CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2012

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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 2012 and 31 December 2011. In accordance with Article 20.1 of Annex I of European Commission Regulation (EC) 809/2004, the consolidated financial statements for 2010 are provided in the registration document filed with the Autorité des marchés financiers on 9 March 2012 under number D.12-0145.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

In millions of euros	Notes	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Interest income	2.a	44,476	47,124
Interest expense	2.a	(22,731)	(23,143)
Commission income	2.b	12,601	13,695
Commission expense	2.b	(5,069)	(5,276)
Net gain/loss on financial instruments at fair value through profit or loss	2.c	3,312	3,733
Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value	2.d	1,624	280
Income from other activities	2.e	33,720	26,836
Expense on other activities	2.e	(28,861)	(20,865)
REVENUES		**39,072**	**42,384**
Operating expense		(25,007)	(24,608)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	5.n	(1,543)	(1,508)
GROSS OPERATING INCOME		**12,522**	**16,268**
Cost of risk	2.f	(3,941)	(6,797)
OPERATING INCOME		**8,581**	**9,471**
Share of earnings of associates		489	80
Net gain on non-current assets		1,792	206
Goodwill	5.o	(490)	(106)
PRE-TAX INCOME		**10,372**	**9,651**
Corporate income tax	2.g	(3,059)	(2,757)
NET INCOME		**7,313**	**6,894**
Net income attributable to minority interests		760	844
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		**6,553**	**6,050**
Basic earnings per share	8.a	5.16	4.82
Diluted earnings per share	8.a	5.15	4.81

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

In millions of euros	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Net income for the period	**7,313**	**6,894**
Changes in assets and liabilities recognised directly in equity	**5,518**	**(1,748)**
- Items related to exchange rate movements	113	(61)
- Changes in fair value of available-for-sale financial assets, including those reclassified as loans and receivables	4,761	(2,532)
- Changes in fair value of available-for-sale financial assets reported in net income, including those reclassified as loans and receivables	(284)	277
- Changes in fair value of hedging instruments	559	640
- Changes in fair value of hedging instruments reported in net income	6	(15)
- Items related to investments in associates	363	(57)
Total	**12,831**	**5,146**
- Attributable to equity shareholders	11,178	4,487
- Attributable to minority interests	1,653	659

BALANCE SHEET AT 31 DECEMBER 2012

In millions of euros	Notes	31 December 2012	31 December 2011
ASSETS			
Cash and amounts due from central banks		103,190	58,382
Financial instruments at fair value through profit or loss			
Trading securities	5.a	143,465	157,624
Loans and repurchase agreements	5.a	146,899	153,799
Instruments designated at fair value through profit or loss	5.a	62,800	57,073
Derivative financial instruments	5.a	410,635	451,967
Derivatives used for hedging purposes	5.b	14,267	9,700
Available-for-sale financial assets	5.c	192,506	192,468
Loans and receivables due from credit institutions	5.f	40,406	49,369
Loans and receivables due from customers	5.g	630,520	665,834
Remeasurement adjustment on interest-rate risk hedged portfolios		5,836	4,060
Held-to-maturity financial assets	5.j	10,284	10,576
Current and deferred tax assets	5.k	8,661	11,570
Accrued income and other assets	5.l	99,359	93,540
Policyholders' surplus reserve	5.p	-	1,247
Investments in associates	5.m	7,040	4,474
Investment property	5.n	927	11,444
Property, plant and equipment	5.n	17,319	18,278
Intangible assets	5.n	2,585	2,472
Goodwill	5.o	10,591	11,406
TOTAL ASSETS		**1,907,290**	**1,965,283**
LIABILITIES			
Due to central banks		1,532	1,231
Financial instruments at fair value through profit or loss			
Trading securities	5.a	52,432	100,013
Borrowings and repurchase agreements	5.a	203,063	173,271
Instruments designated at fair value through profit or loss	5.a	43,530	42,044
Derivative financial instruments	5.a	404,598	447,467
Derivatives used for hedging purposes	5.b	17,286	14,331
Due to credit institutions	5.f	111,735	149,154
Due to customers	5.g	539,513	546,284
Debt securities	5.i	173,198	157,786
Remeasurement adjustment on interest-rate risk hedged portfolios		2,067	356
Current and deferred tax liabilities	5.k	3,046	3,489
Accrued expenses and other liabilities	5.l	86,691	81,010
Technical reserves of insurance companies	5.p	147,992	133,058
Provisions for contingencies and charges	5.q	10,962	10,480
Subordinated debt	5.i	15,223	19,683
TOTAL LIABILITIES		**1,812,868**	**1,879,657**
CONSOLIDATED EQUITY			
Share capital, additional paid-in capital and retained earnings		*76,102*	*70,714*
Net income for the period attributable to shareholders		*6,553*	*6,050*
Total capital, retained earnings and net income for the period attributable to shareholders		82,655	76,764
Change in assets and liabilities recognised directly in equity		3,231	(1,394)
Shareholders' equity		**85,886**	**75,370**
Retained earnings and net income for the period attributable to minority interests		8,124	10,737
Changes in assets and liabilities recognised directly in equity		412	(481)
Total minority interests		**8,536**	**10,256**
TOTAL CONSOLIDATED EQUITY		**94,422**	**85,626**
TOTAL LIABILITIES AND EQUITY		**1,907,290**	**1,965,283**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

In millions of euros	Notes	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Pre-tax income		**10,372**	**9,651**
Non-monetary items included in pre-tax net income and other adjustments		**8,540**	**18,975**
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		3,663	3,788
Impairment of goodwill and other non-current assets		493	135
Net addition to provisions		7,004	6,359
Share of earnings of associates		(489)	(80)
Net income from investing activities		(1,783)	(246)
Net expense (income) from financing activities		217	(1,719)
Other movements		(565)	10,738
Net increase in cash related to assets and liabilities generated by operating activities		**38,424**	**11,719**
Net decrease in cash related to transactions with credit institutions		(22,052)	(11,427)
Net increase (decrease) in cash related to transactions with customers		47,028	(68,092)
Net increase in cash related to transactions involving other financial assets and liabilities		17,890	96,551
Net decrease in cash related to transactions involving non-financial assets and liabilities		(2,455)	(2,970)
Taxes paid		(1,987)	(2,343)
NET INCREASE IN CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		**57,336**	**40,345**
Net increase in cash related to acquisitions and disposals of consolidated entities	8.d	2,911	325
Net decrease related to property, plant and equipment and intangible assets		(1,631)	(1,938)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS RELATED TO INVESTING ACTIVITIES		**1,280**	**(1,613)**
Increase (decrease) in cash and equivalents related to transactions with shareholders		543	(3,910)
Decrease in cash and equivalents generated by other financing activities		(8,246)	(11,058)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO FINANCING ACTIVITIES		**(7,703)**	**(14,968)**
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS		**(1,035)**	**1,550**
NET INCREASE IN CASH AND EQUIVALENTS		**49,878**	**25,314**
Balance of cash and equivalent accounts at the start of the period		**50,329**	**25,015**
Cash and amounts due from central banks		58,382	33,568
Due to central banks		(1,231)	(2,123)
On demand deposits with credit institutions	5.f	12,099	11,273
On demand loans from credit institutions	5.f	(18,308)	(17,464)
Deduction of receivables and accrued interest on cash and equivalents		(613)	(239)
Balance of cash and equivalent accounts at the end of the period		**100,207**	**50,329**
Cash and amounts due from central banks		103,190	58,382
Due to central banks		(1,532)	(1,231)
On demand deposits with credit institutions	5.f	8,665	12,099
On demand loans from credit institutions	5.f	(9,840)	(18,308)
Deduction of receivables and accrued interest on cash and equivalents		(276)	(613)
NET INCREASE IN CASH AND EQUIVALENTS		**49,878**	**25,314**

STATEMENT OF CHANGES IN SHAREHOLDERS'

	Capital and retained earnings						
	Attributable to shareholders				Minority interests		
In millions of euros	Share capital and additional paid-in capital	Undated Super Subordinated Notes	Non-distributed reserves	Total	Capital and retained earnings	Preferred shares eligible as Tier 1 capital	Total
Capital and retained earnings at 31 December 2010	**25,711**	**8,029**	**40,723**	**74,463**	**9,401**	**1,892**	**11,293**
Appropriation of net income for 2010			**(2,521)**	**(2,521)**	**(462)**		**(462)**
Increases in capital and issues	396			396			
Reduction in capital						(500)	(500)
Impact of redemption of undated super subordinated notes			114	114			
Movements in own equity instruments	(427)	(768)	91	(1,104)			
Share-based payment plans			65	65			
Remuneration on preferred shares and undated super subordinated notes			(295)	(295)	(117)		(117)
Impact of internal transactions on minority shareholders (note 8.c)			(80)	(80)	80		80
Change in consolidation method impacting minority shareholders			(8)	(8)	63		63
Acquisitions of additional interests or partial sales of interests (note 8.c)			(292)	(292)	(477)		(477)
Change in commitments to repurchase minority shareholders' interests			3	3	(16)		(16)
Other movements	(2)		(25)	(27)	65	3	68
Change in assets and liabilities recognised directly in equity							
Net income for 2011			**6,050**	**6,050**	**844**		**844**
Interim dividend payments					(39)		(39)
Capital and retained earnings at 31 December 2011	**25,678**	**7,261**	**43,825**	**76,764**	**9,342**	**1,395**	**10,737**
Appropriation of net income for 2011			**(1,430)**	**(1,430)**	**(232)**		**(232)**
Increases in capital and issues	1,153			1,153			
Reduction in capital	(378)			(378)	(250)	(683)	(933)
Movements in own equity instruments	268	(20)	(46)	202	10		10
Share-based payment plans			72	72			
Remuneration on preferred shares and undated super subordinated notes			(280)	(280)	(86)		(86)
Impact of internal transactions on minority shareholders (note 8.c)			8	8	(11)		(11)
Change in consolidation method impacting minority shareholders					(2,027)		(2,027)
Acquisitions of additional interests or partial sales of interests (note 8.c)					(4)		(4)
Change in commitments to repurchase minority shareholders' interests			5	5	(15)		(15)
Other movements	(7)		(7)	(14)	(81)	40	(41)
Change in assets and liabilities recognised directly in equity							
Net income for 2012			**6,553**	**6,553**	**760**		**760**
Interim dividend payments					(34)		(34)
Capital and retained earnings at 31 December 2012	**26,714**	**7,241**	**48,700**	**82,655**	**7,372**	**752**	**8,124**

EQUITY BETWEEN 1 JAN. 2011 AND 31 DEC. 2012

Changes in assets and liabilities recognised directly in equity					Total equity
Attributable to shareholders				Minority interests	
Exchange rates	Financial assets available for sale and reclassified as loans and receivables	Derivatives used for hedging purposes	Total		
(401)	**(14)**	**584**	**169**	**(296)**	**85,629**
					(2,983)
					396
					(500)
					114
					(1,104)
					65
					(412)
					55
					(769)
					(13)
					41
(44)	(2,182)	663	(1,563)	(185)	(1,748)
					6,894
					(39)
(445)	**(2,196)**	**1,247**	**(1,394)**	**(481)**	**85,626**
					(1,662)
					1,153
					(1,311)
					212
					72
					(366)
					(3)
					(2,027)
					(4)
					(10)
					(55)
(51)	4,345	331	4,625	893	5,518
					7,313
					(34)
(496)	**2,149**	**1,578**	**3,231**	**412**	**94,422**

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 2012, the Group has adopted the amendment to IFRS 7 "Financial Instruments: Disclosures – Transfers of Financial Assets" adopted by the European Union on 23 November 2011 (see note 5.r). This amendment has no impact on the recognition and measurement of transactions.

The introduction of other standards, which are mandatory as of 1 January 2012, has no effect on the 2012 financial statements.

The Group did not choose to early-adopt the new standards, amendments, and interpretations adopted by the European Union whose application in 2012 was optional.

As of 1 January 2013, in accordance with the amendment to IAS 19 "Employee Benefits" adopted in June 2012 by the European Union, the retirement benefit liability will be recognised in the Group's balance sheet taking into account actuarial gains or losses which would not have been recognised or amortised at this date. This liability will thus be increased by EUR 412 million and by EUR 570 million respectively at 1 January 2012 and 31 December 2012 in the restated 2012 accounts presented in the 2013 financial statements; the 2012 pre-tax income will therefore be increased accordingly by EUR 7 million.

On 29 December 2012, the European Union adopted the amendment to IAS 32 "Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities", IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", and the amended IAS 28 "Investments in Associates and Joint Ventures", mandatory for financial periods starting on or after 1 January 2014, and IFRS 13 "Fair Value Measurement", applicable prospectively for financial periods starting on or after 1 January 2013. The Group is in the process of analysing the potential impacts of these new standards on the consolidated financial statements.

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

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

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 15 million of consolidated Revenues, EUR 1 million of consolidated gross operating income or net income before tax, EUR 500 million of total consolidated assets. Companies that hold shares in consolidated companies are also consolidated.

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

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:

- 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 (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 decisions of an enterprise without exercising control. Significant influence is presumed to exist when

the Group holds, directly or indirectly, 20% or more of the voting power of an enterprise. Interests of less than 20% are excluded from consolidation unless they represent a strategic investment and the Group effectively exercises significant influence. This applies to companies developed in partnership with other groups, where the BNP Paribas Group participates in strategic decisions of the enterprise through representation on the Board of Directors or equivalent governing body, exercises influence over the enterprise's operational management by supplying management systems or senior managers 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 within consolidated equity. The calculation of minority interests takes into account the outstanding cumulative preferred shares classified as equity instruments issued by subsidiaries, when such shares are held outside the Group.

Transactions resulting in a loss of control completed prior to 1 January 2010 gave 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 required 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 all translation differences, by booking all cumulative translation differences attributable to shareholders and to minority interests in the opening balance sheet at 1 January 2004 to retained earnings.

On liquidation or disposal of some or all of an interest held in a foreign enterprise located outside the euro zone, leading to a change in the nature of the investment (loss of control, 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**

Business combinations are accounted for using the purchase method.

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

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

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

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

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

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

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

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

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

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

- **Measurement of goodwill**

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

- Cash-generating units

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

- Testing cash-generating units for impairment

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

- Recoverable amount of a cash-generating unit

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

(2) As defined by IAS 36.

or commission (syndication commission, commitment fees and handling charges) that are regarded as an adjustment to the effective interest rate on the loan.

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

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

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

1.c.2 REGULATED SAVINGS AND LOAN CONTRACTS

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

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

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

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

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

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

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

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

1.c.3 SECURITIES

- **Categories of securities**

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

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are composed of:

- financial assets held for trading purposes;
- financial assets that the Group has designated, on initial recognition, at fair value through profit or loss using the fair value option available under IAS 39. The conditions for applying the fair value option are set out in section 1.c.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. Upon disposal, these unrealised gains and losses are transferred from shareholders' equity to the profit and loss account, where they are shown on the line "Net gain/loss on available-for-sale financial assets". The same applies in the event of impairment.

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

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

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

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

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

- **Date of recognition for securities transactions**

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

Regardless of their classification (at fair value through profit or loss, loans and receivables or debt), temporary sales of securities as well as sales of borrowed securities are initially recognised at the settlement date.

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

1.c.4 FOREIGN CURRENCY TRANSACTIONS

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

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

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

- Non-monetary assets and liabilities expressed in foreign currencies

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

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

1.c.5 IMPAIRMENT AND RESTUCTURING 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 regarding 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);

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[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 (see section “Restructuring of assets classified as "loans and receivables"”).

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

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

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

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

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

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

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

Apart from the identification criteria, the Group has determined three indications of impairment, one being a significant decline in price, defined as a fall of more than 50% of the acquisition price, another being a prolonged decline over two consecutive years and the final one being a decline on average of at

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

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

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

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

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

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

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

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

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

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

1.c.6 RECLASSIFICATION OF FINANCIAL ASSETS

The only authorised reclassifications of financial assets are the following:

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

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

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

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

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

1.c.7 ISSUES OF DEBT SECURITIES

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

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

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

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

The term “own equity instruments” refers to shares issued by the parent company (BNP Paribas SA) 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 the ratio of actual changes in the fair value or cash flows of the hedging instrument to those in the hedged item is within a range of 80% to 125%. Prospective effectiveness tests are designed to ensure that expected changes in the fair value or cash flows of the derivative over the residual life of the hedge adequately offset those of the hedged item. For highly probable forecast transactions, effectiveness is assessed largely on the basis of historical data for similar transactions.

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

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

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

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

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

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

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

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

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

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

- **Embedded derivatives**

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

1.c.10 DETERMINATION OF FAIR VALUE

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 by 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, reduced availability of prices from information providers, a significant variation in available prices between market participants or a lack of recent observed transaction prices.

- **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 based on data which are entirely or partly not observable in 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)

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

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

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

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

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

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

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

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

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

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

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

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

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

The adequacy of technical reserves is tested at the balance sheet date by comparing them with the average value of future cash flows as derived from stochastic analyses. Any adjustments to technical reserves are taken to the profit and loss account for the period. A capitalisation reserve is set up in individual statutory accounts on the sale of amortisable securities in order to defer part of the net realised gain and hence maintain the yield to maturity on the portfolio of admissible assets. In the consolidated financial statements, 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 into account policyholders' surplus reserves recognised elsewhere, capital gains on financial assets that are not shadow accounted due to accounting elections made (held-to-maturity financial assets and property investments measured at cost) and the company's ability and intention to hold the assets carrying the unrealised loss. The policyholders' loss reserve is recognised symmetrically with the corresponding assets and shown on the assets side of the balance sheet under the line item "Accrued income and other assets".

1.d.3 PROFIT AND LOSS ACCOUNT

Income and expenses arising on insurance contracts written by the Group are recognised in the profit and loss account under "Income from other activities" and "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 are composed of assets used in operations and investment property.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Gains and losses on disposals of investment property are recognised in the profit and loss account in “Income from other activities” or “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 cash generating unit, it is categorised as a "discontinued operation". Discontinued operations include operations that are held for sale, operations that have been shut down, and subsidiaries acquired exclusively with a view to resell.

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

1.h EMPLOYEE BENEFITS

Employee benefits are classified in one of four categories:

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

- **Short-term benefits**

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

- **Long-term benefits**

These are benefits, other than 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**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.j PROVISIONS RECORDED UNDER LIABILITIES

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

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

1.k CURRENT AND DEFERRED TAXES

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

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

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

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

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

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

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

Current and deferred taxes are recognised as tax income or expenses in the profit and loss account, 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 FLOW STATEMENT

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

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

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

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

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

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

This applies in particular to:

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

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

2. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

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. 2012			Year to 31 Dec. 2011		
	Income	Expense	Net	Income	Expense	Net
Customer items	**29,093**	**(9,375)**	**19,718**	**29,146**	**(8,740)**	**20,406**
Deposits, loans and borrowings	27,622	(9,246)	18,376	27,424	(8,388)	19,036
Repurchase agreements	21	(79)	(58)	61	(203)	(142)
Finance leases	1,450	(50)	1,400	1,661	(149)	1,512
Interbank items	**1,719**	**(2,562)**	**(843)**	**2,102**	**(2,621)**	**(519)**
Deposits, loans and borrowings	1,645	(2,281)	(636)	1,905	(2,274)	(369)
Repurchase agreements	74	(281)	(207)	197	(347)	(150)
Debt securities issued	**-**	**(3,445)**	**(3,445)**	**-**	**(4,025)**	**(4,025)**
Cash flow hedge instruments	**2,849**	**(2,477)**	**372**	**2,903**	**(2,535)**	**368**
Interest rate portfolio hedge instruments	**2,146**	**(3,577)**	**(1,431)**	**1,519**	**(2,712)**	**(1,193)**
Financial instruments at fair value through profit or loss	**2,293**	**(1,295)**	**998**	**4,518**	**(2,510)**	**2,008**
Fixed-income securities	1,438	-	1,438	2,435	-	2,435
Loans / Borrowings	207	(360)	(153)	357	(528)	(171)
Repurchase agreements	648	(814)	(166)	1,726	(1,776)	(50)
Debt securities	-	(121)	(121)	-	(206)	(206)
Available-for-sale financial assets	**5,889**	**-**	**5,889**	**6,268**	**-**	**6,268**
Held-to-maturity financial assets	**487**	**-**	**487**	**668**	**-**	**668**
Total interest income/(expense)	**44,476**	**(22,731)**	**21,745**	**47,124**	**(23,143)**	**23,981**

Interest income on individually impaired loans amounted to EUR 610 million in the year ended 31 December 2012 compared with EUR 554 million in the year ended 31 December 2011.

2.b COMMISSION INCOME AND EXPENSE

Commission income and expense on financial instruments not measured at fair value through profit or loss amounted to EUR 3,258 million and EUR 601 million respectively in 2012, compared with income of EUR 3,583 million and expense of EUR 596 million in 2011.

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 2,298 million in 2012, compared with EUR 2,454 million in 2011.

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. 2012	Year to 31 Dec. 2011
Trading book	**5,505**	**952**
Debt instruments	2,066	(297)
Equity instruments	3,132	455
Other derivatives	307	806
Repurchase agreements	-	(12)
Financial instruments designated at fair value through profit or loss	**(2,818)**	**2,891**
Of which debt remeasurement effect arising from BNPP group issuer risk (note 5.a)	*(1,617)*	*1,190*
Impact of hedge accounting	**16**	**(117)**
Fair value hedges	258	(1,989)
Hedged items in fair value hedge	(242)	1,872
Remeasurement of currency positions	**609**	**7**
Total	**3,312**	**3,733**

Net gains on the trading book in 2012 and 2011 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. 2012	Year to 31 Dec. 2011
Loans and receivables, fixed-income securities [(1)]	**839**	**(408)**
Disposal gains and losses	839	(408)
Equities and other variable-income securities	**785**	**688**
Dividend income	515	453
Additions to impairment provisions	(465)	(731)
Net disposal gains	735	966
Total	**1,624**	**280**

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

After the impact of insurance policyholders' surplus reserve, unrealised gains and losses previously recorded under "Change in assets and liabilities recognised directly in shareholders' equity" and included in the pre-tax income, amount to a gain of EUR 445 million for the year ended 31 December 2012 compared with a net gain of EUR 742 million for the year ended 31 December 2011.

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

- EUR 45 million linked to a decline in price of more than 50% of the acquisition price (EUR 44 million in 2011).
- EUR 8 million linked to the observation of an unrealised loss over two consecutive years (EUR 23 million in 2011).
- EUR 11 million linked to the observation of an unrealised loss of at least an average of 30% over one year (not used in 2011).
- EUR 54 million linked to an additional qualitative analysis (EUR 73 million in 2011).

2.e NET INCOME FROM OTHER ACTIVITIES

In millions of euros	Year to 31 Dec. 2012			Year to 31 Dec. 2011		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities	24,715	(21,460)	3,255	18,204	(14,559)	3,645
Net income from investment property	375	(178)	197	1,301	(500)	801
Net income from assets held under operating leases	5,871	(4,844)	1,027	5,627	(4,567)	1,060
Net income from property development activities	1,214	(1,006)	208	216	(41)	175
Other net income	1,545	(1,373)	172	1,488	(1,198)	290
Total net income from other activities	**33,720**	**(28,861)**	**4,859**	**26,836**	**(20,865)**	**5,971**

The decrease in net income from investment properties is due to the loss of control over Klépierre at the end of the first quarter 2012 (see note 8.d).

- **Net income from insurance activities**

In millions of euros	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Gross premiums written	19,813	16,288
Policy benefit expenses	(15,267)	(12,484)
Movement in technical reserves	(4,246)	1,572
Change in value of admissible investments related to unit-linked policies	3,361	(1,597)
Reinsurance ceded	(519)	(361)
Other income and expense	113	227
Total net income from insurance activities	**3,255**	**3,645**

"Policy benefit expenses" include 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 policies. Interest paid on such contracts is recognised in "Interest expense".

2.f COST OF RISK

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

- **Cost of risk for the period**

Cost of risk for the period

In millions of euros	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Net allowances to impairment	(4,173)	(6,751)
of which Greek sovereign debt [(1)]	*(62)*	*(3,241)*
Recoveries on loans and receivables previously written off	714	514
Irrecoverable loans and receivables not covered by impairment provisions	(482)	(560)
Total cost of risk for the period	**(3,941)**	**(6,797)**

[(1)] The impairment allowance relating to Greek sovereign debt recognised in 2011 resulted from the release in cost of risk of the change in value recognised in equity on the date when these securities were reclassified as loans and receivables (see note 4), i.e. EUR 1,296 million, and from additional impairment assuming a 75% loss of their par value.

Cost of risk for the period by asset type

In millions of euros	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Loans and receivables due from credit institutions	6	47
Loans and receivables due from customers	(3,769)	(6,085)
Available-for-sale financial assets	(13)	(569)
Held-to-maturity financial assets	-	(22)
Financial instruments on trading activities	(118)	(132)
Other assets	(8)	4
Off-balance sheet commitments and other items	(39)	(40)
Total cost of risk for the period	**(3,941)**	**(6,797)**

- **Provisions for impairment: credit risks**

Movement in impairment provisions during the period

In millions of euros	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Total impairment provisions at start of period	**30,675**	**29,783**
Net allowance to impairment	4,173	6,005
of which Greek sovereign debt	*62*	*2,395*
Utilisation of impairment provisions	(6,007)	(3,935)
Effect of exchange rate movements and other items	(424)	(1,178)
Total impairment provisions at end of period	**28,417**	**30,675**

Impairment provision by asset type

In millions of euros	31 December 2012	31 December 2011
Impairment of assets		
Loans and receivables due from credit institutions *(note 5.f)*	537	707
Loans and receivables due from customers *(note 5.g)*	26,525	27,958
Financial instruments on trading activities	276	598
Available-for-sale financial assets *(note 5.c)*	69	162
Held-to-maturity financial assets	-	223
Other assets	34	36
Total impairment provisions against financial assets	**27,441**	**29,684**
of which specific provisions	*23,100*	*24,818*
of which collective provisions	*4,341*	*4,866*
Provisions recognised as liabilities		
Provisions for off-balance sheet commitments		
- to credit institutions	45	23
- to customers	451	478
Other items subject to provisions	480	490
Total provisions recognised as liabilities *(note 5.q)*	**976**	**991**
of which specific provisions	*807*	*858*
of which collective provisions	*169*	*133*
Total impairment provisions	**28,417**	**30,675**

2.g CORPORATE INCOME TAX

Reconciliation of the effective tax expense to the theoretical tax expense at standard tax rate in France (1)	Year to 31 Dec. 2012		Year to 31 Dec. 2011	
	in millions of euros	Tax rate	in millions of euros	Tax rate
Corporate income tax expense on pre-tax income at standard tax rate in France (2)	**(3,745)**	**36.1%**	**(3,493)**	**36.1%**
Differential effect in tax rates applicable to foreign entities	216	-2.1%	187	-1.9%
Effect of dividends and securities disposals taxed at reduced rate	337	-3.3%	169	-1.7%
Tax effect on previously unrecognized deferred taxes (tax losses and temporary differences)	163	-1.6%	244	-2.5%
Tax effect of using tax losses for which no deferred tax asset was previously recognised	9	-0.1%	29	-0.3%
Other items	(39)	0.5%	107	-1.2%
Corporate income tax expense	**(3,059)**	**29.5%**	**(2,757)**	**28.5%**
of which				
Current tax expense for the year to 31 December	(2,696)		(2,070)	
Deferred tax expense for the year to 31 December *(note 5.k)*	(363)		(687)	

(1) including the 3.3% social security contribution tax and the exceptional 5% contribution calculated on French corporate tax at 33.33%, lifting it to 36.1%.

(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 (RB), which covers Domestic Markets, Personal Finance, and International Retail Banking. Domestic Markets include retail banking networks in France (FRB), Italy (BNL banca commerciale), Belgium (BRB), and Luxembourg (LRB), as well as certain specialised retail banking divisions (Personal Investors, Leasing Solutions and Arval). International Retail Banking is composed of all BNP Paribas Group retail banking businesses out of the Eurozone, split between Europe Mediterranean and BancWest in the United States;
- Investment Solutions (IS), which includes Wealth Management; Investment Partners – covering all of the Group's Asset Management businesses; Securities Services to management companies, financial institutions and other corporations; 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 Corporate Banking (Specialised and Structured Financing, Corporate Deposit Line) businesses.

Other activities mainly include Principal Investments, Klépierre[4] property investment company, and the Group's corporate functions.

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

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

The capital allocation is carried out on the basis of risk exposure, taking into account various conventions relating primarily to the capital requirement of the business as derived from the risk-weighted asset calculations required under capital adequacy rules. Normalised equity income by segment is determined by attributing to each segment the income of its allocated equity.

So as to be comparable with 2012, the segment information for 2011 has been restated of the following three main effects as if these had occurred from 1st January 2011:

- In the context of the change in the organisational structure of the Group, a set of Domestic Markets was created. It includes Personal Investors, which is thus no longer included in the Investment Solutions core business.
- The capital allocated to each business is now based on 9 % of risk-weighted assets, compared to 7% previously.
- The contribution to the deposits guarantee fund in Belgium had initially been booked in « Other Activities », while waiting for a definition of the Belgian bank levy which was still pending. This new definition is applicable in 2012 and replaces the contribution to the deposits guarantee fund. So as to be comparable, this tax is re-attributed to BRB (EUR -107 million in 2011).

The corresponding differences were accounted for under "Other Activities" so as not to affect the Group's pre-tax income.

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[4] The Klepierre group was fully consolidated until 14 March 2012, then, following the partial disposal of the Group's interest, Klepierre has been consolidated under the equity method (see note 8.d).

- **Information by business segment**

- Income by business segment

In millions of euros	Year to 31 Dec. 2012						Year to 31 Dec. 2011					
	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												
Domestic Markets												
French Retail Banking (1)	6,797	(4,384)	(315)	2,098	3	2,101	6,786	(4,462)	(315)	2,009	2	2,011
BNL banca commerciale (1)	3,230	(1,779)	(961)	490	1	491	3,163	(1,806)	(793)	564	-	564
Belgian Retail Banking (1)	3,183	(2,333)	(157)	693	18	711	3,092	(2,321)	(136)	635	12	647
Other Domestic Markets activities	2,181	(1,263)	(140)	778	16	794	2,309	(1,351)	(158)	800	17	817
Personal Finance	4,982	(2,387)	(1,497)	1,098	182	1,280	5,142	(2,420)	(1,639)	1,083	160	1,243
International Retail Banking												
Europe-Mediterranean	1,796	(1,319)	(290)	187	67	254	1,639	(1,277)	(268)	94	70	164
BancWest	2,403	(1,401)	(145)	857	2	859	2,230	(1,241)	(256)	733	1	734
Investment Solutions	6,204	(4,319)	54	1,939	159	2,098	5,922	(4,258)	(64)	1,600	(76)	1,524
Corporate and Investment Banking												
Advisory & Capital Markets	6,182	(4,574)	(61)	1,547	6	1,553	5,665	(4,377)	21	1,309	30	1,339
Corporate Banking	3,533	(1,698)	(432)	1,403	30	1,433	4,232	(1,749)	(96)	2,387	50	2,437
Other Activities	(1,419)	(1,093)	3	(2,509)	1,307	(1,202)	2,204	(854)	(3,093)	(1,743)	(86)	(1,829)
Total Group	39,072	(26,550)	(3,941)	8,581	1,791	10,372	42,384	(26,116)	(6,797)	9,471	180	9,651

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

- 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 2012		31 December 2011	
	Assets	Liabilities	Assets	Liabilities
Retail Banking				
Domestic Markets	393,342	369,716	385,868	362,389
French Retail Banking	151,926	144,370	154,537	146,759
BNL banca commerciale	88,471	80,555	86,662	78,587
Belgian Retail Banking	103,207	99,411	95,879	92,384
Other Domestic Markets activities	49,738	45,380	48,790	44,659
Personal Finance	85,721	78,732	91,561	84,440
International Retail Banking	93,575	81,760	92,097	80,867
Europe-Mediterranean	33,488	29,619	32,276	28,702
BancWest	60,087	52,141	59,821	52,165
Investment Solutions	202,119	192,146	212,807	200,636
Corporate and Investment Banking	1,029,675	1,013,742	1,050,883	1,035,511
Other Activities	102,858	171,194	132,067	201,440
Total Group	1,907,290	1,907,290	1,965,283	1,965,283

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.m Investments in Associates and note 5.o Goodwill.

