CONSOLIDATED FINANCIAL STATEMENTS

First half 2015

Unaudited figures

CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS

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

The consolidated financial statements of the BNP Paribas Group are presented for the first halves of 2015 and 2014. In accordance with Article 20.1 of Annex I of European Commission Regulation (EC) 809/2004, the consolidated financial statements for the first half of 2013 are provided in the update, registered on 1 August 2014 under number D. 14-0123-A03, to the registration document filed with the Autorité des Marchés Financiers on 7 March 2014 under number D.14-0123.

PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2015

In millions of euros	Notes	First half 2015	First half 2014[1]
Interest income	3.a	21,946	19,033
Interest expense	3.a	(10,818)	(9,300)
Commission income	3.b	6,772	6,185
Commission expense	3.b	(2,922)	(2,643)
Net gain on financial instruments at fair value through profit or loss	3.c	3,557	2,529
Net gain on available-for-sale financial assets and other financial assets not measured at fair value	3.d	976	1,278
Income from other activities	3.e	22,283	18,968
Expense on other activities	3.e	(19,650)	(16,570)
REVENUES		**22,144**	**19,480**
Salary and employee benefit expense		(8,236)	(7,490)
Other operating expenses		(5,849)	(4,951)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		(806)	(720)
GROSS OPERATING INCOME		**7,253**	**6,319**
Cost of risk	3.f	(1,947)	(1,939)
Costs related to the comprehensive settlement with US authorities	3.g		(5,950)
OPERATING INCOME		**5,306**	**(1,570)**
Share of earnings of equity-method entities		301	241
Net gain on non-current assets		630	12
Goodwill			(3)
PRE-TAX INCOME		**6,237**	**(1,320)**
Corporate income tax	3.h	(1,846)	(1,324)
NET INCOME		**4,391**	**(2,644)**
Net income attributable to minority interests		188	171
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		**4,203**	**(2,815)**
Basic earnings/(losses) per share	6.a	3.22	(2.36)
Diluted earnings/(losses) per share	6.a	3.22	(2.35)

(1) Restated according to the IFRIC 21 interpretation (see notes 1.a and 2.).

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

In millions of euros	First half 2015	First half 2014[1]
Net income for the period	**4,391**	**(2,644)**
Changes in assets and liabilities recognised directly in equity	**794**	**1,950**
Items that are or may be reclassified to profit or loss	**525**	**2,166**
- Changes in exchange rate items	1,023	249
- Changes in fair value of available-for-sale financial assets, including those reclassified as loans and receivables	(57)	1,682
- Changes in fair value of available-for-sale financial assets reported in net income, including those reclassified as loans and receivables	(443)	(510)
- Changes in fair value of hedging instruments	(240)	445
- Changes in fair value of hedging instruments reported in net income	(3)	7
- Changes in equity-method investments	245	293
Items that will not be reclassified to profit or loss	**269**	**(216)**
- Remeasurement gains (losses) related to post-employment benefit plans	263	(205)
- Changes in equity-method investments	6	(11)
Total	**5,185**	**(694)**
- Attributable to equity shareholders	4,962	(908)
- Attributable to minority interests	223	214

[1] Restated according to the IFRIC 21 interpretation (see notes 1.a and 2.).

BALANCE SHEET AT 30 JUNE 2015

In millions of euros	Notes	30 June 2015	31 December 2014[1]
ASSETS			
Cash and amounts due from central banks		99,423	117,473
Financial instruments at fair value through profit or loss			
Trading securities	5.a	206,138	156,546
Loans and repurchase agreements	5.a	179,941	165,776
Instruments designated as at fair value through profit or loss	5.a	83,688	78,827
Derivative financial instruments	5.a	359,092	412,498
Derivatives used for hedging purposes		17,068	19,766
Available-for-sale financial assets	5.b	267,055	252,292
Loans and receivables due from credit institutions	5.d	43,803	43,348
Loans and receivables due from customers	5.e	697,405	657,403
Remeasurement adjustment on interest-rate risk hedged portfolios		4,590	5,603
Held-to-maturity financial assets		8,436	8,965
Current and deferred tax assets	5.g	8,258	8,628
Accrued income and other assets	5.h	121,920	110,088
Equity-method investments		7,350	7,371
Investment property		1,593	1,614
Property, plant and equipment		18,726	18,032
Intangible assets		2,999	2,951
Goodwill	5.i	11,024	10,577
TOTAL ASSETS		**2,138,509**	**2,077,758**
LIABILITIES			
Due to central banks		5,841	1,680
Financial instruments at fair value through profit or loss			
Trading securities	5.a	91,671	78,912
Borrowings and repurchase agreements	5.a	227,203	196,733
Instruments designated as at fair value through profit or loss	5.a	62,847	57,632
Derivative financial instruments	5.a	356,104	410,250
Derivatives used for hedging purposes		21,232	22,993
Due to credit institutions	5.d	93,424	90,352
Due to customers	5.e	687,365	641,549
Debt securities	5.f	185,036	187,074
Remeasurement adjustment on interest-rate risk hedged portfolios		3,182	4,765
Current and deferred tax liabilities	5.g	2,903	2,920
Accrued expenses and other liabilities	5.h	96,429	87,722
Technical reserves of insurance companies		182,904	175,214
Provisions for contingencies and charges	5.j	11,670	12,337
Subordinated debt	5.f	14,575	13,936
TOTAL LIABILITIES		**2,042,386**	**1,984,069**
CONSOLIDATED EQUITY			
Share capital, additional paid-in capital and retained earnings		*81,290*	*83,210*
Net income for the period attributable to shareholders		*4,203*	*157*
Total capital, retained earnings and net income for the period attributable to shareholders		85,493	83,367
Changes in assets and liabilities recognised directly in equity		6,585	6,091
Shareholders' equity		**92,078**	**89,458**
Retained earnings and net income for the period attributable to minority interests		3,881	4,098
Changes in assets and liabilities recognised directly in equity		164	133
Total minority interests		**4,045**	**4,231**
TOTAL CONSOLIDATED EQUITY		**96,123**	**93,689**
TOTAL LIABILITIES AND EQUITY		**2,138,509**	**2,077,758**

(1) Restated according to the IFRIC 21 interpretation (see notes 1.a and 2.).

CASH FLOW STATEMENT FOR THE FIRST HALF OF 2015

In millions of euros	Notes	First half 2015	First half 2014[(1)]
Pre-tax income		**6,237**	**(1,320)**
Non-monetary items included in pre-tax net income and other adjustments		**12,051**	**14,346**
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		1,813	1,663
Impairment of goodwill and other non-current assets		(12)	(14)
Net addition to provisions		7,423	6,136
Share of earnings of equity-method entities		(301)	(241)
Net expense (income) from investing activities		(584)	482
Net expense from financing activities		1,085	768
Other movements		2,627	5,552
Net decrease in cash related to assets and liabilities generated by operating activities		**(38,960)**	**(34,767)**
Net increase in cash related to transactions with credit institutions		6,245	3,966
Net increase in cash related to transactions with customers		4,729	11,660
Net decrease in cash related to transactions involving other financial assets and liabilities		(46,550)	(47,856)
Net decrease in cash related to transactions involving non-financial assets and liabilities		(1,802)	(1,292)
Taxes paid		(1,582)	(1,245)
NET DECREASE IN CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		**(20,672)**	**(21,741)**
Net increase (decrease) in cash related to acquisitions and disposals of consolidated entities		569	(285)
Net decrease related to property, plant and equipment and intangible assets		(790)	(759)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO INVESTING ACTIVITIES		**(221)**	**(1,044)**
Decrease in cash and equivalents related to transactions with shareholders		(1,967)	(1,885)
Decrease in cash and equivalents generated by other financing activities		(1,419)	(1,646)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO FINANCING ACTIVITIES		**(3,386)**	**(3,531)**
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS		**6,840**	**964**
NET DECREASE IN CASH AND EQUIVALENTS		**(17,439)**	**(25,352)**
Balance of cash and equivalent accounts at the start of the period		**111,991**	**97,755**
Cash and amounts due from central banks		117,473	100,787
Due to central banks		(1,680)	(662)
On demand deposits with credit institutions	5.d	7,924	7,239
On demand loans from credit institutions	5.d	(11,618)	(9,485)
Deduction of receivables and accrued interest on cash and equivalents		(108)	(124)
Balance of cash and equivalent accounts at the end of the period		**94,552**	**72,403**
Cash and amounts due from central banks		99,423	79,255
Due to central banks		(5,841)	(4,780)
On demand deposits with credit institutions	5.d	10,356	10,215
On demand loans from credit institutions	5.d	(9,365)	(12,273)
Deduction of receivables and accrued interest on cash and equivalents		(21)	(14)
NET DECREASE IN CASH AND EQUIVALENTS		**(17,439)**	**(25,352)**

(1) Restated according to the IFRIC 21 interpretation (see notes 1.a and 2.).

