the Board of Directors stated the opinion that a special allowance could be paid to Jean-Laurent Bonnafé by BNP Paribas Fortis for his responsibilities as Chief Executive Officer. On 11 May 2010, the Board of Directors of BNP Paribas Fortis granted Jean-Laurent Bonnafé a fixed salary of EUR 200,000, with effect from 1 January 2010.

The variable portion of corporate officers' compensation is determined based on a target bonus calculated as a proportion of their fixed salary. It fluctuates depending on criteria linked to the Group's performance, from the managerial performance of corporate officers and the Board of Directors' assessment of BNP Paribas' risk and liquidity policy. The variable portion is intended to reflect the effective contribution made by corporate officers to the success of BNP Paribas, in relation to the Chairman, notably in respect of the duties he performs pursuant to the internal rules that do not relate exclusively to the organisation and functioning of the Board, and in relation to the Chief Executive Officer and Chief Operating Officers, notably in respect to their respective duties as executives of an international financial services group.

Group performance criteria account for 75% of the target variable compensation and is used to calculate the corresponding portion of the variable compensation based on the change in the relevant indicators. The variable portion of compensation linked to personal criteria is limited to 25% of the target variable compensation.

- Chairman and Chief Executive Officer
  - Change in earnings per share (37.5% of target variable compensation).
  - Achievement of the Group's budgeted gross operating income (37.5% of target variable compensation).

- Chief Operating Officers
  - Change in earnings per share (18.75% of target variable compensation).

- Achievement of the Group's budgeted gross operating income (18.75% of target variable compensation).
- Change in net income before tax of businesses for which they are responsible (18.75% of target variable compensation).
- Achievement of budgeted gross operating income of businesses for which they are responsible (18.75% of target variable compensation).

Personal objective-based criteria concern managerial performance as assessed by the Board of Directors in terms of foresight, decision-making and leadership skills:

- *foresight:* define a vision, prepare for the future, foster a spirit of innovation, carry out succession planning for and open up the international horizons of senior executives;
- *decision-making:* determine, with the relevant managers, and take the requisite measures for the Group's development, its internal efficiency and the adequacy of its risk management, internal control and capital management policy;
- *leadership:* recognise behaviour consistent with the Group's values (commitment, ambition, creativity, responsiveness). Promote initiative-taking and internal cooperation. Instil a culture of change and performance.

The criteria related to the risk and liquidity policy relate solely to the Chief Executive Officer and Chief Operating Officers. The proportion of variable compensation corresponding to these criteria depends on the achievement of several measurable and predetermined objectives. It may be granted only where the variable compensation linked to Group performance indicators is at least equal to the corresponding proportion of the target compensation.

The Board of Directors of BNP Paribas Fortis may grant variable compensation to Jean-Laurent Bonnafé in consideration for his performance and achievements. The Board of Directors of BNP Paribas ensures that Jean-Laurent Bonnafé's overall compensation is consistent with the performance of the businesses for which he is responsible based on the criteria applicable to all corporate officers.

Each of the individual components of corporate officers' compensation is capped at a percentage of their fixed salary. The Board of Directors ensures that changes in the compensation granted to corporate officers are consistent with each of the criteria stated above and, first and foremost, the trend in the Group's earnings. It reports on this matter to the Shareholders' General Meeting.

Part of the variable portion of corporate officers' compensation is deferred, indexed to the share price and subject to conditions in line with the arrangements laid down by the Board of Directors.

- Post-employment benefits

Termination benefits

Corporate officers are not entitled to any contractual compensation on termination of office.

Retirement bonuses

Michel Pébereau is not entitled to a retirement bonus. Baudouin Prot (Chief Executive Officer), Georges Chodron de Courcel and Jean-Laurent Bonnafé (Chief Operating Officers) are entitled under their employment contracts[10] to the standard retirement bonus benefits awarded to all BNP Paribas SA employees. Under this standard scheme, employees receive a bonus on retirement from the Group of up to 11.66 months' basic salary depending on their initial contractual position and length of service at their retirement date. The bonus is capped at EUR 14,112, excluding the provisions of the relevant collective bargaining agreement, which may apply above this amount.

[10] Baudouin Prot's employment contract: see Chairman's report on corporate governance (Section 4.c)

Supplementary pension plans[11]

The defined-benefit plans previously granted to Group executives formerly employed by BNP, Paribas or Compagnie Bancaire have all been converted into top-up type schemes. The amounts allocated to the beneficiaries were fixed when the previous schemes were closed to new entrants.