- **Information by geographic area**

The geographic split of segment results, assets and liabilities is based on the region in which they are recognised for accounting purposes 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. 2012	Year to 31 Dec. 2011
Domestic Markets	22,998	26,810
France	*12,593*	*16,773*
Belgium	*4,586*	*4,702*
Italy	*4,687*	*3,857*
Luxembourg	*1,132*	*1,478*
Other European countries	7,305	7,130
Africa and Mediterranean	1,659	1,469
Americas	5,043	4,977
Asia and Pacific	2,067	1,998
Total	**39,072**	**42,384**

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

In millions of euros	31 December 2012	31 December 2011
Domestic Markets	1,364,031	1,397,581
France	*1,000,682*	*972,274*
Belgium	*190,673*	*252,086*
Italy	*134,926*	*136,392*
Luxembourg	*37,750*	*36,829*
Other European countries	217,397	244,747
Africa and Mediterranean	31,758	31,573
Americas	201,805	201,184
Asia and Pacific	92,299	90,198
Total	**1,907,290**	**1,965,283**

4. EXPOSURE TO SOVEREIGN RISK

As part of its liquidity management, the Group seeks to maximise the refinancing available so that it can meet unexpected liquidity needs. In particular, this strategy is predicated on holding securities eligible as collateral for refinancing from central banks and includes a substantial proportion of highly rated debt securities issued by governments representing a low level of risk. As part of its Asset and Liability Management (ALM) and structural interest-rate risk management policy, the Group also holds a portfolio of assets that includes sovereign debt instruments, with interest-rate characteristics that contribute to its hedging strategies. In addition, the Group is a market maker in sovereign debt securities in a number of countries, which leads it to take temporary long and short trading positions, some of which are hedged by derivatives.

These portfolios are presented in the chapter 5 of the Annual Report.

- **Accounting treatment of debt securities issued by Greece, Ireland and Portugal**

Three European countries, namely Greece, Ireland and Portugal, have experienced a marked deterioration in their public finances against the backdrop of the economic and financial crisis, which progressively prompted the markets to shun public-sector debt securities issued by these countries, leaving them unable to raise the funding they need to run their public deficits.

The European solidarity policy defined in such circumstances by the euro zone member countries prompted them, in conjunction with the International Monetary Fund (IMF), to put in place support arrangements, leading to the formulation and implementation of several plans for Greece, then for Ireland and Portugal.

1. *Reclassification of securities at 30 June 2011*

The lack of liquidity seen during the first half of 2011 in the markets for the public debt instruments issued by Greece, Ireland and Portugal, plus in Greece’s case, the commitment given by French banks at the request of the authorities not to sell their position, prompted BNP Paribas to consider that these securities could no longer be classified as available-for-sale assets.

As permitted in paragraph 50E of IAS 39 in such exceptional circumstances, and given the period that the bank believes to be necessary for these three countries to restore the state of their finances, BNP Paribas group reclassified – with effect from 30 June 2011 – public debt securities from these three countries from the “Available-for-sale financial assets” category to “Loans and receivables”.

Greek sovereign debt instruments due to mature prior to 31 December 2020 were covered by provisions under the second support plan for Greece, which was initiated in June 2011 and finalised on 21 July 2011, reflecting the banks’ commitment to provide support. This plan has several options, including a voluntary exchange at par for 30-year debt securities with their principal collateralised by AAA-rated zero coupon bonds, with terms leading to recognition of an initial discount of 21%. BNP Paribas intended to take up this exchange option in connection with the collective undertaking given by the French financial sector. Accordingly, the debt securities held on the Group’s balance sheet and due to be exchanged were measured by recognising the 21% discount. Treated as a concession by the lender owing to the difficulties encountered by the borrower, this discount led to an impairment loss being recognised through profit or loss in the first half of 2011.

In regards to Greek sovereign debt securities not exchanged, as well as Irish and Portuguese sovereign debt instruments, after due consideration of the various aspects of the European support plan, some investors took the view that there was no objective evidence that the recovery of the future cash flows associated with these securities was compromised, especially since the European Council had stressed the unique and non-replicable nature of the private sector’s participation in such an operation. Accordingly, the bank took the view that there were no grounds to recognise impairment in these securities.

2. Measurement of Greek securities at 31 December 2011

In the second half of 2011, it was recognised that Greece was having trouble meeting the economic targets on which the 21 July plan was based, particularly in regards to sustainability of its debts. This led to a new agreement in principle, dated 26 October, based on private-sector creditors waiving 50% of amounts owed to them. Since the arrangements for implementing this agreement had not been definitively settled at 31 December 2011 by all of the international institutions concerned, the bank determined the impairment loss on all the securities it held on the basis of the most recent proposal put forward by private-sector creditors represented by the Institute of International Finance (IIF).

On the basis of (1) a 50% haircut, (2) the immediate repayment of 15% of amounts owed through securities of the European Financial Stability Facility (EFSF) with a maturity of two years and paying market interest rates, (3) the payment of accrued interest through EFSF securities with a maturity of six months and paying market interest rates, (4) a coupon of 3% until 2020 and 3.75% subsequently on securities maturing between 2023 and 2042 received in exchange for existing securities and (5) a discount rate of 12% on future cash flows, the bank estimated the likely loss on existing securities as 75%, which is almost identical to that priced in by the market through the average discount on these securities at 31 December 2011.

3. Accounting treatment at 30 June 2012, following the exchange offer of Greek securities

On 21 February 2012, the agreement was refined and supplemented between the representatives of the Greek government, private-sector investors (PSI) and the Eurogroup. This agreement is designed to enable Greece to achieve a debt ratio of 120.5% in 2020 as opposed to 160% in 2011, and to achieve the financial stability sought through the plan. The offer involves private-sector investors waiving 53.5% of the nominal value of their Greek bonds, reducing Greece's debt by around EUR 107 billion, in return for a public-sector contribution of EUR 30 billion.

On 12 March 2012, the exchange of Greek sovereign debt securities was realised, with the following main characteristics:

- 53.5% of the principal of previous securities was waived,
- 31.5% of the principal of previous securities were exchanged for 20 bonds issued by Greece with maturities of between 11 and 30 years. The coupon on new bonds will be 2% from 2012 to 2015, rising to 3% from 2015 to 2020, 3.6% in 2021 and 4.3% until 2042. These securities are accounted for as “Available-for-sale assets”.
- 15% of the principal of previous securities has been redeemed immediately in the form of short-term securities issued by the European Financial Stability Facility (EFSF), repayment of which is guaranteed by the EUR 30 billion public-sector contribution. These securities are accounted for as “Available-for-sale assets”.

In addition to the exchange,

- Accrued interest on the exchanged Greek debt at 24 February 2012 was settled through the issue of short-term EFSF securities, accounted for as “Loans and receivables”.
- Each new bond issued by Greece will be accompanied by a security linked to movements in Greece's gross domestic product over and above those expected in the plan. This instrument is accounted for as a derivative.

The securities exchange has been accounted for as the extinguishment of the previously held assets and the recognition of the securities received at their fair value.

The fair value of the instruments received in exchange for the previous securities was valued at 12 March 2012 at 23.3% of the nominal value of the previous securities. The difference with the net value of the previous securities, as well as the adjustment of accrued interest on the previous securities, led

to the recognition of a EUR 55 million loss on the banking book securities, accounted for in the Cost of risk. The loss recognised in the Cost of risk at the time of the exchange of the securities held by insurance companies amounts to EUR 19 million, and led to a EUR 12 million insurance policyholders' surplus reserve being reversed.

4. *Sale of Greek securities in December 2012 under Greece's bond buyback programme*

On 27 November 2012, representatives of the Eurogroup and the International Monetary Fund (IMF) asked the Greek government to implement a buyback programme for part of its sovereign debt held by private investors, in a bid to reduce its debt burden to 124% of Gross Domestic Product (GDP) in 2020.

The offer was open from 3 to 11 December 2012 and enabled private investors to participate in the buyback programme, the average price of which amounted to 33.5% of the par value. BNP Paribas sold all the bonds it held at the time of the offer, generating a gain of EUR 25 million.

- **BNP Paribas Group's exposure to Greek, Irish and Portuguese sovereign credit risk**

a) Portfolio of banking activities

In millions of euros	31 December 2011	Exchange 12/03/12	Disposals and repayments	31 December 2012
Greece				
Available-for-sale assets reclassified as loans and receivables				
Risk exposure and carrying value after impairment	**972**	**(972)**	**-**	**-**
Available-for-sale assets				
Risk exposure		316	(316)	-
Carrying value	**-**	**316**	**(316)**	**-**

In millions of euros	31 December 2011	Amortisation of the purchase price	Disposals and repayments	Change in value recognised directly in equity (1)	Change in value of interest-rate risk hedged securities	31 December 2012
Ireland						
Available-for-sale assets reclassified as loans and receivables						
Risk exposure	270	1	(68)	-	-	203
Discount amortised at effective interest rate (1)	(54)	-	-	23	-	(31)
Carrying value	**216**	**1**	**(68)**	**23**	**-**	**172**
Portugal						
Available-for-sale assets reclassified as loans and receivables						
Risk exposure	1,381	(1)	(737)	-	-	643
Discount amortised at effective interest rate (1)	(263)	-	-	138	-	(125)
Change in value of interest-rate risk hedged securities	41	-	-	-	7	48
Carrying value	**1,159**	**(1)**	**(737)**	**138**	**7**	**566**

(1) The discount amortised at effective interest rate is composed of the changes in fair value which were recognised directly in shareholders' equity when the securities were classified as available-for-sale financial assets. Amortisation of the discount is recognised directly in shareholders' equity, without impact on the profit and loss account.

Carrying value broken down by maturity

In millions of euros	Remaining time to maturity							Total
	1 year	2 years	3 years	5 years	10 years	15 years	>15 years	31 December 2012
Ireland								
Available-for-sale assets reclassified as loans and receivables		3		16	153			**172**
Portugal								
Available-for-sale assets reclassified as loans and receivables	2	138	64	148	110		104	**566**

b) Portfolio of general insurance funds

In millions of euros	31 December 2011	Exchange 12/03/12	Disposals and repayments	31 December 2012
Greece				
Available-for-sale assets reclassified as loans and receivables and held-to-maturity financial assets				
Risk exposure and carrying value after impairment	**288**	**(288)**	**-**	**-**
Available-for-sale assets				
Risk exposure		96	(96)	-
Carrying value	**-**	**96**	**(96)**	**-**

In millions of euros	31 December 2011	Amortisation of the purchase price	Disposals and repayments	Change in value recognised directly in equity (1)	31 December 2012
Ireland					
Loans and receivables and available-for-sale assets reclassified as loans and receivables					
Risk exposure	761	(2)	(633)	-	126
Discount amortised at effective interest rate (1)	(179)	-	-	156	(23)
Carrying value	**582**	**(2)**	**(633)**	**156**	**103**
Held-to-maturity financial assets					
Risk exposure and carrying value	**325**	**-**	**-**	**-**	**325**
Portugal					
Loans and receivables and available-for-sale assets reclassified as loans and receivables					
Risk exposure	1,072	(4)	(451)	-	617
Discount amortised at effective interest rate (1)	(276)	-	-	109	(167)
Carrying value	**796**	**(4)**	**(451)**	**109**	**450**
Held-to-maturity financial assets					
Risk exposure and carrying value	**159**	**-**	**-**	**-**	**159**

(1) The discount amortised at effective interest rate is composed of the changes in fair value which were recognised directly in shareholders' equity when the securities were classified as available-for-sale financial assets. Amortisation of the discount is recognised directly in shareholders' equity, without impact on the profit and loss account.

In shareholders' equity, the discount at 31 December 2012 of Irish and Portuguese securities held by general insurance funds, respectively of EUR 23 million and EUR 167 million before tax, is compensated by a decrease in the insurance policyholders' surplus reserve of respectively EUR 21 million and EUR 149 million before tax.

The carrying value of Irish and Portuguese bonds represents less than 2% of the carrying value of all the fixed income securities held by insurance entities.

Carrying value broken down by maturity

In millions of euros	Remaining time to maturity							Total
	1 year	2 years	3 years	5 years	10 years	15 years	>15 years	31 December 2012
Ireland								
Loans and receivables and available-for-sale financial assets reclassified as loans and receivables					50	53		**103**
Held-to-maturity financial assets	9			181	135			**325**
Portugal								
Loans and receivables and available-for-sale financial assets reclassified as loans and receivables				32	322	96		**450**
Held-to-maturity financial assets		60	10		89			**159**

- **Disposals of held-to-maturity securities in 2011**

In 2011, BNP Paribas sold EUR 2.8 billion of sovereign debt securities, issued by Italy, which had until then been classified under “Held-to-maturity assets”. The amount of securities sold equalled around 21% of securities under this heading at 31 December 2010 (see note 5.j).

The sale of Italian securities was prompted by the deterioration in Italy’s economic situation, as reflected by the downgrading of Italy’s credit ratings by various rating agencies in September and October 2011 and by the fall in the market value of these securities (see IAS 39 – AG22a).

In addition, increased solvency requirements under the European Capital Requirements Directive (CRD 3) at 31 December 2011 and the move to anticipate the new Basel III solvency ratio – with initial drafts of CRD 4 and a European Capital Requirements Regulation being published in July 2011 – prompted the bank to carry out a substantial reduction in assets, particularly by selling material amounts of assets classified under “Loans and receivables” and “Held-to-maturity financial assets” (see IAS 39 – AG22e).

Rating downgrades suffered by certain issuers threatened to increase the amount of risk-weighted assets corresponding to the loans concerned. As a result, the bank had to reduce its exposure to positions most affected by this change, regardless of their accounting classification.

As a result, the Group applied the requirements of paragraphs AG 22a) and e) of IAS 39, to demonstrate that these disposals do not alter its intention to hold other assets in this category to maturity, or its ability to finance them. Other assets were therefore kept within this category.

5. NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2012

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, 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 2012		31 December 2011	
	Trading book	Instruments designated at fair value through profit or loss	Trading book	Instruments designated at fair value through profit or loss
Securities portfolio	**143,465**	**62,701**	**157,624**	**57,024**
Treasury bills and government bonds	69,140	340	96,196	484
Other fixed-income securities	25,544	6,409	35,973	5,611
Equities and other variable-income securities	48,781	55,952	25,455	50,929
Loans and repurchase agreements	**146,899**	**99**	**153,799**	**49**
Loans	1,150	99	537	49
Repurchase agreements	145,749	-	153,262	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**290,364**	**62,800**	**311,423**	**57,073**
Short selling of borrowed securities	**52,432**	**-**	**100,013**	**-**
Borrowings and repurchase agreements	**203,063**	**1,242**	**173,271**	**1,664**
Borrowings	4,017	1,242	1,895	1,664
Repurchase agreements	199,046	-	171,376	-
Debt securities *(note 5.i)*	**-**	**40,799**	**-**	**37,987**
Subordinated debt *(note 5.i)*	**-**	**1,489**	**-**	**2,393**
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**255,495**	**43,530**	**273,284**	**42,044**

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 policies, and to a lesser extent assets with embedded derivatives that have not been separated from the host contract.

Admissible investments related to unit-linked insurance policies include securities issued by the Group's consolidated entities, which are not eliminated upon consolidation in order to keep the figures shown in respect of the assets invested under these contracts at the same level as the technical reserves set aside in respect of the corresponding policyholder liabilities. The fixed-income securities (certificates and Euro Medium Term Notes) not eliminated upon consolidation amounted to EUR 741 million at 31 December 2012 compared with EUR 940 million at 31 December 2011, and variable-income securities (shares mainly issued by BNP Paribas SA) came to EUR 28 million at 31 December 2012 compared with EUR 14.5 million at 31 December 2011. 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 designated at fair value through profit or loss mainly consist of issues originated and structured on behalf of customers, where the risk exposure is managed in combination with the hedging strategy. These types of issues contain significant embedded derivatives, whose changes in value are cancelled out by changes in the value of derivatives which economically cover them.

The redemption value of financial liabilities designated at fair value through profit or loss at 31 December 2012 was EUR 44,956 million (EUR 49,748 million at 31 December 2011).

Fair value takes into account any change in value attributable to issuer risk relating to the BNP Paribas Group. For most amounts concerned, fair value is the replacement value of each instrument, which is calculated by discounting the instrument's cash flows using a discount rate corresponding to that of a similar debt instrument that might be issued by the BNP Paribas group at the closing date.

As a result, the carrying value of liabilities measured at market or model value is reduced by EUR 30 million compared with EUR 1,647 million at 31 December 2011 i.e a EUR -1,617 million variation recognised in net gain/loss on financial instruments at fair value through profit or loss (note 2.c). This reduction in value represents an unrealised gain that will only be realised if these financial instruments issued by the Bank are bought back in the market. If this does not happen, income relating to this unrealised gain will be written back over the remaining term of the liabilities at a pace determined by movements in the bank's issuer risk.

DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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).

In millions of euros	31 December 2012		31 December 2011	
	Positive market value	Negative market value	Positive market value	Negative market value
Currency derivatives	21,532	24,697	28,097	26,890
Interest rate derivatives	333,066	324,079	332,945	330,421
Equity derivatives	29,682	29,467	38,140	36,377
Credit derivatives	22,782	22,523	46,460	46,358
Other derivatives	3,573	3,832	6,325	7,421
Derivative financial instruments	**410,635**	**404,598**	**451,967**	**447,467**

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 2012	31 December 2011
Currency derivatives	2,243,150	2,249,390
Interest rate derivatives	41,127,475	40,272,463
Equity derivatives	1,865,666	1,818,445
Credit derivatives	2,105,501	2,321,275
Other derivatives	144,834	156,291
Derivative financial instruments	**47,486,626**	**46,817,864**

Derivatives traded on organised markets (including clearing houses) represent 62% of the Group's derivative transactions at 31 December 2012 (48% at 31 December 2011).

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 2012		31 December 2011	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Fair value hedges	**10,571**	**15,574**	**6,920**	**12,902**
Currency derivatives	-	24	4	8
Interest rate derivatives	10,570	15,550	6,810	12,879
Other derivatives	1	-	106	15
Cash flow hedges	**3,674**	**1,685**	**2,743**	**1,416**
Currency derivatives	271	287	312	245
Interest rate derivatives	3,389	1,298	2,408	825
Other derivatives	14	100	23	346
Net foreign investment hedges	**22**	**27**	**37**	**13**
Currency derivatives	22	27	37	13
Derivatives used for hedging purposes	**14,267**	**17,286**	**9,700**	**14,331**

The total notional amount of derivatives used for hedging purposes stood at EUR 809,636 million at 31 December 2012, compared with EUR 799,608 million at 31 December 2011.

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 2012			31 December 2011		
	Net	of which impairment losses	of which changes in value taken directly to equity	Net	of which impairment losses	of which changes in value taken directly to equity
Fixed-income securities	**175,413**	**(69)**	**6,414**	**174,989**	**(162)**	**(5,120)**
Treasury bills and government bonds	93,801	(4)	1,886	96,194	(2)	(4,240)
Other fixed-income securities	81,612	(65)	4,528	78,795	(160)	(880)
Equities and other variable-income securities	**17,093**	**(4,265)**	**2,868**	**17,479**	**(5,067)**	**1,621**
of which listed securities	5,861	(1,821)	1,357	6,092	(2,052)	619
of which unlisted securities	11,232	(2,444)	1,511	11,387	(3,015)	1,002
Total available-for-sale financial assets, net of impairment provisions	**192,506**	**(4,334)**	**9,282**	**192,468**	**(5,229)**	**(3,499)**

The gross amount of impaired fixed-income securities is EUR 118 million at 31 December 2012 (EUR 234 million at 31 December 2011).

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

In millions of euros	31 December 2012			31 December 2011		
	Fixed-income securities	Equities and other variable-income securities	Total	Fixed-income securities	Equities and other variable-income securities	Total
Changes in value of non-hedged securities recognised in "available-for-sale financial assets"	**6,414**	**2,868**	**9,282**	**(5,120)**	**1,621**	**(3,499)**
Deferred tax linked to these changes in value	(2,162)	(556)	(2,718)	1,959	(228)	1,731
Insurance policyholders' surplus reserve from insurance entities, after deferred tax	(3,854)	(558)	(4,412)	(307)	(21)	(328)
Group share of changes in value of available-for-sale securities owned by associates, after deferred tax and insurance policyholders' surplus reserve	504	94	598	58	96	154
Unamortised changes in value of available-for-sale securities reclassified as loans and receivables	(172)	-	(172)	(395)	-	(395)
Other variations	(33)	25	(8)	(38)	23	(15)
Changes in value of assets taken directly to equity under the heading "Financial assets available for sale and reclassified loans and receivables"	**697**	**1,873**	**2,570**	**(3,843)**	**1,491**	**(2,352)**
Attributable to equity shareholders	340	1,809	2,149	(3,644)	1,448	(2,196)
Attributable to minority interests	357	64	421	(199)	43	(156)

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, 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 transactions are observable or, lastly, instruments measured using valuation techniques based on observable inputs.

This level notably includes illiquid shares and bonds, 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 policy 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 based neither on observable transaction prices in the identical instrument at the measurement date nor 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 the listing of which has 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 IFRS 7 RECOMMENDATIONS

In millions of euros	31 December 2012				31 December 2011			
	level 1	level 2	level 3	TOTAL	level 1	level 2	level 3	TOTAL
Financial assets								
Financial instruments at fair value through profit or loss held for trading *(note 5.a)*	87,977	599,383	13,639	**700,999**	102,953	638,973	21,464	**763,390**
of which financial assets at fair value through profit or loss	*84,454*	*199,428*	*6,482*	***290,364***	*100,821*	*202,100*	*8,502*	***311,423***
of which derivative financial instruments	*3,523*	*399,955*	*7,157*	***410,635***	*2,132*	*436,873*	*12,962*	***451,967***
Financial instruments designated as at fair value through profit or loss *(note 5.a)*	47,783	10,968	4,049	**62,800**	41,982	13,496	1,595	**57,073**
Derivatives used for hedging purposes *(note 5.b)*	-	14,267	-	**14,267**	-	9,700	-	**9,700**
Available-for-sale financial assets *(note 5.c.)*	125,010	57,549	9,947	**192,506**	132,676	49,921	9,871	**192,468**
Financial liabilities								
Financial instruments at fair value through profit or loss held for trading *(note 5.a)*	31,531	611,274	17,288	**660,093**	79,822	614,641	26,288	**720,751**
of which financial liabilities at fair value through profit or loss	*29,530*	*217,108*	*8,857*	***255,495***	*77,414*	*183,355*	*12,516*	***273,285***
of which derivative financial instruments	*2,001*	*394,166*	*8,431*	***404,598***	*2,408*	*431,286*	*13,772*	***447,466***
Financial instruments designated as at fair value through profit or loss *(note 5.a)*	3,203	31,773	8,554	**43,530**	3,168	31,260	7,616	**42,044**
Derivatives used for hedging purposes *(note 5.b)*	-	17,286	-	**17,286**	-	14,331	-	**14,331**

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

For Level 3 financial instruments, the following movements occurred between 1 January 2011 and 31 December 2012:

	Financial Assets				Financial Liabilities		
In millions of euros	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	Available-for-sale financial assets	TOTAL	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	TOTAL
at 31 December 2010	22,881	1,703	8,154	32,738	(25,408)	(8,737)	(34,145)
Purchases	2,652	33	1,328	4,013	-	-	-
Issues	-	-	-	-	(9,464)	(3,127)	(12,591)
Sales	(274)	-	(1,427)	(1,701)	-	-	-
Settlements [(1)]	(5,327)	(151)	(961)	(6,439)	8,923	3,150	12,073
Transfers to level 3	3,157	23	9,005	12,185	(2,817)	(338)	(3,155)
Transfers from level 3	(2,598)		(267)	(2,865)	2,778	1,455	4,233
Reclassifications [(2)]	-	-	(6,312)	(6,312)	-	-	-
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	(3,568)	29	(396)	(3,935)	849	31	880
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	4,120	(42)	95	4,173	(687)	(50)	(737)
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	421	-	53	474	(462)	-	(462)
- Changes in fair value of assets and liabilities recognised in equity	-	-	599	599	-	-	-
at 31 December 2011	21,464	1,595	9,871	32,930	(26,288)	(7,616)	(33,904)
Purchases	1,783	1,326	1,222	4,331	-	-	-
Issues	-	-	-	-	(8,279)	(3,565)	(11,844)
Sales	(1,952)	(1,193)	(1,725)	(4,870)	-	-	-
Settlements [(1)]	(2,546)	(94)	(177)	(2,817)	12,649	1,811	14,460
Transfers to level 3	1,098	2,959	940	4,997	(122)	(36)	(158)
Transfers from level 3	(593)	(588)	(669)	(1,850)	708	447	1,155
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	(7,391)	44	(75)	(7,422)	5,694	(28)	5,666
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	1,598	-	41	1,639	(1,257)	433	(824)
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	178	-	5	183	(393)	-	(393)
- Changes in fair value of assets and liabilities recognised in equity	-	-	514	514	-	-	-
at 31 December 2012	13,639	4,049	9,947	27,635	(17,288)	(8,554)	(25,842)

(1) For the assets, includes redemptions of principal, interest payments as well as cash inflows and outflows relating to derivatives of which the fair value is positive. For the liabilities, includes principal redemptions, interest payments as well as cash inflows and outflows relating to derivatives of which the fair value is negative.
(2) 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 model value through profit or loss held for trading purposes, amounting respectively to EUR 5,792 million and EUR 4,437 million at 31 December 2012 (compared with EUR 552 million and EUR 162 million at 31 December 2011), 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

- Determination of value adjustments

Trading portfolio instruments classified as level 3 comprise mainly illiquid securities, derivatives with an illiquid underlying asset and other instruments containing complex derivatives. The valuation of these instruments generally requires the use of valuation models based on dynamic risk hedging techniques, and may require the use of non-observable inputs.

All of these instruments are subject to uncertainties in their valuation, which give rise to value adjustments, reflecting the risk premium that would be incorporated by a market operator when setting the price. These valuation adjustments take account in particular of:

- risks that would not be taken into account by the model (adjustment for model risk);
- the inherent uncertainty in estimating valuation parameters (adjustment for uncertain parameters);
- liquidity risks associated with the instrument or parameter concerned;
- specific risk premiums intended to offset certain additional costs resulting from the dynamic management strategy associated with the model under certain market conditions;
- counterparty risk.

When determining value adjustments, each risk factor is considered individually and no effect of diversification between risks, parameters or models of different kinds is taken into account. Meanwhile, for a given risk factor, a portfolio-based approach is used, with offsetting between instruments when they are managed together.
All of these adjustments are components of the model value of instruments and portfolios.

- Assessment of value sensitivity

In order to measure the sensitivity of the model value of level 3 instruments (excluding securities positions) to a change in assumptions, the following two scenarios have been considered: a favourable scenario in which all portfolio valuations are made without a value adjustment, and an unfavourable scenario in which all of these valuations are made with twice as high a value adjustment. Calculated in this way, sensitivity is a measurement of the difference between the values obtained by market operators with a different perception of valuation risk and risk aversion.

In the interest of simplification, the sensitivity of the value of securities positions, whether relating to trading portfolios, available-for-sale assets or instruments designated at model value through profit or loss, is based on a 1% change in the value applied.

	31 December 2012		31 December 2011	
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)]	+/- 857	-	+/- 1,300	
Available-for-sale financial assets	-	+/- 105		+/- 104

[(1)] Financial instruments at fair value through profit and 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 PARTLY NON-OBSERVABLE INPUTS 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 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.

In millions of euros	31 December 2012	31 December 2011
Deferred margin at the beginning of the period	**655**	**920**
Deferred margin on transactions during the year	279	286
Margin taken to the profit and loss account during the year	(331)	(551)
Deferred margin at the end of the period	**603**	**655**

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 permit the reclassification of instruments initially held for trading or available-for-sale within the customer loan portfolios or as securities available-for-sale.

- Data relating to financial instruments at reclassification date

In millions of euros	Reclassification date	Carrying value		Expected cash flows deemed recoverable [1]		Average effective interest rate	
		Assets reclassified as loans and receivables	Assets reclassified as available-for-sale	Assets reclassified as loans and receivables	Assets reclassified as available-for-sale	Assets reclassified as loans and receivables	Assets reclassified as available-for-sale
Sovereign securities from the available-for-sale portfolio		**6,312**		**14,826**			
of which Greek sovereign securities	30 June 2011	3,186		9,401		9.3%	
of which Portuguese sovereign securities	30 June 2011	1,885		3,166		8.8%	
of which Irish sovereign securities	30 June 2011	1,241		2,259		6.7%	
Structured transactions and other fixed-income securities		**10,995**	**767**	**12,728**	**790**		
from the trading portfolio							
	1 October 2008	7,077	767	7,904	790	7.6%	6.7%
	30 June 2009	2,760		3,345		8.4%	
from the available-for-sale portfolio							
	30 June 2009	1,158		1,479		8.4%	

(1) Expected cash flows cover the repayment of capital and of all interest (not discounted) until the date the instruments mature.

Measurement of reclassified assets at 31 December 2012

The following tables show the items related to the reclassified assets:

- On the balance sheet

In millions of euros	31 December 2012		31 December 2011	
	Carrying value	Market or model value	Carrying value	Market or model value
Sovereign securities reclassified as loans and receivables due from customers	**1,259**	**1,443**	**3,939**	**3,600**
of which Greek sovereign securities	-	-	1,201	1,133
of which Portuguese sovereign securities	1,001	1,117	1,939	1,631
of which Irish sovereign securities	258	326	799	836
Reclassified structured transactions and other fixed-income securities	**3,581**	**3,538**	**4,664**	**4,511**
Into loans and receivables due from customers	3,581	3,538	4,647	4,494
Into available-for-sale financial assets	-	-	17	17

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

In millions of euros	Year to 31 Dec. 2012		Year to 31 Dec. 2011			
	Realised	Pro forma amount for the period (1)	Realised			Pro forma amount for the period (1)
			before reclassification	after reclassification	Total	
In profit or loss	**(85)**	**(22)**	**(409)**	**(2,415)**	**(2,630)**	**(2,838)**
in revenues	**(16)**	**16**	**116**	**211**	**509**	**361**
of which Greek sovereign securities	15	15	87	178	265	265
of which Portuguese sovereign securities	(112)	(112)	19	56	75	75
of which Irish sovereign securities	(15)	(15)	10	(23)	(13)	(13)
of which structured transactions and other fixed-income securities	96	128			182	34
in cost of risk	**(69)**	**(38)**	**(525)**	**(2,626)**	**(3,139)**	**(3,199)**
of which Greek sovereign securities	(40)	(38)	(525)	(2,626)	(3,151)	(3,199)
of which structured transactions and other fixed-income securities	(29)	0			12	-
as direct change in equity (before tax)	**217**	**420**	**504**	**850**	**1,379**	**1,180**
of which Greek sovereign securities	-	-	681	778	1,459	1,459
of which Portuguese sovereign securities	153	336	(176)	32	(144)	(336)
of which Irish sovereign securities	48	54	(1)	40	39	48
of which structured transactions and other fixed-income securities	16	30			25	9
Total profit and loss impact and direct changes in equity resulting from reclassified items	**132**	**398**	**95**	**(1,565)**	**(1,251)**	**(1,658)**

(1) Pro forma figures show the contribution to full-year earnings, and the impact of the change in their value on equity, as if the instruments concerned had not been reclassified.