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 2013 (before IFRIC 21)	**26,812**	**6,614**	**52,064**	**85,490**	**3,528**		**3,528**
Retrospective impact of IFRIC 21			49	49	1		1
Capital and retained earnings at 1 January 2014 (1)	**26,812**	**6,614**	**52,113**	**85,539**	**3,529**		**3,529**
Appropriation of net income for 2013			**(1,866)**	**(1,866)**	**(86)**		**(86)**
Increases in capital and issues	48			48			
Movements in own equity instruments	(128)	(15)	(75)	(218)			
Share-based payment plans			5	5			
Remuneration on preferred shares and undated super subordinated notes			(96)	(96)			
Acquisitions of additional interests or partial sales of interests (note 6.d)			(4)	(4)	56		56
Change in commitments to repurchase minority shareholders' interests			33	33	(34)		(34)
Other movements (1)			6	6	(3)		(3)
Changes in assets and liabilities recognised directly in equity (1)			(212)	(212)	(4)		(4)
Net income for first half of 2014 (1)			**(2,815)**	**(2,815)**	**171**		**171**
Capital and retained earnings at 30 June 2014 (1)	**26,732**	**6,599**	**47,089**	**80,420**	**3,629**	**-**	**3,629**
Appropriation of net income for 2013					**(21)**		**(21)**
Increases in capital and issues	5			5			
Reduction or redemption of capital	(30)			(30)			
Movements in own equity instruments	264	(10)	(46)	208			
Share-based payment plans			14	14			
Remuneration on preferred shares and undated super subordinated notes			(142)	(142)	(1)		(1)
Movements in consolidation scope impacting minority shareholders					367	73	440
Acquisitions of additional interests or partial sales of interests			16	16	(35)		(35)
Change in commitments to repurchase minority shareholders' interests			44	44	(96)		(96)
Other movements (1)			21	21			
Changes in assets and liabilities recognised directly in equity (1)			(161)	(161)	3		3
Net income for second half of 2014 (1)			**2,972**	**2,972**	**179**		**179**
Capital and retained earnings at 31 December 2014 (1)	**26,971**	**6,589**	**49,807**	**83,367**	**4,025**	**73**	**4,098**
Appropriation of net income for 2014			**(1,867)**	**(1,867)**	**(120)**		**(120)**
Increases in capital and issues	10	746		756			
Reduction or redemption of capital		(862)	(72)	(934)			
Movements in own equity instruments	(192)	(5)	(21)	(218)			
Share-based payment plans			5	5			
Remuneration on preferred shares and undated super subordinated notes			(108)	(108)	(1)		(1)
Movements in consolidation scope impacting minority shareholders			(2)	(2)	(204)		(204)
Acquisitions of additional interests or partial sales of interests (note 6.d)			3	3	(7)		(7)
Change in commitments to repurchase minority shareholders' interests			28	28	(74)		(74)
Other movements			(5)	(5)	(3)		(3)
Changes in assets and liabilities recognised directly in equity			265	265	4		4
Net income for first half of 2015			**4,203**	**4,203**	**188**		**188**
Capital and retained earnings at 30 June 2015	**26,789**	**6,468**	**52,236**	**85,493**	**3,808**	**73**	**3,881**

(1) Restated according to the IFRIC 21 interpretation (see notes 1.a and 2.).

EQUITY BETWEEN 1 JAN. 2014 AND 30 JUNE 2015

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		
(1,879)	**3,010**	**812**	**1,943**	**(6)**	**90,955**
					50
(1,879)	**3,010**	**812**	**1,943**	**(6)**	**91,005**
					(1,952)
					48
					(218)
					5
					(96)
					52
					(1)
					3
258	1,416	445	2,119	47	1,950
					(2,644)
(1,621)	**4,426**	**1,257**	**4,062**	**41**	**88,152**
					(21)
					5
					(30)
					208
					14
					(143)
					440
					(19)
					(52)
					21
1,330	439	260	2,029	92	1,963
					3,151
(291)	**4,865**	**1,517**	**6,091**	**133**	**93,689**
					(1,987)
					756
					(934)
					(218)
					5
					(109)
					(206)
					(4)
					(46)
					(8)
1,138	(423)	(221)	494	31	794
					4,391
847	**4,442**	**1,296**	**6,585**	**164**	**96,123**

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.

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

As of 1 January 2015, the Group has applied the IFRIC 21 “Levies” interpretation. As this interpretation has a retrospective effect, the comparative financial statements as at 1 January, 30 June and 31 December 2014 have been restated as presented in note 2.

The introduction of other standards, which are mandatory as of 1 January 2015, has no effect on the condensed consolidated interim financial statements at 30 June 2015.

The Group did not choose to early-adopt the new standards, amendments, and interpretations adopted by the European Union, whose application in 2015 was optional.

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

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

1.b.2 CONSOLIDATION METHODS

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

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

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

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

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

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

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

Where the Group carries out an activity with one or more partners, sharing control by virtue of a contractual agreement which requires unanimous consent on relevant activities (those that significantly affect the entity’s returns), the Group exercises joint control over the activity. Where the jointly controlled activity is structured through a separate vehicle in which the partners have rights to the net assets, this joint venture is accounted for using the equity method. Where the jointly controlled activity is not structured through a separate vehicle or where the partners have rights to the assets and obligations for the liabilities of the jointly controlled activity, the Group accounts for its share of the assets, liabilities, revenues and expenses in accordance with the applicable IFRSs.

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

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

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

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

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

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

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

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

1.b.3 CONSOLIDATION PROCEDURES

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

- **Elimination of intragroup balances and transactions**

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

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

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

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

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

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

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

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

1.b.4 BUSINESS COMBINATIONS AND MEASUREMENT OF GOODWILL

- **Business combinations**

Business combinations are accounted for using the purchase method.

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

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

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

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

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

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

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

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

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

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

- **Measurement of goodwill**

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

- Cash-generating units

The BNP Paribas Group has split all its activities into cash-generating 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 less costs to sell, and its value in use.

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

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

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(2) As defined by IAS 36.

1.c FINANCIAL ASSETS AND FINANCIAL LIABILITIES

1.c.1 LOANS AND RECEIVABLES

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

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

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

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

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

1.c.2 REGULATED SAVINGS AND LOAN CONTRACTS

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

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

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

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

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

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

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

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

1.c.3 SECURITIES

- **Categories of securities**

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

- Financial assets at fair value through profit or loss

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

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

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

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

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

- Loans and receivables

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

- Held-to-maturity financial assets

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

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

- Available-for-sale financial assets

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

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

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

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

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

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

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

- **Date of recognition for securities transactions**

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

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

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

1.c.4 FOREIGN CURRENCY TRANSACTIONS

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

- Monetary assets and 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 RESTRUCTURING OF FINANCIAL ASSETS

- **Doubtful assets**

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

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

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

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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.

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);
- knowledge or indications that the borrower meets significant financial difficulty, such that a risk can be considered to have arisen regardless of whether the borrower has missed any payments;
- concessions with respect to the credit terms granted to the borrower that the lender would not have considered had the borrower not been meeting financial difficulty (see section “Restructuring of assets classified as "Loans and receivables"”).

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

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

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

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

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

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

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

Apart from the identification criteria, the Group has determined three indications of impairment, one being a significant decline in price, defined as a fall of more than 50% of the acquisition price, another being a prolonged decline over two consecutive years and the final one being a decline on average of at least 30% over an observation period of one year. The Group believes that a period of two years is what is necessary for a moderate decline in price below the purchase cost to be considered as something more than just the effect of random volatility inherent in the stock markets or a cyclical change lasting a few years, but which represents a lasting phenomenon justifying an impairment.

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

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

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

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

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

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

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

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

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

1.c.6 RECLASSIFICATION OF FINANCIAL ASSETS

The only authorised reclassifications of financial assets are the following:

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

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

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

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

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

1.c.7 ISSUES OF DEBT SECURITIES

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

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

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

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

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

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

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

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

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

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

1.c.9 DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

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

- **Derivatives held for trading purposes**

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

- **Derivatives and hedge accounting**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- **Embedded derivatives**

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

1.c.10 DETERMINATION OF FAIR VALUE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.c.13 COST OF RISK

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

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

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

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

1.c.15 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

1.d ACCOUNTING STANDARDS SPECIFIC TO 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 “Expense on other activities”.

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

1.e PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.f LEASES

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

1.f.1 LESSOR ACCOUNTING

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

- **Finance leases**

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

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

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

- **Operating leases**

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

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

1.f.2 LESSEE ACCOUNTING

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

- **Finance leases**

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

- **Operating leases**

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

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

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

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

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

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

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

1.h EMPLOYEE BENEFITS

Employee benefits are classified in one of four categories:

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

- **Short-term benefits**

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

- **Long-term benefits**

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

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

- **Termination benefits**

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

- **Post-employment benefits**

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

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

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

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

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

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

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

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

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

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

1.i SHARE-BASED PAYMENTS

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

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

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

- **Stock option and share award plans**

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

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

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

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

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

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

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

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

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

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

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

1.j PROVISIONS RECORDED UNDER LIABILITIES

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

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

1.k CURRENT AND DEFERRED TAXES

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

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

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

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

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

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

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

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

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

1.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. RETROSPECTIVE IMPACT OF THE IFRIC 21 INTERPRETATION

As of 1 January 2015, the Group has applied the IFRIC 21 “Levies” interpretation in the consolidated financial statements. As this interpretation has a retrospective effect, the comparative financial statements as at 1 January, 30 June and 31 December 2014 have been restated.