A similar procedure was applied to Michel Pébereau (Chairman of the Board of Directors), Baudouin Prot (Chief Executive Officer) and Georges Chodron de Courcel (Chief Operating Officer). Pursuant to Articles L. 137.11 and R. 137.16 of the French Social Security Code, Michel Pébereau, Baudouin Prot and Georges Chodron de Courcel now belong to a contingent collective top-up pension plan. Under this plan, their pensions will be calculated (subject to their still being part of the Group on retirement) on the basis of the fixed and variable compensation received in 1999 and 2000, with no possibility of acquiring any subsequent rights.

The amount of retirement benefits, including the pensions paid out by the general French Social Security scheme and the ARRCO and AGIRC top-up schemes, plus any additional banking industry pension arising from the industry-wide agreement that took effect on 1 January 1994 and pension rights acquired as a result of payments by the employer into top-up funded schemes, is capped at 50% of the above-mentioned compensation amounts.

These retirement benefits will be revalued from 1 January 2002 until their actual payment date, based on the average annual rate of increase in pension benefits paid by the French Social Security, ARRCO and AGIRC schemes. The increase in potential pension rights for 2010 will be limited to the effects of this revaluation. On payment of the benefits, the top-up pensions will be equal to the differential between these revalued amounts and the pension benefits provided by the above-mentioned general and top-up schemes. Once the amount of these top-up benefits has been finally determined, the benefit will then be indexed to the growth rate in the benefit value per point under the AGIRC scheme.

These obligations were covered by provisions recorded by Banque Nationale de Paris. The amount of these provisions was adjusted when these legacy plans were closed and the obligations transferred to an external insurance company.

The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officers belong to the defined-contribution pension plan set up for all BNP Paribas SA employees, in accordance with Article 83 of the French General Tax Code.

The benefits deriving from the pension schemes described above have always been taken into account by the Board of Directors when determining the overall compensation of corporate officers. During 2009, the Board of Directors formally recorded that this plan was compliant with the provisions of the AFEP-MEDEF corporate governance code.

Welfare benefit plans

The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officers are entitled to the same flexible welfare benefits (death and disability cover, as well as the common healthcare benefit scheme) as all BNP Paribas SA employees and corporate officers.

They are also entitled to the same benefits under the Garantie Vie Professionnelle Accidents death/disability cover plan as all BNP Paribas SA employees, and to the supplementary plan set up for members of the Group’s Executive Committee, which pays out additional capital of EUR 1.10 million in the event of work-related death or total and permanent disability.

If Baudouin Prot dies before the age of 60, his heirs will receive compensation under an insurance policy. The premium applicable under this policy is paid by the Group and treated in accordance with the social security rules applicable to employers’ contributions to top-up welfare schemes in France.

[11] AFEP-MEDEF corporate governance code (point 20-2-5).

	Employment contract		Top-up pension plan		Benefits or payments due or likely to fall due owing to the cessation or change in duties		Payment under a no-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
M. Michel PEBEREAU		X	X			X		X
M. Baudouin PROT	X (1)		X		X (3)			X
M. Jean-Laurent BONNAFE	X		X (2)		X (3)			X
M. Georges CHODRON de COURCEL	X		X		X (3)			X

(1) See the Chairman's report on the manner of the preparation and organisation of the work of the Board. Section 4.c.
(2) Pension scheme under Article 83 of the French General Tax Code for the benefit of all BNP Paribas SA's employees.
(3) See above Post-employment benefits. Retirement bonuses.

The table below shows gross compensation payable for the year to 31 December 2010, including benefits in kind and directors' fees for 2010.

Compensation payable for 2010 In euros	Compensation			Directors' fees (4)	Benefits in kind (5)	TOTAL Compensation
	Fixed (1)	Variable (2)	Deferred (3)			
Michel PEBEREAU Chairman of the Board of Directors						
2010	700,000	(6)	(6)	37,160	4,124	741,284
(2009)	*(700,000)*	*(280,000)*	*(280,000)*	*(29,728)*	*(3,598)*	(1,293,326)
Baudouin PROT Chief Executive Officer						
2010	950,000	(6)	(6)	84,907	4,055	1,038,962
(2009)	*(950,000)*	*(712,500)*	*(712,500)*	*(90,318)*	*(5,212)*	(2,470,530)
Georges CHODRON de COURCEL Chief Operating Officer						
2010	600,000	(6)	(6)	115,225	3,840	719,065
(2009)	*(600,000)*	*(450,000)*	*(450,000)*	*(112,302)*	*(4,273)*	(1,616,575)
Jean-Laurent BONNAFE Chief Operating Officer						
2010 (by BNP Paribas SA)	600,000	(6)	(6)	52,839	3,333	656,172
2010 (by BNP Paribas Fortis)	200,000	(6)	(6)	24,031	-	224,031
(2009)	*(563,172)*	*(633,926)*	*(211,309)*	*(51,638)*	*(3,329)*	(1,463,374)
Total compensation payable to the Group's corporate officers for 2010						3,379,514
(for 2009)						*(6,843,805)*