Securities issued by Portugal and Ireland, held by the Group and reclassified under "Loans and Receivables" have been measured at market value for the purposes of notes 5.e and 8.h. Securities issued by Portugal and Ireland and included in the trading portfolio have also been measured at market value, which is considered Level 2 as defined in note 5.d.

5.f INTERBANK AND MONEY-MARKET ITEMS

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

In millions of euros	31 December 2012	31 December 2011
On demand accounts	8,665	12,099
Loans	28,250	35,130
Repurchase agreements	4,028	2,847
Total loans and receivables due from credit institutions, before impairment provisions	**40,943**	**50,076**
of which doubtful loans	*995*	*976*
Provisions for impairment of loans and receivables due from credit institutions ***(note 2.f)***	**(537)**	**(707)**
specific provisions	(508)	(696)
collective provisions	(29)	(11)
Total loans and receivables due from credit institutions, net of impairment provisions	**40,406**	**49,369**

- **Due to credit institutions**

In millions of euros	31 December 2012	31 December 2011
On demand accounts	9,840	18,308
Borrowings	93,862	119,324
Repurchase agreements	8,033	11,522
Total due to credit institutions	**111,735**	**149,154**

5.g CUSTOMER ITEMS

- **Loans and receivables due from customers**

In millions of euros	31 December 2012	31 December 2011
On demand accounts	43,434	38,448
Loans to customers	583,469	624,229
Repurchase agreements	2,177	1,421
Finance leases	27,965	29,694
Total loans and receivables due from customers, before impairment provisions	**657,045**	**693,792**
of which doubtful loans	*42,453*	*43,696*
Impairment of loans and receivables due from customers ***(note 2.f)***	**(26,525)**	**(27,958)**
specific provisions	(22,213)	(23,103)
collective provisions	(4,312)	(4,855)
Total loans and receivables due from customers, net of impairment provisions	**630,520**	**665,834**

- **Breakdown of finance leases**

In millions of euros	31 December 2012	31 December 2011
Gross investment	**31,576**	**32,614**
Receivable within 1 year	*8,635*	*8,856*
Receivable after 1 year but within 5 years	*15,753*	*16,127*
Receivable beyond 5 years	*7,188*	*7,631*
Unearned interest income	**(3,611)**	**(2,920)**
Net investment before impairment provisions	**27,965**	**29,694**
Receivable within 1 year	*7,757*	*8,165*
Receivable after 1 year but within 5 years	*13,935*	*14,636*
Receivable beyond 5 years	*6,273*	*6,893*
Impairment provisions	**(969)**	**(1,062)**
Net investment after impairment provisions	**26,996**	**28,632**

- **Due to customers**

In millions of euros	31 December 2012	31 December 2011
On demand deposits	259,770	254,530
Term accounts and short-term notes	212,059	214,056
Regulated savings accounts	60,380	54,538
Repurchase agreements	7,304	23,160
Total due to customers	**539,513**	**546,284**

5.h Past-due loans, whether impaired or not, and related collateral or other guarantees

The following table presents the carrying amounts of financial assets that are past due but not impaired and impaired assets and related collateral or other guarantees. The amounts shown are stated before any provision on a portfolio basis.

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

In millions of euros	31 December 2012								
	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 ye	More than 1 year				
Available-for-sale financial assets (excl. variable-income securities)	-	-	-	-	-	49	49	-	-
Loans and receivables due from credit institutions	125	105	20	-	-	487	612	49	318
Loans and receivables due from customers	16,438	15,709	605	45	79	20,240	36,678	9,734	11,429
Held-to-maturity financial assets	-	-	-	-	-	-	-	-	-
Past-due assets, net of individual impairment provisions	**16,563**	**15,814**	**625**	**45**	**79**	**20,776**	**37,339**	**9,783**	**11,747**
Financing commitments given						739	739		72
Guarantee commitments given						720	720		376
Off-balance sheet non-performing commitments, net of provisions						**1,459**	**1,459**	**-**	**448**
Total	**16,563**	**15,814**	**625**	**45**	**79**	**22,235**	**38,798**	**9,783**	**12,195**

In millions of euros	31 December 2011								
	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				
Available-for-sale financial assets (excl. variable-income securities)	-	-	-	-	-	72	72	-	2
Loans and receivables due from credit institutions	501	466	14	5	16	335	836	244	90
Loans and receivables due from customers	17,408	16,578	688	114	28	20,533	37,941	10,989	9,691
Held-to-maturity financial assets	-	-	-	-	-	63	63	-	-
Past-due assets, net of individual impairment provisions	**17,909**	**17,044**	**702**	**119**	**44**	**21,003**	**38,912**	**11,233**	**9,783**
Financing commitments given						559	559		106
Guarantee commitments given						1,156	1,156		571
Off-balance sheet non-performing commitments, net of provisions						**1,715**	**1,715**	**-**	**677**
Total	**17,909**	**17,044**	**702**	**119**	**44**	**22,718**	**40,627**	**11,233**	**10,460**

5.i DEBT SECURITIES AND SUBORDINATED DEBT

This note covers all debt securities in issue and subordinated debt measured at amortised cost and designated at fair value through profit or loss.

DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (note 5.a)

Issuer / Issue date In millions of euros	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Subordination ranking [1]	Conditions precedent for coupon payment [3]	31 December 2012	31 December 2011
Debt securities						1		**40,799**	**37,987**
Subordinated debt								**1,489**	**2,393**
- Redeemable subordinated debt			[2]			2		**781**	**1,283**
- Perpetual subordinated debt								**708**	**1,110**
Fortis Banque SA Dec. 2007	EUR	3,000	Dec-14	3-month Euribor +200 bp	-	5	A	592	1,025
Others	-	-	-	-	-	-		116	85

[1] The subordination ranking reflects where the debt stands in the order of priority for repayment against other financial liabilities.

[2] After agreement from the banking supervisory authority and at the issuer's initiative, these debt issues may contain a call provision authorising the Group to redeem the securities prior to maturity by repurchasing them in the stock market, via public tender offers, or in the case of private placements over the counter. Debt issued by BNP Paribas SA or foreign subsidiaries of the Group via placements in the international markets may be subject to early redemption of the capital and early payment of interest due at maturity at the issuer's discretion on or after a date stipulated in the issue particulars (call option), or in the event that changes in the applicable tax rules oblige the BNP Paribas Group issuer to compensate debt-holders for the consequences of such changes. Redemption may be subject to a notice period of between 15 and 60 days, and is in all cases subject to approval by the banking supervisory authorities.

[3] Conditions precedent for coupon payment:

A Coupon payments are halted should the issuer have insufficient capital or the underwriters become insolvent or when the dividend declared for Ageas shares falls below a certain threshold.

The perpetual subordinated debt recognised at fair value through profit or loss chiefly consists of an issue by Fortis Banque SA in December 2007 of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES).

The CASHES are perpetual securities but may be exchanged for Fortis SA/NV (now 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 their 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.

Fortis SA/NV and Fortis Banque have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on Fortis Banque of the relative difference between changes in the value of the CASHES and changes in the value of the Fortis SA/NV shares.

On 25 January 2012, Ageas and Fortis Bank signed an agreement concerning the partial settlement of the RPN and the purchase by Fortis Bank of all perpetual subordinated debts issued in 2001 for a nominal amount of EUR 1,000 million (recognised as debt at amortised cost), of which Ageas holds EUR 953 million. The settlement of the RPN and the purchase of the perpetual subordinated notes issued in 2001 both depended on BNP Paribas achieving a minimum success rate of 50% in the CASHES tender offer.

BNP Paribas launched a cash offer for the CASHES, then converted the CASHES acquired into underlying Ageas shares; BNP Paribas received compensation from Ageas, as the RPN mechanism ceased to exist proportionally to the CASHES converted.

The offer was closed on 30 January with a success rate of 63% at a price of 47.5%.

Following this operation, the net balance of the RPN represents a subordinated liability of EUR 241 million that is eligible to Tier 1 capital at 31 December 2012.

Maturity schedule of medium and long-term debt securities and redeemable subordinated debt 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	2013	2014	2015	2016	2017	2018-2022	After 2022	TOTAL at 31 December 2012
Medium- and long-term debt securities	7,226	7,521	7,004	5,403	4,331	5,174	4,140	40,799
Redeemable subordinated debt	20	81	246	17	239	137	41	781
Total	**7,246**	**7,602**	**7,250**	**5,420**	**4,570**	**5,311**	**4,181**	**41,580**

Maturity or call option date, in millions of euros	2012	2013	2014	2015	2016	2017-2021	After 2021	TOTAL at 31 December 2011
Medium- and long-term debt securities	8,258	4,809	7,004	5,054	5,155	4,983	2,724	37,987
Redeemable subordinated debt	520	46	85	468	22	92	50	1,283
Total	**8,778**	**4,855**	**7,089**	**5,522**	**5,177**	**5,075**	**2,774**	**39,270**

DEBT SECURITIES MEASURED AT AMORTISED COST

Issuer / Issue date In millions of euros	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Subordination ranking [1]	Conditions precedent for coupon payment [3]	31 December 2012	31 December 2011
Debt securities								**173,198**	**157,786**
- Debt securities in issue with an initial maturity less than one year						1		**83,591**	**71,213**
Negotiable debt securities								83,591	71,213
- Debt securities in issue with an initial maturity of more than one year						1		**89,607**	**86,573**
Negotiable debt securities								72,294	63,758
Bonds								17,313	22,815
Subordinated debt								**15,223**	**19,683**
- Redeemable subordinated debt			(2)			2		**12,607**	**16,165**
- Undated subordinated notes			(2)					**1,461**	**2,396**
BNP SA Oct. 85	EUR	305	-	TMO -0.25%	-	3	B	254	254
BNP SA Sept. 86	USD	500	-	6-month Libor +0.075%	-	3	C	207	211
Fortis Banque SA Sept. 01	EUR	1,000	Sep-11	6.50%	3-month Euribor +237 bp	5	D	-	1,000
Fortis Banque SA Oct. 04	EUR	1,000	Oct-14	4.625%	3-month Euribor +170 bp	5	E	879	814
Others	-	-	-	-	-			121	117
- Undated subordinated notes								**926**	**893**
Fortis Banque NV/SA Feb. 08	USD	750	-	8.28%	-	5	E	563	548
Fortis Banque NV/SA June 08	EUR	375	-	8.03%	-	5		363	345
- Participating notes [4]								**222**	**224**
BNP SA July 84	EUR	337	-	depending on net income subject to a minimum of 85% of the TMO rate and a maximum of 130% of the TMO rate	-	4	NA	215	220
Others	-	-	-	-	-	-	-	7	4
- Expenses and commission, related debt								**7**	**5**

(1) (2) see reference relating to "Debt securities at fair value through profit or loss"

(3) Conditions precedent for coupon payment

- B Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has officially noted that there is no income available for distribution, where this occurs within the 12 month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume.
- C Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting in ordinary session has validated the decision not to pay out a dividend, where this occurs within the 12 month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume. The bank has the option of resuming payment of interest arrears, even where no dividend is paid out.
- D Interest is not payable if the coupons exceed the difference between net equity and the amount of the issuer's share capital and reserves not available for distribution.
- E Coupons are paid in the form of other securities if Tier 1 capital stands at less than 5% of the issuer's risk-weighted assets

(4) The participating notes issued by BNP SA may be repurchased as provided for in the law of 3 January 1983. Accordingly, during 2012, 32,000 notes were repurchased and cancelled. The number of notes in the market is 1,434,092.

In the fourth quarter of 2011, the bank made a public offer to exchange redeemable subordinated debt, eligible for inclusion in Tier 2 capital, for new senior debt. The transaction reduced the outstanding amount of redeemable subordinated debt by EUR 1,433 million, and resulted in the recognition of a EUR 41 million gain in net interest income.

Maturity schedule of medium and long-term debt securities and redeemable subordinated debt carried at amortised cost with a maturity at issuance of more than one year:

Maturity or call option date, in millions of euros	2013	2014	2015	2016	2017	2018-2022	After 2022	TOTAL at 31 December 2012
Medium- and long-term debt securities	16,914	16,657	14,896	7,359	10,845	18,351	4,585	89,607
Redeemable subordinated debt	1,630	1,138	1,196	1,526	4,344	2,535	238	12,607
Total	**18,544**	**17,795**	**16,092**	**8,885**	**15,189**	**20,886**	**4,823**	**102,214**

Maturity or call option date, in millions of euros	2012	2013	2014	2015	2016	2017-2021	After 2021	TOTAL at 31 December 2011
Medium- and long-term debt securities	16,630	12,994	10,085	12,994	13,569	14,954	5,347	86,573
Redeemable subordinated debt	2,818	1,485	1,125	813	1,902	6,809	1,213	16,165
Total	**19,448**	**14,479**	**11,210**	**13,807**	**15,471**	**21,763**	**6,560**	**102,738**

5.j HELD-TO-MATURITY FINANCIAL ASSETS

In millions of euros	31 December 2012		31 December 2011	
	Net	of which impairment losses	Net	of which impairment losses
Treasury bills and government bonds	10,127	-	10,394	(223)
Other fixed-income securities	157	-	182	
Total held-to-maturity financial assets	**10,284**	**-**	**10,576**	**(223)**

At 31 December 2011 the impaired securities were the Greek sovereign bonds held by insurance entities for a gross amount of EUR 286 million. These assets were extinguished on 12 March 2012 with the securities exchange described in note 4.

Disposals of sovereign debt securities classified as held-to-maturity financial assets in 2011 are described in note 4.

5.k CURRENT AND DEFERRED TAXES

In millions of euros	31 December 2012	31 December 2011
Current taxes	790	2,227
Deferred taxes	7,871	9,343
Current and deferred tax assets	**8,661**	**11,570**
Current taxes	901	1,893
Deferred taxes	2,145	1,596
Current and deferred tax liabilities	**3,046**	**3,489**

Change in deferred tax over the period:

In millions of euros	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Net deferred taxes at start of period	**7,747**	**7,601**
Net losses arising from deferred taxes *(note 2.g)*	(363)	(687)
Changes in deferred taxes linked to changes in value and reversal through profit or loss of changes in value of available-for-sale financial assets, including those reclassified as loans and receivables	(2,054)	848
Changes in deferred taxes linked to changes in value and reversal through profit or loss of changes in value of hedging derivatives	(195)	(428)
Effect of exchange rate and other movements	591	413
Net deferred taxes at end of period	**5,726**	**7,747**

Breakdown of deferred tax assets and liabilities by nature:

In millions of euros	31 December 2012	31 December 2011
Available-for-sale financial assets, including those reclassified as loans and receivables	(365)	1,708
Unrealised finance lease reserve	(688)	(725)
Provisions for employee benefit obligations	915	844
Provisions for credit risk	2,811	3,607
Other items	(103)	(535)
Tax loss carryforwards	3,156	2,848
Net deferred taxes	**5,726**	**7,747**
Deferred tax assets	7,871	9,343
Deferred tax liabilities	(2,145)	(1,596)

Unrecognised deferred tax assets totalled EUR 1,905 million at 31 December 2012 compared with EUR 2,404 million at 31 December 2011.

In order to determine the size of the tax loss carryforwards recognised as assets, the Group conducts every year a specific review for each relevant entity based on the applicable tax regime, notably incorporating any time limit rules, and a realistic projection of their future revenue and charges in line with their business plan.

Entities with deferred tax assets recognised on tax loss carryforwards of more than EUR 100 million:

In millions of euros	31 December 2012	Statutory time limit on carryforwards	Expected recovery period
Fortis Banque SA	2,451	unlimited	9 years
BNP Paribas London branch	115	unlimited	3 years
UkrSibbank	105	unlimited	10 years
Others	485		
Total deferred tax assets relating to tax loss carryforwards	**3,156**		

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

In millions of euros	31 December 2012	31 December 2011
Guarantee deposits and bank guarantees paid	52,602	44,832
Settlement accounts related to securities transactions	13,005	18,972
Collection accounts	453	792
Reinsurers' share of technical reserves	2,827	2,524
Accrued income and prepaid expenses	4,982	2,996
Other debtors and miscellaneous assets	25,490	23,424
Total accrued income and other assets	**99,359**	**93,540**
Guarantee deposits received	42,235	40,733
Settlement accounts related to securities transactions	12,760	16,577
Collection accounts	1,288	1,084
Accrued expenses and deferred income	6,338	4,708
Other creditors and miscellaneous liabilities	24,070	17,908
Total accrued expenses and other liabilities	**86,691**	**81,010**

The movement in "Reinsurers' share of technical reserves" breaks down as follows:

In millions of euros	31 December 2012	31 December 2011
Reinsurers' share of technical reserves at start of period	**2,524**	**2,495**
Increase in technical reserves borne by reinsurers	3,470	1,463
Amounts received in respect of claims and benefits passed on to reinsurers	(3,166)	(1,412)
Effect of changes in exchange rates and scope of consolidation	(1)	(22)
Reinsurers' share of technical reserves at end of period	**2,827**	**2,524**

5.m INVESTMENTS IN ASSOCIATES

Associates for which the Group's share of the equity value is above EUR 100 million at 31 December 2012 are listed below.

In millions of euros	31 December 2012	31 December 2011
Retail Banking	**1,341**	**1,269**
of which Bank of Nanjing	463	362
of which Carrefour Banque	265	248
of which Servicios Financieros Carrefour EFC SA	136	112
of which Carrefour Promotora de Vendas e Participaçoes	-	140
Investment Solutions	**2,296**	**1,665**
of which AG Insurance	1,455	957
of which BNP Paribas Cardif Emeklilik Anonim Sirketi	121	137
Corporate and Investments Banking	**817**	**489**
of which Verner Investments	341	354
of which BNP Paribas Securities (Japan) Ltd	270	-
Other Activities	**2,586**	**1,051**
of which Klépierre	1,096	-
of which Erbe	1,027	967
of which SCI Scoo	275	-
of which SCI Portes de Claye	118	-
Investments in associates	**7,040**	**4,474**

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

In millions of euros	Financial reporting standards	Total assets	Net revenue	Net income attributable to equity holders
AG Insurance (2)	Local Gaap	58,147	6,113	(384)
Bank of Nanjing (2)	Local Gaap	34,502	830	357
BNP Paribas Cardif Emeklilik Anonim Sirketi (2)	IFRS Gaap	361	(5)	(10)
BNP Paribas Securities (Japan) Ltd. (2)	Local Gaap	309	79	519
Carrefour Banque (2)	Local Gaap	4,674	365	63
Erbe (2)	Local Gaap	2,372	-	41
Klépierre (2)	Local Gaap	7,561	267	240
SCI Scoo (2)	Local Gaap	409	33	33
SCI Portes de Claye (1)	Local Gaap	267	-	4
Servicios Financieros Carrefour EFC SA (2)	Local Gaap	1,282	203	59
Verner Investissements (1)	IFRS Gaap	6,353	347	39

(1) Data relating to 31 December 2012.
(2) Data relating to 31 December 2011.

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

In millions of euros	31 December 2012			31 December 2011		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Investment property	**1,199**	**(272)**	**927**	**13,621**	**(2,177)**	**11,444**
Land and buildings	6,997	(1,460)	5,537	6,857	(1,339)	5,518
Equipment, furniture and fixtures	6,519	(4,200)	2,319	6,614	(4,092)	2,522
Plant and equipment leased as lessor under operating leases	12,762	(4,157)	8,605	12,964	(4,256)	8,708
Other property, plant and equipment	1,780	(922)	858	2,334	(804)	1,530
Property, plant and equipment	**28,058**	**(10,739)**	**17,319**	**28,769**	**(10,491)**	**18,278**
Purchased software	2,543	(1,978)	565	2,410	(1,814)	596
Internally-developed software	2,890	(1,992)	898	2,705	(1,920)	785
Other intangible assets	1,602	(480)	1,122	1,542	(451)	1,091
Intangible assets	**7,035**	**(4,450)**	**2,585**	**6,657**	**(4,185)**	**2,472**

The decrease of the carrying amount of investment property and other properties, plant and equipment is due to the loss of control over Klépierre at the end of the first quarter 2012 (note 8.d).

- **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 in “Investment property”.

The estimated fair value of investment property accounted for at amortised cost at 31 December 2012 is EUR 1,087 million, compared with EUR 16,900 million at 31 December 2011.

- **Operating leases**

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

In millions of euros	31 December 2012	31 December 2011
Future minimum lease payments receivable under non-cancellable leases	**5,352**	**8,248**
Payments receivable within 1 year	*2,404*	*3,203*
Payments receivable after 1 year but within 5 years	*2,839*	*4,624*
Payments receivable beyond 5 years	*109*	*421*

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

The decrease of the future minimum lease payments receivable is due to the loss of control over Klépierre at the end of the first quarter 2012 (note 8.d).

- **Intangible assets**

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

- **Depreciation, amortisation and impairment**

Net depreciation and amortisation expense for the year ended 31 December 2012 was EUR 1,546 million, compared with EUR 1,491 million for the year ended 31 December 2011.

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 2012 amounted to EUR 3 million, compared with a net increase of EUR 17 million for the year ended 31 December 2011.

5.o GOODWILL

In millions of euros	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Carrying amount at start of period	**11,406**	**11,324**
Acquisitions	2	341
Divestments	(240)	(157)
Impairment losses recognised during the period	(493)	(173)
Translation adjustments	(89)	53
Other movements	5	18
Carrying amount at end of period	**10,591**	**11,406**
Gross value	11,750	12,082
Accumulated impairment recognised at the end of period	(1,159)	(676)

Goodwill by core business is as follows:

In millions of euros	Carrying amount		Impairment losses recognised		Acquisitions of the period	
	31 December 2012	31 December 2011	Year to 31 Dec. 2012	Year to 31 Dec. 2011	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Goodwill						
Retail Banking	**8,361**	**8,962**	**(486)**	**(172)**	**-**	**216**
Arval	*316*	*310*	*-*	*-*	*-*	*-*
BancWest	*3,782*	*3,852*	*-*	*-*	*-*	*-*
French & Belgian Retail Banking	*59*	*77*	*-*	*-*	*-*	*9*
Italian Retail Banking	*1,400*	*1,698*	*(298)*	*-*	*-*	*-*
Europe-Mediterranean	*295*	*287*	*-*	*-*	*-*	*199*
Leasing Solutions	*147*	*232*	*(80)*	*-*	*-*	*7*
Personal Finance	*1,950*	*2,093*	*(108)*	*(172)*	*-*	*1*
Personal Investors	*412*	*413*	*-*	*-*	*-*	*-*
Investment Solutions	**1,584**	**1,544**	**-**	**-**	**2**	**125**
Insurance	*259*	*258*	*-*	*-*	*-*	*120*
Investment Partners	*251*	*248*	*-*	*-*	*-*	*-*
Real Estate	*351*	*348*	*-*	*-*	*2*	*5*
Securities Services	*372*	*365*	*-*	*-*	*-*	*-*
Wealth Management	*351*	*325*	*-*	*-*	*-*	*-*
Corporate and Investment Banking	**643**	**657**	**(7)**	**-**	**-**	**-**
Other Activities	**3**	**243**	**-**	**(1)**	**-**	**-**
Total goodwill	**10,591**	**11,406**	**(493)**	**(173)**	**2**	**341**
Negative goodwill			3	67		
Change in value of goodwill			**(490)**	**(106)**		

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

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

The DCF method is based on a number of assumptions in terms of future revenues, expenses and cost of risk. These parameters are taken from medium-term business plans for the first three years, extrapolated over a sustainable growth period of ten years, representing the duration of the economic cycle to which the banking industry is sensitive, and then in perpetuity, based on sustainable growth rates up to ten years and the inflation rate thereafter, for each business line.

The key parameters which are sensitive to the assumptions made are the cost/income ratio, the sustainable growth rate and the cost of capital. Cost of capital is determined on the basis of a risk-free rate, an observed market risk premium weighted by a risk factor based on comparables specific to each homogeneous group of businesses. The sustainable growth rates used are obtained from external market sources and if necessary are revised down according to management expectations. The cost/income ratio is based on the structure specific to each homogeneous group of businesses.

The table below shows the sensitivity of cash generating unit valuations to changes in the value of parameters used in the DCF calculation. The cost of capital, cost/income ratio and sustainable 10-year growth rate are specific to each business. The growth rate beyond 10 years is set at 2% for all businesses, which is a conservative rate in view of inflation rates in most countries in which the Group operates.

Lastly, allocated capital is determined for each homogeneous group of businesses based on the Core Tier One regulatory requirements for the legal entity to which the homogeneous group of businesses belongs, with a minimum of 7%.

In 2012, considering in particular the expected increase in the Bank of Italy capital requirement (local Core Equity Tier One increased from 7% to 8%), the Group recognised a EUR 298 million impairment of the goodwill allocated to the BNL bc homogeneous group.

Sensitivity of the main goodwill valuations to a 10-basis point change in the cost of capital and a 1% change in the cost/income ratio and in the sustainable growth rate

In millions of euros	BNL bc		BancWest	Personal Finance (excluding specific CGU)
Cost of capital	**10.2%**		**8.3%**	**10.5%**
Adverse change (+10 basis points)	(98)		(152)	(114)
Positive change (- 10 basis points)	100		157	116
Cost/income ratio	**53.3%**		**61.6%**	**46.0%**
Adverse change (+ 1 %)	(226)		(276)	(339)
Positive change (-1 %)	226		276	339
Sustainable growth rate	**5.0%**	(1)	**5.0%**	**5.0%**
Adverse change (- 1 %)	(232)	(1)	(254)	(779)
Positive change (+1 %)	240	(1)	267	820

(1) From 2018

For the BancWest and Personal Finance (excluding specific CGU) cash generating units, there are no grounds for goodwill writedowns even if the three most adverse scenarios contained in the table are applied to the impairment test.

5.p TECHNICAL RESERVES OF INSURANCE COMPANIES

In millions of euros	31 December 2012	31 December 2011
Liabilities related to insurance contracts	**131,070**	**122,494**
Gross technical reserves		
Unit-linked contracts	42,241	39,550
Other insurance contracts	88,829	82,944
Liabilities related to financial contracts with discretionary participation feature	**10,424**	**10,564**
Policyholders' surplus reserve - liability	**6,498**	**-**
Total technical reserves of insurance companies	**147,992**	**133,058**
Policyholders' surplus reserve - asset [1]	-	(1,247)
Liabilities related to unit-linked financial contracts [2]	1,298	1,340
Liabilities related to general fund financial contracts	25	45
Total liabilities related to contracts written by insurance companies	**149,315**	**133,196**

[1] The policyholders' loss asset is presented under "other debtors and miscellaneous assets"

[2] 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 within French and Italian life insurance subsidiaries in unrealised gains and losses and impairment losses on assets where the benefit paid under the policy is linked to the return on those assets. It is obtained from stochastic calculations modelling the unrealised gains and losses attributable to policyholders based on economic scenarios and assumptions as regards rates paid to customers and new business inflows. For France, this resulted in an interest of 90% in 2012, unchanged from 2011.

The application of these models led to recognise a policyholders' surplus liability in 2012, whilst market conditions in the second half of 2011 had led to the recognition of an asset, representing policyholders' share of unrealised losses and writedowns on the portfolio of financial assets which are taken to income or directly to equity depending on their accounting category.

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

In millions of euros	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Liabilities related to contracts at start of period	**133,196**	**116,409**
Additions to insurance contract technical reserves and deposits taken on financial contracts related to life insurance	30,801	11,895
Claims and benefits paid	(18,177)	(12,407)
Contracts portfolio disposals	-	(92)
Effect of changes in the scope of consolidation	(6)	18,984
Effect of movements in exchange rates	140	4
Effect of changes in value of admissible investments related to unit-linked business	3,361	(1,597)
Liabilities related to contracts at end of period	**149,315**	**133,196**

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

5.q PROVISIONS FOR CONTINGENCIES AND CHARGES

- Provisions for contingencies and charges

In millions of euros	31 December 2012	31 December 2011
Provisions for employee benefits	**5,985**	**6,019**
of which post-employment benefit *(note 7.b)*	4,334	4,398
of which post-employment healthcare benefits *(note 7.b)*	123	116
of which provision for other long-term benefits *(note 7.c)*	1,058	972
of which provision for voluntary departure, early retirement plans, and headcount adaptation plan *(note 7.d)*	470	533
Provisions for home savings accounts and plans	**142**	**233**
Provisions for off-balance sheet commitments *(note 2.f)*	**976**	**991**
Provisions for litigations	**1,683**	**1,448**
Other provisions for contingencies and charges	**2,176**	**1,789**
Total provisions for contingencies and charges	**10,962**	**10,480**

In millions of euros	31 December 2012	31 December 2011
Total provisions at start of period	**10,480**	**10,311**
Net additions to provisions	1,141	376
Provisions used	(1,102)	(1,260)
Effect of movements in exchange rates and other movements	443	1,053
Total provisions at end of period	**10,962**	**10,480**

- Provisions for regulated savings product risks

Deposits, loans and savings

In millions of euros	31 December 2012	31 December 2011
Deposits collected under home savings accounts and plans	**14,946**	**14,699**
of which deposits collected under home savings plans	12,076	11,846
Aged more than 10 years	*5,374*	*5,897*
Aged between 4 and 10 years	*4,491*	*3,290*
Aged less than 4 years	*2,211*	*2,659*
Outstanding loans granted under home savings accounts and plans	**379**	**438**
of which loans granted under home savings plans	76	96
Provisions and discount recognised for home savings accounts and plans	**152**	**243**
of which discount recognised for home savings accounts and plans	10	10
of which provisions recognised for home savings accounts and plans	142	233
of which provisions recognised for plans aged more than 10 years	*65*	*65*
of which provisions recognised for plans aged between 4 and 10 years	*28*	*91*
of which provisions recognised for plans aged less than 4 years	*31*	*68*
of which provisions recognised for home savings accounts	*18*	*9*

Change in provisions

In millions of euros	Year to 31 Dec. 2012		Year to 31 Dec. 2011	
	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	**224**	**19**	**203**	**23**
Additions to provisions during the period	-	9	21	-
Provision reversals during the period	(100)	-	-	(4)
Total provisions at end of period	**124**	**28**	**224**	**19**

The reversal recognised in 2012 was due primarily to a revision of the provision calculation model and, in particular, the method of determining the reference rates, which has been adapted to take account of current liquidity pricing conditions for products offered to individual customers (see note 1.c.2).

5.r TRANSFERS OF FINANCIAL ASSETS

Financial assets that have been transferred but not derecognised by the Group are mainly composed of securities sold temporarily under repurchase agreements or securities lending transactions, as well as securitised assets. The liabilities associated to securities temporarily sold under repurchase agreements consist of debts recognised under the "repurchase agreements" heading. The liabilities associated to securitised assets consist of the securitisation notes purchased by third parties.