The IFRIC 21 interpretation provides guidance on the timing for recognising levies that are accounted for in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. These levies are mainly classified as other operating expenses in the profit and loss account. Income taxes and equivalent taxes that are within the scope of IAS 12 “Income Taxes” are excluded from the scope of this interpretation. The obligating event that gives rise to the recognition of a levy which is within the scope of IFRIC 21 is the activity that triggers the payment of the levy, as identified by the legislation. Thus, some levies which were previously recognised progressively over the fiscal year (such as the systemic risk contributions and the “Contribution Sociale de Solidarité” in France), have to be accounted for as at 1 January in their entirety.

As regards the profit and loss account for the first half of 2014, the application of IFRIC 21 led to a EUR 262 million rise in other operating expenses, as well as an increase of EUR 100 million in the associated deferred tax gains.

As regards the balance sheet as at 1 January 2014, applying IFRIC 21 triggers an increase of EUR 49 million in the shareholders’ equity attributable to shareholders, reflecting the derecognition of the French “Contribution Sociale de Solidarité”, which was previously recognised as an expense in 2013, while it was payable in 2014. This increase in shareholders’ equity is balanced by the EUR 76 million decrease in accrued expenses and the EUR 27 million decrease in deferred tax assets.

3. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2015

3.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.

	First half 2015			First half 2014		
In millions of euros	Income	Expense	Net	Income	Expense	Net
Customer items	**12,671**	**(4,066)**	**8,605**	**11,945**	**(4,031)**	**7,914**
Deposits, loans and borrowings	12,079	(4,038)	8,041	11,320	(3,978)	7,342
Repurchase agreements	4	(3)	1	15	(32)	(17)
Finance leases	588	(25)	563	610	(21)	589
Interbank items	**722**	**(683)**	**39**	**816**	**(791)**	**25**
Deposits, loans and borrowings	686	(611)	75	778	(722)	56
Repurchase agreements	36	(72)	(36)	38	(69)	(31)
Debt securities issued		**(899)**	**(899)**		**(1,072)**	**(1,072)**
Cash flow hedge instruments	**2,737**	**(2,293)**	**444**	**1,502**	**(1,325)**	**177**
Interest rate portfolio hedge instruments	**1,984**	**(2,068)**	**(84)**	**1,165**	**(1,405)**	**(240)**
Financial instruments at fair value through profit or loss	**1,164**	**(809)**	**355**	**823**	**(676)**	**147**
Fixed-income securities	758		758	421		421
Loans / borrowings	93	(190)	(97)	140	(171)	(31)
Repurchase agreements	313	(390)	(77)	262	(344)	(82)
Debt securities		(229)	(229)		(161)	(161)
Available-for-sale financial assets	**2,473**		**2,473**	**2,561**		**2,561**
Held-to-maturity financial assets	**195**		**195**	**221**		**221**
Total interest income/(expense)	**21,946**	**(10,818)**	**11,128**	**19,033**	**(9,300)**	**9,733**

Interest income on individually impaired loans amounted to EUR 265 million for the first half of 2015 compared with EUR 278 million for the first half of 2014.

3.b COMMISSION INCOME AND EXPENSE

Commission income and expense on financial instruments not measured at fair value through profit or loss amounted to EUR 1,516 million and EUR 189 million respectively for the first half of 2015, compared with income of EUR 1,571 million and expense of EUR 246 million for the first half of 2014.

Net commission income related to trust and similar activities through which the Group holds or invests assets on behalf of clients, trusts, pension and personal risk funds or other institutions amounted to EUR 1,328 million for the first half of 2015, compared with EUR 1,152 million for the first half of 2014.

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

Net gain on financial instruments at fair value through profit or loss includes all profit and loss items (including dividends) relating to financial instruments managed in the trading book and financial instruments that the Group has designated as at fair value through profit or loss under the fair value option, other than interest income and expense which are recognised in “Net interest income” (note 3.a).

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

In millions of euros	First half 2015	First half 2014
Trading book	**3,203**	**3,266**
Interest rate and credit instruments	(184)	25
Equity financial instruments	2,716	2,479
Foreign exchange financial instruments	341	915
Other derivatives	371	(137)
Repurchase agreements	(41)	(16)
Financial instruments designated as at fair value through profit or loss	**331**	**(790)**
of which debt remeasurement effect arising from BNP Paribas Group issuer risk (note 5.c)	*78*	*(104)*
Impact of hedge accounting	**23**	**53**
Fair value hedging derivatives	(304)	1,372
Hedged items in fair value hedge	327	(1,319)
Total	**3,557**	**2,529**

Net gains on the trading book for the first halves of 2015 and 2014 include a non-material amount related to the ineffective portion of cash flow hedges.

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

In millions of euros	First half 2015	First half 2014
Loans and receivables, fixed-income securities [(1)]	**353**	**340**
Disposal gains and losses	353	340
Equities and other variable-income securities	**623**	**938**
Dividend income	352	353
Additions to impairment provisions	(131)	(105)
Net disposal gains	402	690
Total	**976**	**1,278**

[(1)] Interest income from fixed-income financial instruments is included in "Net interest income" (note 3.a), and impairment losses related to potential issuer defaults are included in "Cost of risk" (note 3.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 556 million for the first half of 2015 compared with a net gain of EUR 620 million for the first half of 2014.

3.e NET INCOME FROM OTHER ACTIVITIES

In millions of euros	First half 2015			First half 2014		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities	18,120	(16,201)	1,919	14,897	(13,208)	1,689
Net income from investment property	42	(28)	14	28	(22)	6
Net income from assets held under operating leases	2,977	(2,383)	594	2,858	(2,329)	529
Net income from property development activities	402	(313)	89	466	(352)	114
Other net income	742	(725)	17	719	(659)	60
Total net income from other activities	**22,283**	**(19,650)**	**2,633**	**18,968**	**(16,570)**	**2,398**

- **Net income from insurance activities**

In millions of euros	First half 2015	First half 2014
Gross premiums written	12,720	12,461
Policy benefit expenses	(7,774)	(7,379)
Changes in technical reserves	(6,687)	(4,904)
Change in value of admissible investments related to unit-linked policies	3,736	1,659
Reinsurance ceded	(116)	(178)
Other income and expense	40	30
Total net income from insurance activities	**1,919**	**1,689**

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

3.f COST OF RISK

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

- **Cost of risk for the period**

In millions of euros	First half 2015	First half 2014
Net allowances to impairment	(1,902)	(1,945)
Recoveries on loans and receivables previously written off	244	200
Irrecoverable loans and receivables not covered by impairment provisions	(289)	(194)
Total cost of risk for the period	**(1,947)**	**(1,939)**

Cost of risk for the period by asset type

In millions of euros	First half 2015	First half 2014
Loans and receivables due from credit institutions	(4)	2
Loans and receivables due from customers	(1,878)	(1,916)
Available-for-sale financial assets	(12)	(6)
Financial instruments of trading activities	(19)	(11)
Other assets	(6)	1
Commitments given and other items	(28)	(9)
Total cost of risk for the period	**(1,947)**	**(1,939)**

3.g COSTS RELATED TO THE COMPREHENSIVE SETTLEMENT WITH US AUTHORITIES

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

The settlement includes guilty pleas entered into by BNP Paribas SA in relation to violations of certain US laws and regulations regarding economic sanctions against certain countries and related recordkeeping. BNP Paribas also agrees to pay a total of USD 8.97 billion (EUR 6.55 billion). Beyond what had already been provisioned as at 31 December 2013 (EUR 0.8 billion), this resulted in an exceptional charge of EUR 5.75 billion recorded in the second quarter of 2014. An uncertainty remains regarding the fiscal rule that will apply eventually to the different Group entities involved in the settlement. BNP Paribas has also accepted a temporary suspension of one year, starting 1 January 2015, of the USD direct clearing focused mainly on the Oil & Gas Energy & Commodity Finance business line in certain locations.

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

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

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

At 30 June 2014, the Group recorded a EUR 200 million provision for additional implementation costs related to the remediation plan agreed upon with US authorities. An additional EUR 50 million provision was recorded at 31 December 2014, bringing the total costs related to the comprehensive settlement to EUR 6 billion for the year ended 31 December 2014.

3.h CORPORATE INCOME TAX

In millions of euros	First half 2015	First half 2014[1]
Net current tax expense	(1,286)	(1,406)
Net deferred tax expense / income	(560)	82
Corporate income tax expense	**(1,846)**	**(1,324)**

[1] Restated according to the IFRIC 21 interpretation (see notes 1.a and 2.).

4. SEGMENT INFORMATION

The Group is composed of two operating divisions:

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

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

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

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

The capital allocation is carried out on the basis of risk exposure, taking into account various conventions relating primarily to the capital requirement of the business as derived from the risk-weighted asset calculations required under capital adequacy rules. Normalised equity income by segment is determined by attributing to each segment the income of its allocated equity. The equity allocation to segments is based on 9% of weighted assets. The breakdown of balance sheet by core business follows the same rules as the breakdown of the profit or loss by core business.

So as to be comparable with 2015, the segment information for 2014 has been restated of the following main effects as if these had occurred from 1 January 2014:

1. In accordance with the new organisation announced by the Group on 5 February 2015, the restated quarterly series include the effect of the internal transfers of activities that have been made as of 1 January 2015, mainly:

   – the transfer of Securities Services to Corporate and Institutional Banking;

   – the transfer of Corporate Finance, previously part of Advisory and Capital Markets, to Corporate Banking;

   – the creation, within Global Markets, of two new reporting segments, Fixed Income, Currency and Commodities (FICC) and Equity and Prime Services, after adjustment of the scope of activities.