(1) Compensation actually paid in 2010.
(2) & (3) Variable compensation payable for 2009 and 2010 respectively.
(3) Variable compensation granted in 2009 to corporate officers is deferred over the 2011, 2012 and 2013 financial years at a rate of 50% for Michel Pébereau, Baudouin Prot and Georges Chodron de Courcel and 25% for Jean-Laurent Bonnafé. The deferred amounts are indexed to the value of the share. Payment of these amounts is subject to satisfaction of a condition based on return on equity for each year under consideration.
(4) Michel Pébereau does not receive any directors' fees from any Group companies other than from BNP Paribas SA.
Baudouin Prot does not receive any directors' fees from any Group companies other than from BNP Paribas SA and Erbé. Directors' fees received by the Chief Executive Officer from Erbé are deducted from his variable compensation.
Jean-Laurent Bonnafé does not receive any directors' fees from any Group companies other than from BNP Paribas SA, BNP Paribas Fortis, BNL and Personal Finance. The directors' fees received by Jean-Laurent Bonnafé in respect of BNL and Personal Finance are deducted from his variable compensation.
Georges Chodron de Courcel does not receive any directors' fees from any Group companies other than from BNP Paribas Suisse, Erbé and BNP Paribas Fortis. The directors' fees received by Georges Chodron de Courcel from these companies are deducted from his variable compensation.
(5) The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officers each have a company car and a mobile telephone.
(6) At the date of this document:
- BNP Paribas' Board of Directors has not defined the variable portion of corporate officers' compensation in respect of 2010.
- BNP Paribas Fortis' Board of Directors has not defined the variable portion of Mr Bonnafé's compensation in respect of 2010.
The Board of Directors' decisions will be published in an update of the registration document and this report in due course.

The table below shows gross compensation paid for the year to 31 December 2010, including benefits in kind and directors' fees. The variable compensation paid in 2010 relates to 2009.

Compensation paid in 2010 In euros	Compensation			Directors' fees	Benefits in kind	TOTAL Compensation (2)
	Fixed	Variable (1)	Deferred			
Michel PEBEREAU Chairman of the Board of Directors						
2010	700,000	280,000	-	37,160	4,124	1,021,284
(2009)	*(700,000)*	-	-	*(29,728)*	*(3,598)*	*(733,326)*
Baudouin PROT Chief Executive Officer						
2010	950,000	651,910	-	84,907	4,055	1,690,872
(2009)	*(950,000)*	-	-	*(90,318)*	*(5,212)*	*(1,045,530)*
Georges CHODRON de COURCEL Chief Operating Officer						
2010	600,000	337,698	-	115,225	3,840	1,056,763
(2009)	*(600,000)*	-	-	*(112,302)*	*(4,273)*	*(716,575)*
Jean-Laurent BONNAFE Chief Operating Officer						
2010 (by BNP Paribas SA)	600,000	593,432	36,251 (3)	52,839	3,333	1,285,855
2010 (by BNP Paribas Fortis)	200,000	-	-	24,031	-	224,031
(2009)	*(563,172)*	(602,876)	(39,896) (3)	*(51,638)*	*(3,329)*	(1,260,911)
Total compensation paid to the Group's corporate officers for 2010						5,278,805
(for 2009)						*(3,756,342)*

(1) Baudouin Prot's variable compensation paid in 2010 in respect of 2009 was reduced by EUR 60,590, representing the recovery of directors' fees received in 2009.
Georges Chodron de Courcel's variable compensation paid in 2010 in respect of 2009 was reduced by EUR 112,302, representing the recovery of directors' fees received in 2009.
Jean-Laurent Bonnafé's variable compensation paid in 2010 in respect of 2009 was reduced by EUR 40,494, representing the recovery of directors' fees received in 2009.
(2) The average payroll tax rate on this compensation in 2010 was 33.8% (34.9% in 2009).
(3) Variable compensation received for the duties performed by Jean-Laurent Bonnafé prior to his appointment as a corporate officer on 1 September 2008