Securities lending and repurchase agreements:

In millions of euros, at 31 December 2012	Carrying amount of transferred assets	Carrying amount of associated liabilities
Securities lending operations		
Securities at fair value through profit or loss	3,270	
Repurchase agreements		
Securities at fair value through profit or loss	52,604	51,915
Securities classified as loans and receivables	957	888
Available-for-sale financial assets	9,422	9,423
Total	**66,253**	**62,226**

Securitisation transactions partially refinanced by external investors, whose recourse is limited to the transferred assets:

In millions of euros, at 31 December 2012	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Securitisation					
Securities at fair value through profit or loss	231	217	231	217	14
Loans and receivables	11,447	8,997	11,487	8,915	2,572
Available-for-sale financial assets	283	305	262	283	(21)
Total	**11,961**	**9,519**	**11,980**	**9,415**	**2,565**

There have been no significant transfers leading to partial or full derecognition of the financial assets where the Bank has a continuing involvement in them.

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 2012	31 December 2011
Financing commitments given		
- to credit institutions	**48,628**	**27,291**
- to customers	**215,656**	**226,007**
Confirmed letters of credit	176,355	199,706
Other commitments given to customers	39,301	26,301
Total financing commitments given	**264,284**	**253,298**
Financing commitments received		
- from credit institutions	**119,722**	**119,719**
- from customers	**6,036**	**6,781**
Total financing commitments received	**125,758**	**126,500**

6.b GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

In millions of euros	31 December 2012	31 December 2011
Guarantee commitments given		
- to credit institutions	**11,829**	**14,920**
- to customers	**79,860**	**91,176**
- Property guarantees	1,054	1,783
- Sureties provided to tax and other authorities, other sureties	44,283	50,975
- Other guarantees	34,523	38,418
Total guarantee commitments given	**91,689**	**106,096**

6.c OTHER GUARANTEE COMMITMENTS

Financial instruments given as collateral:

In millions of euros	31 December 2012	31 December 2011
Financial instruments (negotiable securities and private receivables) lodged with central banks and eligible for use at any time as collateral for refinancing transactions after haircut	**99,499**	**91,231**
- Used as collateral with central banks	42,201	48,582
- Available for refinancing transactions	57,298	42,649
Securities sold under repurchase agreements	**238,734**	**239,813**
Other financial assets pledged as collateral for transactions with credit institutions, financial customers or subscribers of covered bonds issued by the Group [(1)]	**149,237**	**119,703**

[(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 328,024 million at 31 December 2012 (EUR 336,757 million at 31 December 2011).

Financial instruments received as collateral:

In millions of euros	31 December 2012	31 December 2011
Financial instruments received as collateral (excluding repurchase agreements)	**71,671**	**68,705**
of which instruments that the Group is authorised to sell and reuse as collateral	*32,140*	*30,509*
Securities received under repurchase agreements	**174,474**	**195,530**

The financial instruments received as collateral or under repurchase agreements that the Group effectively sold or reused as collateral amounted to EUR 156,718 million at 31 December 2012 (compared with EUR 144,791 million at 31 December 2011).

7. SALARIES AND EMPLOYEE BENEFITS

7.a SALARY AND EMPLOYEE BENEFIT EXPENSES

In millions of euros	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Fixed and variable remuneration, incentive bonuses and profit-sharing	11,209	10,844
Retirement bonuses, pension costs and social security taxes	3,563	3,724
Payroll taxes	483	435
Total salary and employee benefit expenses	**15,255**	**15,003**

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 campaign 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 2012 was EUR 531 million, compared with EUR 511 million for the year to 31 December 2011.

- 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 83.7% bonds, 6.8% equities and 9.5% 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 18.7% interest. BNP Paribas Fortis' senior managers have a pension plan that provides a lump sum based on the number of years of 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 measured based on the terms of transfer to the Turkish state. This plan is fully funded by financial assets held with an external foundation.

On 31 December 2012, Belgium, the United Kingdom, the United States, Switzerland and Turkey represented 91% of the total gross defined-benefit obligations outside France. The fair value of the related plan assets was split as follows: 59% bonds, 17% equities, 24% 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 gross obligations of the Group are mainly concentrated in Italy (80%), 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 has no longer any obligation 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		Post-employment healthcare benefits	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Present value of defined benefit obligation	**8,662**	**8,351**	**147**	**121**
Defined benefit obligation arising from wholly or partially funded plans	7,761	7,517	-	-
Defined benefit obligation arising from wholly unfunded plans	901	834	147	121
Fair value of plan assets	**(4,148)**	**(3,798)**	**-**	**-**
Fair value of reimbursement rights [(1)]	**(2,639)**	**(2,463)**	**-**	**-**
Cost not yet recognised in accordance with IAS 19	**(546)**	**(407)**	**(24)**	**(5)**
Prior service costs	(153)	(164)	-	1
Net actuarial gains/(losses)	(393)	(243)	(24)	(6)
Effect of asset ceiling	**209**	**91**	**-**	**-**
Net obligation recognised in the balance sheet for defined-benefit plans	**1,538**	**1,774**	**123**	**116**
Asset recognised in the balance sheet for defined-benefit plans	(2,796)	(2,624)	-	-
of which net assets of defined-benefit plans	*(157)*	*(161)*	-	-
of which fair value of reimbursement rights	*(2,639)*	*(2,463)*	-	-
Obligation recognised in the balance sheet for defined-benefit plans	4,334	4,398	123	116

(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		Post-employment healthcare benefits	
	Year to 31 Dec. 2012	Year to 31 Dec. 2011	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Present value of defined benefit obligation at start of period	**8,351**	**8,052**	**121**	**114**
Current service cost	311	300	3	3
Interest cost	310	320	5	5
Plan amendments	(2)	(8)	2	1
Curtailments or settlements	(73)	(97)	-	(1)
Actuarial (gains)/losses on obligation	284	210	22	3
Actual employee contributions	30	30	-	-
Benefits paid directly by employer	(130)	(145)	(4)	(5)
Benefits paid from assets/reimbursement rights	(380)	(297)	-	-
Exchange rate (gains)/losses on obligation	31	23	(1)	2
Consolidation variation (gains)/losses on obligation	(71)	(37)	-	-
Others	1	-	(1)	(1)
Present value of defined benefit obligation at end of period	**8,662**	**8,351**	**147**	**121**

- Change in the fair value of plan assets

	Post-employment benefits	
In millions of euros	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Fair value of plan assets at start of period	**3,798**	**3,889**
Expected return on plan assets	179	188
Settlements	(19)	(55)
Actuarial gains/(losses) on plan assets	112	(49)
Actual employee contributions	21	21
Employer contributions	292	127
Benefits paid from plan assets	(211)	(138)
Exchange rate gains/(losses) on plan assets	32	(31)
Consolidation variation gains/(losses) on plan assets	(53)	(155)
Others	(3)	1
Fair value of plan assets at end of period	**4,148**	**3,798**

Healthcare benefit plans are not funded plans.

- Change in the fair value of reimbursement rights

	Post-employment benefits	
In millions of euros	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Fair value of reimbursement rights at start of period	**2,463**	**2,366**
Expected return on reimbursement rights	97	92
Settlements	-	-
Actuarial gains on reimbursement rights	124	1
Actual employee contributions	10	9
Employer contributions	146	111
Benefits paid from reimbursement rights	(169)	(159)
Exchange rate gains/(losses) on reimbursement rights	-	3
Consolidation variation gains/(losses) on reimbursement rights	(32)	41
Others	-	(1)
Fair value of reimbursement rights at end of period	**2,639**	**2,463**

Healthcare benefit plans are not funded plans.

- Components of the cost of defined-benefit plans

	Post-employment benefits		Post-employment healthcare benefits	
In millions of euros	Year to 31 Dec. 2012	Year to 31 Dec. 2011	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Current service cost	**311**	**300**	**3**	**3**
Interest cost	310	320	5	5
Expected return on plan assets	(179)	(188)	-	-
Expected return on reimbursement rights	(97)	(92)	-	-
Amortization of actuarial (gains)/losses	(86)	62	3	-
Amortization of prior service costs	9	5	1	-
(Losses)/gains on curtailments or settlements	(65)	(39)	-	(1)
Effect of asset ceiling	135	(32)	-	-
Others	1	(2)	-	-
Total expense recognised in profit and loss	**339**	**334**	**12**	**7**

- 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 using the yields of high quality corporate bonds issued in the relevant currency zone, with a term consistent with the duration of the obligations. Until 31 December 2011, the Group used the sovereign bonds yields for the euro zone (iBoxx Eurozone index). In 2012, this index was higher than the AA rated corporate bonds yields, prompting the Group to adopt the generally used AA rated corporate bonds benchmark (iBoxx Euro index). The change of benchmark led to an increase of EUR 238 million in the Group obligations, with no impact on the financial statements at 31 December 2012, given the mechanism for deferred recognition of actuarial gains and losses described below.

The rates used are as follows:

In %	31 December 2012				31 December 2011			
	France	Euro zone excl. France	UK	USA	France	Euro zone excl. France	UK	USA
Discount rate	1.42%-2.69%	2.03%-2.69%	4.00%	3.90%	3.14%-4.64%	3.30%-4.70%	3.50%	4.50%
Rate of compensation increase (1)	2.60%-3.60%	2.00%-3.90%	2.00%-4.25%	4.00%	3.00%-4.50%	2.00%-4.65%	2.00%-4.50%	4.00%

(1) 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. 2012				Year to 31 Dec. 2011			
	France	Euro zone excl. France	UK	USA	France	Euro zone excl. France	UK	USA
Expected return on plan assets and reimbursement rights (1)	3.55%	2.27%-3.92%	3.40%-6.10%	3.00%-6.00%	3.90%	3.25%-4.70%	3.00%-6.20%	4.50%-6.00%
Actual return on plan assets and reimbursement rights (1)	3.70%	2.00%-19.00%	4.78%-10.00%	8.00%-14.00%	3.68%	1.00%-6.40%	2.80%-7.40%	1.00%-5.00%

(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 life of the plan.

The following table shows the actuarial gains and losses:

	Post-employment benefits	
In millions of euros	31 December 2012	31 December 2011
Cumulative unrecognised actuarial losses	**(393)**	**(243)**
Net actuarial losses generated over the period	**(48)**	**(258)**
of which actuarial (losses)/gains on plan assets or reimbursement rights	236	(51)
of which actuarial losses from changes in actuarial assumptions on obligation	(393)	(275)
of which experience gains on obligation	109	68

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 2012	31 December 2011
Net provisions for the long-term benefits	**956**	**864**
Asset recognised in the balance sheet under the other long-term benefits	(102)	(108)
Obligation recognised in the balance sheet under the other long-term benefits	1,058	972

7.d TERMINATION BENEFITS

BNP Paribas has implemented a number of voluntary redundancy plans and headcount adaptation plan 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.

In millions of euros	31 December 2012	31 December 2011
Provision for volontary departure, early retirement plans, and headcount adaptation plan	470	533

7.e SHARE-BASED PAYMENTS

SHARE-BASED LOYALTY, COMPENSATION AND INCENTIVE SCHEMES

BNP Paribas has set up several share-based payment schemes for certain employees:

- a Global Share-Based Incentive Plan including :
    - performance shares plans
    - stock subscription or purchase option plans
- deferred share price-linked, cash-settled long term compensation plans, mainly for employees whose activities are likely to have an impact on the Group's risk exposure.

- 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 Shareholders' Meetings.

In 2006, BNP Paribas set up a Global Share-Based Incentive Plan for some Group employees, including stock options and performance share awards.

The aim of the Plan was to actively involve 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 and no discount is offered. Since the 2005 plan, the life of the options granted has been reduced to 8 years.

Until 2008, the vesting period for performance share plans was 2 or 4 years depending on the case. Performance shares awarded since 2009 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 performance shares is two years for French employees.

Since 2010, the conditional portion granted 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.

The performance condition for the contingent portion of performance shares awarded up to 2011 is based on earnings per share.

In 2012, only performance shares were awarded. The performance condition has been revised and is now similar to the one used in the past for stock option plans, in other words, performance of the BNP Paribas share relative to the Dow Jones Euro Stoxx Bank index.

Under stock option plans set up between 2003 and 2011, the performance condition was not fully met on six of twenty-seven occasions and the adjustments described above were therefore implemented. Under performance share plans awarded since 2009, the performance condition was not met on one of seven occasions and the relevant contingent portion therefore lapsed.

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.

- As of 2009, variable compensation for employees, subject to special regulatory frameworks.

  Since the publication of the Decree by the French ministry of finance on 13 December 2010, the variable compensation plan applies to Group employees performing activities that may have a material impact on the Group's risk profile. The scope of application was more restricted in 2009, as it primarily concerned trading staff.

  Under these plans, payment is deferred over time and is contingent on the performance achieved by the business lines, core businesses and Group.

  Sums are paid mostly in cash and are linked to the increase or decrease in the BNP Paribas share price. In addition, since 2011, in accordance with the Decree of 13 December 2010, some of the variable compensation granted over the year in respect of the performance of the previous year will also be indexed to the BNP Paribas share price and paid to beneficiaries during the year of attribution.

- 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 increase or decrease in the BNP Paribas share price.

- Expense of share-based payment

Expense in millions of euros	Year to 31 Dec. 2012				Year to 31 Dec. 2011
	Stock subscription and purchase option plans	Share award plans	Variable deferred compensation plans	Total expense	Total expense
Prior deferred compensation plans	-	-	160	**160**	(285)
Deferred compensation plan for the year	-	-	294	**294**	287
Global Share-Based Incentive Plan	27	45	-	**72**	69
Total	**27**	**45**	**454**	**526**	**71**

- Valuation of stock option and performance shares plans

As required under IFRS 2, BNP Paribas attributes a value to stock options and performance shares 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 2011 were valued at between EUR 11.03 and EUR 12.13 depending on whether or not they are subject to performance conditions according to the various secondary award tranches.

No stock subscription options were granted in 2012.

	Year to 31 Dec. 2011
	Plan granted on 4 March 2011
BNP Paribas share price on the grant date *(in euros)*	54.49
Option exercise price *(in euros)*	56.45
Implied volatility of BNP Paribas shares	28.5%
Expected option holding period	8 years
Expected dividend on BNP Paribas shares [(1)]	4.1%
Risk-free interest rate	3.5%
Expected proportion of options that will be forfeited	1.3%

[(1)] The dividend yield indicated above is the average of a series of estimated annual dividends.

- Measurement of performance shares

The unit value used to measure performance shares is the value at the end of the holding period plus dividends paid since the vesting date, discounted at the grant date.

The performance shares awarded in 2012, depending on whether or not they are subject to a performance condition, were valued at between EUR 28.47 and 33.45 for employees in France and between EUR 27.46 and 32.36 for employees outside France. The performance shares awarded in 2011 were valued at EUR 47.84 for employees in France and EUR 45.95 for employees outside France.

	Year to 31 Dec. 2012 Plan granted on 6 March 2012		Year to 31 Dec. 2011 Plan granted on 4 March 2011	
	Vested on 9 March 2015	Vested on 7 March 2016	Vested on 4 March 2014	Vested on 4 March 2015
BNP Paribas share price on the grant date *(in euros)*	37.195	37.195	54.49	54.49
Date of availability	09/03/2017	07/03/2016	04/03/2016	04/03/2015
Expected dividend on BNP Paribas shares [(1)]	3.23%	3.23%	4.10%	4.10%
Risk-free interest rate	1.53%	1.33%	2.99%	2.81%
Expected proportion of options that will be forfeited	2.00%	2.00%	2.00%	2.00%

[(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 2012:

- 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	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 [3]	20/10/2000	161	504,926	20/10/2003	20/10/2013	100.997	435,166	0.8
BNL [3]	26/10/2001	223	573,250	26/10/2004	26/10/2014	61.888	4,856	1.8
BNP Paribas SA [2]	21/03/2003	1,302	6,693,000	21/03/2007	20/03/2013	35.87	2,077,347	0.2
BNP Paribas SA [2]	24/03/2004	1,458	1,779,850	24/03/2008	21/03/2014	48.15	1,252,760	1.2
BNP Paribas SA [2]	25/03/2005	2,380	4,332,550	25/03/2009	22/03/2013	53.28	3,932,248	0.2
BNP Paribas SA [2]	05/04/2006	2,583	3,894,770	06/04/2010	04/04/2014	73.40	3,483,945	1.3
BNP Paribas SA [2]	08/03/2007	2,023	3,630,165	08/03/2011	06/03/2015	80.66	3,315,460	2.2
BNP Paribas SA [2]	06/04/2007	219	405,680	06/04/2011	03/04/2015	76.57	371,008	2.3
BNP Paribas SA [2]	18/04/2008	2,402	3,985,590	18/04/2012	15/04/2016	64.47	3,732,876	3.3
BNP Paribas SA [2]	06/04/2009	1,397	2,376,600	08/04/2013	05/04/2017	35.11	2,282,515	4.3
BNP Paribas SA [2]	05/03/2010	1,820	2,423,700	05/03/2014	02/03/2018	51.20	2,323,340	5.2
BNP Paribas SA [2]	04/03/2011	1,915	2,296,820	04/03/2015	04/03/2019	56.45	2,246,700	6.2
Total options outstanding at end of period							**25,458,221**	

(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 detachment of pre-emptive subscription rights on 7 March 2006 and 30 September 2009, in accordance with the regulations in force.

(2) The plan is subject to vesting conditions under which a proportion of the options granted to employees is conditional upon the performance of the BNP Paribas share relative to the Dow Jones Euro Stoxx 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 274,161 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 169,863 options under the 25 March 2005 plan, outstanding at the year-end
- EUR 77.06 for 155,263 options under the 5 April 2006 plan, outstanding at the year-end

(3) 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.

- Performance share plans

Characteristics of the plan						Number of share outstanding at end of period [2]
Originating company	Date of grant	Number of grantees	Number of shares granted	Vesting date of share granted	Expiry date of holding period for shares granted	
BNP Paribas SA [1]	2007-2008					401
BNP Paribas SA [1]	06/04/2009	2,247	359,930	10/04/2012	10/04/2014	2,221
BNP Paribas SA	06/04/2009	1,686	278,325	08/04/2013	08/04/2013	263,494
BNP Paribas SA	05/03/2010	2,536	510,445	05/03/2013	05/03/2015	493,495
BNP Paribas SA	05/03/2010	2,661	487,570	05/03/2014	05/03/2014	465,760
BNP Paribas SA	04/03/2011	2,574	541,415	04/03/2014	04/03/2016	531,005
BNP Paribas SA	04/03/2011	2,743	499,035	04/03/2015	04/03/2015	489,900
BNP Paribas SA	06/03/2012	2,610	1,072,480	09/03/2015	09/03/2017	1,057,295
BNP Paribas SA	06/03/2012	2,755	849,455	07/03/2016	07/03/2016	823,490
Total shares outstanding at end of period						**4,127,061**

(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 detached on 30 September 2009.

- Movements over the past two years

- Stock subscription option plans

	Year to 31 Dec. 2012		Year to 31 Dec. 2011	
	Number of options	Weighted average exercise price (in euros)	Number of options	Weighted average exercise price (in euros)
Options outstanding at 1 January	**27,509,625**	**58.67**	**28,752,600**	**58.05**
Options granted during the period	-	-	2,296,820	56.45
Options exercised during the period	(581,181)	36.07	(2,770,177)	46.17
Options expired during the period	(1,470,223)		(769,618)	
Options outstanding at 31 December	**25,458,221**	**59.24**	**27,509,625**	**58.67**
Options exercisable at 31 December	**18,605,666**	**63.55**	**16,722,292**	**61.99**

The average quoted stock market price for the option exercise period in 2012 was EUR 41.99 (EUR 54.84 in 2011).

- Performance share plans

	Year to 31 Dec. 2012	Year to 31 Dec. 2011
	Number of shares	Number of shares
Shares outstanding at 1 January	**2,633,568**	**1,637,867**
Shares granted during the period	1,921,935	1,040,450.00
Shares vested during the period	(351,808)	(2,392.00)
Shares expired during the period	(76,634)	(42,357.00)
Shares outstanding at 31 December	**4,127,061**	**2,633,568**

SHARES SUBSCRIBED OR PURCHASED BY EMPLOYEES UNDER THE COMPANY SAVINGS PLAN

	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Date of plan announcement	3 May 2012	11 May 2011
Quoted price of BNP Paribas shares at date of plan announcement (in euros)	30.15	54.23
Number of shares issued	4,289,709	6,315,653
Subscription price (in euros)	25.00	42.40
Five-year risk-free interest rate	1.67%	2.76%
Five-year borrowing rate	7.52%	7.63%
Fair value-based cost of the mandatory holding period	29.00%	25.14%

In 2012 as in 2011, the discount granted to employees subscribing shares under the Company Savings Plan was less than the value of the five-year mandatory holding period applicable to the shares purchased and the Group did not recognise an expense in this respect.

Of the total number of BNP Paribas Group employees who were offered the opportunity of buying shares under the Plan in 2012, 27% accepted the offer and 73% turned it down.

8. ADDITIONAL INFORMATION

8.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

- Resolutions of the Shareholders' General Meeting valid for 2012

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 2012:

	Resolutions adopted at Shareholders' General Meetings	Use of authorisation in 2012
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 waiving of pre-emptive rights for existing shareholders, reserved for members of the BNP Paribas Group Corporate Savings Plan.* *This authorisation was granted for a period of 26 months and was nullified by the 20th resolution of the Shareholders' General Meeting of 23 May 2012.*	4,289,709 new shares with a par value of EUR 2 issued on 29 June 2012
Shareholders' General Meeting of 11 May 2011 (5th resolution)	Authorisation given to the Board of Directors to set up a share buyback programme for the Company until it holds at most 10% of the shares forming the share capital. *Said acquisitions of shares at a price not exceeding EUR 75 would be intended to fulfil several objectives, notably including:* *- honouring obligations arising from the issue of share equivalents, stock option programmes, 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;* *- cancelling shares following authorisation by the Shareholders' General Meeting of 11 May 2011.* *- covering any allocation of shares to the employees and corporate officers of BNP Paribas and companies exclusively controlled by BNP Paribas within the meaning of Article L. 233-16 of the French Commercial Code,* *- for retention or remittance in exchange or payment for external growth transactions, mergers, spin-offs or asset contributions,* *- in connection with a market-making agreement complying with the Code of Ethics recognised by the Autorité des Marchés Financiers,* *- for asset and financial management purposes.* *This authorisation was granted for a period of 18 months and was nullified by the 5th resolution of the Shareholders' General Meeting of 23 May 2012.*	Under the market-making agreement, 586,934 shares with a par value of EUR 2 were acquired and 577,489 shares with a par value of EUR 2 were sold between 1January and 23 May 2012
Shareholders' General Meeting of 11 May 2011 (15th resolution)	Authorisation to allot performance shares to the Group's employees and corporate officers *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.*	1,921,935 performance shares granted at the Board meeting of 6 March 2012

Shareholders' General Meeting of 11 May 2011 (16th 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 the share capital of BNP Paribas, i.e. less than 1% a year. This is a blanket limit covering both the 15th and 16th resolutions of the Shareholders' General Meeting of 11 May 2011.* *This authorisation was granted for a period of 38 months.*	This authorisation was not used during the period
Shareholders' General Meeting of 23 May 2012 (3rd resolution)	*Decision to propose to shareholders 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 83,358,352 or 41,679,176 shares. This operation generated an additional paid-in capital of EUR 941,115,794.08.*	41,679,176 new shares with a par value of EUR 2 issued on 26 June 2012
Shareholders' General Meeting of 23 May 2012 (5th resolution)	Authorisation given to the Board of Directors to set up a share buyback programme for the Company until it holds at most 10% of the shares forming the share capital. *Said acquisitions of shares at a price not exceeding EUR 60 per share (EUR 75 previously) would be intended to fulfil several objectives, notably including:* *- honouring obligations arising from the issue of share equivalents, stock option programmes, 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;* *- cancelling shares following authorisation by the Shareholders' General Meeting of 23 May 2012 (21st resolution);* *- covering any allocation of shares to the employees and corporate officers of BNP Paribas and companies exclusively controlled by BNP Paribas within the meaning of Article L. 233-16 of the French Commercial Code,* *- for retention or remittance in exchange or payment for external growth transactions, mergers, spin-offs or asset contributions,* *- in connection with a market-making agreement complying with the Code of Ethics of the Autorité des Marchés Financiers,* *- for asset and financial management purposes.* *This authorisation was granted for a period of 18 months and replaces that given by the 5th resolution of the Shareholders' General Meeting of 11 May 2011.*	Under the market-making agreement, 1,156,315 shares with a par value of EUR 2 were acquired and 1,245,515 shares with a par value of EUR 2 were sold between 24 May and 31 December 2012
Shareholders' General Meeting of 23 May 2012 (13th resolution)	Authorisation to issue ordinary shares and share equivalents and securities granting entitlement to debt instruments, 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 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 replaces that given by the 12th resolution of the Shareholders' General Meeting of 12 May 2010.*	This authorisation was not used during the period
Shareholders' General Meeting of 23 May 2012 (14th resolution)	Authorisation to issue ordinary shares and share equivalents and securities granting entitlement to debt instruments, 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 replaces that given by the 13th resolution of the Shareholders' General Meeting of 12 May 2010.*	This authorisation was not used during the period
Shareholders' General Meeting of 23 May 2012 (15th 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 (representing 175 million shares).* *This authorisation was granted for a period of 26 months and replaces that given by the 14th resolution of the Shareholders' General Meeting of 12 May 2010.* .	This authorisation was not used during the period

Shareholders' General Meeting of 23 May 2012 (16th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, in consideration for securities tendered to contribution of 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 forming the issued capital of BNP Paribas on the date of the decision by the Board of Directors.* *This authorisation was granted for a period of 26 months and replaces that given by the 15th resolution of the Shareholders' General Meeting of 12 May 2010.*	This authorisation was not used during the period
Shareholders' General Meeting of 23 May 2012 (17th resolution)	Blanket limit on authorisations to issue shares without pre-emptive rights for existing shareholders. *The maximum par value of all issues made without pre-emptive rights for existing shareholders carried out immediately and/or in the future by virtue of the authorisations granted under the 14th to 16th resolutions of the present Shareholders' General Meeting may not exceed EUR 350 million for shares and EUR 7 billion for debt instruments.*	Not applicable
Shareholders' General Meeting of 23 May 2012 (18th 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 replaces that given by the 17th resolution of the Shareholders' General Meeting of 12 May 2010.* .	This authorisation was not used during the period
Shareholders' General Meeting of 23 May 2012 (19th 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 13th to 16th resolutions of the present Shareholders' General Meeting may not exceed EUR 1 billion for shares issued immediately and/or in the future and EUR 10 billion for debt instruments.*	Not applicable
Shareholders' General Meeting of 23 May 2012 (20th 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.* *This authorisation was granted for a period of 26 months and replaces that given by the 19th resolution of the Shareholders' General Meeting of 12 May 2010.*	This authorisation was not used during the period
Shareholders' General Meeting of 23 May 2012 (21st resolution)	Authorisation granted to the Board of Directors 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 replaces that given by the 17th resolution of the Shareholders' General Meeting of 11 May 2011.*	12,034,091 shares with a par value of EUR 2 were cancelled on 14 December 2012.

- **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 2010	**1,198,660,156**	**2**	**2,397,320,312**			
Increase in ordinary shares by exercise of stock subscription options	2,736,124	2	5,472,248	(1)	(1)	1 January 2010
Increase in ordinary shares by exercise of stock subscription options	34,053	2	68,106	(1)	(1)	1 January 2011
Capital increase reserved for members of the Company Savings Plan	6,315,653	2	12,631,306	12 May 2010	11 May 2011	1 January 2011
Number of shares outstanding at 31 December 2011	**1,207,745,986**	**2**	**2,415,491,972**			
Increase in ordinary shares by exercise of stock subscription options	12,694	2	25,388	(1)	(1)	1 January 2011
Increase in ordinary shares by exercise of stock subscription options	568,487	2	1,136,974	(1)	(1)	1 January 2012
Capital increase arising from the payment of a stock dividend	41,679,176	2	83,358,352	23 May 2012	23 May 2012	1 January 2012
Capital increase reserved for members of the Company Savings Plan	4,289,709	2	8,579,418	12 May 2010	3 May 2012	1 January 2012
Capital decrease	(12,034,091)	2	(24,068,182)	23 May 2012	14 December 2012	-
Number of shares outstanding at 31 December 2012	**1,242,261,961**	**2**	**2,484,523,922**			

(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.

- **Shares issued by BNP Paribas and held by the Group**

	Proprietary transactions		Trading transactions (1)		Total	
	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)
Shares held at 31 December 2010	**2,914,178**	**162**	**(4,499,794)**	**(214)**	**(1,585,616)**	**(52)**
Acquisitions	17,294,952	614			17,294,952	614
Disposals	(2,530,370)	(127)			(2,530,370)	(127)
Shares delivered to employees	(13,464)	(1)			(13,464)	(1)
Other movements	(1,700,548)	(89)	(1,580,236)	30	(3,280,784)	(59)
Shares held at 31 December 2011	**15,964,748**	**559**	**(6,080,030)**	**(184)**	**9,884,718**	**375**
Acquisitions	1,743,249	58			1,743,249	58
Disposals	(1,823,004)	(59)			(1,823,004)	(59)
Shares delivered to employees	(352,306)	(15)			(352,306)	(15)
Capital decrease	(12,034,091)	(378)			(12,034,091)	(378)
Other movements	(920)		4,714,581	126	4,713,661	126
Shares held at 31 December 2012	**3,497,676**	**165**	**(1,365,449)**	**(58)**	**2,132,227**	**107**

(1) Short selling in the framework of an activity of trading and arbitrage transactions on equity indices.

At 31 December 2012, the BNP Paribas group was a net buyer of 2,132,227 BNP Paribas shares representing an amount of EUR 107 million, which was recognised as a reduction in equity.

During 2011, BNP Paribas SA acquired on the market, outside the market-making agreement, 12,034,091 shares at an average price of EUR 31.39 with the intention of cancelling these shares. They have been cancelled following the decision of the Board of Directors made on 14 December 2012.

Under the Bank's market-making agreement with BNP Paribas share in the Italian market, and in line with the Code of Ethics recognised by the AMF, BNP Paribas SA bought back 1,743,249 shares during 2012 at an average share price of EUR 33.36, and sold 1,823,004 treasury shares at an average share price of EUR 33.70. At 31 December 2012, 149,832 shares worth EUR 6.3 million were held by BNP Paribas under this agreement.

From 1 January to 31 December 2012, 351,808 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 January 2003, BNP Paribas Capital Trust VI, a subsidiary under the exclusive control of the Group, made a EUR 700 million issue of non-voting 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. They are redeemable at the issuer's discretion after a ten-year period, and thereafter at each coupon date. In case they are not redeemed in 2013, a Euribor-indexed dividend will be paid quarterly. 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.

During 2011 and 2012, EUR 500 million and EUR 660 million of undated preferred shares of the same type as those described above were redeemed.

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.

In October 2012, EUR 45 million of the 2003 issue have been repurchased, generating a gross gain in shareholders' equity of EUR 4 million.

- Preferred shares issued by the Group's foreign subsidiaries

Issuer	Date of issue	Currency	Amount (in millions of euros)	Rate and term before 1st call date		Rate after 1st call date
BNPP Capital Trust VI	January 2003	EUR	700	5.868%	10 years	3-month Euribor + 2.48%
Cofinoga Funding I LP	March 2003	EUR	55 (1)	6.82%	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 at 31 December 2012			**752 (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 and after applying the proportional consolidation rate of Cofinoga.