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

2. As indicated in notes 1.a and 2 the Group has applied the IFRIC 21 "Levies" interpretation in the consolidated financial statements as of 1 January 2015.

- **Income by business segment**

In millions of euros	First half 2015						First half 2014[1]						
	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income	Revenues	Operating expenses	Cost of risk	Exceptional costs[3]	Operating income	Non-operating items	Pre-tax income
Retail Banking & Services													
Domestic Markets													
French Retail Banking [2]	**3,177**	(2,136)	(175)	**866**	1	**867**	**3,289**	(2,144)	(210)		**935**	1	**936**
BNL banca commerciale [2]	**1,555**	(875)	(639)	**41**	(1)	**40**	**1,601**	(872)	(728)		**1**		**1**
Belgian Retail Banking [2]	**1,704**	(1,246)	(34)	**424**	(12)	**412**	**1,585**	(1,246)	(67)		**272**	3	**275**
Other Domestic Markets activities [2]	**1,295**	(711)	(72)	**512**	6	**518**	**1,109**	(628)	(69)		**412**	(9)	**403**
International Financial Services													
Personal Finance	**2,365**	(1,162)	(580)	**623**	32	**655**	**1,860**	(886)	(527)		**447**	42	**489**
International Retail Banking													
Europe-Mediterranean [2]	**1,254**	(861)	(259)	**134**	83	**217**	**936**	(691)	(155)		**90**	55	**145**
BancWest [2]	**1,374**	(926)	(35)	**413**	4	**417**	**1,039**	(693)	(27)		**319**	4	**323**
Insurance	**1,127**	(579)	(4)	**544**	96	**640**	**1,065**	(540)	(3)		**522**	68	**590**
Wealth and Asset Management	**1,489**	(1,142)	(17)	**330**	26	**356**	**1,413**	(1,061)	(7)		**345**	31	**376**
Corporate & Institutional Banking													
Corporate Banking	**1,879**	(1,152)	(19)	**708**	173	**881**	**1,712**	(1,008)	(173)		**531**	6	**537**
Global Markets	**3,599**	(2,464)	(95)	**1,040**	5	**1,045**	**2,842**	(2,197)	37		**682**	3	**685**
Securities Services	**916**	(714)	4	**206**	(1)	**205**	**787**	(615)	1		**173**		**173**
Other Activities	**410**	(923)	(22)	**(535)**	519	**(16)**	**242**	(580)	(11)	(5,950)	**(6,299)**	46	**(6,253)**
Total Group	**22,144**	**(14,891)**	**(1,947)**	**5,306**	**931**	**6,237**	**19,480**	**(13,161)**	**(1,939)**	**(5,950)**	**(1,570)**	**250**	**(1,320)**

(1) Restated according to the IFRIC 21 interpretation (see notes 1.a and 2.).
(2) French Retail Banking, BNL banca commerciale, Belgian Retail Banking, Luxembourg Retail Banking, Europe-Mediterranean and BancWest after the reallocation within Wealth and Asset Management of one-third of the Wealth Management activities in France, Italy, Belgium, Luxembourg, Turkey and the United States.
(3) Costs related to the comprehensive settlement with US authorities.

5. NOTES TO THE BALANCE SHEET AT 30 JUNE 2015

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

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

In millions of euros	30 June 2015		31 December 2014	
	Trading book	Instruments designated as at fair value through profit or loss	Trading book	Instruments designated as at fair value through profit or loss
Securities portfolio	206,138	83,370	156,546	78,563
Loans and repurchase agreements	179,941	318	165,776	264
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**386,079**	**83,688**	**322,322**	**78,827**
Securities portfolio	91,671		78,912	
Borrowings and repurchase agreements	227,203	2,253	196,733	2,009
Debt securities (note 5.f)		57,050		48,171
Subordinated debt (note 5.f)		1,448		1,550
Debt representative of shares of consolidated funds held by third parties		2,096		5,902
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**318,874**	**62,847**	**275,645**	**57,632**

Detail of these assets and liabilities is provided in note 5.c.

DERIVATIVE FINANCIAL INSTRUMENTS

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

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

In millions of euros	30 June 2015		31 December 2014	
	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	251,460	233,183	295,651	280,311
Foreign exchange derivatives	48,661	51,626	57,211	62,823
Credit derivatives	16,459	15,011	18,425	18,054
Equity derivatives	36,775	50,794	33,112	41,838
Other derivatives	5,737	5,490	8,099	7,224
Derivative financial instruments	**359,092**	**356,104**	**412,498**	**410,250**

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

In millions of euros	30 June 2015			31 December 2014		
	Organised markets (1)	Over-the-counter	Total	Organised markets (1)	Over-the-counter	Total
Interest rate derivatives	18,166,147	11,334,742	29,500,889	20,042,832	13,000,642	33,043,474
Foreign exchange derivatives	62,050	3,537,341	3,599,391	28,833	3,443,439	3,472,272
Credit derivatives	17	1,418,257	1,418,274	47,537	1,752,947	1,800,484
Equity derivatives	1,061,488	806,757	1,868,245	773,280	643,631	1,416,911
Other derivatives	91,650	78,519	170,169	89,464	79,431	168,895
Derivative financial instruments	**19,381,352**	**17,175,616**	**36,556,968**	**20,981,946**	**18,920,090**	**39,902,036**

(1) Financial instruments negotiated on organised markets are mainly traded with clearing houses.

5.b AVAILABLE-FOR-SALE FINANCIAL ASSETS

In millions of euros	30 June 2015			31 December 2014		
	Net	of which impairment	of which changes in value taken directly to equity	Net	of which impairment	of which changes in value taken directly to equity
Fixed-income securities	**248,300**	**(88)**	**12,343**	**234,032**	**(85)**	**15,761**
Treasury bills and government bonds	125,430	(4)	7,115	123,405	(4)	8,869
Other fixed-income securities	122,870	(84)	5,228	110,627	(81)	6,892
Equities and other variable-income securities	**18,755**	**(3,015)**	**3,920**	**18,260**	**(2,953)**	**3,833**
Listed securities	6,000	(903)	1,798	5,273	(945)	1,707
Unlisted securities	12,755	(2,112)	2,122	12,987	(2,008)	2,126
Total available-for-sale financial assets	**267,055**	**(3,103)**	**16,263**	**252,292**	**(3,038)**	**19,594**

The gross amount of impaired fixed-income securities is EUR 212 million at 30 June 2015 (EUR 201 million at 31 December 2014).

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

In millions of euros	30 June 2015			31 December 2014		
	Fixed-income securities	Equities and other variable-income securities	Total	Fixed-income securities	Equities and other variable-income securities	Total
Non-hedged changes in value of securities, recognised in "Available-for-sale financial assets"	**12,343**	**3,920**	**16,263**	**15,761**	**3,833**	**19,594**
Deferred tax linked to these changes in value	(4,145)	(872)	(5,017)	(5,281)	(842)	(6,123)
Insurance policyholders' surplus reserve from insurance entities, after deferred tax	(6,428)	(1,159)	(7,587)	(8,257)	(1,072)	(9,329)
Group share of changes in value of available-for-sale securities owned by equity-method entities, after deferred tax and insurance policyholders' surplus reserve	901	121	1,022	884	84	968
Unamortised changes in value of available-for-sale securities reclassified as loans and receivables	(53)		(53)	(74)		(74)
Other variations	(68)	(8)	(76)	(52)	14	(38)
Changes in value of assets taken directly to equity under the heading "Financial assets available for sale and reclassified as loans and receivables"	**2,550**	**2,002**	**4,552**	**2,981**	**2,017**	**4,998**
Attributable to equity shareholders	2,453	1,989	4,442	2,859	2,006	4,865
Attributable to minority interests	97	13	110	122	11	133

5.c MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

VALUATION PROCESS

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

Economic value is composed of mid-market value and additional valuation adjustments.

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

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

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

The main additional valuation adjustments are presented in the section below.

ADDITIONAL VALUATION ADJUSTMENTS

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

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

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

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

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

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

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

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

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

Thus, the carrying value of debt securities designated as at fair value though profit or loss is increased by EUR 604 million as at 30 June 2015, compared with an increase in value of EUR 682 million as at 31 December 2014, i.e. a EUR 78 million variation recognised in net gain on financial instruments at fair value through profit or loss (note 3.c).