- Benefits awarded to the corporate officers

Benefits awarded to the Group's corporate officers	2010	2009
Post-employment benefits		
Retirement bonuses		
Present value of the benefit obligation	516,531 €	496,031 €
Contingent collective defined-benefit top-up pension plan		
Total present value of the benefit obligation	30.7 M€ (1)	29.5 M€ (1)
Defined contribution pension plan		
Contributions paid by the company during the year	1,524 €	1,510 €
Welfare benefits		
Flexible personal risk plan		
Premiums paid by the company during the year	10,401 €	10,992 €
Garantie Vie Professionnelle Accidents death/disability cover plan		
Premiums paid by the company during the year	7,763 €	8,095 €
Supplementary personal risk plan		
Premiums paid by the company during the year	115,553 €	84,212 €

(1) excluding the additional contribution of 30%.

The amount of supplementary pension rights is fixed. The change in the total present value of obligations between 2009 and 2010 reflects the discounting charge for the year, as well as the update of the assumptions underpinning the calculations.

- Directors' fees paid to members of the Board of Directors

In euros	Director's fees paid in 2010	Director's fees paid in 2009
M. PEBEREAU	37,160	29,728
P. AUGUSTE	46,503	34,117
C. BEBEAR	35,568	31,746
J.L. BEFFA	28,914	33,055
S. BERGER	44,592	32,913
J.L. BONNAFE	12,918	
J.M. GIANNO	45,442	35,178
F. GRAPPOTTE	71,696	55,312
A. JOLY		27,781
D. KESSLER	59,669	35,951
M. KUNEVA	9,202	
J.F. LEPETIT	44,380	34,117
L. PARISOT	39,071	28,383
H. PLOIX	46,503	35,178
B. PROT	37,160	29,728
L. SCHWEITZER	60,654	47,915
M. TILMANT	42,469	2,654
E. VAN BROEKHOVEN	44,592	2,654
D. WEBER-REY	47,034	36,098
Total	753,527	532,509

- Stock subscription option plans

Under the authorisations granted by the Shareholders' General Meetings, BNP Paribas has set up a Global Share-based Incentive Plan, the characteristics of which are described in the Note on salaries and employee benefits (share-based payment).

The provisions of the plan were approved by the Board of Directors and apply in full to the corporate officers.

During 2008, the Board of Directors stated its intention of applying all the provisions of the AFEP-MEDEF corporate governance code concerning options awarded to corporate officers. On 27 March 2009, Michel Pébereau told the shareholders of BNP Paribas at an Extraordinary General Meeting that corporate officers would not receive any stock subscription options in 2009. Upon the redemption of the preferred shares subscribed by Société de Prise de Participation de l'Etat, BNP Paribas maintained the commitments given to the French authorities, in connection with the French economic stimulus plan, with regard to the grant of stock options to corporate officers. Accordingly, the corporate officers did not receive any stock subscription options in 2010.

Options granted and exercised in 2010

Stock subscription options granted to and/or exercised by the Group's corporate officers	Number of options	Exercise price (in euros)	Grant date	Plan expiry date	Individual allocation valuation		Individual allocation as a percentage of share capital
					in euros	as a percentage of the recognised expense (2)	
OPTIONS GRANTED IN 2010	(1)	-	-	-	-	-	-
OPTIONS EXERCISED IN 2010							
Michel PEBEREAU	80,000	47.37	15/05/2001	14/05/2011			
Baudouin PROT	50,000	47.37	15/05/2001	14/05/2011			
OPTIONS GRANTED IN 2009	(1)	-	-	-	-	-	-
OPTIONS EXERCISED IN 2009							
Michel PEBEREAU	223,855	43.67	22/12/1999	22/12/2009			
Baudouin PROT	132,296	43.67	22/12/1999	22/12/2009			

(1) no option was granted in respect of the 2009 and 2010 financial years.

(2) Percentage of the expense recognised for the Global Share-based Incentive Plan, which combines stock options with share awards.