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 2012, the BNP Paribas Group held EUR 15 million in preferred shares (EUR 55 million at 31 December 2011), deducted from minority interests.

- Undated Super Subordinated Notes issued by BNP Paribas SA

BNP Paribas SA has issued Undated Super Subordinated Notes which 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.

In the fourth quarter of 2011, the following transactions were carried out in relation to Undated Super Subordinated Notes:

- a public offer to exchange USD 1.3 billion of notes issued in June 2005 for new non-subordinated bonds paying interest at 3-month USD Libor + 2.75%. This transaction reduced outstanding debt by USD 280 million, generating a gross gain of EUR 59 million in terms of equity.

- a public offer to buy EUR 750 million of notes issued in April 2006, GBP 325 million of notes issued in July 2006 and EUR 750 million of notes issued in April 2007. This transaction reduced the outstanding debt by EUR 201 million, GBP 162 million and EUR 112 million respectively, and generated a gross gain of EUR 135 million in terms of equity.

Fortis Bank 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. These Undated Super Subordinated Notes were redeemed early on 23 May 2011.

The table below summarises the characteristics of these various issues

Undated Super Subordinated Notes

Date of issue	Currency	Amount (in millions of currency units)	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
June 2005	USD	1,070	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	6.25%	6 years	6.250%
April 2006	EUR	549	annual	4.73%	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	5.45%	20 years	3-month Euribor + 1.920%
July 2006	GBP	163	annual	5.945%	10 years	GBP 3-month Libor + 1.810%
April 2007	EUR	638	annual	5.019%	10 years	3-month Euribor + 1.720%
June 2007	USD	600	quarterly	6.5%	5 years	6.50%
June 2007	USD	1,100	semi-annual	7.195%	30 years	USD 3-month Libor + 1.290%
October 2007	GBP	200	annual	7.436%	10 years	GBP 3-month Libor + 1.850%
June 2008	EUR	500	annual	7.781%	10 years	3-month Euribor + 3.750%
September 2008	EUR	650	annual	8.667%	5 years	3-month Euribor + 4.050%
September 2008	EUR	100	annual	7.57%	10 years	3-month Euribor + 3.925%
December 2009	EUR	2	quarterly	3-month Euribor + 3.750%	10 years	3-month Euribor + 4.750%
December 2009	EUR	17	annual	7.028%	10 years	3-month Euribor + 4.750%
December 2009	USD	70	quarterly	USD 3-month Libor + 3.750%	10 years	USD 3-month Libor + 4.750%
December 2009	USD	0.5	annual	7.384%	10 years	USD 3-month Libor + 4.750%
Total euro-equivalent value at 31 December 2012		**7,241 (1)**				

(1) Net of shares held in treasury by Group entities

BNP Paribas has the option of not paying interest due on these Undated Super Subordinated Notes 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 "Capital and retained earnings". In accordance with IAS 21, issues denominated in foreign currencies are recognised at their historical value based on their translation into euros at the issue date. Interest on the instruments is treated in the same way as dividends.

At 31 December 2012, the BNP Paribas Group held EUR 37 million of Undated Super Subordinated Notes which were deducted from shareholders' equity.

- **Earnings per share**

Basic earnings per share is calculated by dividing the net income for the period attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period. The net income attributable to ordinary shareholders is determined by deducting the net income attributable to holders of preferred shares.

Diluted earnings per share corresponds to net income for the year attributable to holders of ordinary shares, divided by the weighted average number of shares outstanding as adjusted for the maximum effect of the conversion of dilutive equity instruments into ordinary shares. In-the-money stock subscription options are taken into account in the diluted earnings per share calculation, as are 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. 2012	Year to 31 Dec. 2011
Net income used to calculate basic and diluted earnings per ordinary share ***(in millions of euros)*** [(1)]	**6,271**	**5,768**
Weighted average number of ordinary shares during the year	**1,214,528,487**	**1,197,356,577**
Effect of potentially dilutive ordinary shares	2,083,716	2,061,675
- Stock subscription plan [(2)]	-	706,705
- Performance share plan [(2)]	2,054,507	1,324,406
- Stock purchase plan	29,209	30,565
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,216,612,203**	**1,199,418,253**
Basic earnings per share ***(in euros)***	**5.16**	**4.82**
Diluted earnings per share ***(in euros)***	**5.15**	**4.81**

[(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 Undated Super Subordinated Notes issued by BNP Paribas SA (treated as preferred share equivalents), which for accounting purposes is treated as dividends.

[(2)] See note 7.e Share-based payments for the description of share-based plans.

The dividend per share paid in 2012 out of 2011 net income amounted to EUR 1.20 compared with EUR 2.10 per share paid in 2011 out of 2010 net income.

8.b SCOPE OF CONSOLIDATION

Name	Country	31/12/2012 Method	Voting (%)	Interest (%)	Ref.	31/12/2011 Method	Voting (%)	Interest (%)	Ref.
Consolidating company									
BNP Paribas SA	France								
Retail Banking									
Domestic Markets									
Retail Banking - France									
Banque de Bretagne	France								S4
Banque de Wallis et Futuna	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
BNP Paribas Developpement SA	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Factor	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Factor Portugal	Portugal	Full	100%	100%		Full	100%	100%	
BNP Paribas Guadeloupe	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Guyane	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Martinique	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Nouvelle Caledonie	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Réunion	France	Full (1)	100%	100%		Full (1)	100%	100%	
Fortis Commercial Finance SAS	France				S4	Full	100%	100%	E3
Fortis Mediacom Finance	France								S4
Retail Banking - Belgium									
Alpha Card SCRL (groupe)	Belgium	Equity	50.0%	37.5%		Equity	50.0%	37.5%	
BNP Paribas Commercial Finance Ltd. (Ex- Fortis Commercial Finance Ltd.)	UK	Equity *	100%	74.9%		Equity *	100%	74.9%	E3
BNP Paribas Fortis Factor	Belgium				S4	Full	100%	74.9%	
BNP Paribas Factor GmbH (Ex- Fortis Commercial Finance GmbH)	Germany	Equity *	100%	74.9%		Equity *	100%	74.9%	E3
BNP Paribas Fortis Factor NV (Ex- Fortis Commercial Finance NV)	Belgium	Full	100%	74.9%		Full	100%	74.9%	E3
BNP Paribas Fortis Funding SA	Luxembourg	Full	100%	74.9%		Full	100%	74.9%	
Bpost banque (ex- Banque de La Poste SA)	Belgium	Prop.	50.0%	37.5%		Prop.	50.0%	37.5%	
Demetris NV	Belgium	Equity *	100%	74.9%		Equity *	100%	74.9%	
Europay Belgium	Belgium				S3	Equity	39.9%	29.9%	
Fortis Banque SA (BNP Paribas Fortis)	Belgium	Full	74.9%	74.9%		Full	74.9%	74.9%	
Fortis Commercial Finance Deutschland BV	Netherlands	Equity *	100%	74.9%		Equity *	100%	74.9%	E3
Fortis Commercial Finance Holding NV	Netherlands	Full	100%	74.9%		Full	100%	74.9%	E3
Fortis Finance Belgium S.C.R.L.	Belgium	Full	100%	74.9%		Full	100%	74.9%	
FV Holding N.V.	Belgium	Equity	40.0%	30.0%		Equity	40.0%	30.0%	
Immobilière Sauvenière SA	Belgium	Equity *	100%	74.9%		Equity *	100%	74.9%	
Special Purpose Entities									
BASS Master Issuer NV	Belgium	Full	-	-		Full	-	-	
Esmée Master Issuer	Belgium	Full	-	-		Full	-	-	
Retail Banking - Luxembourg									
Alsabail	France								S2
BGL BNP Paribas	Luxembourg	Full	66.0%	53.4%		Full	66.0%	53.4%	
BGL BNP Paribas Factor SA	Luxembourg	Full	100%	53.4%	E1				
Cofhylux SA	Luxembourg	Full	100%	53.4%		Full	100%	53.4%	
Société Alsacienne de développement et d'expansion	France	Full	100%	53.4%		Full	100%	53.4%	
Retail Banking - Italy (BNL Banca Commerciale)									
Artigiancassa SPA	Italy	Full	73.9%	73.9%		Full	73.9%	73.9%	
Banca Nazionale del Lavoro SPA	Italy	Full	100%	100%		Full	100%	100%	
BNL Finance SPA	Italy	Full	100%	100%		Full	100%	100%	
BNL Positivity SRL	Italy	Full	51.0%	51.0%		Full	51.0%	51.0%	
BNP Paribas Personal Finance SPA	Italy				S4	Full	100%	100%	
International Factors Italia SPA - Ifitalia	Italy	Full	99.6%	99.6%		Full	99.6%	99.6%	
Special Purpose Entities									
EMF IT-2008-1 SRL	Italy	Full	-	-		Full	-	-	
UCB Service SRL	Italy								S4
Vela ABS	Italy	Full (2)	-	-		Full (2)	-	-	
Vela Home SRL	Italy	Full	-	-		Full	-	-	
Vela Mortgages SRL	Italy	Full	-	-		Full	-	-	
Vela OBG SRL	Italy	Full	-	-	E1				
Vela Public Sector SRL	Italy	Full	-	-		Full	-	-	
Arval									
Arval Austria GmbH	Austria	Equity *	100%	100%	D1	Full	100%	100%	
Arval Belgium SA	Belgium	Full	100%	100%		Full	100%	100%	
Arval Benelux BV	Netherlands	Full	100%	100%		Full	100%	100%	
Arval Brasil Limitada	Brazil	Full	100%	100%		Full	100%	100%	
Arval Business Services Ltd.	UK	Full	100%	100%		Full	100%	100%	
Arval BV	Netherlands	Full	100%	100%		Full	100%	100%	
Arval CZ SRO (ex- Arval PHH Service Lease CZ)	Czech Republic	Full	100%	100%		Full	100%	100%	
Arval Deutschland GmbH	Germany	Full	100%	100%		Full	100%	100%	
Arval ECL SAS	France	Equity *	100%	100%	D1	Full	100%	100%	
Arval Hellas Car Rental SA	Greece	Equity *	100%	100%		Equity *	100%	100%	
Arval India Private Ltd.	India	Equity *	100%	100%		Equity *	100%	100%	
Arval Ltd.	UK	Full	100%	100%		Full	100%	100%	
Arval Luxembourg SA	Luxembourg	Equity *	100%	100%	D1	Full	100%	100%	
Arval Magyarorszag KFT	Hungary	Equity *	100%	100%		Equity *	100%	100%	E1
Arval Maroc SA	Morocco	Equity *	100%	89.0%	D1	Full	100%	89.0%	
Arval NV	Belgium				S3	Full	100%	100%	
Arval PHH Holdings Ltd.	UK	Full	100%	100%		Full	100%	100%	
Arval PHH Holdings UK Ltd.	UK	Full	100%	100%		Full	100%	100%	
Arval OOO	Russia	Full	100%	100%		Full	100%	100%	
Arval Schweiz AG	Switzerland	Equity *	100%	100%	D1	Full	100%	100%	
Arval Service Gmbh	Germany	Full	100%	100%		Full	100%	100%	E3

Name	Country	31/12/2012 Method	Voting (%)	Interest (%)	Ref.	31/12/2011 Method	Voting (%)	Interest (%)	Ref.
Arval (cont'd)									
Arval Service Lease	France	Full	100%	100%		Full	100%	100%	
Arval Service Lease Aluger Operational Automoveis	Portugal	Equity *	100%	100%	D1	Full	100%	100%	
Arval Service Lease Italia S. p. A.	Italy	Full	100%	100%		Full	100%	100%	
Arval Service Lease Polska sp. z o. o.	Poland	Full	100%	100%		Full	100%	100%	
Arval Service Lease Romania SRL	Romania	Equity *	100%	100%		Equity *	100%	100%	
Arval Service Lease SA	Spain	Full	100%	100%		Full	100%	100%	
Arval Slovakia	Slovakia	Equity *	100%	100%	D1	Full	100%	100%	
Arval Trading	France	Equity *	100%	100%	D1	Full	100%	100%	
Arval UK Group Ltd.	UK	Full	100%	100%		Full	100%	100%	
Arval UK Ltd.	UK	Full	100%	100%		Full	100%	100%	
Autovalley	France	Equity *	100%	100%		Equity *	100%	100%	
BNP Paribas Fleet Holdings Ltd.	UK	Full	100%	100%		Full	100%	100%	
Cofiparc SNC	France	Full	100%	100%		Full	100%	100%	
Dexia Location Longue Durée	France	Equity *	51.0%	51.0%		Equity *	51.0%	51.0%	
Gestion et Location Holding	France	Full	100%	100%		Full	100%	100%	
Greenval Insurance Company Ltd.	Ireland	Full (3)	100%	100%		Full (3)	100%	100%	
PHH Financial services Ltd.	UK	Full	100%	100%		Full	100%	100%	
PHH Investment Services Ltd.	UK								S1
PHH Treasury Services Ltd.	UK								S1
TEB Arval Arac Filo Kiralama AS	Turkey	Full	75.0%	68.7%		Full	75.0%	68.7%	
Leasing Solutions									
Ace Equipment Leasing	Belgium	Full	100%	76.7%	V2	Full	100%	84.5%	
Ace Leasing	Belgium	Full	100%	76.7%	V2	Full	100%	84.5%	
Ace Leasing BV	Netherlands	Full	100%	76.7%	V2	Full	100%	84.5%	
Agrilease BV	Netherlands	Full	100%	76.7%	V2	Full	100%	84.5%	
Albury Asset Rentals Ltd.	UK	Full	100%	76.7%	V2	Full	100%	84.5%	
All In One Vermietungsgesellschaft für Telekommunicationsanlagen mbH.	Germany	Equity *	100%	76.7%	V2	Equity *	100%	84.5%	D1
All In One Vermietung GmbH	Austria	Equity *	100%	76.7%	V2	Equity *	100%	84.5%	D1
Allstar Business Solutions Ltd.	UK								S2
Aprolis Finance	France	Full	51.0%	39.1%	V2	Full	51.0%	43.1%	
Arius	France	Full	100%	76.7%	V2	Full	100%	84.5%	
Artegy Ltd.	UK	Full	100%	76.7%	V2	Full	100%	84.5%	
Artegy	France	Full	100%	76.7%	V2	Full	100%	84.5%	
Barloworld Heftruck BV	Netherlands	Equity	50.0%	38.4%	V2	Equity	50.0%	42.2%	
BNP Paribas Finansal Kiralama AS	Turkey	Full	100%	75.8%	V2	Full	100%	83.2%	V3
BNP Paribas Lease Group BPLG	France	Full (1)	100%	76.7%	V2	Full (1)	100%	84.5%	
BNP Paribas Lease Group (Rentals) Ltd.	UK	Full	100%	76.7%	V2	Full	100%	84.5%	
BNP Paribas Lease Group BV	Netherlands								S4
BNP Paribas Lease Group IFN SA	Romania	Equity *	100%	76.7%	V2	Equity *	100%	84.5%	E1
BNP Paribas Lease Group KFT	Hungary	Equity *	100%	76.7%	V2	Equity *	100%	84.5%	D1
BNP Paribas Lease Group Leasing Solutions SPA	Italy	Full	100%	93.9%	V2	Full	100%	95.9%	
BNP Paribas Lease Group Lizing RT	Hungary	Equity *	100%	76.7%	V2	Equity *	100%	84.5%	D1
BNP Paribas Lease Group Luxembourg SA	Luxembourg	Full	100%	53.4%	V2	Full	100%	84.5%	
BNP Paribas Lease Group Netherlands BV	Netherlands	Full	100%	76.7%	V2	Full	100%	84.5%	
BNP Paribas Lease Group Polska SP z.o.o	Poland	Equity *	100%	76.7%	V2	Equity *	100%	84.5%	D1
BNP Paribas Lease Group PLC	UK	Full	100%	76.7%	V2	Full	100%	84.5%	
BNP Paribas Lease Group SA Belgium	Belgium	Full	100%	76.7%	V2	Full	100%	84.5%	
BNP Paribas Leasing Solutions	Luxembourg	Full	100%	76.7%	V2	Full	100%	84.5%	
BNP Paribas Leasing Solutions Immobilier Suisse (ex- Fortis Lease Immobilier Suisse)	Switzerland	Equity *	100%	76.7%	V2	Equity *	100%	84.5%	D1
BNP Paribas Leasing Solutions Ltd. (ex- H.F.G.L Ltd.)	UK	Full	100%	76.7%	V2	Full	100%	84.5%	
BNP Paribas Leasing Solutions NV	Netherlands	Full	100%	76.7%	V2	Full	100%	84.5%	
BNP Paribas Leasing Solutions Suisse SA	Switzerland	Equity *	100%	76.7%	V2&D1	Full	100%	84.5%	
Claas Financial Services	France	Full (1)	60.1%	46.1%	V2	Full (1)	60.1%	50.8%	
Claas Financial Services Inc.	U.S.A	Full	100%	46.1%	V2	Full	100%	50.8%	
Claas Financial Services Ltd.	UK	Full	51.0%	39.1%	V2	Full	51.0%	43.1%	
CNH Capital Europe	France	Full (1)	50.1%	38.4%	V2	Full (1)	50.1%	42.3%	
CNH Capital Europe BV	Netherlands	Full	100%	38.4%	V2	Full	100%	42.3%	
CNH Capital Europe GmbH	Austria	Full	100%	38.4%	V2	Full	100%	42.3%	
CNH Capital Europe Ltd.	UK	Full	100%	38.4%	V2	Full	100%	42.3%	
Commercial Vehicle Finance Ltd.	UK	Full	100%	76.7%	V2	Full	100%	84.5%	
Dialcard Fleet Services Ltd.	UK								S1
Diamond Finance UK Ltd.	UK								S1
Equipment Lease BV	Netherlands	Full	100%	76.7%	V2	Full	100%	84.5%	
ES-Finance	Belgium	Full	100%	74.9%	V2	Full	100%	84.5%	
Fortis Energy Leasing XI BV	Netherlands	Full	100%	76.7%	V2	Full	100%	84.5%	
Fortis Energy Leasing X2 BV	Netherlands	Full	100%	76.7%	V2	Full	100%	84.5%	
Fortis Energy Leasing X3 BV	Netherlands								S2
Fortis Energy Leasing XIV BV	Netherlands	Full	100%	76.7%	V2	Full	100%	84.5%	
Fortis Lease Belgium	Belgium	Full	100%	76.7%	V2	Full	100%	84.5%	
Fortis Lease (France)	France	Full (1)	100%	76.7%	V2	Full (1)	100%	84.5%	
Fortis Lease Car & Truck	Belgium	Full	100%	76.7%	V2	Full	100%	84.5%	
Fortis Lease Czech	Czech Republic								S2
Fortis Lease Deutschland GmbH	Germany	Equity *	100%	76.7%	V2	Equity *	100%	84.5%	D1
Fortis Lease Group Services	Belgium				V2&S3	Full	100%	84.5%	
Fortis Lease Hungaria Equipment Financing Financial Leasing Company	Hungary				S3	Equity *	100%	84.5%	
Fortis Lease Hungaria Vehicle Financing Financial Leasing Company	Hungary				S3	Equity *	100%	84.5%	
Fortis Lease Iberia SA	Spain	Equity *	100%	76.3%	V2	Equity *	100%	82.4%	D1
Fortis Lease Operativ Lizing Zartkoruen Mukodo Reszvenytarsasag	Hungary	Equity *	100%	76.7%	V2	Equity *	100%	84.5%	
Fortis Lease Polska Sp.z.o.o.	Poland	Full	100%	74.9%		Full	100%	74.9%	V2
Fortis Lease Portugal	Portugal	Equity *	100%	76.7%	V2	Equity *	100%	84.5%	D1
Fortis Lease Romania IFN SA	Romania	Equity *	100%	76.7%	V2	Equity *	100%	84.5%	D1
Fortis Lease SPA	Italy								S4

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
- E1 Passing qualifying thresholds as defined by the Group (cf. note 1.b)
- E2 Incorporation
- E3 Purchase or change of control

Removals (S) from the scope of consolidation
- S1 Cessation of activity (including dissolution, liquidation)
- S2 Disposal, loss of control or loss of significant influence
- S3 Entities removed from the scope because < qualifying thresholds (cf.note 1.b)
- S4 Merger, Universal transfer of assets and liabilities

Variance(V) in voting or ownership interest
- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

Equity * Simplified consolidation by the equity method (non-material entities)(cf. note 1.b)

Miscellaneous
- D1 Consolidation method change not related to fluctuation in voting or ownership interest
- D2 111 Construction-Sale Companies (Real Estate programmes) of which 103 fully and 8 proportionally consolidated
- D3 The Klepierre group was fully consolidated until 14 March 2012, then, following the partial disposal of the interest of BNP Paribas Group, the Klepierre group has been consolidated under the equity method (cf. note 8.d.).

Prudential scope of consolidation
- (1) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
- (2) Entities excluded from prudential scope of consolidation
- (3) Entities consolidated under the equity method for prudential purposes

		31/12/2012				31/12/2011			
Name	**Country**	**Method**	**Voting (%)**	**Interest (%)**	**Ref.**	**Method**	**Voting (%)**	**Interest (%)**	**Ref.**
Leasing Solutions (cont'd)									
Fortis Lease UK Ltd.	UK	Full	100%	76.7%	V2	Full	100%	84.5%	
Fortis Lease UK (1) Ltd.	UK				S3	Equity *	100%	84.5%	D1
Fortis Lease UK Retail Ltd.	UK	Full	100%	76.7%	V2	Full	100%	84.5%	
Fortis Vastgoedlease BV	Netherlands	Full	100%	76.7%	V2	Full	100%	84.5%	
Hans Van Driel Rental BV (ex- AFL Lease BV)	Netherlands				S2	Full	100%	84.5%	
H.F.G.L Ltd. (ex- BNP Paribas Leasing Solutions Ltd.)	UK	Full	100%	76.7%	V2	Full	100%	84.5%	
Humberclyde Commercial Investments Ltd.	UK	Full	100%	76.7%	V2	Full	100%	84.5%	
Humberclyde Commercial Investments N°1 Ltd.	UK	Full	100%	76.7%	V2	Full	100%	84.5%	
Humberclyde Commercial Investments N° 4 Ltd.	UK								S1
Humberclyde Finance Ltd.	UK				S1	Full	100%	84.5%	
Humberclyde Industrial Finance Ltd.	UK				S1	Full	100%	84.5%	
JCB Finance	France	Full (1)	100%	38.4%	V2	Full (1)	100%	42.3%	
JCB Finance Holdings Ltd.	UK	Full	50.1%	38.4%	V2	Full	50.1%	42.3%	
Locatrice Italiana SPA	Italy	Equity *	100%	93.9%	V2	Equity *	100%	95.9%	D1
Manitou Finance Ltd.	UK	Full	51.0%	39.1%	V2	Full	51.0%	43.1%	
MFF	France	Full (1)	51.0%	39.1%	V2	Full (1)	51.0%	43.1%	
Natiocrédibail	France	Full (1)	100%	100%	V1	Full (1)	100%	84.5%	
Natiocrédimurs	France	Full (1)	100%	100%	V1	Full (1)	100%	84.5%	
Natioénergie	France	Full (1)	100%	100%	V1	Full (1)	100%	84.5%	
Paricomi 2	France				S3	Full	100%	100%	
Same Deutz Fahr Finance Ltd.	UK	Full	100%	76.7%	V2	Full	100%	84.5%	
Same Deutz-Fahr Finance	France	Full (1)	100%	76.7%	V2	Full (1)	100%	84.5%	
SREI Equipement Finance Private Ltd.	India	Prop.	50.0%	38.4%	V2	Prop.	50.0%	42.2%	
TEB Finansal Kiralama AS	Turkey								S4
UFB Asset Finance Ltd.	UK				S1	Full	100%	84.5%	
Special Purpose Entities									
Vela Lease SRL	Italy	Full	-	-		Full	-	-	
Personal Investors									
B*Capital	France	Full (1)	100%	99.9%		Full (1)	100%	99.9%	
Cortal Consors	France	Full (1)	100%	100.0%		Full (1)	100%	100.0%	
Geojit BNP Paribas Financial Services Ltd - Groupe	India	Prop.	33.6%	33.6%		Prop.	33.6%	33.6%	
Geojit Technologies Private Ltd.	India	Full	56.8%	56.8%		Full	56.8%	56.8%	
Portzamparc Gestion	France	Full	100%	51.0%		Full	100%	51.0%	
Portzamparc société de Bourse	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
BNP Paribas Personal Finance									
Alpha Crédit SA	Belgium	Full	100%	74.9%		Full	100%	74.9%	
Axa Banque Financement	France	Equity	35.0%	35.0%		Equity	35.0%	35.0%	
Banco BGN SA	Brazil	Full	100%	100%		Full	100%	100%	
Banco BNP Paribas Personal Finance SA	Portugal	Full	100%	100%		Full	100%	100%	
Banco Cetelem Argentina SA	Argentina	Full	100%	100%		Full	100%	100%	
Banco Cetelem SA	Spain	Full	100%	100%		Full	100%	100%	
Banco de Servicios Financieros SA	Argentina	Equity	39.9%	39.9%		Equity	39.9%	39.9%	E1
BGN Mercantil E Servicos Limitada	Brazil	Equity *	100%	100%	E1				
Bieffe 5 SPA	Italy	Full	100%	100%		Full	100%	100%	V1
BNP Paribas Personal Finance	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Personal Finance EAD	Bulgaria	Full	100%	100%		Full	100%	100%	
BNP Paribas Personal Finance BV	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas Personal Finance SA de CV	Mexico	Full	100%	100%		Full	100%	100%	
BNP Paribas Vostok LLC	Russia	Equity	30.0%	30.0%	V2	Full	100%	100%	
Cafineo	France	Full (1)	51.0%	50.8%		Full (1)	51.0%	50.8%	
Carrefour Banque	France	Equity	39.2%	39.2%		Equity	39.2%	39.2%	
Carrefour Promotora de Vendas e Participaçoes (CPVP) Limitada	Brazil				S2	Equity	40.0%	40.0%	
Cetelem Algérie	Algeria	Equity *	100%	100%	D1	Full	100%	100%	
Cetelem America Ltda	Brazil	Full	100%	100%		Full	100%	100%	
Cetelem Benelux BV	Netherlands				S1	Full	100%	100%	
Cetelem Brasil SA	Brazil	Full	100%	100%		Full	100%	100%	
Cetelem CR AS	Czech Republic	Full	100%	100%		Full	100%	100%	
Cetelem IFN	Romania	Full	100%	100%		Full	100%	100%	
Cetelem Latin America Holding Participaçoes Ltda	Brazil	Full	100%	100%		Full	100%	100%	
Cetelem Slovensko AS	Slovakia	Full	100%	100%		Full	100%	100%	
Cetelem Thailande	Thailand								S2
CMV Médiforce	France	Full (1)	100%	100%		Full (1)	100%	100%	
Cofica Bail	France	Full (1)	100%	100%		Full (1)	100%	100%	
Cofiplan	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Commerz Finanz	Germany	Full	50.1%	50.1%		Full	50.1%	50.1%	
Cosimo	France	Full	100%	100%		Full	100%	100%	E1
Credirama SPA	Italy	Equity *	51.0%	51.0%		Equity *	51.0%	51.0%	V1&D1
Credisson Holding Ltd.	Cyprus				S1	Full	100%	100%	
Crédit Moderne Antilles Guyane	France	Full (1)	100%	100%		Full (1)	100%	100%	
Crédit Moderne Océan Indien	France	Full (1)	97.8%	97.8%		Full (1)	97.8%	97.8%	
Direct Services	Bulgaria	Full	100%	100%		Full	100%	100%	
Domofinance	France	Full (1)	55.0%	55.0%		Full (1)	55.0%	55.0%	
Effico	France	Full	100%	100%		Full	100%	100%	
Effico Iberia SA	Spain	Full	100%	100%		Full	100%	100%	
Effico Portugal	Portugal	Equity *	100%	100%		Equity *	100%	100%	
Eos Aremas Belgium SA	Belgium	Equity	50.0%	37.4%		Equity	50.0%	37.4%	
Eurocredito EFC SA	Spain	Full	100%	100%		Full	100%	100%	
Facet	France	Full (1)	100%	100%		Full (1)	100%	100%	
Fidem	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
Fimestic Expansion SA	Spain	Full	100%	100%		Full	100%	100%	
Finalia	Belgium	Full	100%	74.9%	V1	Full	51.0%	38.2%	
Findomestic Banca SPA	Italy	Full	100%	100%		Full	100%	100%	V1
Findomestic Banka AD	Serbia	Full	100%	100%		Full	100%	100%	V1
LaSer - Cofinoga (Groupe)	France	Prop.	50.0%	50.0%		Prop.	50.0%	50.0%	

		31/12/2012				31/12/2011			
Name	**Country**	**Method**	**Voting (%)**	**Interest (%)**	**Ref.**	**Method**	**Voting (%)**	**Interest (%)**	**Ref.**
BNP Paribas Personal Finance (cont'd)									
Leval 20	France	Full	100%	100%	E1				
Loisirs Finance	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
Magyar Cetelem Bank Zrt.	Hungary	Full	100%	100%		Full	100%	100%	
Natixis Financement	France				S2	Equity	33.0%	33.0%	
Nissan Finance Belgium NV	Belgium	Full	100%	75.4%	V2	Full	100%	77.3%	
Norrsken Finance	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
Prestacomer SA de CV	Mexico	Full	100%	100%		Full	100%	100%	
Prêts et Services SAS	France	Full (1)	100%	100%		Full (1)	100%	100%	
Projeo	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
Servicios Financieros Carrefour EFC	Spain	Equity	37.3%	39.9%		Equity	37.3%	39.9%	
Submarino Finance Promotora de Credito Limitada	Brazil				S2	Prop.	50.0%	50.0%	
Sundaram Home Finance Ltd.	India	Equity *	49.9%	49.9%		Equity *	49.9%	49.9%	D1
TEB Tuketici Finansman AS	Turkey	Full	92.8%	91.0%		Full	92.8%	91.0%	V1
UCB Ingatlanhitel RT	Hungary	Full	100%	100%		Full	100%	100%	
UCB Suisse	Switzerland	Full	100%	100%		Full	100%	100%	
Union de Creditos Inmobiliarios - UCI (Groupe)	Spain	Prop.	50.0%	50.0%		Prop.	50.0%	50.0%	
Von Essen GmbH & Co. KG Bankgesellschaft	Germany	Full	100%	74.9%		Full	100%	74.9%	
Special Purpose Entities									
Autonoria 2012 - 1 et 2	France	Full	-	-	E2				
Domos 2011 - A et B	France	Full	-	-		Full	-	-	E2
FCC Retail ABS Finance - Noria 2008	France				S1	Full	-	-	
FCC Retail ABS Finance - Noria 2009	France	Full	-	-		Full	-	-	
FCC Domos 2008	France	Full	-	-		Full	-	-	
FCC Master Domos	France				S1	Full	-	-	
FCC Master Domos 5	France								S1
FCC U.C.I 5 -18	Spain	Prop.	-	-		Prop.	-	-	
FCC U.C.I 19	Spain								S1
Fundo de Investimento EM Direitos Creditorios BGN Life	Brazil	Full	-	-		Full	-	-	
Fundo de Investimento EM Direitos Creditorios BGN Premium	Brazil				S1	Full	-	-	
Phedina Hypotheken 2010 BV	Netherlands	Full	-	-		Full	-	-	
Phedina Hypotheken 2011-I BV	Netherlands	Full	-	-		Full	-	-	E2
Viola Finanza SRL	Italy	Full	-	-		Full	-	-	
International Retail Banking									
Retail Banking in the United States of America									
1897 Services Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
521 South Seventh Street LLC	U.S.A				S1	Full	69.2%	69.2%	
BancWest Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Bancwest Investment Services, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Bank of the West Business Park Association LLC	U.S.A	Full	38.0%	38.0%		Full	38.0%	38.0%	
Bank of the West	U.S.A	Full	100%	100%		Full	100%	100%	
Bishop Street Capital Management Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
BW Insurance Agency, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BW Leasing, Inc.	U.S.A				S1	Full	100%	100%	
Center Club, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
CFB Community Development Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Claas Financial Services LLC	U.S.A	Full	75.9%	62.5%	V2	Full	75.9%	63.6%	
Commercial Federal Affordable Housing, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Commercial Federal Community Development Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Commercial Federal Insurance Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Commercial Federal Investment Service Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Commercial Federal Realty Investors Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Commercial Federal Service Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Community Service, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Equity Lending Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Essex Credit Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
FHB Guam Trust Co.	U.S.A	Full	100%	100%		Full	100%	100%	E2
FHL Lease Holding Company Inc.	U.S.A				S1	Full	100%	100%	
FHL SPC One, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
First Bancorp	U.S.A	Full	100%	100%		Full	100%	100%	
First Hawaïan Bank	U.S.A	Full	100%	100%		Full	100%	100%	
First Hawaiian Leasing, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
First National Bancorporation	U.S.A	Full	100%	100%		Full	100%	100%	
First Santa Clara Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Liberty Leasing Company	U.S.A	Full	100%	100%		Full	100%	100%	
Mountain Falls Acquisition Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Real Estate Delivery 2 Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
The Bankers Club, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Ursus Real estate inc	U.S.A	Full	100%	100%		Full	100%	100%	
Special Purpose Entities									
Commercial Federal Capital Trust 2	U.S.A	Full	-	-		Full	-	-	
Commercial Federal Capital Trust 3	U.S.A								S1
C-One Leasing LLC	U.S.A								S2
Equipment Lot Bombardier 1997A-FH	U.S.A	Full	-	-		Full	-	-	E1
Equipment Lot FH	U.S.A	Full	-	-		Full	-	-	E1
Equipment Lot Siemens 1997A-FH	U.S.A	Full	-	-		Full	-	-	E1
Equipment Lot Siemens 1998A-FH	U.S.A	Full	-	-		Full	-	-	E1
First Hawaiian Capital 1	U.S.A	Full	-	-		Full	-	-	
FTS Acquisitions LLC	U.S.A	Full	-	-		Full	-	-	
Glendale Corporate Center Acquisition LLC	U.S.A	Full	-	-		Full	-	-	
LACMTA Rail Statutory Trust (FH1)	U.S.A	Full	-	-		Full	-	-	E1
Laveen Village Center Acquisition LLC	U.S.A	Full	-	-		Full	-	-	
Lexington Blue LLC	U.S.A	Equity *	-	-		Equity *	-	-	E1
MNCRC Equipement Lot	U.S.A	Full	-	-		Full	-	-	E1
NYCTA Equipement Lot	U.S.A	Full	-	-		Full	-	-	E1
Riverwalk Village Three Holdings LLC	U.S.A	Full	-	-		Full	-	-	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

- E1 Passing qualifying thresholds as defined by the Group (cf. note 1.b)
- E2 Incorporation
- E3 Purchase or change of control

Removals (S) from the scope of consolidation

- S1 Cessation of activity (including dissolution, liquidation)
- S2 Disposal, loss of control or loss of significant influence
- S3 Entities removed from the scope because < qualifying thresholds (cf.note 1.b)
- S4 Merger, Universal transfer of assets and liabilities

Variance(V) in voting or ownership interest

- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

Equity * Simplified consolidation by the equity method (non-material entities)(cf. note 1.b)

Miscellaneous

- D1 Consolidation method change not related to fluctuation in voting or ownership interest
- D2 111 Construction-Sale Companies (Real Estate programmes) of which 103 fully and 8 proportionally consolidated
- D3 The Klepierre group was fully consolidated until 14 March 2012, then, following the partial disposal of the interest of BNP Paribas Group, the Klepierre group has been consolidated under the equity method (cf. note 8.d.).