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

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

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

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

In millions of euros	30 June 2015											
	Trading book				Instruments designated as at fair value through profit or loss				Available-for-sale financial assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities portfolio	**163,415**	**39,882**	**2,841**	**206,138**	**67,784**	**12,263**	**3,323**	**83,370**	**203,205**	**55,520**	**8,330**	**267,055**
Treasury bills and government bonds	57,428	6,251		63,679	1,647			1,647	119,474	5,956		125,430
Asset Backed Securities [1]	-	13,224	2,068	15,292	-	-	-	-	-	4,255	8	4,263
CDOs / CLOs [2]		*437*	*2,019*	*2,456*				-		*567*		*567*
Other Asset Backed Securities		*12,787*	*49*	*12,836*				-		*3,688*	*8*	*3,696*
Other fixed-income securities	15,877	18,882	358	35,117	1,409	5,228	142	6,779	74,578	42,455	1,574	118,607
Equities and other variable-income securities	90,110	1,525	415	92,050	64,728	7,035	3,181	74,944	9,153	2,854	6,748	18,755
Loans and repurchase agreements	**-**	**174,660**	**5,281**	**179,941**	**-**	**318**	**-**	**318**				
Loans		275		275		318		318				
Repurchase agreements		174,385	5,281	179,666				-				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS	**163,415**	**214,542**	**8,122**	**386,079**	**67,784**	**12,581**	**3,323**	**83,688**	**203,205**	**55,520**	**8,330**	**267,055**
Securities portfolio	**87,584**	**3,908**	**179**	**91,671**	**-**	**-**	**-**	**-**				
Treasury bills and government bonds	64,002	187		64,189				-				
Other fixed-income securities	8,691	3,524	170	12,385				-				
Equities and other variable-income securities	14,891	197	9	15,097				-				
Borrowings and repurchase agreements	**-**	**218,102**	**9,101**	**227,203**	**-**	**2,205**	**48**	**2,253**				
Borrowings		2,679	3	2,682		2,205	48	2,253				
Repurchase agreements		215,423	9,098	224,521				-				
Debt securities (note 5.f)	**-**	**-**	**-**	**-**	**-**	**46,006**	**11,044**	**57,050**				
Subordinated debt (note 5.f)	**-**	**-**	**-**	**-**	**-**	**1,438**	**10**	**1,448**				
Debt representative of shares of consolidated funds held by third parties	**-**	**-**	**-**	**-**	**1,457**	**639**	**-**	**2,096**				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**87,584**	**222,010**	**9,280**	**318,874**	**1,457**	**50,288**	**11,102**	**62,847**				

In millions of euros	31 December 2014											
	Trading book				Instruments designated as at fair value through profit or loss				Available-for-sale financial assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities portfolio	**119,509**	**33,221**	**3,816**	**156,546**	**63,888**	**11,872**	**2,803**	**78,563**	**190,828**	**52,231**	**9,233**	**252,292**
Treasury bills and government bonds	57,043	5,369		62,412	1,499	29		1,528	117,689	5,716		123,405
Asset Backed Securities [1]	-	11,684	2,165	13,849	-	-	-	-	-	3,691	232	3,923
CDOs / CLOs [2]		*199*	*2,140*	*2,339*				-		*141*	*224*	*365*
Other Asset Backed Securities		*11,485*	*25*	*11,510*				-		*3,550*	*8*	*3,558*
Other fixed-income securities	13,847	14,125	1,230	29,202	1,814	4,638	32	6,484	65,303	39,513	1,888	106,704
Equities and other variable-income securities	48,619	2,043	421	51,083	60,575	7,205	2,771	70,551	7,836	3,311	7,113	18,260
Loans and repurchase agreements	**-**	**160,228**	**5,548**	**165,776**	**-**	**264**	**-**	**264**				
Loans		684		684		264		264				
Repurchase agreements		159,544	5,548	165,092				-				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS	**119,509**	**193,449**	**9,364**	**322,322**	**63,888**	**12,136**	**2,803**	**78,827**	**190,828**	**52,231**	**9,233**	**252,292**
Securities portfolio	**74,857**	**3,823**	**232**	**78,912**	**-**	**-**	**-**	**-**				
Treasury bills and government bonds	57,064	655		57,719				-				
Other fixed-income securities	6,216	2,847	232	9,295				-				
Equities and other variable-income securities	11,577	321		11,898				-				
Borrowings and repurchase agreements	**-**	**182,733**	**14,000**	**196,733**	**-**	**1,921**	**88**	**2,009**				
Borrowings		4,131	5	4,136		1,921	88	2,009				
Repurchase agreements		178,602	13,995	192,597				-				
Debt securities (note 5.f)	**-**	**-**	**-**	**-**	**-**	**36,537**	**11,634**	**48,171**				
Subordinated debt (note 5.f)	**-**	**-**	**-**	**-**	**-**	**1,540**	**10**	**1,550**				
Debt representative of shares of consolidated funds held by third parties	**-**	**-**	**-**	**-**	**5,261**	**641**	**-**	**5,902**				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**74,857**	**186,556**	**14,232**	**275,645**	**5,261**	**40,639**	**11,732**	**57,632**				

[1] These amounts do not represent the total amount of securitisation assets held by BNP Paribas, particularly those classified at inception as “Loans and Receivables”, and those reclassified.
[2] Collateralised Debt Obligations / Collateralised Loan Obligations

In millions of euros	30 June 2015							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	395	244,819	6,246	251,460	543	229,818	2,822	233,183
Foreign exchange derivatives	38	48,623		48,661	38	51,555	33	51,626
Credit derivatives		15,352	1,107	16,459		13,633	1,378	15,011
Equity derivatives	5,862	29,328	1,585	36,775	7,778	37,694	5,322	50,794
Other derivatives	925	4,748	64	5,737	856	3,922	712	5,490
Derivative financial instruments not used for hedging purposes	7,220	342,870	9,002	359,092	9,215	336,622	10,267	356,104
Derivative financial instruments used for hedging purposes	-	17,068	-	17,068	-	21,232	-	21,232

In millions of euros	31 December 2014							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	280	288,004	7,367	295,651	349	275,690	4,272	280,311
Foreign exchange derivatives	4	56,931	276	57,211	5	62,792	26	62,823
Credit derivatives		17,183	1,242	18,425		16,579	1,475	18,054
Equity derivatives	5,415	25,997	1,700	33,112	5,671	31,116	5,051	41,838
Other derivatives	1,375	6,718	6	8,099	1,071	5,730	423	7,224
Derivative financial instruments not used for hedging purposes	7,074	394,833	10,591	412,498	7,096	391,907	11,247	410,250
Derivative financial instruments used for hedging purposes	-	19,766	-	19,766	-	22,993	-	22,993

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

During the first half of 2015, transfers between Level 1 and Level 2 were not significant.

DESCRIPTION OF MAIN INSTRUMENTS IN EACH LEVEL

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

Level 1

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

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

<u>**Level 2**</u>

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

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

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

Derivatives classified in Level 2 comprise mainly the following instruments:

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

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

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

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

Level 3

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

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

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

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

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

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

Unlisted private equities are systematically classified as Level 3, with the exception of UCITS with a daily net asset value, presented as unlisted securities in note 5.b, but which are classified in the Level 1 of the fair value hierarchy.

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

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

Derivatives

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

- ***Interest rate derivatives***: exposures mainly comprise swap products in less liquid currencies. Classification is driven by the lower liquidity of some maturities, while observation capabilities through consensus may be available. The valuation technique is standard, and uses external market information and extrapolation techniques.

- ***Credit derivatives (CDS)***: exposures mainly comprise CDSs beyond the maximum observable maturity and, to a much lesser extent, CDSs on illiquid or distressed names and CDSs on loan indices. Classification is driven by the lack of liquidity while observation capabilities may be available notably through consensus. Level 3 exposures also comprise CDS and Total Return Swaps (TRS) positions on securitised assets. These are priced along the same modelling techniques as the underlying bonds, taking into consideration the funding basis and specific risk premium.

- ***Equity derivatives***: exposures essentially comprise long dated forward or volatility products or exposures where there is a limited market for optional products. The marking of the forward curves and volatility surfaces beyond the maximum observable maturity relies on extrapolation techniques. However, when there is no market for model input, volatility or forward is generally determined on the basis of proxy or historical analysis.

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

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

- ***Hybrid FX/Interest rate products*** essentially comprise a specific product family known as Power Reverse Dual Currency (PRDC). The valuation of PRDCs requires complex modelling of joint behaviour of FX and interest rate, and is notably sensitive to the unobservable FX/ interest rate correlations. PRDCs valuations are corroborated with recent trade data and consensus data.

- ***Securitisation swaps*** mainly comprise fixed rate swaps, cross currency or basis swaps whose notional is indexed to the prepayment behaviour of some underlying portfolio. The estimation of the maturity profile of securitisation swaps is corroborated by statistical estimates using external historical data.

- ***Forward volatility options*** are generally products whose pay-off is indexed to the future variability of a rate index such as volatility swaps. These products involve material model risk as it is difficult to infer forward volatility information from the market-traded instruments. The valuation adjustment framework is calibrated to the uncertainty inherent in the product, and to the range of uncertainty from the existing external consensus data.

- ***Inflation derivatives*** classified in Level 3 mainly comprise swap products on inflation indices that are not associated with a liquid indexed bond market, optional products on inflation indices (such as caps and floors) and other forms of inflation indices involving optionality on the inflation indices or on the inflation annual rate. Valuation techniques used for inflation derivatives are predominantly standard market models. Proxy techniques are used for a few limited exposures. Although the valuations are corroborated through monthly consensus data, these products are classified as Level 3 due to their lack of liquidity and some uncertainties inherent in the calibration.

- The valuation of ***bespoke CDOs*** requires correlation of default events. This information is inferred from the active index tranche market through a proprietary projection technique and involves proprietary extrapolation and interpolation techniques. Multi-geography CDOs further require an additional correlation assumption. Finally, the bespoke CDO model also involves proprietary assumptions and parameters related to the dynamic of the recovery factor. CDO modelling, is calibrated on the observable index tranche markets, and is regularly back-tested against consensus data on standardised pools. The uncertainty arises from the model risk associated with the projection and geography mixing technique, and the uncertainty of associated parameters, together with the recovery modelling.