Summary of compensation and stock options paid to individual corporate officers

In euros		2010	2009
Michel PEBEREAU Chairman of the Board of Directors			
Remuneration for the year		741,284 (1)	1,293,326
Value of stock options granted during the year		Nil	Nil
	TOTAL	741,284	1,293,326
Baudouin PROT Chief Executive Officer			
Remuneration for the year		1,038,962 (1)	2,470,530
Value of stock options granted during the year		Nil	Nil
	TOTAL	1,038,962	2,470,530
Georges CHODRON de COURCEL Chief Operating Officer			
Remuneration for the year		719,065 (1)	1,616,575
Value of stock options granted during the year		Nil	Nil
	TOTAL	719,065	1,616,575
Jean-Laurent BONNAFE Chief Operating Officer			
Remuneration for the year		880,203 (1)	1,463,374
Value of stock options granted during the year		Nil	Nil
	TOTAL	880,203	1,463,374

(1) At the date of this document:

- BNP Paribas' Board of Directors has not defined the variable portion of corporate officers' compensation in respect of 2010.

- BNP Paribas Fortis' Board of Directors has not defined the variable portion of Mr Bonnafé's compensation in respect of 2010.

The Board of Directors' decisions will be published in an update of the registration document and this report in due course.

The table shows the number of outstanding options held by the Group's corporate officers at 31 December 2010.

Originating company	BNP	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas
Date of grant	15/05/2001	21/03/2003	25/03/2005	05/04/2006	08/03/2007	18/04/2008	08/04/2009	05/03/2010
Michel PEBEREAU	147,571	232,717	103,418	102,521	51,265	51,265	Nil	Nil
Baudouin PROT	94,018	201,688	155,125	184,537	174,300	174,299	Nil	Nil
Georges CHODRON de COURCEL	-	4,675	62,052	92,269	92,277	102,529	Nil	Nil
Jean-Laurent BONNAFE	-	-	41,368	51,261	61,518	61,517	Nil	Nil
Number of options outstanding at end-2010 (1)	**241,589**	**439,080**	**361,963**	**430,588**	**379,360**	**389,610**	**Nil**	**Nil**

(1) The increase in capital through the subscription of preferential rights in October 2009 in accordance with the regulations in force and in order to take into account the detachment of a pre-emptive right led to the adjustment of the number and exercise prices of options not yet exercised.

- Compulsory share ownership - Holding period for shares received on exercise of stock options

From 1 January 2008, Michel Pébereau, Baudouin Prot and Georges Chodron de Courcel are required to own a minimum number of shares for the duration of their term of office, calculated based on both the opening BNP Paribas share price and their fixed compensation at 2 January 2007. The number of shares held must be equal to 7 years' fixed salary for Michel Pébereau (58,700 shares) and Baudouin Prot (80,000 shares).

The Board has set a compulsory share holding of 30,000 shares for Jean-Laurent Bonnafé, which is identical to the amount set for Georges Chodron de Courcel, the other Chief Operating Officer. Jean-Laurent Bonnafé must comply with this obligation, through the mandatory ownership of shares or units in the Company Savings Plan fully invested in BNP Paribas shares, no later than by 1 September 2013, that is five years after his appointment as a corporate officer.

The Chairman of the Board of Directors, Chief Executive Officer and Chief Operating Officers are also required to hold a number of shares issued following the exercise of stock options for the duration of their term of office. This holding requirement represents 50% of the net gain realised on the purchase of shares under options granted as from 1 January 2008 for Michel Pébereau, Baudouin Prot and Georges Chodron de Courcel and as from 1 September 2008 for Jean-Laurent Bonnafé. It will be considered as satisfied once the threshold defined for compulsory share ownership has been reached based on shares resulting from the exercise of options as of said dates.

- Compensation and benefits awarded to employee-elected directors

Total compensation paid in 2010 to employee-elected directors calculated based on their actual attendance amounted to EUR 99,785 (EUR 96,512 in 2009), excluding directors' fees. The total amount of directors' fees paid in 2010 to employee-elected directors was EUR 91,945 (EUR 69,295 in 2009). These sums were paid directly to the trade union bodies of the directors concerned.

Employee-elected directors are entitled to the same death/disability cover and the same Garantie Vie Professionnelle Accidents benefits as all BNP Paribas SA employees, as well as healthcare expense coverage. The total amount of premiums paid into these schemes by BNP Paribas in 2010 on behalf of the employee-elected directors was EUR 1,619 (EUR 1,340 in 2009).

The employee-elected directors belong to the defined-contribution plan set up for all BNP Paribas SA employees, in accordance with Article 83 of the French General Tax Code. The total amount of contributions paid into this plan by BNP Paribas in 2010 on behalf of these corporate officers was EUR 706 (EUR 660 in 2009). They are also entitled to top-up banking industry pensions under the industry-wide agreement that took effect on 1 January 1994.