Prudential scope of consolidation

- (1) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
- (2) Entities excluded from prudential scope of consolidation
- (3) Entites consolidated under the equity method for prudential purposes

Name	Country	31/12/2012 Method	31/12/2012 Voting (%)	31/12/2012 Interest (%)	31/12/2012 Ref.	31/12/2011 Method	31/12/2011 Voting (%)	31/12/2011 Interest (%)	31/12/2011 Ref.
Special Purpose Entities (cont'd)									
Santa Rita Townhomes Acquisition LLC	U.S.A	Full	-	-		Full	-	-	
Southwest Airlines 1993 Trust N363SW	U.S.A	Full	-	-		Full	-	-	E1
ST 2001 FH-1	U.S.A	Full	-	-		Full	-	-	E1
SWB 98-1	U.S.A				S1	Full	-	-	E1
SWB 99-1	U.S.A	Full	-	-		Full	-	-	E1
VTA 1998-FH	U.S.A	Full	-	-		Full	-	-	E1
1997-LRV-FH	U.S.A	Full	-	-		Full	-	-	E1
1999-FH-1 (SNCF)	U.S.A				S1	Full	-	-	E1
1999-FH-2 (SNCF)	U.S.A				S1	Full	-	-	E1
Europe Mediterranean									
Banque de Nankin	China	Equity	14.7%	14.7%	V1	Equity	12.7%	12.7%	
Banque du Sahara LSC	Libya								S2
Banque Internationale du Commerce et de l'Industrie Burkina Faso	Burkina Faso	Full	51.0%	51.0%		Full	51.0%	51.0%	
Banque Internationale du Commerce et de l'Industrie Cote d'Ivoire	Ivory Coast	Full	59.8%	59.8%		Full	59.8%	59.8%	
Banque Internationale du Commerce et de l'Industrie Gabon	Gabon	Equity	46.7%	46.7%		Equity	46.7%	46.7%	
Banque Internationale du Commerce et de l'Industrie Guinée	Guinea	Equity	30.8%	30.8%		Equity	30.8%	30.8%	
Banque Internationale du Commerce et de l'Industrie Mali	Mali	Full	85.0%	85.0%		Full	85.0%	85.0%	
Banque Internationale du Commerce et de l'Industrie Senegal	Senegal	Full	54.1%	54.1%		Full	54.1%	54.1%	
Banque Malgache de l'Ocean Indien	Madagascar								S2
Banque Marocaine du Commerce et de l'Industrie	Morocco	Full	67.0%	67.0%		Full	66.7%	66.7%	
Banque Marocaine du Commerce et de l'Industrie Assurance	Morocco	Equity *	100%	67.0%		Equity *	100%	66.7%	E1
Banque Marocaine du Commerce et de l'Industrie Crédit Conso	Morocco								S4
Banque Marocaine du Commerce et de l'Industrie Crédit Conso (ex- Cetelem Maroc)	Morocco	Full	99.9%	66.9%		Full	99.9%	66.7%	V3
Banque Marocaine du Commerce et de l'Industrie Gestion	Morocco	Equity *	100%	67.0%		Equity *	100%	66.7%	
Banque Marocaine du Commerce et de l'Industrie Leasing	Morocco	Full	72.0%	48.3%		Full	72.0%	48.1%	
Banque Marocaine du Commerce et de l'Industrie Offshore	Morocco	Full	100%	67.0%		Full	100%	66.7%	
BNP Intercontinentale - BNPI	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Bank Polska SA	Poland	Full	99.9%	74.9%		Full	99.9%	74.8%	
BNP Paribas BDDI Participations	France	Full	100%	100%		Full	100%	100%	
BNP Paribas El Djazair	Algeria	Full	100%	100%		Full	100%	100%	
BNP Paribas Fortis Yatirimlar Holding AS	Turkey	Full	100%	74.9%		Full	100%	74.9%	
BNP Paribas SAE	Egypt	Full	95.2%	95.2%		Full	95.2%	95.2%	
BNP Paribas Yatirimlar Holding Anonim Sirketi	Turkey	Full	100%	100%		Full	100%	100%	E2
Dominet SA	Poland	Full	100%	74.9%		Full	100%	74.9%	
Fortis Bank Anonim Sirketi	Turkey								S4
Fortis Bank Malta Ltd.	Malta	Equity *	100%	74.9%		Equity *	100%	74.9%	D1
Fortis Faktoring AS	Turkey	Equity *	100%	74.9%		Equity *	100%	74.9%	E3
Fortis Holding Malta BV	Netherlands	Full	100%	74.9%		Full	100%	74.9%	
Fortis Holding Malta Ltd.	Malta	Full	100%	74.9%		Full	100%	74.9%	
Fortis Portfoy Yonetimi AS	Turkey								S4
Fortis Yatirim Menkul Degerler AS	Turkey								S4
IC Axa Insurance	Ukraine	Equity *	49.8%	49.8%		Equity *	49.7%	49.7%	
IC Axa Ukraine	Ukraine				S4	Equity *	50.0%	50.0%	
Orient Commercial Bank	Vietnam	Equity	20.0%	20.0%		Equity	20.0%	20.0%	V1
TEB Holding AS (Groupe)	Turkey	Prop.	50.0%	37.5%		Prop.	50.0%	37.5%	
Ukrainian Leasing Company	Ukraine	Equity *	100%	100%		Equity *	100%	100%	D1
UkrSibbank	Ukraine	Full	100%	100%		Full	100%	100%	
Union Bancaire pour le Commerce et l'Industrie	Tunisia	Full	50.0%	50.0%		Full	50.0%	50.0%	
Special Purpose Entities									
K-Kollect LLC	Ukraine	Full	-	-		Full	-	-	E2
Investment Solutions									
BNP Paribas Suisse SA	Switzerland	Full	100%	100%		Full	100%	100%	
Insurance									
AG Insurance-Groupe	Belgium	Equity	25.0%	18.7%		Equity	25.0%	18.7%	
Antin Epargne Pension	France								S4
BNP Paribas Assurance TCB Life Insurance Company Ltd	Taiwan	Equity	49.0%	49.0%		Equity	49.0%	49.0%	
BNP Paribas Cardif	France	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas Cardif BV (ex- BNP Paribas Assurance BV)	Netherlands	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas Cardif Emeklilik Anonim Sirketi	Turkey	Equity *	100%	100%		Equity *	100%	100%	D1
BNP Paribas Cardif Levensverzekeringen NV (ex- Cardif Levensverzekeringen NV)	Netherlands	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas Cardif Pojistovna A.S (ex- Pojistovna Cardif Pro Vita A.S)	Czech Republic	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas Cardif PSC Ltd. (ex- Pinnacle Underwriting Limited)	UK	Equity *	100%	100%		Equity *	100%	100%	E1
BNP Paribas Cardif Seguros Generales SA (ex- Compania de Seguros Generales Cardif SA)	Chile	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas Cardif Seguros de Vida SA (ex- Compania de Seguros de Vida Cardif SA)	Chile	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas Cardif Vita Compagnia di Assicurazione E Riassicurazione S.P.A. (ex-BNL Vita SPA)	Italy	Full (3)	100%	100%		Full (3)	100%	100%	V1

Name	Country	31/12/2012 Method	31/12/2012 Voting (%)	31/12/2012 Interest (%)	31/12/2012 Ref.	31/12/2011 Method	31/12/2011 Voting (%)	31/12/2011 Interest (%)	31/12/2011 Ref.
Insurance (cont'd)									
Cardif Assicurazioni SPA	Italy	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers	France	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurance Vie	France	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Biztosito Magyarorszag Zrt	Hungary	Equity *	100%	100%		Equity *	100%	100%	
Cardif Colombia Seguros Generales	Colombia	Equity *	100%	100%		Equity *	100%	100%	
Cardif del Peru Sa Compania de Seguros	Perou	Equity *	100%	100%		Equity *	100%	100%	
Cardif do Brasil Vida e Previdencia SA	Brazil	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif do Brasil Seguros e Garantias	Brazil	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Forsakring AB	Sweden	Equity *	100%	100%		Equity *	100%	100%	
Cardif Hayat Sigorta Anonim Sirketi	Turkey	Equity *	100%	100%		Equity *	100%	100%	D1
Cardif Holdings Inc.	U.S.A				S3	Full (3)	100%	100%	
Cardif Insurance Company	Russia	Equity *	100%	100%		Equity *	100%	100%	
Cardif I-Services	France	Equity *	100%	100%		Equity *	100%	100%	D1
Cardif Leven	Belgium	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Life Insurance Company	U.S.A								S2
Cardif Life Insurance Co. Ltd.	South Korea	Full (3)	85.0%	85.0%		Full (3)	85.0%	85.0%	
Cardif Lux Vie	Luxembourg	Full (3)	66.7%	51.1%		Full (3)	66.7%	51.1%	V3
Cardif Mexico Seguros de Vida SA de CV	Mexico	Equity *	100%	100%		Equity *	100%	100%	
Cardif Mexico Seguros Generales SA de CV	Mexico	Equity *	100%	100%		Equity *	100%	100%	
Cardif Nordic AB	Sweden	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Pinnacle Insurance Holdings PLC	UK	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Pinnacle Insurance Management Services PLC	UK	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Polska Towarzystwo Ubezpieczen na Zycie SA	Poland	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Schadeverzekeringen NV	Netherlands	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Seguros SA	Argentina	Full (3)	100%	100%		Full (3)	100%	100%	
CB (UK) Ltd. (Fonds C)	UK	Full (3)	100%	100%		Full (3)	100%	100%	
Darnell Ltd.	Ireland	Full (3)	100%	100%		Full (3)	100%	100%	
F & B Insurance Holdings SA (Groupe)	Belgium	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
Financial Telemarketing Services Ltd.	UK	Equity *	100%	100%		Equity *	100%	100%	
Fortis Luxembourg - Vie SA	Luxembourg								S4
GIE BNP Paribas Cardif	France	Full (3)	100%	99.0%		Full (3)	100%	99.0%	
Luizaseg	Brazil	Equity *	50.0%	50.0%		Equity *	50.0%	50.0%	D1
Natio Assurance	France	Equity *	50.0%	50.0%		Equity *	50.0%	50.0%	D1
NCVP Participacoes Societarias SA	Brazil	Full (3)	100%	100%		Full (3)	100%	100%	
Pinnacle Insurance PLC	UK	Full (3)	100%	100%		Full (3)	100%	100%	
Pocztylion Arka Powszechne Towarzystwo Emerytalne SA	Poland	Equity	33.3%	33.3%		Equity	33.3%	33.3%	
Pojistovna Cardif Slovakia A.S	Slovakia	Equity *	100%	100%		Equity *	100%	100%	
Portes de Claye SCI	France	Equity	45.0%	57.2%	E3				
Rueil Caudron SCI	France				S3	Full (3)	100%	100%	
Scoo SCI	France	Equity	46.4%	58.3%	E1				
State Bank of India Life Insurance Company Ltd.	India	Equity	26.0%	26.0%		Equity	26.0%	26.0%	
Special Purpose Entities									
Odyssée SCI	France	Full (3)	-	-		Full (3)	-	-	
Wealth Management									
Bank Insinger de Beaufort NV	Netherlands	Full	63.0%	63.0%		Full	63.0%	63.0%	
Bank Insinger de Beaufort Safe Custody NV	Netherlands				S3	Full	100%	63.0%	
BNP Paribas Espana SA	Spain	Full	99.6%	99.6%		Full	99.6%	99.6%	
BNP Paribas Wealth Management	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Wealth Management Monaco	Monaco	Full (1)	100%	100%		Full (1)	100%	100%	
Conseil Investissement	France	Equity *	100%	100%		Equity *	100%	100%	D1
Fortis Wealth Management Hong Kong Ltd.	Hong-Kong								S2
Fundamentum Asset Management (FAM)	Luxembourg				S3	Full	100%	53.4%	
Insinger de Beaufort Asset Management AG	Switzerland				S3	Full	100%	31.5%	
Insinger de Beaufort Asset Management NV	Netherlands				S3	Full	100%	63.0%	
Insinger de Beaufort Associates BV	Netherlands				S3	Full	100%	63.0%	
Insinger de Beaufort Consulting BV	Netherlands				S3	Full	100%	63.0%	
Klein Haneveld Consulting BV	Netherlands				S3	Full	100%	63.0%	
Sodefi Holding AG	Switzerland				S3	Full	50.0%	31.5%	
Williams De Bröe Private Investment Management Ltd. (ex- BNP Paribas Private Investment Management Ltd.)	UK								S2
Investment Partners									
Alfred Berg Administration A/S	Denmark	Full	100%	90.5%		Full	100%	90.5%	
Alfred Berg Asset Management AB	Sweden	Full	100%	90.5%		Full	100%	90.5%	
Alfred Berg Asset Management Services AB	Sweden				S4	Full	100%	90.5%	
Alfred Berg Fonder AB	Sweden	Full	100%	90.5%		Full	100%	90.5%	
Alfred Berg Fondsmaeglerselskab A/S	Denmark	Full	100%	90.5%		Full	100%	90.5%	
Alfred Berg Forvaltning AS	Norway	Full	100%	90.5%		Full	100%	90.5%	
Alfred Berg Funds	Finland	Full	100%	90.5%		Full	100%	90.5%	
Alfred Berg Kapitalförvaltning AB	Sweden	Full	100%	90.5%		Full	100%	90.5%	
Alfred Berg Kapitalforvaltning AS	Norway	Full	100%	90.5%		Full	100%	90.5%	
Alfred Berg Kapitalforvaltning Finland AB	Finland	Full	100%	90.5%		Full	100%	90.5%	
Antin Infrastructure Partners	France				S2	Equity	40.0%	36.2%	
Arnhem Investment Management Pty Ltd.	Australia	Equity	40.0%	36.2%		Equity	40.0%	36.2%	
Banco Estado Administradora General de Fondos	Chile	Equity *	50.0%	45.3%		Equity *	50.0%	45.3%	
BNP Paribas Asset Management SAS	France	Full	100%	90.5%		Full	100%	90.5%	
BNP Paribas Asset Management Brasil Ltda	Brazil	Full	100%	97.6%		Full	100%	97.6%	
BNP Paribas Asset Management Inc.	U.S.A								S4
BNP Paribas Asset Management Inc. (ex-Fortis Investment Management USA Inc.)	U.S.A	Full	100%	100%		Full	100%	100%	V1
BNP Paribas Asset Management India Private Ltd	India	Equity *	100%	90.5%		Equity *	100%	90.5%	
BNP Paribas Asset Management Uruguay SA	Uruguay				S3	Equity *	100%	90.5%	
BNP Paribas Bergère (ex- Fortis Investment Finance)	France								S3

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
- E1 Passing qualifying thresholds as defined by the Group (cf. note 1.b)
- E2 Incorporation
- E3 Purchase or change of control

Removals (S) from the scope of consolidation
- S1 Cessation of activity (including dissolution, liquidation)
- S2 Disposal, loss of control or loss of significant influence
- S3 Entities removed from the scope because < qualifying thresholds (cf.note 1.b)
- S4 Merger, Universal transfer of assets and liabilities

Variance(V) in voting or ownership interest
- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

Equity * Simplified consolidation by the equity method (non-material entities)(cf. note 1.b)

Miscellaneous
- D1 Consolidation method change not related to fluctuation in voting or ownership interest
- D2 111 Construction-Sale Companies (Real Estate programmes) of which 103 fully and 8 proportionally consolidated
- D3 The Klepierre group was fully consolidated until 14 March 2012, then, following the partial disposal of the interest of BNP Paribas Group, the Klepierre group has been consolidated under the equity method (cf. note 8.d.).

Prudential scope of consolidation
- (1) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
- (2) Entities excluded from prudential scope of consolidation
- (3) Entities consolidated under the equity method for prudential purposes

Name	Country	31/12/2012				31/12/2011			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Investment Partners (cont'd)									
BNP Paribas Clean Energy Partners GP Ltd	UK	Equity *	100%	90.5%		Equity *	100%	90.5%	D1
BNP Paribas Investment Partners	France	Full	100%	90.5%		Full	100%	90.5%	
BNP Paribas Investment Partners Asia Ltd	Hong-Kong	Full	100%	90.5%		Full	100%	90.5%	
BNP Paribas Investment Partners (Australia) Ltd	Australia	Full	100%	90.5%		Full	100%	90.5%	
BNP Paribas Investment Partners (Australia) Holdings Pty Ltd	Australia	Full	100%	90.5%		Full	100%	90.5%	
BNP Paribas Investment Partners BE Holding	Belgium	Full	100%	90.5%		Full	100%	90.5%	
BNP Paribas Investment Partners Belgium	Belgium	Full	100%	90.5%		Full	100%	90.5%	
BNP Paribas Investment Partners Funds (Nederland) NV	Netherlands	Full	100%	90.5%		Full	100%	90.5%	
BNP Paribas Investment Partners Japan Ltd	Japan	Full	100%	90.5%		Full	100%	90.5%	
BNP Paribas Investment Partners Latam SA	Mexico	Equity *	99.0%	89.6%	E1				
BNP Paribas Investment Partners Luxembourg	Luxembourg	Full	99.7%	90.2%		Full	99.7%	90.2%	
BNP Paribas Investment Partners Netherlands NV	Netherlands	Full	100%	90.5%		Full	100%	90.5%	
BNP Paribas Investment Partners NL Holding NV	Netherlands	Full	100%	90.5%		Full	100%	90.5%	
BNP Paribas Investment Partners Singapore Ltd	Singapore	Equity *	100%	90.5%		Equity *	100%	90.5%	
BNP Paribas Investment Partners Societa di Gestione del Risparmio SPA	Italy	Full	100%	98.4%		Full	100%	98.4%	
BNP Paribas Investment Partners UK Holdings Ltd	UK				S3	Full	100%	90.5%	
BNP Paribas Investment Partners UK Ltd	UK	Full	100%	90.5%		Full	100%	90.5%	
BNP Paribas Investment Partners USA Holdings Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Private Equity	France	Equity *	100%	100%		Equity *	100%	100%	D1
CamGestion	France	Full	100%	90.5%		Full	100%	90.5%	
Fauchier General Partner Ltd	Guernsey	Full	100%	90.5%		Full	100%	90.5%	V1
Fauchier Partners Asset Management Ltd	Guernsey	Full	100%	90.5%		Full	100%	90.5%	V1
Fauchier Partners Corporation	U.S.A	Full	100%	90.5%		Full	100%	90.5%	V1
Fauchier Partners International Ltd	Bermuda	Full	100%	90.5%		Full	100%	90.5%	V1
Fauchier Partners Ltd	UK	Full	100%	90.5%		Full	100%	90.5%	V1
Fauchier Partners LLP	UK	Full	87.2%	79.0%	V4	Full	83.4%	75.2%	V1
Fauchier Partners Management Company Ltd	UK	Full	100%	90.5%		Full	100%	90.5%	V1
Fauchier Partners Management Ltd	Guernsey	Full	100%	90.5%		Full	100%	90.5%	V1
Fauchier Partners SAS	France	Full	100%	90.5%		Full	100%	90.5%	E2
Fimapierre	France								S3
Fischer Francis Trees & Watts Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Fischer Francis Trees & Watts Ltd.	UK								S1
Fischer Francis Trees & Watts Singapore Ltd	Singapore				S4	Equity *	100%	90.5%	
Fischer Francis Trees & Watts UK	UK								S1
Fischer Francis Trees & Watts UK Ltd	UK	Equity *	100%	90.5%	D1	Full	100%	90.5%	
Fund Channel	Luxembourg	Equity *	50.0%	45.2%		Equity *	50.0%	45.2%	
FundQuest	France	Full	100%	90.5%		Full	100%	90.5%	
FundQuest Inc.	U.S.A								S2
FundQuest UK Ltd.	UK	Full	100%	90.5%		Full	100%	90.5%	E1
Haitong - Fortis Private Equity Fund Management Co. Ltd.	China	Equity	33.0%	29.9%		Equity	33.0%	29.9%	
HFT Investment Management Co Ltd - Groupe	China	Equity	49.0%	44.4%		Equity	49.0%	44.4%	
Impax Asset Management Group PLC	UK				S3	Equity	27.9%	25.2%	
Industrifinans Forskningsparken Eiendom AS	Norway								S1
KIT Fortis Investment Management	Kazakhstan								S1
Overlay Asset Management	France								S3
PT. BNP Paribas Investment Partners	Indonesia	Full	99.0%	89.6%		Full	99.0%	89.6%	
Shinan BNP Paribas Asset Management Co Ltd	South Korea	Prop.	35.0%	31.7%		Prop.	35.0%	31.7%	
THEAM	France	Full	100%	90.6%		Full	100%	90.6%	V2
TKB BNP Paribas Investment Partners Holding BV	Netherlands	Equity	50.0%	45.3%		Equity	50.0%	45.3%	
Securities services									
BNP Paribas Fin' AMS	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Dealing Services Asia Ltd. (ex-BNP Paribas Fin' AMS Asia Ltd)	Hong-Kong	Full	100%	100%	E1				S3
BNP Paribas Financial Services LLC	U.S.A	Equity *	100%	100%		Equity *	100%	100%	E1
BNP Paribas Fund Services Australasia Pty Ltd.	Australia	Full	100%	100%		Full	100%	100%	
BNP Paribas Fund Services Dublin Ltd.	Ireland	Equity *	100%	100%		Equity *	100%	100%	D1
BNP Paribas Fund Services France	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Fund Services Securities Pty	Australia	Full	100%	100%		Full	100%	100%	E1
BNP Paribas Securities Services - BP2S	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services (Holdings) Ltd.	Jersey	Full	100%	100%		Full	100%	100%	
BNP Paribas Sundaram GSO Private Ltd	India	Equity *	51.0%	51.0%	E1				
BNP Paribas Trust Company (Guernesey) Ltd.	Guernsey	Equity *	100%	100%		Equity *	100%	100%	
Real Estate Services									
Asset Partenaires	France	Full	100%	96.8%		Full	100%	96.8%	
Atisreal Netherlands BV	Netherlands	Full	100%	100%	E1				
Auguste Thouard Expertise	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Promotion Immobilier d'Entreprise	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Residentiel	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Residentiel Promotion Ile de France	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Residentiel Promotion Mediterranée	France				S4	Full	100%	100%	
BNP Paribas Immobilier Residentiel Promotion Rhône Alpes	France				S4	Full	100%	100%	
BNP Paribas Immobilier Résidentiel Promotion Sud Ouest	France				S4	Full	100%	100%	
BNP Paribas Immobilier Résidentiel Promotion Var	France								S4
BNP Paribas Immobilier Residentiel Residences Services	France				S4	Full	100%	100%	
BNP Paribas Immobilier Residentiel Residences Services BSA	France	Full	100%	100%		Full	100%	100%	

Name	Country	31/12/2012				31/12/2011			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Real Estate Services (cont'd)									
BNP Paribas Immobilier Residentiel Residences Services Sofiane	France				S4	Full	100%	100%	
BNP Paribas Immobilier Residentiel Service Clients	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Residentiel Transaction & Conseil	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Residentiel V2i	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory Belgium SA	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory Italy SPA	Italy	Full	100%	100%		Full	100%	100%	
BNP PB Real Estate Advisory & Property Management Czech Republic SRO	Czech Republic	Full	100%	100%		Full	100%	100%	E3
BNP PB Real Estate Advisory & Property Management Hungary Ltd	Hungary	Full	100%	100%		Full	100%	100%	E3
BNP PB Real Estate Advisory & Property Management Ireland Ltd.	Ireland	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory & Property Management LLC	United Arab Emirates	Full	49.0%	49.0%		Full	49.0%	49.0%	
BNP Paribas Real Estate Advisory & Property Management Luxembourg SA	Luxembourg	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory & Property Management Poland SP ZOO	Poland	Full	100%	100%		Full	100%	100%	E3
BNP Paribas Real Estate Advisory & Property Management UK Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory Spain SA	Spain	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Consult France	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Consult GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Facilities Management Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Financial Partner	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Holding Benelux SA	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Holding GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Hotels France	France	Full	100%	96.1%		Full	96.4%	96.0%	
BNP Paribas Real Estate & Infrastructure Advisory Service Private Ltd.	India	Full	71.1%	71.1%		Full	71.1%	71.1%	V1
BNP Paribas Real Estate Investment Management	France	Full	96.8%	96.8%		Full	96.8%	96.8%	
BNP Paribas Real Estate Investment Management Belgium	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management Italy	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management Luxembourg SA	Luxembourg	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management Spain SA	Spain	Full	100%	100%		Full	100%	100%	E2
BNP Paribas Real Estate Investment Management UK Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Services	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Italy SRL (ex- BNP Paribas Real Estate Services Holding Italy)	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Jersey Ltd.	Jersey	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Project Solutions GmbH	Germany								S4
BNP Paribas Real Estate Property Developpement Italy SPA	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Developpement UK Ltd.	UK	Full	100%	100%		Full	100%	100%	E2
BNP Paribas Real Estate Property Management Belgium	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management France SAS	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management International	France								S4
BNP Paribas Real Estate Property Management Italy SrL	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management Spain SA	Spain	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Transaction France	France	Full	96.4%	96.1%		Full	96.4%	96.0%	
BNP Paribas Real Estate Valuation France	France	Full	100%	100%		Full	100%	100%	
F G Ingenierie et Promotion Immobilière	France	Full	100%	100%		Full	100%	100%	
European Direct Property Management SA	Luxembourg	Full	100%	100%		Full	100%	100%	
Immobiliere des Bergues	France	Full	100%	100%		Full	100%	100%	
Meunier Hispania	Spain	Full	100%	100%		Full	100%	100%	
Newport Management SAS	France								S4
Partner's & Services	France	Full	100%	100%		Full	100%	100%	
Pyrotex GB 1 SA	Luxembourg	Full	100%	100%	E1				
Pyrotex SARL	Luxembourg	Full	100%	100%		Full	100%	100%	
S.C BNP Paribas Real Estate Advisory S.A	Romania	Full	100%	100%		Full	100%	100%	V1
Sesame Conseil SAS	France	Full	95.3%	95.3%		Full	95.3%	95.3%	
Siège Issy	France	Full	100%	100%		Full	100%	100%	E2
Tasaciones Hipotecarias SA	Spain	Full	100%	100%		Full	100%	100%	
Weatheralls Consultancy Services Ltd.	UK				S1	Full	100%	100%	
Special Purpose Entities									
Construction-Sale companies	France	Full/Prop. D2	-	-	E1				
Sviluppo Residenziale Italia SRL	Italy	Full	-	-	E1				
Via Crespi 26 SRL	Italy	Full	-	-		Full	-	-	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

- E1 Passing qualifying thresholds as defined by the Group (cf. note 1.b)
- E2 Incorporation
- E3 Purchase or change of control

Removals (S) from the scope of consolidation

- S1 Cessation of activity (including dissolution, liquidation)
- S2 Disposal, loss of control or loss of significant influence
- S3 Entities removed from the scope because < qualifying thresholds (cf.note 1.b)
- S4 Merger, Universal transfer of assets and liabilities

Variance(V) in voting or ownership interest

- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

Equity * Simplified consolidation by the equity method (non-material entities)(cf. note 1.b)

Miscellaneous

- D1 Consolidation method change not related to fluctuation in voting or ownership interest
- D2 111 Construction-Sale Companies (Real Estate programmes) of which 103 fully and 8 proportionally consolidated
- D3 The Klepierre group was fully consolidated until 14 March 2012, then, following the partial disposal of the interest of BNP Paribas Group, the Klepierre group has been consolidated under the equity method (cf. note 8.d.).