- ***N to Default baskets*** are other forms of credit correlation products, modelled through standard copula techniques. The main inputs required are the pair-wise correlations between the basket components which can be observed in the consensus and the transactions. Linear baskets are considered observable.

- ***Equity and equity-hybrid correlation products*** are instruments whose pay-off is dependent on the joint behaviour of a basket of equities/indices leading to a sensitivity of the fair value measurement to the correlation amongst the basket components. Hybrid versions of these instruments involve baskets that mix equity and non-equity underlyings such as commodity indices. Only a subset of the Equity/index correlation matrix is regularly observable and traded, while most cross-asset correlations are not active. Therefore, classification in Level 3 depends on the composition of the basket, the maturity, and the hybrid nature of the product. The correlation input is derived from a proprietary model combining historical estimators, and other adjustment factors, that are corroborated by reference to recent trades or external data. The correlation matrix is essentially available from consensus services, and when a correlation between two underlying instruments is not available, it might be obtained from extrapolation or proxy techniques.

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

Valuation adjustments (CVA, DVA and FVA)

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

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

Risk classes	Balance Sheet valuation (in millions of euros)		Main product types composing the Level 3 stock within the risk class	Valuation technique used for the product types considered	Main unobservable inputs for the product types considered	Range of unobservable input across Level 3 population considered	Weighted average
	Asset	Liability					
Cash instruments	2,019		Collateralised Loan Obligations (CLO) CDOs of ABSs (RMBSs, Commercial Real Estate Loans, CMBSs)	Combination of liquidation approach and discounted future cash flow approach	Discount margin	20 bp to 1,315 bp (1)	268 bp (a)
					Constant payment rate (CLOs)	0 to 10%	10% (b)
					Cash / synthetic funding basis (€)	-4 bp to 26 bp	not meaningful
Repurchase agreements	5,281	9,098	Long-term repo and reverse-repo agreements	Proxy techniques, based amongst other on the funding basis of a benchmark bond pool, that is actively traded and representative of the repo underlying	Long-term repo spread on private bonds (High Yield, High Grade) and on ABSs	0 bp to 85 bp	47 bp (c)
Interest rate derivatives	6,246	2,822	Hybrid Forex / Interest rates derivatives	Hybrid Forex interest rate option pricing model	Correlation between FX rate and interest rates. Main currency pairs are EUR/JPY, USD/JPY, AUD/JPY	13% to 56%	40% (c)
			Floors and caps on inflation rate or on the cumulative inflation (such as redemption floors), predominantly on European and French inflation	Inflation pricing model	Volatility of cumulative inflation	0.9% to 11%	(d)
					Volatility of the year on year inflation rate	0.4% to 1.8%	
			Forward Volatility products such as volatility swaps, mainly in euro	Interest rates option pricing model	Forward volatility of interest rates	0.4% to 0.7%	(d)
			Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly on European collateral pools	Prepayment modeling Discounted cash flows	Constant prepayment rates	0.1 % to 40%	9% (c)
Credit Derivatives	1,107	1,378	Collateralised Debt Obligations and index tranches for inactive index series	Base correlation projection technique and recovery modelling	Base correlation curve for bespoke portfolios	10% to 97%	NA (d)
					Inter-regions default cross correlation	70 % to 90%	80%(a)
					Recovery rate variance for single name underlyings	0 to 25%	(d)
			N-to-default baskets	Credit default model	Default correlation	50% to 98%	60% (c)
			Single name Credit Default Swaps (other than CDS on ABSs and loans indices)	Stripping, extrapolation and interpolation	Credit default spreads beyond observation limit (10 years)	38 bp to 132 bp (2)	104 bp (a)
					Illiquid credit default spread curves (across main tenors)	11 bp to 24,527 bp (3)	7,502 bp (a)
Equity Derivatives	1,585	5,322	Simple and complex derivatives on multi-underlying baskets on stocks	Various volatility option models	Unobservable equity volatility	0% to 132% (4)	26% (e)
					Unobservable equity correlation	23% to 98%	66% (a)

(1) The lower part of the range is relative to short dated securities, while the upper relates to US CDOs of ABSs, which are not significant to the balance sheet since their prices are close to zero. Removing these outliers, the discount margin would range from 20bp to 743bp.

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

(3) The upper bound of the range relates to distressed names that represent an insignificant portion of the balance sheet on CDSs with illiquid underlying. Removingthe two names having the highest spread, the upper bound of the range would be around 1,050 bp and the middle bound of the range would be around 160 bp.

(4) The upper part of the range relates to an equity instrument representing a non-material portion of the balance sheet on options with equity underlying instruments. Removing this outlier, the upper bound of the range would be around 75 %.

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

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

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

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

(e) Simple averaging

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

For Level 3 financial instruments, the following movements occurred between 1 January 2014 and 30 June 2015:

In millions of euros	Financial Assets				Financial Liabilities		
	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	Available-for-sale financial assets	TOTAL	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	TOTAL
At 31 December 2013	**14,237**	**2,859**	**7,680**	**24,776**	**(16,896)**	**(10,123)**	**(27,019)**
Purchases	8,725	2,743	3,532	**15,000**			**-**
Issues				**-**	(12,622)	(4,506)	**(17,128)**
Sales	(1,459)	(2,562)	(1,266)	**(5,287)**			**-**
Settlements [1]	(7,727)	(233)	(1,262)	**(9,222)**	3,838	2,507	**6,345**
Transfers to level 3	3,204		90	**3,294**	(2,188)	(4,178)	**(6,366)**
Transfers from level 3	(3,106)	(122)	(409)	**(3,637)**	332	4,197	**4,529**
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	132	48	(87)	**93**	880	239	**1,119**
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	5,302	70	(8)	**5,364**	2,127	313	**2,440**
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	647		151	**798**	(950)	(181)	**(1,131)**
- Changes in fair value of assets and liabilities recognised in equity			812	**812**			**-**
At 31 December 2014	**19,955**	**2,803**	**9,233**	**31,991**	**(25,479)**	**(11,732)**	**(37,211)**
Purchases	7,115	1,796	998	**9,909**			**-**
Issues				**-**	(6,562)	(4,004)	**(10,566)**
Sales	(1,551)	(1,447)	(801)	**(3,799)**			**-**
Settlements [1]	(8,162)	(44)	(895)	**(9,101)**	12,050	3,784	**15,834**
Transfers to level 3	870	144	98	**1,112**	80	(1,067)	**(987)**
Transfers from level 3	(1,540)	(75)	(388)	**(2,003)**	823	2,043	**2,866**
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	(1,590)	116	(73)	**(1,547)**	(638)	142	**(496)**
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	1,502	30	(47)	**1,485**	762	(35)	**727**
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	525		127	**652**	(583)	(233)	**(816)**
- Changes in fair value of assets and liabilities recognised in equity			78	**78**			**-**
At 30 June 2015	**17,124**	**3,323**	**8,330**	**28,777**	**(19,547)**	**(11,102)**	**(30,649)**

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

Transfers out of Level 3 of derivatives at fair value include mainly the lengthening of the observability tenor of certain yield curves, but also the effect of derivatives becoming only or mainly sensitive to observable inputs due to the shortening of their lifetime.

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

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

The Level 3 financial instruments may be hedged by other Level 1 and Level 2 instruments, the gains and losses of which are not shown in this table. Consequently, the gains and losses shown in this table are not representative of the gains and losses arising from management of the net risk on all these instruments.

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

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

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

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

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

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

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

	30 June 2015		31 December 2014	
In millions of euros	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Treasury bills and government bonds				
Asset Backed Securities (ABS)	+/-41		+/-43	+/-2
CDOs / CLOs	*+/-40*		*+/-43*	*+/-2*
Other Asset Backed Securities	*+/-1*			
Other fixed-income securities	+/-3	+/-16	+/-10	+/-19
Equities and other variable-income securities	+/-36	+/-67	+/-32	+/-71
Repurchase agreements	+/-38		+/-84	
Derivative financial instruments	+/-1,038		+/-1,076	
Interest rate derivatives	*+/-786*		*+/-831*	
Credit derivatives	*+/-62*		*+/-73*	
Equity derivatives	*+/-150*		*+/-135*	
Other derivatives	*+/-40*		*+/-37*	
Sensitivity of Level 3 financial instruments	**+/-1,156**	**+/-83**	**+/-1,245**	**+/-92**

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

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

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

In millions of euros	Deferred margin at 31 December 2014	Deferred margin on transactions during the year	Margin taken to the profit and loss account during the year	Deferred margin at 30 June 2015
Interest rate derivatives	248	119	(43)	324
Credit derivatives	169	29	(55)	143
Equity derivatives	316	111	(130)	297
Other derivatives	18	3	(8)	13
Derivative financial instruments	**751**	**262**	**(236)**	**777**

5.d INTERBANK AND MONEY-MARKET ITEMS

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

In millions of euros	30 June 2015	31 December 2014
On demand accounts	10,356	7,924
Loans [1]	30,553	33,010
Repurchase agreements	3,144	2,671
Total loans and receivables due from credit institutions, before impairment	**44,053**	**43,605**
of which doubtful loans	*400*	*439*
Impairment of loans and receivables due from credit institutions	**(250)**	**(257)**
specific impairment	(221)	(230)
collective provisions	(29)	(27)
Total loans and receivables due from credit institutions, net of impairment	**43,803**	**43,348**

[1] Loans and receivables due from credit institutions include term deposits made with central banks, which amounted to EUR 2,822 million as at 30 June 2015 (EUR 1,973 million as at 31 December 2014).