- Loans, advances and guarantees granted to the Group's corporate officers

At 31 December 2010, total outstanding loans granted directly or indirectly to the Group's corporate officers amounted to EUR 3,286,908 (EUR 3,771,634 at 31 December 2009). It represents the total amount of loans granted to BNP Paribas' corporate officers and their spouses. These loans representing normal transactions were carried out on an arm's length basis.

8.f RELATED PARTIES

Other related parties of the BNP Paribas Group comprise consolidated companies (including entities consolidated under the equity method) and entities managing post-employment benefit plans offered to Group employees (except for multi-employer and multi-industry schemes).

Transactions between the BNP Paribas Group and related parties are carried out on an arm's length basis.

RELATIONS BETWEEN CONSOLIDATED COMPANIES

A list of companies consolidated by the BNP Paribas Group is provided in note 8.b "Scope of consolidation". As transactions and period-end balances between fully-consolidated entities are eliminated in full on consolidation, the tables below only show figures relating to transactions and balances with companies over which BNP Paribas exercises joint control (accounted for by the proportionate consolidation method), showing only the proportion not eliminated on consolidation, and companies over which BNP Paribas exercises significant influence (accounted for by the equity method).

- Related-party balance sheet items:

In millions of euros	31 December 2010		31 December 2009	
	Consolidated entities under the proportionate method	Consolidated entities under the equity method	Consolidated entities under the proportionate method	Consolidated entities under the equity method
ASSETS				
Loans, advances and securities				
Demand accounts	91	456	193	2
Loans	4,111	1,240	3,975	2,128
Securities	195	77	209	1,416
Finance leases	5		-	-
Non-trading securities held in the portfolio.	550	850	-	-
Other assets	3	67	23	66
Total	4,955	2,690	4,400	3,612
LIABILITIES				
Deposits				
Demand accounts	102	1,811	146	1,924
Other borrowings	69	44	35	330
Debt securities	65	177	132	57
Other liabilities	17	28	49	76
Total	253	2,060	362	2,387
FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS				
Financing commitments given	777	568	44	275
Guarantee commitments given	120	185	4	1,702
Total	897	753	48	1,977

Within the scope of its International Retail Banking and Financial Services business, the Group also carries out trading transactions with related parties involving derivatives (swaps, options and forwards,etc.) and financial instruments (equities, bonds, etc.).

- Related-party profit and loss items:

In millions of euros	Year to 31 Dec. 2010		Year to 31 Dec. 2009	
	Consolidated entities under the proportionate method	Consolidated entities under the equity method	Consolidated entities under the proportionate method	Consolidated entities under the equity method
Interest income	122	115	174	106
Interest expense	(5)	-	(10)	(23)
Commission income	20	120	49	207
Commission expense	(65)	(46)	(70)	(67)
Services provided	5	54	4	46
Services received	-	(344)	-	(277)
Lease income	2	28	-	2
Total	79	(73)	147	(6)

ENTITIES MANAGING POST-EMPLOYMENT BENEFIT PLANS OFFERED TO GROUP EMPLOYEES

The main post-employment benefits of the BNP Paribas Group are retirement bonus plans, and top-up defined-benefit and defined-contribution pension plans.

In Belgium, BNP Paribas Fortis funds a number of pension schemes managed by AG Insurance in which the BNP Paribas Group has an 18.73% equity interest.

In other countries, post-employment benefit plans are generally managed by independent fund managers or independent insurance companies, and occasionally by Group companies (in particular BNP Paribas Asset Management, BNP Paribas Assurance, Bank of the West and First Hawaiian Bank). In Switzerland, a dedicated foundation manages pension plans for BNP Paribas Switzerland's employees.

At 31 December 2010 , the value of plan assets managed by Group companies or by companies over which the Group exercises significant influence was EUR 3,111 million (EUR 3,173 million at 31 December 2009). Amounts received relating to services provided by Group companies in the year to 31 December 2010 totalled EUR 4.3 million, and mainly comprised management and custody fees (EUR 3.5 million at 31 December 2009).