Prudential scope of consolidation

- (1) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
- (2) Entities excluded from prudential scope of consolidation
- (3) Entites consolidated under the equity method for prudential purposes

Name	Country	31/12/2012 Method	31/12/2012 Voting (%)	31/12/2012 Interest (%)	31/12/2012 Ref.	31/12/2011 Method	31/12/2011 Voting (%)	31/12/2011 Interest (%)	31/12/2011 Ref.
Corporate and Investment Banking									
France									
BNP Paribas Arbitrage	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Equities France	France	Full (1)	100%	100%		Full (1)	100%	100%	
Esomet	France	Full	100%	100%		Full	100%	100%	
Laffite Participation 22	France	Full	100%	100%		Full	100%	100%	
Paribas Dérivés Garantis Snc	France								S4
Parifergie	France	Full (1)	100%	100%		Full (1)	100%	100%	
Parilease	France	Full (1)	100%	100%		Full (1)	100%	100%	
Taitbout Participation 3 Snc	France	Full	100%	100%		Full	100%	100%	
Europe									
Alpha Murcia Holding BV	Netherlands	Equity *	100%	74.9%	E2				
BNP Paribas Arbitrage Issuance BV	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas Bank NV	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas Capital Investments Ltd.	UK								S3
BNP Paribas CMG Ltd.	UK								S3
BNP Paribas Commodity Futures Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Cyprus Ltd.	Cyprus								S3
BNP Paribas E & B Ltd.	UK								S3
BNP Paribas Emission-und Handel. GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Ireland	Ireland	Full	100%	100%		Full	100%	100%	
BNP Paribas Islamic Issuance BV	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas Net Ltd.	UK	Equity *	100%	100%	E1				S3
BNP Paribas UK Holdings Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas UK Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Vartry Reinsurance Ltd.	Ireland	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas ZAO	Russia	Full	100%	100%		Full	100%	100%	
BNP PUK Holding Ltd.	UK	Full	100%	100%		Full	100%	100%	
Camomile Investments UK Ltd.	UK				S3	Full	100%	100%	
Capstar Partners Ltd.	UK								S3
FB Energy Trading S.à R.L.	Luxembourg								S3
Fidex Holdings Ltd.	UK				S3	Full	100%	100%	
Fortis International Finance (Dublin)	Ireland								S3
Fortis International Finance Luxembourg SARL	Luxembourg								S1
Fortis Proprietary Investment Ireland Ltd.	Ireland								S3
G I Finance	Ireland								S3
GreenStars BNP Paribas	Luxembourg	Equity *	100%	100%	E1				
Harewood Holdings Ltd.	UK	Full	100%	100%		Full	100%	100%	
Landspire Ltd.	UK	Full	100%	100%		Full	100%	100%	
Money Alpha	France								S1
Money Beta	France								S1
Paribas Trust Luxembourg SA	Luxembourg	Full	100%	53.4%		Full	100%	53.4%	
SC Nueva Condo Murcia SL	Spain	Equity *	100%	74.9%	E2				
Utexam Logistics Ltd.	Ireland	Full	100%	100%		Full	100%	100%	
Utexam Solutions Ltd.	Ireland	Full	100%	100%	E1				
Verner Investissements (Groupe)	France	Equity	40.0%	50.0%		Equity	40.0%	50.0%	
Americas									
ACG Capital Partners II LLC	U.S.A				S1	Prop.	50.0%	50.0%	E1
Banco BNP Paribas Brasil SA	Brazil	Full	100%	100%		Full	100%	100%	
Banexi Holding Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Canada	Canada	Full	100%	100%		Full	100%	100%	
BNP Paribas Capital Corporation Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Capital Services Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Capstar Partners Inc.	U.S.A				S4	Full	100%	100%	
BNP Paribas Colombia Corporation Financiera SA	Colombia	Equity *	100%	100%	E1				
BNP Paribas Commodity Futures Inc.	U.S.A								S4
BNP Paribas Energy Trading Canada Corp	Canada	Equity *	100%	100%	D1	Full	100%	100%	
BNP Paribas Energy Trading GP	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Energy Trading Holdings, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Energy Trading LLC	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas FS LLC	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Leasing Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Mortgage Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas North America Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Prime Brokerage Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Prime Brokerage International Ltd.	Cayman Islands	Full	100%	100%		Full	100%	100%	
BNP Paribas RCC Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Camomile Canopia Trading (UK) Ltd.	Cayman Islands								S2
Camomile Ulster Investments (UK) Ltd.	Cayman Islands				S3	Full	100%	100%	
Capstar Partners LLC	U.S.A				S4	Equity *	100%	100%	D1
CooperNeff Group Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Cronos Holding Company Ltd. (Groupe)	Bermuda	Equity	30.0%	22.5%		Equity	30.0%	22.5%	
FB Holdings Canada Corp	Canada								S3
FB Transportation Capital LLC	U.S.A	Full	100%	74.9%		Full	100%	74.9%	
Fortis Funding LLC	U.S.A	Full	100%	74.9%		Full	100%	74.9%	
Fortis Proprietary Capital Inc.	U.S.A								S1
French American Banking Corporation - F.A.B.C	U.S.A	Full	100%	100%		Full	100%	100%	
FSI Holdings Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Paribas North America Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Paribas Participations Limitée	Canada								S1
Petits Champs Participaçoes e Serviços SA	Brazil	Full	100%	100%		Full	100%	100%	
RFH Ltd.	Bermuda	Equity *	100%	74.7%		Equity *	100%	74.7%	
SDI Media Central Holdings Corp.	U.S.A	Equity *	100%	100%		Equity *	100%	100%	E1
TAP Ltd	Bermuda				S2	Equity *	65.0%	48.5%	E2&V2
TCG Fund I, L.P	Cayman Islands	Full	99.7%	74.7%		Full	99.7%	74.7%	
Textainer Marine Containers Ltd.	Bermuda								S2
Via North America, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	

Name	Country	31/12/2012 Method	31/12/2012 Voting (%)	31/12/2012 Interest (%)	31/12/2012 Ref.	31/12/2011 Method	31/12/2011 Voting (%)	31/12/2011 Interest (%)	31/12/2011 Ref.
Asia - Oceania									
ACG Capital Partners Singapore Pte. Ltd	Singapore	Prop.	50.0%	50.0%		Prop.	50.0%	50.0%	E1
BNP Pacific (Australia) Ltd.	Australia	Full	100%	100%		Full	100%	100%	
BNP Paribas (China) Ltd.	China	Full	100%	100%		Full	100%	100%	
BNP Paribas Arbitrage (Hong-Kong) Ltd.	Hong-Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas Capital (Asia Pacific) Ltd.	Hong-Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas Capital (Singapore) Ltd.	Singapore								S3
BNP Paribas Finance (Hong-Kong) Ltd.	Hong-Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas Futures (Hong-Kong) Ltd.	Hong-Kong								S3
BNP Paribas India Holding Private Ltd.	India	Full	100%	100%	E1				
BNP Paribas India Solutions Private Ltd.	India	Full	100%	100%		Full	100%	100%	
BNP Paribas Japan Ltd.	Japan	Full	100%	100%		Full	100%	100%	
BNP Paribas Malaysia Berhad	Malaysia	Full	100%	100%	E1				
BNP Paribas Principal Investments Japan Ltd.	Japan	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities (Asia) Ltd.	Hong-Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities India Private Ltd.	India	Full	100%	95.2%	V1	Full	100%	66.8%	
BNP Paribas Securities (Japan) Ltd.	Hong-Kong	Equity *	100%	100%	D1	Full	100%	100%	
BNP Paribas Securities Japan Ltd.	Japan	Full	100%	100%		Full	100%	100%	E2
BNP Paribas Securities (Taiwan) Co Ltd.	Taiwan	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities Korea Company Ltd.	South Korea	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities (Singapore) Pte Ltd.	Singapore	Full	100%	100%		Full	100%	100%	
BPP Holdings Pte Ltd.	Singapore	Full	100%	100%		Full	100%	100%	
Paribas Asia Equity Ltd.	Hong-Kong								S3
PT Bank BNP Paribas Indonésia	Indonesia	Full	100%	100%		Full	100%	100%	
PT BNP Paribas Securities Indonesia	Indonesia	Full	99.0%	99.0%		Full	99.0%	99.0%	
Middle East									
BNPP Investment Company KSA	Saudi Arabia	Equity *	100%	100%		Equity *	100%	100%	E1
Special Purpose Entities									
54 Lombard Street Investments Ltd.	UK	Full	-	-		Full	-	-	
Alamo Funding II Inc.	U.S.A	Full	-	-	E1				
Alandes BV	Netherlands	Full	-	-		Full (2)	-	-	
Alectra Finance PLC	Ireland	Full	-	-		Full	-	-	
Antin Participation 8	France	Full	-	-		Full	-	-	E2
APAC NZ Holdings Ltd.	New Zealand				S3	Full	-	-	
Aquarius Capital Investments Ltd.	Ireland	Full	-	-		Full	-	-	
ARV International Ltd.	Cayman Islands				S3	Full	-	-	
Astir BV	Netherlands	Full	-	-		Full	-	-	
Atargatis	France	Full	-	-		Full	-	-	
Aura Capital Investment SA	Luxembourg				S1	Full	-	-	
Austin Finance	France	Full	-	-		Full	-	-	
Black Kite Investment Ltd.	Ireland				S1	Full	-	-	
BNP Paribas Complex Fundo de Investimento Multimercado	Brazil	Full	-	-		Full	-	-	
BNP Paribas EQD Brazil Fund Fundo Invest Multimercado	Brazil	Full	-	-		Full	-	-	
BNP Paribas Finance Inc.	U.S.A	Full	-	-		Full	-	-	
BNP Paribas Proprietario Fundo de Investimento Multimercado	Brazil	Full	-	-		Full	-	-	
BNP Paribas VPG Adonis LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG Brookfin LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG Brookline Cre, LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG BMC Select LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG CB Lender LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG CT Holdings LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG Freedom Communications LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG Lake Butler LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG Legacy Cabinets LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG Mark IV LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG Master LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Medianews Group LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG MGM LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG Modern Luxury Media LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG Northstar LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG PCMC LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG Reader's Digest Association LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG RHI Holdings LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG SBX Holdings LLC	U.S.A	Full	-	-		Full	-	-	E2
BNP Paribas VPG SDI Media LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Semgroup LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Titan Outdoor LLC	U.S.A	Full	-	-		Full	-	-	E2
Boug BV	Netherlands	Full	-	-		Full	-	-	
Crossen SARL	Luxembourg	Full	-	-	E1				
Compagnie Investissement Italiens SNC	France	Full	-	-		Full	-	-	
Compagnie Investissement Opéra SNC	France	Full	-	-		Full	-	-	
Delphinus Titri 2010 SA	Luxembourg				S1	Full	-	-	
Epsom Funding Ltd.	Cayman Islands				S2	Full	-	-	
Euraussie Finance SARL	Luxembourg				S3	Full	-	-	
Fidex Ltd.	UK				S3	Full	-	-	
Financière des Italiens SAS	France	Full	-	-		Full	-	-	
Financière Paris Haussmann	France	Full	-	-		Full	-	-	
Financière Taitbout	France	Full	-	-		Full	-	-	
Grenache et Cie SNC	Luxembourg	Full	-	-		Full	-	-	
Harewood Financing Limited	UK	Full	-	-	E3				
Harewood Investments N°2 à 4 Ltd.	UK								S3
Harewood Investments N°5 Ltd.	Cayman Islands	Full	-	-		Full	-	-	
Harewood Investments N°7 Ltd.	Cayman Islands	Full	-	-		Full	-	-	
Harewood Investment n°8 Ltd.	Cayman Islands	Full	-	-		Full	-	-	E2
Iliad Investments PLC	Ireland				S3	Full	-	-	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
- E1 Passing qualifying thresholds as defined by the Group (cf. note 1.b)
- E2 Incorporation
- E3 Purchase or change of control

Removals (S) from the scope of consolidation
- S1 Cessation of activity (including dissolution, liquidation)
- S2 Disposal, loss of control or loss of significant influence
- S3 Entities removed from the scope because < qualifying thresholds (cf.note 1.b)
- S4 Merger, Universal transfer of assets and liabilities

Variance(V) in voting or ownership interest
- V1 Additional purchase
- V2 Partial disposal
- V3 Dilution
- V4 Increase in %

Equity * Simplified consolidation by the equity method (non-material entities)(cf. note 1.b)

Miscellaneous
- D1 Consolidation method change not related to fluctuation in voting or ownership interest
- D2 111 Construction-Sale Companies (Real Estate programmes) of which 103 fully and 8 proportionally consolidated
- D3 The Klepierre group was fully consolidated until 14 March 2012, then, following the partial disposal of the interest of BNP Paribas Group, the Klepierre group has been consolidated under the equity method (cf. note 8.d.).

Prudential scope of consolidation
- (1) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
- (2) Entities excluded from prudential scope of consolidation
- (3) Entites consolidated under the equity method for prudential purposes

Name	Country	31/12/2012 Method	Voting (%)	Interest (%)	Ref.	31/12/2011 Method	Voting (%)	Interest (%)	Ref.
Special Purpose Entities (cont'd)									
Leveraged Finance Europe Capital V BV	Netherlands	Full	-	-		Full	-	-	
Liquidity Ltd.	Cayman Islands				S3	Full	-	-	
Marc Finance Ltd.	Cayman Islands	Full	-	-		Full	-	-	
Méditerranéa	France	Full	-	-		Full	-	-	
Omega Capital Investments PLC	Ireland	Full	-	-		Full	-	-	
Omega Capital Europe PLC	Ireland	Full	-	-		Full	-	-	
Omega Capital Funding Ltd.	Ireland	Full	-	-		Full	-	-	
Optichamps	France	Full	-	-		Full	-	-	
Participations Opéra	France	Full	-	-		Full	-	-	
Reconfiguration BV	Netherlands				S3	Full (2)	-	-	
Renaissance Fund III	Japan	Equity *	-	-		Equity *	-	-	D1
Renaissance Fund IV	Japan								S1
Ribera del Loira Arbitrage	Spain	Full	-	-		Full	-	-	
Royale Neuve I Sarl	Luxembourg	Full	-	-		Full	-	-	
Royale Neuve II Sarl	Luxembourg	Full	-	-		Full	-	-	
Royale Neuve V Sarl	Luxembourg				S3	Full	-	-	
Royale Neuve VI Sarl	Luxembourg				S3	Full	-	-	
Royale Neuve VII Sarl	Luxembourg	Full	-	-		Full	-	-	E1
Royale Neuve Finance SARL	Luxembourg				S3	Full	-	-	
Royale Neuve Investments Sarl	Luxembourg				S1	Full	-	-	
Scaldis Capital (Ireland) Ltd.	Ireland	Full	-	-		Full (2)	-	-	
Scaldis Capital Ltd.	Jersey	Full	-	-		Full (2)	-	-	
Scaldis Capital LLC	U.S.A	Full	-	-		Full (2)	-	-	
Smalt (ex- Fortis Bank Reinsurance SA)	Luxembourg	Full	-	-		Full (3)	-	-	V1
Stradios FCP FIS	Luxembourg				S3	Full	-	-	
Sunny Funding Ltd.	Cayman Islands				S3	Full	-	-	
Tender Option Bond Municipal program	U.S.A	Equity *	-	-	D1	Full	-	-	
Thunderbird Investments PLC	Ireland				S3	Full	-	-	
Other Activities									
Private Equity (BNP Paribas Capital)									
Cobema	Belgium	Full	100%	100%		Full	100%	100%	
Compagnie Financière Ottomane SA	Luxembourg	Full	96.9%	96.9%		Full	96.9%	96.9%	
Erbe	Belgium	Equity	42.5%	42.5%		Equity	42.5%	42.5%	V2
Fortis Private Equity Belgium NV	Belgium	Full	100%	74.9%		Full	100%	74.9%	
Fortis Private Equity Expansion Belgium NV	Belgium	Full	100%	74.9%		Full	100%	74.9%	
Fortis Private Equity France Fund	France	Full	99.9%	75.0%		Full	99.9%	75.0%	
Fortis Private Equity Venture Belgium SA	Belgium	Full	100%	74.9%		Full	100%	74.9%	
Gepeco	Belgium	Full	100%	100%		Full	100%	100%	
Property companies (property used in operations)									
Antin Participation 5	France	Full	100%	100%		Full	100%	100%	
Ejesur SA	Spain	Equity *	100%	100%		Equity *	100%	100%	D1
Foncière de la Compagnie Bancaire SAS	France				S4	Full	100%	100%	
Noria SAS	France								S4
Société Immobilière Marché Saint-Honoré	France	Full	99.9%	99.9%		Full	100%	100%	
Société d'Etudes Immobilières de Constructions - Setic	France				S4	Full	100%	100%	
Société Marloise Participations	France	Full	100%	100%	E1				
Investment companies and other subsidiaries									
BNL International Investment SA	Luxembourg	Full	100%	100%		Full	100%	100%	
BNP Paribas Home Loan SFH	France	Full	100%	100%		Full	100%	100%	
BNP Paribas International BV	Netherlands								S4
BNP Paribas Mediterranée Innovation & Technologies	Morocco	Full	100%	96.7%		Full	100%	96.7%	
BNP Paribas Partners for Innovation (Groupe)	France	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
BNP Paribas Public Sector SCF	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas SB Re	Luxembourg	Full (3)	100%	100%		Full (3)	100%	100%	
Compagnie d'Investissements de Paris - C.I.P	France	Full	100%	100%		Full	100%	100%	
Financière BNP Paribas	France	Full	100%	100%		Full	100%	100%	
Financière du Marché Saint Honoré	France	Full	100%	100%		Full	100%	100%	
GIE Groupement Auxiliaire de Moyens	France	Full	100%	100%		Full	100%	100%	
Le Sphinx Assurances Luxembourg SA	Luxembourg	Equity *	100%	100%		Equity *	100%	100%	
Loft Beck Ltd.	Ireland								S3
Margaret Inc.	U.S.A								S3
Omnium de Gestion et de Developpement Immobilier - OGDI	France	Full	100%	100%		Full	100%	100%	
Plagefin - Placement, Gestion, Finance Holding SA	Luxembourg	Full	100%	53.4%		Full	100%	53.4%	
Sagip	Belgium	Full	100%	100%		Full	100%	100%	
Société Auxiliaire de Construction Immobilière - SACI	France	Full	100%	100%		Full	100%	100%	
Société Orbaisienne de Participations	France	Full	100%	100%		Full	100%	100%	
UCB Bail 2	France	Full	100%	100%		Full	100%	100%	
UCB Entreprises	France	Full (1)	100%	100%		Full (1)	100%	100%	
UCB Locabail immobilier 2	France				S3	Equity *	100%	100%	
Special Purpose Entities									
BNP Paribas Capital Trust LLC 6	U.S.A	Full	-	-		Full	-	-	
BNP Paribas Capital Preferred LLC 6	U.S.A	Full	-	-		Full	-	-	
BNP Paribas US Medium Term Notes Program LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas US Structured Medium Term Notes LLC	U.S.A	Full	-	-		Full	-	-	
Klépierre									
Klépierre SA (Group)	France	Equity	22.4%	22.3%	D3	Full	57.5%	52.0%	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

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E2 Incorporation
E3 Purchase or change of control

Removals (S) from the scope of consolidation

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V4 Increase in %

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(2) Entities excluded from prudential scope of consolidation
(3) Entities consolidated under the equity method for prudential purposes

8.c CHANGE IN THE GROUP'S INTEREST AND MINORITY INTERESTS IN THE CAPITAL AND RETAINED EARNINGS OF SUBSIDIARIES

- **Internal restructuring that led to a change in minority shareholders' interest in the equity of subsidiaries**

In millions of euros	31 December 2012		31 December 2011	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Disposal of Fortis Bank SA branches' assets to BNP Paribas SA branches on the same territory	(7)	7	(37)	37
Full disposal of Fortis Capital Corporation and its subsidiaries to Banexi Holding Corp	-	-	(30)	30
Internal disposal of BNP Paribas Leasing Solutions from BNP Paribas SA to BGL BNP Paribas	18	(18)		
Other	(3)	-	(13)	13
Total	**8**	**(11)**	**(80)**	**80**

- **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 2012		31 December 2011	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Fauchier In 2010, then 2011, BNP Paribas Investment Partners bought out minority shareholders interests representing 12.5% of the capital, lifting its interest percentage to 100%			(24)	(4)
Findomestic BNP Paribas Personal Finance bought out minority shareholders interests representing 25% of the capital, lifting its interest percentage to 100%			(291)	(337)
Restructuring in Turkey BNP Paribas restructured its activities in Turkey then bought a 6% stake in TEB Bank from minority shareholders, lifting its ownership to 56.99% (see note 8.d)			23	(129)
Other		(4)		(7)
Total	**-**	**(4)**	**(292)**	**(477)**

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 133 million at 31 December 2012, compared with EUR 157 million at 31 December 2011.

On 19 September 2012, Galeries Lafayette announced its intention to exercise its option to sell its interest in LaSer to BNP Paribas Personal Finance, in accordance with the shareholders' agreement entered into with its co-shareholder. BNP Paribas took due note of this decision.
To date, neither the price nor the timing have been determined.

8.d BUSINESS COMBINATIONS AND LOSS OF CONTROL

- **Business combinations and loss of control in 2012**

- Klépierre

BNP Paribas and Simon Property Group signed an agreement on 14 March 2012 relating to the sale by BNP Paribas of 28.7% of the share capital of Klépierre. The disposal enabled BNP Paribas to realise a EUR 1,516 million gain, including a EUR 631 million gain on BNP Paribas' interest after the operation. An additional EUR 227 million gain from internal transactions revaluation is also recognized in net gains on non-current assets. Following this operation, BNP Paribas owns 22.7% of the share capital of Klépierre valued at EUR 1,134 million on 14 March 2012, based on a market price of 26.93 euros per share at the transaction date.
The consolidation of Klépierre under the equity method led the Group to recognise in the profit and loss account a EUR 29 million badwill.

The loss of control over Klépierre leads to EUR 10.4 billion of investment property being removed from the carrying value of investment property assets in the Group's balance sheet.

- **Business combinations realised in 2011**

Acquired subsidaries	Core Business	Country	Acquired percentage	*In millions of euros*						
				Acquisition price	Goodwill	Net cash inflow	Key figures on acquisition date			
							Assets		Liabilities	
Fortis Commercial Finance Holding NV	RB	Netherlands	100%	100	9	(11)	Loans and receivables due from customers	1,458	Due to financial institutions	867
									Due to customers	463
Fortis Luxembourg Vie	IS	Luxembourg	16.66%	114	(1)	175	Financial assets at fair value through profit or loss	7,280	Technical reserves of insurance companies	7,750
BNL Vita	IS	Italy	51%	325	120	(144)	Financial assets at fair value through profit or loss	3,555	Technical reserves of insurance companies	11,545
							Available-for-sale financial assets	6,979		

- Fortis Commercial Finance

On 10 June 2011, BNP Paribas Fortis and ABN AMRO reached an agreement under which BNP Paribas Fortis acquired the international network of Fortis Commercial Finance, except for its Dutch activities.
The assets acquired from Fortis Commercial Finance, a leading factoring company operating in 12 European and Asian countries, were combined with BNP Paribas Factor to serve BNP Paribas' institutional clients in Europe and Asia.
The deal extends the reach of the Group's factoring network to six new countries: the UK, Germany, Poland, Denmark, Luxembourg and Hong Kong. This acquisition makes the Group one of Europe's leading factoring players. Fortis Commercial Finance has been fully consolidated since 4 October 2011, and did not make a material contribution to Group full-year earnings in 2011.

- BNL Vita

On 22 December 2009, Cardif Assicurazioni, an Italian subsidiary of BNP Paribas, reached an agreement with insurance group Unipol to acquire its 51% stake in their BNL Vita bancassurance joint venture. Since 29 September 2011, the BNP Paribas Group has held 100% of BNL Vita. The application of accounting standards relating to business combinations resulted in the recognition of goodwill when the Group took control of BNL Vita on the Group's total stake in this subsidiary.

BNL Vita was founded in 1987 and is the sixth largest player in the Italian bancassurance market. It distributes its life insurance products through the branch network of BNL, the group's Italian bank.

BNL Vita has been fully consolidated since 30 September 2011, and its contribution to full-year 2011 earnings was not material.

The entity's name was changed into BNP Paribas Cardif Vita Compagnia di Assicurazione e Riassicurazione.

- Cardif Lux International / Fortis Luxembourg Vie SA

On 7 June 2011, Ageas, BGL BNP Paribas and BNP Paribas Cardif signed an agreement to merge Fortis Luxembourg Vie with Cardif Lux International. Ageas and BGL BNP Paribas previously each owned 50% of Fortis Luxembourg Vie (which was accounted for under the equity method by the BNP Paribas Group in line with its 50% stake). BNP Paribas Cardif previously owned 100% of Cardif Lux International (fully consolidated by the BNP Paribas Group). After the transaction, the BNP Paribas Group owned 66.66% of the combined unit, which has been fully consolidated since 31 December 2011.

The business name of the combined unit is Cardif Lux Vie, which is now a major player in the distribution of life insurance and protection insurance in the Luxemburgian market.

- TEB Bank

Following the acquisition of Fortis Banque SA, an agreement foreseeing the merger of TEB and Fortis Bank Turkey was reached between BNP Paribas, the Colakoglu group (co- shareholder of TEB since 2005) and BNP Paribas Fortis. The merger of the two entities was approved by the General Shareholders' Meetings of the two banks the 25 January 2011 and was completed on 14 February. TEB's governance principles were extended to the new entity which is consolidated using the proportional integration method. The Colakoglu group has an option to sell its share in TEB Holding, the holding company controlling TEB, to the BNP Paribas Group at fair value starting from 15 February 2012. This option includes a minimum price on the historical stake of the Colakoglu group of 1,633 million Turkish Lira starting on 1 April 2014.

Through a public tender offer, the BNP Paribas Group also acquired 6% of the quoted shares of the new TEB Bank entity in June 2011.

8.e COMPENSATION AND BENEFITS AWARDED TO THE GROUP'S CORPORATE OFFICERS

REMUNERATION AND BENEFITS POLICY RELATING TO THE GROUP'S CORPORATE OFFICERS

- **Remuneration paid to the Group's corporate officers**

The remuneration 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 remuneration includes both a fixed and a variable component, the levels of which are determined using market benchmarks based on surveys of executive remuneration established by specialised firms.

Fixed remuneration

The fixed annual remuneration of Baudouin Prot, Chairman, amounts to EUR 850,000.

The fixed annual remuneration of Jean-Laurent Bonnafé, Chief Executive Officer was increased from EUR 1,050,000 to EUR 1,250,000 from 1 July 2012.

The fixed annual remuneration of Georges Chodron de Courcel, Philippe Bordenave and François Villeroy de Galhau, Chief Operating Officers, amount respectively to EUR 600,000, EUR 580,000 and EUR 450,000.

Variable remuneration

The variable portion of corporate officers' compensation is determined on the basis of a target compensation equal to 100% of the fixed remuneration for Baudouin Prot, 150% for Jean-Laurent Bonnafé, Georges Chodron de Courcel and Philippe Bordenave, and 120% for François Villeroy de Galhau. It fluctuates depending on criteria linked to the Group's performance, to the managerial performance of corporate officers and to 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 of the Board of Directors 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, in respect to their duties as executives of an international financial services group.

- ***Group performance criteria***

  Group performance criteria account for 75% of the target variable remuneration and are used to calculate the corresponding portion of the variable remuneration based on the change in the relevant indicators.

  - Baudouin Prot, Jean-Laurent Bonnafé and Philippe Bordenave
    - Change in earnings per share (37.5% of the target variable remuneration);
    - Achievement of the Group's budgeted gross operating income (37.5% of the target variable remuneration).

  - Georges Chordon de Courcel and François Villeroy de Galhau
    - Change in earnings per share (18.75% of the target variable remuneration);
    - Achievement of the Group's budgeted gross operating income (18.75% of the target variable remuneration);

- Change in net income before tax of businesses for which they are responsible (18.75% of the target variable remuneration);
- Achievement of budgeted gross operating income of businesses for which they are responsible (18.75% of the target variable remuneration).

▪ ***Personal objective-based criteria***

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 variable portion of compensation linked to personal criteria is limited to 25% of the target variable compensation.

▪ ***Criteria related to the risk and liquidity policy***

The criteria related to the risk and liquidity policy relate solely to the Chief Executive Officer and Chief Operating Officers. The proportion of variable remuneration corresponding to these criteria depends on the achievement of several measurable and predetermined objectives. It may be granted only where

i. the variable remuneration linked to Group performance indicators is at least equal to the corresponding proportion of the target remuneration;

ii. the BNP Paribas CDS is ranked among the first third of the lowest CDS of the panel of 21 comparable banks usually published.

In 2012, the Board of Directors ensured that the amount of variable compensation and the sum of all its individual components were consistent with trends in the Group's results and that, in any event, it did not exceed 180% of the fixed remuneration. The Board reported on variable compensation paid to corporate officers at the annual shareholders' meeting.

The Board of Directors decided that 60% of the variable compensation awarded to the corporate officers in 2012 with respect to 2011 would be deferred over three years, with a minimum amount of EUR 300,000 payable in 2013. The deferred portion is subject to a return-on-equity condition, and half of the deferred portion is indexed to the share price. Half of the non-deferred portion was postponed for six months and indexed to the share price.

Long-term compensation of corporate officers in the event of a rise in the share price

BNP Paribas' corporate officers did not receive any stock options or performance shares in 2012.

To align the interests of the Group's executives with its long-term business progress, the Board of Directors has introduced a fully conditional compensation scheme, based on the share price over a five-year period. The scheme gives no scope for choosing the payment date, and limits gains.

No compensation will be paid in respect of this scheme if, 5 years after the attribution date, the share price has risen by less than 5%. Even if the share price rises by more than 5%, payment of compensation would be subject to a performance criterion relating to the BNP Paribas share price being achieved each year. According to this condition, the fraction corresponding to the allocation may be maintained, reduced or lost from one year to the next. The amount paid would depend on the increase in the share price over five years. Any increase in the amount paid will be less than any increase in the share price and subject to a cap that would apply if the share price rose sharply.

The carrying value of this contingent long-term compensation at the grant date (3 May 2012) was EUR 228,565 for Baudouin Prot, EUR 311,323 for Jean-Laurent Bonnafé, EUR 205,132 for Georges Chodron de Courcel, EUR 193,561 for Philippe Bordenave, and EUR 108,421 for François Villeroy de Galhau.

- **<u>Post-employment benefits</u>**

Indemnities or benefits due or likely to become due upon termination or change of offices

Jean-Laurent Bonnafé, who joined BNP Paribas in 1993 and was appointed Chief Executive Officer on 1 December 2011, agreed to waive his employment contract (effective 1 July 2012) in accordance with the recommendations of the AFEP-MEDEF corporate governance code.

As a result of this decision, apart from the death and disability and health insurance provided under Group plans, he lost the benefits of the collective bargaining agreement and company agreements which he had enjoyed for almost twenty years as an employee and corporate officer (and particularly his rights as regards termination of his employment contract).