- **Due to credit institutions**

In millions of euros	30 June 2015	31 December 2014
On demand accounts	9,365	11,618
Borrowings	75,123	72,956
Repurchase agreements	8,936	5,778
Total due to credit institutions	**93,424**	**90,352**

5.e CUSTOMER ITEMS

- **Loans and receivables due from customers**

In millions of euros	30 June 2015	31 December 2014
On demand accounts	62,782	58,444
Loans to customers	621,796	596,293
Repurchase agreements	13,558	1,832
Finance leases	26,293	27,252
Total loans and receivables due from customers, before impairment	**724,429**	**683,821**
of which doubtful loans	*42,778*	*42,896*
Impairment of loans and receivables due from customers	**(27,024)**	**(26,418)**
specific impairment	(23,493)	(22,762)
collective provisions	(3,531)	(3,656)
Total loans and receivables due from customers, net of impairment	**697,405**	**657,403**

- **Due to customers**

In millions of euros	30 June 2015	31 December 2014
On demand deposits	390,120	350,502
Savings accounts	138,593	127,065
Term accounts and short-term notes	152,329	159,312
Repurchase agreements	6,323	4,670
Total due to customers	**687,365**	**641,549**

5.f DEBT SECURITIES AND SUBORDINATED DEBT

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

DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (note 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	Conditions precedent for coupon payment [1]	Amount [2] eligible to Tier 1	Amount [2] eligible to Tier 2	30 June 2015	31 Dec. 2014
Debt securities									**57,050**	**48,171**
Subordinated debt							**241**	**329**	**1,448**	**1,550**
- Redeemable subordinated debt			[3]				-	**292**	**522**	**733**
- Perpetual subordinated debt							**241**	**37**	**926**	**817**
BNP Paribas Fortis Dec. 2007	EUR	3,000	Dec.-14	3-month Euribor +200 bp	-	A	241		889	780
Others								37	37	37

[1] Conditions precedent for coupon payment:

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

[2] Given the eligibility criteria and prudential adjustments, including the own credit risk and instruments amortisation.

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

The perpetual subordinated debt recognised at fair value through profit or loss mainly consists of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) issued by BNP Paribas Fortis (previously Fortis Banque) in December 2007.

The CASHES are perpetual securities but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder's sole discretion at a price of EUR 239.40. However, as of 19 December 2014, the CASHES will be automatically exchanged into Ageas shares if their price is equal to or higher than EUR 359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.

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

On 7 May 2015, BNP Paribas and Ageas reached a new agreement which allows BNP Paribas to purchase outstanding CASHES under the condition that these are converted into Ageas shares, leading to a proportionate settlement of the RPN. The agreement between Ageas and BNP Paribas will expire by year-end 2016.

As at 30 June 2015, the net balance represents a subordinated liability of EUR 241 million that is eligible to Tier 1 capital (during the transitional period).

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	Conditions precedent for coupon payment [(1)]	Amount [(2)] eligible to Tier 1	Amount [(2)] eligible to Tier 2	30 June 2015	31 Dec. 2014
Debt securities									**185,036**	**187,074**
- Debt securities in issue with an initial maturity of less than one year									**95,573**	**95,673**
Negotiable debt securities									95,573	95,673
- Debt securities in issue with an initial maturity of more than one year									**89,463**	**91,401**
Negotiable debt securities									78,167	80,079
Bonds									11,296	11,322
Subordinated debt							**-**	**9,151**	**14,575**	**13,936**
- Redeemable subordinated debt			[(3)]				**-**	**8,318**	**12,696**	**12,095**
- Undated subordinated notes			[(3)]				**-**	**611**	**1,627**	**1,607**
BNP Paribas SA Oct. 85	EUR	305	-	TMO - 0.25%	-	B		254	254	254
BNP Paribas SA Sept. 86	USD	500	-	6 month Libor + 0.075%	-	C		246	246	226
BNP Paribas Cardif Nov. 14	EUR	1,000	Nov. - 25	4.032%	3 months Euribor + 393 bp	D			1,000	1,000
Others								111	127	127
- Participating notes							**-**	**222**	**222**	**222**
BNP Paribas SA July 84 [(4)]	EUR	337	-	[(5)]	-	NA		215	215	215
Others								7	7	7
- Expenses and commission, related debt							**-**	**-**	**30**	**12**

[(1)] Conditions precedent for coupon payment

B Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting has officially noted that there is no income available for distribution, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume.

C Payment of the interest is mandatory, unless the Board of Directors decides to postpone these payments after the Shareholders' General Meeting in ordinary session has validated the decision not to pay out a dividend, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume. The bank has the option of resuming payment of interest arrears, even where no dividend is paid out.

D Payment of the interest is mandatory, except for cases of regulatory deficiency, in agreement with the regulator, or of suspension of payments. Interest payments are cumulative and are payable in full, once coupon payments resume, or, if these events occur before, when the issuance is redeemed or when the issuer is liquidated.

[(2)] Given the eligibility criteria and prudential adjustments, including the instruments amortisation.

[(3)] See reference relating to "Debt securities at fair value through profit or loss".

[(4)] The participating notes issued by BNP Paribas SA may be repurchased as provided for in the law of 3 January 1983. The number of notes in the market is 1,434,092.

[(5)] Depending on net income subject to a minimum of 85% of the TMO rate and a maximum of 130% of the TMO rate.

On 27 October 2014, BNP Paribas Fortis redeemed the perpetual subordinated notes issued in October 2004 for EUR 1 billion.

On 25 November 2014, BNP Paribas Cardif issued EUR 1 billion of undated subordinated notes.

On 20 January 2015, BancWest Corporation redeemed the USD 100 million redeemable subordinated notes issued in July 1997. Their euro-equivalent value as at 31 December 2014 was EUR 83 million and they were eligible to Tier 1.

5.g CURRENT AND DEFERRED TAXES

In millions of euros	30 June 2015	31 December 2014[1]
Current taxes	1,559	1,470
Deferred taxes	6,699	7,158
Current and deferred tax assets	**8,258**	**8,628**
Current taxes	969	794
Deferred taxes	1,934	2,126
Current and deferred tax liabilities	**2,903**	**2,920**

(1) Restated according to the IFRIC 21 interpretation (see notes 1.a and 2.).

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

In millions of euros	30 June 2015	31 December 2014[1]
Guarantee deposits and bank guarantees paid	65,879	65,765
Settlement accounts related to securities transactions	23,087	12,703
Collection accounts	461	427
Reinsurers' share of technical reserves	2,892	2,782
Accrued income and prepaid expenses	5,550	5,520
Other debtors and miscellaneous assets	24,051	22,891
Total accrued income and other assets	**121,920**	**110,088**
Guarantee deposits received	40,815	41,936
Settlement accounts related to securities transactions	17,705	13,908
Collection accounts	1,277	1,004
Accrued expense and deferred income	7,865	8,030
Other creditors and miscellaneous liabilities	28,767	22,844
Total accrued expense and other liabilities	**96,429**	**87,722**

(1) Restated according to the IFRIC 21 interpretation (see notes 1.a and 2.).

5.i GOODWILL

In millions of euros	First half 2015
Carrying amount at start of period	**10,577**
Acquisitions	22
Divestments	-
Impairment recognised during the period	-
Exchange rate adjustments	420
Other movements	5
Carrying amount at end of period	**11,024**
Gross value	12,746
Accumulated impairment recognised at the end of period	(1,722)

Goodwill by cash-generating unit is as follows:

In millions of euros	Carrying amount	
	30 June 2015	31 December 2014
Retail Banking & Services	**9,843**	**9,477**
Domestic Markets	**1,958**	**1,931**
Arval	*347*	*317*
Italian Retail Banking	*917*	*917*
Leasing Solutions	*139*	*138*
Personal Investors	*549*	*553*
Other	*6*	*6*
International Financial Services	**7,885**	**7,546**
Insurance	*299*	*292*
BancWest	*4,479*	*4,125*
Personal Finance	*1,345*	*1,376*
Personal Finance - partnership tested individually	*438*	*438*
Investment Partners	*176*	*169*
Real Estate	*379*	*375*
Wealth Management	*397*	*389*
Turk Ekonomi Bankasi A.S	*237*	*251*
Bank BGZ BNP Paribas	*104*	*102*
Others	*31*	*29*
Corporate & Institutional Banking	**1,178**	**1,097**
Corporate Banking	*277*	*274*
Global Markets	*429*	*408*
Securities Services	*472*	*415*
Other Activities	**3**	**3**
Total goodwill	**11,024**	**10,577**

5.j PROVISIONS FOR CONTINGENCIES AND CHARGES

- **Provisions for contingencies and charges by type**

In millions of euros	31 December 2014	Net additions to provisions	Provisions used	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	30 June 2015
Provisions for employee benefits	6,904	191	(235)	(260)	99	6,699
Provisions for home savings accounts and plans	137	34				171
Provisions for credit commitments	1,014	18	(56)		(9)	967
Provisions for litigations	2,193	(50)	(138)		(14)	1,991
Other provisions for contingencies and charges	2,089	(100)	(152)		5	1,842
Total provisions for contingencies and charges	**12,337**	**93**	**(581)**	**(260)**	**81**	**11,670**

5.k OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The following table presents the amounts of financial assets and liabilities before and after offsetting. This information, required by IFRS 7, aims to enable the comparability with the accounting treatment applicable in accordance with generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IAS 32 as regards offsetting.