8.g BALANCE SHEET BY MATURITY

The table below gives a breakdown of the balance sheet by contractual maturity. The maturity of financial assets and liabilities at fair value through profit or loss within the trading portfolio is deemed to be "undetermined" insofar as these instruments are intended to be sold or redeemed before their contractual maturity dates. The maturities of variable-income financial assets classified as available for sale, derivative hedging instruments, remeasurement adjustments on interest-rate risk hedged portfolios and undated subordinated debt are also deemed to be "undetermined". Since the majority of technical reserves of insurance companies are considered as demand deposits, they are not presented in this table.

In millions of euros, at 31 December 2010	Not determined	Overnight or demand	Up to 1 month (excl. overnight)	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Cash and amounts due from central banks and post office banks		33,568						33,568
Financial assets at fair value through profit or loss	832,945							832,945
Derivatives used for hedging purposes	5,440							5,440
Available-for-sale financial assets	17,397		6,734	10,629	29,947	56,659	98,592	219,958
Loans and receivables due from credit institutions	-	12,949	14,577	7,714	7,381	8,591	11,506	62,718
Loans and receivables due from customers	12	56,314	62,104	56,170	75,625	209,000	225,461	684,686
Remeasurement adjustment on interest-rate risk hedged portfolios	2,317							2,317
Held-to-maturity financial assets			-	281	54	5,729	7,709	13,773
Financial assets by maturity	858,111	102,831	83,415	74,794	113,007	279,979	343,268	1,855,405
Due to central banks and post office banks		2,123						2,123
Financial liabilities at fair value through profit or loss	674,280		539	2,491	9,917	25,800	12,078	725,105
Derivatives used for hedging purposes	8,480							8,480
Due to credit institutions		28,248	86,138	20,586	11,357	13,238	8,418	167,985
Due to customers		337,186	139,416	38,018	21,202	26,575	18,517	580,913
Debt securities			39,224	54,288	50,891	48,228	16,037	208,669
Subordinated debt	3,316		-	41	471	8,610	12,312	24,750
Remeasurement adjustment on interest-rate risk hedged portfolios	301							301
Financial liabilities by maturity	686,377	367,557	265,317	115,424	93,838	122,451	67,362	1,718,326

In millions of euros, at 31 December 2009	Not determined	Overnight or demand	Up to 1 month (excl. overnight)	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Cash and amounts due from central banks and post office banks		56,076						56,076
Financial assets at fair value through profit or loss	828,784							828,784
Derivatives used for hedging purposes	4,952							4,952
Available-for-sale financial assets	19,709		8,139	14,853	33,831	58,063	86,830	221,425
Loans and receivables due from credit institutions	-	35,049	25,354	10,573	7,534	6,154	4,256	88,920
Loans and receivables due from customers	16	51,624	68,682	61,451	77,398	175,381	244,214	678,766
Remeasurement adjustment on interest-rate risk hedged portfolios	2,407							2,407
Held-to-maturity financial assets			-	409	130	4,421	9,063	14,023
Financial assets by maturity	855,868	142,749	102,175	87,286	118,893	244,019	344,363	1,895,353
Due to central banks and post office banks		5,510						5,510
Financial liabilities at fair value through profit or loss	655,330		615	3,935	8,348	27,264	13,845	709,337
Derivatives used for hedging purposes	8,108							8,108
Due to credit institutions		20,372	102,613	23,303	47,281	16,624	10,503	220,696
Due to customers		334,942	175,397	40,147	22,109	13,936	18,372	604,903
Debt securities			57,856	55,989	36,582	49,929	10,673	211,029
Subordinated debt	3,088		29	483	1,058	5,915	17,636	28,209
Remeasurement adjustment on interest-rate risk hedged portfolios	356							356
Financial liabilities by maturity	666,882	360,824	336,510	123,857	115,378	113,668	71,029	1,788,148

The majority of the financing and guarantee commitments given, which amounted to EUR 314,731 million and EUR 102,563 million respectively at 31 December 2010 (EUR 273,764 million and EUR 104,650 million respectively at 31 December 2009), can be drawn at sight.

8.h 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 of 31 December 2010. 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 non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of the BNP Paribas Group.

In millions of euros	31 December 2010		31 December 2009	
	Carrying value (1)	Estimated fair value	Carrying value (1)	Estimated fair value
FINANCIAL ASSETS				
Loans and receivables due from credit institutions	62,718	63,868	88,920	89,770
Loans and receivables due from customers	684,686	702,077	678,766	693,126
Held-to-maturity financial assets	13,773	14,487	14,023	15,033
FINANCIAL LIABILITIES				
Due to credit institutions	167,985	168,360	220,696	222,000
Due to customers	580,913	581,894	604,903	606,661
Debt securities	208,669	208,921	211,029	210,987
Subordinated debt	24,750	23,649	28,209	27,752

(1) The carrying amount does not include the remeasurement of portfolios of financial instruments in fair value hedging relationships. At 31 December 2010, this is included within “Remeasurement adjustment on interest-rate risk hedged portfolios” as EUR 2,317 million under assets, and EUR 301 million under liabilities (EUR 2,407 million and EUR 356 million, respectively, at 31 December 2009).