In exchange, therefore, the Board authorised a regulated agreement in his favour on 14 December 2012, which will be put to the vote at the annual general meeting held to approve the 2012 financial statements. The agreement sets out the terms and conditions of Jean-Laurent Bonnafé's entitlement to termination benefits should he cease to be Chief Executive Officer:

1. Jean-Laurent Bonnafé will not be entitled to termination benefits in the event of:
   - serious or gross misconduct;
   - failure to meet the performance conditions set out in point 2;
   - voluntary resignation from office.

2. In the event of termination for reasons other than those set out in point 1, Jean-Laurent Bonnafé will be entitled to the following contingent termination benefits:
   a. if, for at least two of the three years preceding termination, he has achieved at least 80% of the quantitative targets set by the Board of Directors for determining his variable compensation, his termination benefits will be equal to two years of his latest fixed remuneration and target compensation prior to termination;
   b. if the achievement rate indicated above has not been met but the net income attributable to equity holders is positive in two of the three years preceding termination, his termination benefits will be equal to two years of his compensation due in respect of 2011.

3. If termination occurs during the year before the date on which Jean-Laurent Bonnafé is entitled to retire, his termination benefits will be:
   • limited to half of the benefits as set out above;
   • subject to the same terms and conditions.

Baudouin Prot, Georges Chodron de Courcel, Philippe Bordenave and François Villeroy de Galhau are not entitled to any contractual benefits upon termination of office.

Retirement bonuses

Under an agreement authorised by the Board of Directors and terminating the employment contract of Baudouin Prot, BNP Paribas undertook to pay Mr Prot, when he leaves the Group to take retirement, EUR 150,000 corresponding to the retirement bonus he would have received under the agreement relating to the Banque Nationale de Paris staff provident fund.

Jean-Laurent Bonnafé (Chief Executive Officer) is not entitled to any retirement bonus when he takes retirement, in excess of the termination compensation mentioned above.

Georges Chodron de Courcel, Philippe Bordenave and François Villeroy de Galhau (Chief Operating Officers) are entitled to the standard retirement bonus benefits awarded to all BNP Paribas SA employees according to their initial employment contract.

Supplementary pension plans [1]

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 Baudouin Prot (Chairman of the board of directors) and Georges Chodron de Courcel (Chief Operating Officer). Pursuant to Article L. 137.11 of the French Social Security Code, 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 remuneration 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 remuneration 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 2012 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.

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[1] AFEP-MEDEF corporate governance code (point 20-2-5).

The benefits deriving from the pension schemes described above have always been taken into account by the Board of Directors when determining the overall remuneration 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.

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 amount of contributions paid by the company in 2012 was EUR 400 per beneficiary.

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.

Group corporate officers at 31 December 2012	Employment contract		Top-up pension plan		Indemnities and benefits due or likely to become due upon termination or change of offices		Payment under a no-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Baudouin PROT		✓	✓			✓		✓
Jean -Laurent BONNAFE		✓[1]	✓[2]		✓[3]			✓
Georges CHODRON de COURCEL	✓		✓			✓		✓
Philippe BORDENAVE	✓		✓[2]			✓		✓
François VILLEROY de GALHAU	✓		✓[2]			✓		✓

[1] Employment contract waived effective 1 July 2012.
[2] Jean-Laurent Bonnafé, Philippe Bordenave and François Villeroy de Galhau are only entitled to the defined-contribution plan set up for all BNP Paribas SA employees and corporate officers, in accordance with Article 83 of the French General Tax Code.
[3] See above, Indemnities and benefits due or likely to become due upon termination or change of offices.

The table below shows gross remuneration payable for the year to 31 December 2012, including directors' fees and benefits in kind of the same period.

Compensation payable for 2012 In euros	Compensation			Directors' fees [3]	Benefits in kind [5]	TOTAL Compensation [6]
	Fixed [1]	Variable				
		paid in 2013	Deferred			
Baudouin PROT						
Chairman of the Board of Directors	850,000	330,000	495,000	93,010	3,701	1,716,404
(for 2011)	*(941,667)*	*(471,970)* [2]	*(707,956)*	*(91,796)*	*(3,926)*	*(2,166,394)*
Jean-Laurent BONNAFE						
Chief Executive Officer	1,150,000	672,000	1,008,000	143,540	3,108	2,870,811
(for 2011)	*(820,833)*	*(463,106)* [2]	*(694,659)*	*(97,087)*	*(3,197)*	*(2,020,548)*
Georges CHODRON de COURCEL						
Chief Operating Officer	600,000	356,000	534,000	98,558	4,141	1,494,141
(for 2011)	*(600,000)*	*(305,143)* [2]	*(457,714)*	*(106,133)*	*(4,141)*	*(1,366,998)*
Philippe BORDENAVE						
Chief Operating Officer	580,000	344,000	516,000	7,500	2,879	1,442,879
(for 2011 - Period from 01/12/2011 to 31/12/2011)	*(48,333)*	*(25,842)* [2]	*(38,763)*	[4]	*(13)*	*(112,951)*
François VILLEROY de GALHAU						
Chief Operating Officer	450,000	300,000	230,000	86,042	3,114	983,114
(for 2011 - Period from 01/12/2011 to 31/12/2011)	*(37,500)*	*(33,321)* [2]	*(22,214)*	[4]	*(260)*	*(93,295)*
Total compensation payable to the Group's corporate officers for 2012						8,507,349
(for 2011)						(5,760,186)

(1) Salary effectively paid in 2012.

(2) These amounts correspond to variable compensation in respect of 2011 and paid in 2012.

(3) Baudouin Prot does not receive any Directors' fees from any Group companies other than from BNP Paribas SA and Erbé. Directors' fees received 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, BNP Paribas Personal Finance and Erbé. The Directors' fees received from BNP Paribas Fortis, BNL, BNP Paribas Personal Finance and Erbé 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 from these companies are deducted from his variable compensation.

Philippe Bordenave does not receive any Directors' fees from any Group companies other than from BNP Paribas Personal Finance. The Directors' fees received from BNP Paribas Personal Finance are deducted from his variable compensation.

François Villeroy de Galhau does not receive any Directors' fees from any Group companies other than from BGL, BNL, BNP Paribas Fortis, BNP Paribas Leasing Solutions and Cortal Consors. The Directors' fees received from these companies are deducted from his variable compensation.

(4) Philippe Bordenave and François Villeroy de Galhau did not receive any Directors' fees between 1 December 2011, the start date of their term of office, and 31 December 2011.

(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) Total compensation after deduction of Directors' fees from variable compensation.

The table below shows gross remuneration paid in 2012, including directors' fees and benefits in kind of the same period.

Compensation paid in 2012	Compensation		Directors' fees	Benefits in kind	TOTAL Compensation
In euros	Fixed	Variable [1]			
Baudouin PROT					
Chairman of the Board of Directors	850,000	819,495	93,010	3,701	1,766,206
(for 2011)	*(941,667)*	*(799,042)*	*(91,796)*	*(3,926)*	*(1,836,430)*
Jean-Laurent BONNAFE					
Chief Executive Officer	1,150,000	640,935	143,540	3,108	1,937,583
(for 2011)	*(820,833)*	*(513,619)*	*(97,087)*	*(3,197)*	*(1,434,736)*
Georges CHODRON de COURCEL					
Chief Operating Officer	600,000	457,166	98,558	4,141	1,159,865
(for 2011)	*(600,000)*	*(435,540)*	*(106,133)*	*(4,141)*	*(1,145,814)*
Philippe BORDENAVE					
Chief Operating Officer	580,000	406,366	7,500	2,879	996,745
(for 2011 - Period from 01/12/2011 to 31/12/2011)	*(48,333)*	*(690)* [2]	-	*(13)*	*(49,036)*
François VILLEROY de GALHAU					
Chief Operating Officer	450,000	216,815	86,042	3,114	755,971
(for 2011 - Period from 01/12/2011 to 31/12/2011)	*(37,500)*	*(690)* [2]	-	*(260)*	*(38,450)*
Total compensation paid to the Group's corporate officers in 2012					6,616,370
(for 2011)					(4,504,466)

[1] The amounts shown also include variable compensation itself, exceptional compensation and deductions corresponding to the recovery of Directors' fees.

Baudouin Prot's variable compensation paid in 2012 in respect of 2011 was reduced by EUR 50,920, representing the recovery of Directors' fees received in 2011.

Jean-Laurent Bonnafé's variable compensation paid in 2012 in respect of 2011 was reduced by EUR 58,334 representing the recovery of Directors' fees received in 2011.

Georges Chodron de Courcel's variable compensation paid in 2012 in respect of 2011 was reduced by EUR 106,133, representing the recovery of Directors' fees received in 2011.

Philippe Bordenave's variable compensation paid in 2012 in respect of 2011 was reduced by EUR 6,879, representing the recovery of Directors' fees received in 2011.

François Villeroy de Galhau's variable compensation paid in 2012 in respect of 2011 was reduced by EUR 53,413, representing the recovery of Directors' fees received in 2011.

[2] Bonus received in December 2011 awarded under a company-wide agreement to all BNP Paribas SA full-time employees present for the duration of 2010.

The average payroll tax rate on these compensations in 2012 was 30.5% (32.3% in 2011).

Benefits awarded to the corporate officers

Benefits awarded to the Group's corporate officers	Year to 31 Dec. 2012	Year to 31 Dec. 2011
Post-employment benefits		
Retirement bonuses		
Present value of the benefit obligation (payroll taxes excluded)	€ 620,247	€ 746,318
Contingent collective defined-benefit top-up pension plan		
Total present value of the benefit obligation	€ 19.01 m	€ 18.5 m
Defined contribution pension plan		
Contributions paid by the company during the year	€ 2,000	€ 1,588
Welfare benefits		
Premiums paid by the company during the year	€ 23,429	€ 74,263

Director's fees paid to members of the board of directors

In euros	Director's fees paid in 2012	Director's fees paid in 2011
AUGUSTE Patrick [1]		26,861
BEBEAR Claude [2]	31,306	48,009
BERGER Suzanne [3]		23,358
BONNAFE Jean-Laurent	37,703	38,753
DE CHALENDAR Pierre-André [4]	16,461	
GIANNO Jean-Marie [5]	10,054	47,034
GRAPPOTTE François [3]		45,317
KESSLER Denis	71,294	74,466
KUNEVA Meglena	46,203	36,629
LEPETIT Jean-François	76,177	65,524
MISSON Nicole	45,489	17,624
MOUCHARD Thierry [6]	26,515	
PARISOT Laurence	39,615	41,726
PEBEREAU Michel	44,859	40,876
PLOIX Hélène	53,672	45,972
PROT Baudouin	37,703	40,876
SCHWEITZER Louis	67,896	60,239
TILMANT Michel	55,547	56,590
VAN BROEKHOVEN Emiel	55,547	55,528
WEBER-REY Daniela	46,522	55,528
WICKER-MIURIN Fields	52,432	20,597
Total	**814,995**	**841,507**

(1) Term of office ended 30 June 2011.
(2) Term of office ended 23 May 2012.
(3) Term of office ended 11 May 2011.
(4) Term of office beginning 23 May 2012.
(5) Term of office ended 15 February 2012.
(6) Term of office beginning 16 February 2012.

- **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 decided by the Board of Directors and are described in the note on salaries and employee benefits (share-based payment).

Although the provisions of this programme apply to corporate officers, the Board of Directors did not choose to use it in 2012.

- Options granted and exercised in 2012

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	
Options granted in 2012	Nil	-	-	-	-	-	-
Options exercised in 2012	Nil	-	-	-	-	-	-
Options granted in 2011	Nil	-	-	-	-	-	-
Options exercised in 2011							
Baudouin PROT	94,818	47.37	15/05/2001	14/05/2011	0		
Georges CHODRON de COURCEL	4,675	35.87	21/03/2003	20/03/2013	0		

- Summary of compensation and stock options paid to individual corporate officers

In euros	2012	2011
Baudouin PROT		
Chairman of the Board of Directors		
Remuneration for the year	1,716,404	2,166,394
Long-term compensation - carrying amount at date of grant	228,565	492,506
Value of stock options granted during the year	Nil	Nil
TOTAL	**1,944,969**	**2,658,900**
Jean-Laurent BONNAFE		
Chief Executive Officer		
Remuneration for the year	2,870,811	2,020,548
Long-term compensation - carrying amount at date of grant	311,323	399,744
Value of stock options granted during the year	Nil	Nil
TOTAL	**3,182,134**	**2,420,292**
Georges CHODRON de COURCEL		
Chief Operating Officer		
Remuneration for the year	1,494,141	1,366,998
Long-term compensation - carrying amount at date of grant	205,132	323,780
Value of stock options granted during the year	Nil	Nil
TOTAL	**1,699,273**	**1,690,778**
Philippe BORDENAVE		
Chief Operating Officer		
Remuneration for the year	1,442,879	112,951 (1)
Long-term compensation - carrying amount at date of grant	193,561	Nil
Value of stock options granted during the year	Nil	Nil
TOTAL	**1,636,440**	**112,951** (1)
François VILLEROY de GALHAU		
Chief Operating Officer		
Remuneration for the year	983,114	93,295 (1)
Long-term compensation - carrying amount at date of grant	108,421	Nil
Value of stock options granted during the year	Nil	Nil
TOTAL	**1,091,535**	**93,295** (1)

(1) Remuneration paid between 1 December 2011 (start date of their term of office), and 31 December 2011.

The table shows the number of options held by the Group's corporate officers at 31 December 2012.

Originating company	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas
Date of grant	21/03/2003	24/03/2004	25/03/2005	05/04/2006	08/03/2007	18/04/2008	08/04/2009	05/03/2010	04/03/2011
Baudouin PROT	201,688	-	155,125	184,537	174,300	174,299	-	-	-
Jean-Laurent BONNAFE	-	-	41,368	51,261	61,518	61,517	-	-	-
Georges CHODRON de COURCEL	-	-	62,052	92,269	92,277	102,529	-	-	-
Philippe BORDENAVE	38,484	-	41,368	36,908	36,911	41,012	41,014	24,900	18,660
François VILLEROY de GALHAU	-	7,750	15,514	15,379	15,380	15,380	41,014	24,900	18,660
Number of options at end-2012 (1)	**240,172**	**7,750**	**315,427**	**380,354**	**380,386**	**394,737**	**82,028**	**49,800**	**37,320**

(1) The increase in capital with pre-emptive subscription rights in October 2009 in accordance with the regulations in force and in order to take into account the detachment of a pre-emptive subscription right led to the adjustment of the number and exercise prices of options.

- **Performance shares**

Under the Global Share-based Incentive Plan implemented in favour of the categories of employees described in note 7.e, Philippe Bordenave and François Villeroy de Galhau have received fully conditional performance shares.

Originating company	BNP Paribas		BNP Paribas	
Grant date	05/03/2010		04/03/2011	
Vesting date	05/03/2013		04/03/2014	
Date of availability	06/03/2015		04/03/2016	
Performance conditions	yes		yes	
	Number of shares (1)	Valuation (2)	Number of shares	Valuation (2)
Philippe BORDENAVE	2,070	103,500	4,665	223,174
François VILLEROY de GALHAU	2,070	103,500	4,665	223,174
Total	**4,140**	**207,000**	**9,330**	**446,347**

(1) The number of shares has been adjusted to take into account the loss of one third of the initial grant due to non-achievement of the performance condition for that portion.

(2) Valuation at the grant date of the shares according to the method described in Note 7.e.

No corporate officer held available performance shares at 31 December 2012.

- **Long-term compensation of BNP Paribas corporate officers in case of a share price rise**

The table shows the fair value of the long-term compensation of the Group's corporate officers at the plans grant date and at 31 December 2012.

Originating company	BNP Paribas		BNP Paribas	
Grant date	12/04/2011		03/05/2012	
Due date	12/04/2016		03/05/2017	
In euros	Grant date	At 31/12/2012	Grant date	At 31/12/2012
Baudouin PROT	492,506	410,310	228,565	346,375
Jean-Laurent BONNAFE	399,744	333,030	311,323	471,789
Georges CHODRON de COURCEL	323,780	269,743	205,132	310,864
Philippe BORDENAVE	-	-	193,561	293,328
François VILLEROY DE GALHAU	-	-	108,421	164,305
Total	**1,216,031**	**1,013,083**	**1,047,002**	**1,586,662**

- **Holding of shares resulting from the exercise of stock options**

The Board of Directors decided that the Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officers were required to hold a quantity of shares resulting from the exercising of stock options until they stand down from office. For Jean-Laurent Bonnafé, this holding requirement is set at 50% of the capital gain net of acquisition realised on options awarded as of 1 September 2008, the date when he was appointed corporate officer. This holding requirement applies to Philippe Bordenave and François Villeroy de Galhau for options awarded to them as of 1 December 2011. It will be deemed as having been met once the thresholds defined below in respect of holding shares are reached by means of shares resulting from the exercising of stock options.

The Board of Directors has decided that Baudouin Prot and Georges Chodron de Courcel are still required to hold the minimum quantity of shares for the duration of their term of office. This quantity had previously been set at 80,000 shares for Baudouin Prot and 30,000 shares for Georges Chodron de Courcel. It was also decided that the minimum quantity of shares that Jean-Laurent Bonnafé will be required to hold for the duration of his term of office will be increased from 30,000 shares to 80,000 shares, in line with the number of shares set for Baudouin Prot in his capacity as Chief Executive Officer. Jean-Laurent Bonnafé must comply with this obligation, through the direct ownership of shares or units in the Company Savings Plan fully invested in BNP Paribas shares, no later than by 1 December 2014, that is three years after his appointment as Chief Executive Officer.

In consideration of their respective compensation, the Board of Directors has set the minimum quantity of shares that must be held by Philippe Bordenave and François Villeroy de Galhau for the duration of their term of office in the form of shares or units in the Company Savings Plan fully invested in BNP Paribas shares. This minimum quantity has been set at 30,000 shares for Philippe Bordenave and 20,000 shares for François Villeroy de Galhau. This obligation must be complied with no later than 1 December 2016.

- **Remuneration and benefits awarded to employee-elected directors**

Total compensation paid in 2012 to employee-elected directors based on their actual attendance amounted to EUR 114,370 (EUR 155,426 in 2011), excluding directors fees. The total amount of directors' fees paid in 2012 to employee-elected directors was EUR 82,058 (EUR 93,346 in 2011). 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 2012 on behalf of the employee-elected directors was EUR 1,833 (EUR 1,746 in 2011).

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 2012 on behalf of these corporate officers was EUR 738 (EUR 717 in 2011). 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 2012, total outstanding loans granted directly or indirectly to the Group's corporate officers amounted to EUR 2,700,091 (EUR 3,416,297 at 31 December 2011). 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". Transactions and period-end balances between fully-consolidated entities are eliminated. The tables below show the portion of intragroup transactions not eliminated in consolidated accounts, related with companies accounted for by the proportionate consolidation method over which BNP Paribas exercises joint control. They also show transactions and balances with associates accounted for by the equity method.

- Related-party balance sheet items:

In millions of euros	31 December 2012		31 December 2011	
	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				
On demand accounts	53	130	29	40
Loans	3,969	1,827	4,058	3,082
Securities	319	16	312	17
Finance leases	-	-	6	-
Non-trading securities held in the portfolio	459	2	479	2
Other assets	**6**	**128**	**11**	**110**
Total	**4,806**	**2,103**	**4,895**	**3,251**
LIABILITIES				
Deposits				
On demand accounts	25	726	94	664
Other borrowings	121	1,861	88	1,627
Debt securities	66	-	67	32
Other liabilities	8	40	11	14
Total	**220**	**2,627**	**260**	**2,337**
FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS				
Financing commitments given	**100**	**2,523**	**20**	**581**
Guarantee commitments given	**189**	**102**	**153**	**73**
Total	**289**	**2,625**	**173**	**654**

The Group also carries out trading transactions with related parties involving derivatives (swaps, options and forwards, etc.) and financial instruments purchased or underwritten and issued by them (equities, bonds, etc.).

- Related-party profit and loss items:

In millions of euros	Year to 31 Dec. 2012		Year to 31 Dec. 2011	
	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	134	146	145	93
Interest expense	(4)	(28)	(4)	(45)
Commission income	18	351	18	314
Commission expense	(57)	(15)	(60)	(28)
Services provided	1	34	1	72
Services received	-	(63)	-	(96)
Lease income	2	6	2	7
Total	94	431	102	317

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 18.7% equity interest.

In other countries, post-employment benefit plans are generally managed by independent fund managers or independent insurance companies, and occasionally by Group companies (in particular BNP Paribas Asset Management, BNP Paribas Cardif, Bank of the West and First Hawaiian Bank). In Switzerland, a dedicated foundation manages pension plans for BNP Paribas Switzerland's employees.

At 31 December 2012, the value of plan assets managed by Group companies or by companies over which the Group exercises significant influence was EUR 3,420 million (EUR 3,164 million at 31 December 2011). Amounts received relating to services provided by Group companies in the year to 31 December 2012 totalled EUR 4.0 million, and mainly is composed of management and custody fees (EUR 4.1 million in 2011).

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 2012	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		103,190						103,190
Financial assets at fair value through profit or loss	763,799							763,799
Derivatives used for hedging purposes	14,267							14,267
Available-for-sale financial assets	17,093		6,447	10,578	18,513	56,530	83,345	192,506
Loans and receivables due from credit institutions	26	10,414	7,387	3,013	3,848	6,413	9,305	40,406
Loans and receivables due from customers	-	49,195	47,927	58,766	74,957	190,107	209,568	630,520
Remeasurement adjustment on interest-rate risk hedged portfolios	5,836							5,836
Held-to-maturity financial assets			-	264	436	5,019	4,565	10,284
Financial assets by maturity	**801,021**	**162,799**	**61,761**	**72,621**	**97,754**	**258,069**	**306,783**	**1,760,808**
Due to central banks		1,532						1,532
Financial liabilities at fair value through profit or loss	661,995		353	1,585	5,356	24,842	9,492	703,623
Derivatives used for hedging purposes	17,286							17,286
Due to credit institutions		15,324	20,525	18,603	5,669	48,928	2,686	111,735
Due to customers		329,327	106,448	32,939	26,079	29,456	15,264	539,513
Debt securities			19,618	33,295	47,581	49,769	22,935	173,198
Subordinated debt	2,605		32	452	1,156	8,204	2,774	15,223
Remeasurement adjustment on interest-rate risk hedged portfolios	2,067							2,067
Financial liabilities by maturity	**683,953**	**346,183**	**146,976**	**86,874**	**85,841**	**161,199**	**53,151**	**1,564,177**

In millions of euros, at 31 December 2011	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		58,382						58,382
Financial assets at fair value through profit or loss	820,463							820,463
Derivatives used for hedging purposes	9,700							9,700
Available-for-sale financial assets	17,479		5,581	13,589	17,681	50,398	87,740	192,468
Loans and receivables due from credit institutions	-	16,117	11,244	8,304	3,182	7,966	2,556	49,369
Loans and receivables due from customers	-	55,011	57,993	56,878	72,762	198,788	224,402	665,834
Remeasurement adjustment on interest-rate risk hedged portfolios	4,060							4,060
Held-to-maturity financial assets			-	299	212	4,188	5,877	10,576
Financial assets by maturity	**851,702**	**129,510**	**74,818**	**79,070**	**93,837**	**261,340**	**320,575**	**1,810,852**
Due to central banks		1,231						1,231
Financial liabilities at fair value through profit or loss	723,492		513	2,167	6,131	22,644	7,848	762,795
Derivatives used for hedging purposes	14,331							14,331
Due to credit institutions		21,234	49,429	21,475	6,159	42,282	8,575	149,154
Due to customers		319,719	126,907	31,467	27,547	27,030	13,614	546,284
Debt securities			28,020	31,856	27,896	49,713	20,301	157,786
Subordinated debt	3,507		23	445	2,360	5,325	8,023	19,683
Remeasurement adjustment on interest-rate risk hedged portfolios	356							356
Financial liabilities by maturity	**741,686**	**342,184**	**204,892**	**87,410**	**70,093**	**146,994**	**58,361**	**1,651,620**

The majority of the financing and guarantee commitments given, which amounted to EUR 264,284 million and EUR 91,689 million respectively at 31 December 2012 (EUR 253,298 million and EUR 106,096 million respectively at 31 December 2011), 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 2012. 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 2012		31 December 2011	
	Carrying value (1)	Estimated fair value	Carrying value (1)	Estimated fair value
FINANCIAL ASSETS				
Loans and receivables due from credit institutions	40,406	41,128	49,369	49,316
Loans and receivables due from customers	630,520	655,097	665,834	683,398
Held-to-maturity financial assets	10,284	10,412	10,576	11,135
FINANCIAL LIABILITIES				
Due to credit institutions	111,735	112,599	149,154	149,879
Due to customers	539,513	540,982	546,284	547,992
Debt securities	173,198	176,466	157,786	154,419
Subordinated debt	15,223	14,862	19,683	16,243

(1) The carrying amount does not include the remeasurement of portfolios of financial instruments in fair value hedging relationships. At 31 December 2012, this is included within "Remeasurement adjustment on interest-rate risk hedged portfolios" as EUR 5,836 million under assets, and EUR 2,067 million under liabilities (EUR 4,060 million and EUR 356 million, respectively, at 31 December 2011).

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

Following discussions with the U.S. Department of Justice and the New York County District Attorney's Office, among other U.S. regulators and law enforcement and other governmental authorities, the Bank is conducting an internal review of certain U.S. dollar payments involving countries, persons and entities that could be subject to economic sanctions under U.S. law in order to determine whether the Bank has, in the conduct of its business, complied with such laws. The review covers a significant volume of transactions that, even though they may not have been prohibited by the laws of the countries of the Bank entities that initiated them, may be considered impermissible under U.S. regulations (and, in particular, those of the Office of Foreign Assets Control). When the Bank completes this review, it will present its findings and arguments to the U.S. authorities. The Bank is not currently able, on the basis of the transactions identified to date, to estimate without a substantial degree of uncertainty the specific amount or even the general magnitude of the possible consequences of this review (including in terms of fines or penalties) on its results of operation and financial condition. The timing of completion of the review process and subsequent discussions with the U.S. authorities is also uncertain. It should be noted that similar reviews conducted by numerous other financial institutions have often resulted in settlements involving in particular the payment of significant fines and/or penalties depending on the circumstances of each matter.

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

On 27 June 2008, the Republic of Iraq filed a lawsuit in New York against approximately 90 international companies that participated in the oil-for-food ("OFF") programme and against BNP Paribas as holder of the OFF account on behalf of the United Nations. The complaint 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 services agreement binding BNP Paribas and the United Nations. The complaint is pleaded under the US Racketeer Influenced and Corrupt Organisations Act ("RICO") which allows treble damages if damages are awarded. The complaint has been served and the defendants, including BNP Paribas, moved to dismiss the action in its entirety on a number of different legal grounds. The complaint has been served and the defendants, including BNP Paribas, moved to dismiss the action in its entirety on a number of different legal grounds. Oral arguments took place in October 2012. On 6 February 2013, the complaint was dismissed by the United States District Court Southern District of New York (which means that the plaintiff does not have the opportunity to re-file an amended complaint). On 15 February 2013, the Republic of Iraq filed a notice of appeal before the United States Court of Appeals for the Second Circuit.

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS"). These actions, known generally as "clawback claims", are similar to those brought by the BLMIS Trustee against numerous institutions, and seek recovery of amounts allegedly received by the BNP Paribas entities from BLMIS or indirectly through BLMIS-related "feeder funds" in which BNP Paribas entities held interests. The BLMIS Trustee claims in these actions that the amounts which BNP Paribas entities received are avoidable and

recoverable under the U.S. Bankruptcy Code and New York state law. In the aggregate, the amounts sought to be recovered in these actions approximates $1.2 billion. BNP Paribas has substantial and credible defenses to these actions and is defending against them vigorously.

Various legal disputes and enquiries are ongoing relating to the restructuring of the Fortis Group, now Ageas, of which BNP Paribas Fortis is no longer part, and to events having occurred before BNP Paribas Fortis became part of the BNP Paribas Group. Among these disputes are litigations brought by shareholder groups in The Netherlands and Belgium against (among others) Ageas and BNP Paribas Fortis, in the context of the capital increase of Fortis (now Ageas) completed in October 2007 in connection with the acquisition of ABN Amro Bank N.V.. The Bank is vigorously defending itself in these proceedings.

There are no other government, legal or arbitration proceedings of which the Company is aware that are likely to have or have 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

In 2012 *Excluding tax, in thousands of euros*	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
	Total	%	Total	%	Total	%	Total	%
Audit								
Statutory audits and contractual audits, including								
- Issuer	3,242	20%	3,359	19%	1,539	16%	8,140	19%
- Consolidated subsidiaries	8,801	55%	9,391	54%	7,393	79%	25,585	60%
Other reviews and services directly related to the statutory audit engagement, including								
- Issuer	1	0%	564	3%	93	1%	658	2%
- Consolidated subsidiaries	1,472	9%	2,920	17%	227	2%	4,619	11%
Sub-total	**13,516**	**84%**	**16,234**	**93%**	**9,252**	**99%**	**39,002**	**91%**
Other services provided by the networks to fully- or proportionally-consolidated subsidiaries								
Tax and legal	97	1%	77	0%	-	0%	174	0%
Others	2,518	16%	1,183	7%	77	1%	3,778	9%
Sub-total	**2,615**	**16%**	**1,260**	**7%**	**77**	**1%**	**3,952**	**9%**
TOTAL	**16,131**	**100%**	**17,494**	**100%**	**9,329**	**100%**	**42,954**	**100%**

In 2011 *Excluding tax, in thousands of euros*	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
	Total	%	Total	%	Total	%	Total	%
Audit								
Statutory audits and contractual audits, including								
- Issuer	3,639	19%	4,505	25%	1,230	12%	9,374	18%
- Consolidated subsidiaries	10,775	55%	9,625	53%	8,927	84%	29,327	61%
Other reviews and services directly related to the statutory audit engagement, including								
- Issuer	348	2%	986	5%	121	1%	1,455	4%
- Consolidated subsidiaries	535	3%	1,815	10%	332	3%	2,682	6%
Sub-total	**15,297**	**79%**	**16,931**	**93%**	**10,610**	**100%**	**42,838**	**89%**
Other services provided by the networks to fully- or proportionally-consolidated subsidiaries								
Tax and legal	20	0%	54	1%	2	0%	76	0%
Others	4,047	21%	1,133	6%	47	0%	5,227	11%
Sub-total	**4,067**	**21%**	**1,187**	**7%**	**49**	**0%**	**5,303**	**11%**
TOTAL	**19,364**	**100%**	**18,118**	**100%**	**10,659**	**100%**	**48,141**	**100%**

The audit fees paid to auditors which are not members of the network of one of the auditors certifying the consolidated financial statements and the non-consolidated financial statements of BNP Paribas SA, mentioned in the table above, amount to EUR 1,613 thousand for the year 2012 (EUR 1,468 thousand in 2011).

The decrease in fees paid to auditors in 2012 derives from the revaluation of audit budgets in the framework of the renewal of their mandates for 2012-2017, as well as from the effect of changes in scope, mainly related to Klépierre, which is now consolidated under the equity method.

Other work and services related directly to audit work, mainly work on financial transactions, opinions on the group's approach to implementing accounting standards and controls, reviews of the entity's compliance with regulatory provisions and reviews of internal control quality by comparison with international standards (such as ISAE 3402) as part of services provided to customers, particularly in the securities and asset management businesses.