The fair value of a financial instrument is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

The valuation techniques and assumptions used by BNP Paribas ensure that the fair value of financial assets and liabilities 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, “Principal accounting policies applied by the BNP Paribas Group”. 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 are granted on floating-rate terms, fair value equates to carrying amount. The same applies to most regulated savings products.

8.i CONTINGENT LIABILITIES: LEGAL PROCEEDING AND ARBITRATION

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

On 27 June 2008, the Republic of Iraq lodged a lawsuit in New York against 92 international companies having participated in the oil-for-food ("OFF") programme, among them BNP Paribas. The complaint alleges, notably, that the defendants conspired to defraud the OFF programme, thereby depriving the Iraqi people of more than USD 10 billion in food, medicine and other humanitarian goods. The complaint also contends that BNP Paribas breached purported fiduciary duties and contractual obligations created by the banking agreement binding BNP Paribas and the United Nations Organisation. The complaint is pleaded under the US Racketeer Influenced and Corrupt Organisations Act ("RICO") which allows triple damages for successful plaintiffs if damages are awarded. The proceedings are currently in a jurisdictional phase. The court is expected to rule on its jurisdiction in 2011.
There is no basis to sustain any accusation or allegation concerning any purported breach by the Bank in relation to any payments made by other persons in connection with the export of humanitarian goods to Iraq under the OFF programme. The Bank intends to vigorously defend itself against this complaint.

There is no other government, legal or arbitration proceeding, of which the Company is aware, that is likely to have or has had within the last 12 months a significant impact on the financial position or profitability of the Company and/or Group.

8.j FEES PAID TO THE STATUTORY AUDITORS

Excluding tax, in thousand of euros in 2010	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
	Total	%	Total	%	Total	%	Total	%
Audit								
Statutory audits and contractual audits, including:								
- Issuer	4,162	17%	4,438	22%	1,187	11%	9,787	18%
- Consolidated subsidiaries	10,641	45%	10,157	51%	8,654	84%	29,452	55%
Other reviews and services directly related to the statutory audit engagement, including:								
- Issuer	253	1%	451	2%	202	2%	906	2%
- Consolidated subsidiaries	2,229	10%	3,836	19%	190	2%	6,255	11%
Sub-total	17,285	73%	18,882	94%	10,233	99%	46,400	86%
Other services provided by the networks to fully-or proportionally-consolidated subsidiaries								
Tax and legal	106	0%	191	1%	-	0%	297	0%
Others	6,363	27%	924	5%	99	1%	7,386	14%
Sub-total	6,469	27%	1,115	6%	99	1%	7,683	14%
TOTAL	23,754	100%	19,997	100%	10,332	100%	54,083	100%

Excluding tax, in thousand of euros in 2009	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
	Total	%	Total	%	Total	%	Total	%
Audit								
Statutory audits and contractual audits, including:								
- Issuer	3,261	19%	5,686	27%	1,134	12%	10,081	21%
- Consolidated subsidiaries	8,996	52%	12,660	59%	7,803	85%	29,459	61%
Other reviews and services directly related to the statutory audit engagement, including:								
- Issuer	15	0%	63	0%	41	0%	119	0%
- Consolidated subsidiaries	224	1%	1,296	6%	166	2%	1,686	4%
Sub-total	12,496	72%	19,705	92%	9,144	99%	41,345	86%
Other services provided by the networks to fully-or proportionally-consolidated subsidiaries								
Tax and legal	1,330	8%	504	2%	17	0.2%	1,851	4%
Others	3,567	20%	1,158	6%	62	1%	4,787	10%
Sub-total	4,897	28%	1,662	8%	79	1%	6,638	14%
TOTAL	17,393	100%	21,367	100%	9,223	100%	47,983	100%

The audit fees paid to auditors which are not member of the network of one of the auditors certifying the consolidated financial statements and the non-consolidated financial statements of BNP Paribas SA, mentioned in the table above, amount to EUR 2,325 thousand for the year 2010 (EUR 4,825 thousand in 2009).