“Amounts set off on the balance sheet” have been determined according to IAS 32. Thus, a financial asset and a financial liability are offset and the net amount presented on the balance sheet when, and only when, the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Amounts set off derive mainly from repurchase agreements and derivative instruments traded with clearing houses.

The “impacts of master netting agreements and similar agreements” are relative to outstanding amounts of transactions within an enforceable agreement, which do not meet the offsetting criteria defined by IAS 32. This is the case of transactions for which offsetting can only be performed in case of default, insolvency or bankruptcy of one of the contracting parties.

“Financial instruments given or received as collateral” include guarantee deposits and securities collateral recognised at fair value. These guarantees can only be exercised in case of default, insolvency or bankruptcy of one of the contracting parties.

Regarding master netting agreements, the guarantee deposits received or given in compensation for the positive or negative fair values of financial instruments are recognised in the balance sheet in accrued income or expenses and other assets or liabilities.

In millions of euros, at 30 June 2015	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Trading securities	206,138		206,138			206,138
Loans	275		275			275
Repurchase agreements	289,701	(110,035)	179,666	(36,180)	(141,698)	1,788
Instruments designated as at fair value through profit or loss	83,688		83,688			83,688
Derivative financial instruments (including derivatives used for hedging purposes)	559,566	(183,406)	376,160	(294,580)	(27,488)	54,092
Loans and receivables due from customers and credit institutions	743,439	(2,231)	741,208	(3,363)	(13,172)	724,673
of which repurchase agreements	*18,360*	*(1,658)*	*16,702*	*(3,363)*	*(13,172)*	*167*
Accrued income and other assets	126,771	(4,851)	121,920		(36,001)	85,919
of which guarantee deposits paid	*65,879*		*65,879*		*(36,001)*	*29,878*
Other assets not subject to offsetting	429,454		429,454			429,454
TOTAL ASSETS	**2,439,032**	**(300,523)**	**2,138,509**	**(334,123)**	**(218,359)**	**1,586,027**

In millions of euros, at 30 June 2015	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Trading securities	91,671		91,671			91,671
Borrowings	2,682		2,682			2,682
Repurchase agreements	334,556	(110,035)	224,521	(37,027)	(184,856)	2,638
Instruments designated as at fair value through profit or loss	62,847		62,847			62,847
Derivative financial instruments (including derivatives used for hedging purposes)	560,742	(183,406)	377,336	(294,580)	(39,810)	42,946
Due to customers and to credit institutions	783,020	(2,231)	780,789	(2,516)	(12,563)	765,710
of which repurchase agreements	*16,917*	*(1,658)*	*15,259*	*(2,516)*	*(12,563)*	*180*
Accrued expense and other liabilities	101,280	(4,851)	96,429		(28,256)	68,173
of which guarantee deposits received	*40,815*		*40,815*		*(28,256)*	*12,559*
Other liabilities not subject to offsetting	406,111		406,111			406,111
TOTAL LIABILITIES	**2,342,909**	**(300,523)**	**2,042,386**	**(334,123)**	**(265,485)**	**1,442,778**

In millions of euros, at 31 December 2014[1]	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Trading securities	156,546		156,546			156,546
Loans	684		684			684
Repurchase agreements	270,731	(105,639)	165,092	(32,176)	(128,899)	4,017
Instruments designated as at fair value through profit or loss	78,827		78,827			78,827
Derivative financial instruments (including derivatives used for hedging purposes)	712,876	(280,612)	432,264	(350,206)	(33,258)	48,800
Loans and receivables due from customers and credit institutions	701,323	(572)	700,751	(878)	(3,516)	696,357
of which repurchase agreements	*4,503*		*4,503*	*(878)*	*(3,516)*	*109*
Accrued income and other assets	112,575	(2,487)	110,088		(39,669)	70,419
of which guarantee deposits paid	*65,765*		*65,765*		*(39,669)*	*26,096*
Other assets not subject to offsetting	433,506		433,506			433,506
TOTAL ASSETS	**2,467,068**	**(389,310)**	**2,077,758**	**(383,260)**	**(205,342)**	**1,489,156**

In millions of euros, at 31 December 2014[1]	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Trading securities	78,912		78,912			78,912
Borrowings	4,136		4,136			4,136
Repurchase agreements	298,236	(105,639)	192,597	(31,353)	(149,703)	11,541
Instruments designated as at fair value through profit or loss	57,632		57,632			57,632
Derivative financial instruments (including derivatives used for hedging purposes)	713,855	(280,612)	433,243	(350,206)	(46,936)	36,101
Due to customers and to credit institutions	732,473	(572)	731,901	(1,701)	(8,121)	722,079
of which repurchase agreements	*10,448*		*10,448*	*(1,701)*	*(8,121)*	*626*
Accrued expense and other liabilities	90,209	(2,487)	87,722		(33,665)	54,057
of which guarantee deposits received	*41,936*		*41,936*		*(33,665)*	*8,271*
Other liabilities not subject to offsetting	397,926		397,926			397,926
TOTAL LIABILITIES	**2,373,379**	**(389,310)**	**1,984,069**	**(383,260)**	**(238,425)**	**1,362,384**

[1] Restated according to the IFRIC 21 interpretation (see notes 1.a and 2.)

6. ADDITIONAL INFORMATION

6.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

At 30 June 2015, the share capital of BNP Paribas SA amounted to EUR 2,492,372,484, and was divided into 1,246,186,242 shares. The nominal value of each share is EUR 2. At 31 December 2014, the share capital amounted to EUR 2,491,915,350 and was divided into 1,245,957,675 shares.

- **Ordinary shares issued by BNP Paribas and held by the Group**

	Proprietary transactions		Trading transactions (1)		Total	
	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)
Shares held at 31 December 2013	**2,798,942**	**138**	**(375,580)**	**(22)**	**2,423,362**	**116**
Acquisitions	296,795	16			296,795	16
Disposals	(257,239)	(14)			(257,239)	(14)
Shares delivered to employees	(773,316)	(32)			(773,316)	(32)
Other movements			3,135,827	159	3,135,827	159
Shares held at 30 June 2014	**2,065,182**	**108**	**2,760,247**	**137**	**4,825,429**	**245**
Acquisitions	1,691,027	83			1,691,027	83
Disposals	(393,665)	(21)			(393,665)	(21)
Capital decrease	(390,691)	(30)			(390,691)	(30)
Other movements			(6,003,715)	(297)	(6,003,715)	(297)
Shares held at 31 December 2014	**2,971,853**	**140**	**(3,243,468)**	**(160)**	**(271,615)**	**(20)**
Acquisitions	478,402	24			478,402	24
Disposals	(444,829)	(22)			(444,829)	(22)
Shares delivered to employees	(1,340,114)	(59)			(1,340,114)	(59)
Other movements			4,880,552	249	4,880,552	249
Shares held at 30 June 2015	**1,665,312**	**83**	**1,637,084**	**89**	**3,302,396**	**172**

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

At 30 June 2015, the BNP Paribas Group was a net buyer of 3,302,396 BNP Paribas shares representing an amount of EUR 172 million, which was recognised as a reduction in equity.

In 2015, BNP Paribas SA has acquired on the market 65,000 shares (liquidity contract excluded), at an average price of EUR 44.83 per share, with the intention of cancelling these shares.

Under the Bank's market-making agreement relating to the BNP Paribas share on the Italian market made with Exane BNP Paribas, and in line with the Code of Ethics recognised by the AMF, BNP Paribas SA bought back 413,402 shares in 2015 at an average share price of EUR 51.96, and sold 444,829 shares at an average share price of EUR 52.46. At 30 June 2015, 141,439 shares worth EUR 7.9 million were held by BNP Paribas SA under this agreement.

From 1 January 2015 to 30 June 2015, 1,340,114 shares were delivered following the definitive award of performance shares to their beneficiaries.

- **Preferred shares and Undated Super Subordinated Notes eligible as Tier 1 regulatory capital**

- Preferred shares issued by the Group's foreign subsidiaries

The LaSer group, which has been fully consolidated since 25 July 2014, made in 2004 two issues of undated non-voting preferred shares through a special purpose entity governed by UK law and exclusively controlled by this group. Since the first call date, these preferred shares are redeemable at par at the issuer's discretion at each quarterly coupon date.

Issuer	Date of issue	Currency	Amount (in millions of euros)	Rate and term before 1st call date		Rate after 1st call date
Cofinoga Funding II LP	January and May 2004	EUR	80	TEC 10 [(1)] +1.35%	10 years	TEC 10 [(1)] + 1.35%
Total at 30 June 2015			**73 [(2)]**			

[(1)] TEC 10 is the daily long-term government bond index, corresponding to the yield-to-maturity of a fictitious 10-year Treasury note.
[(2)] Value at the date of acquisition of control over the LaSer group.

These issues and the related dividends are recorded under "Minority interests" in the balance sheet.

- Undated Super Subordinated Notes issued by BNP Paribas SA

BNP Paribas 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, Libor or euro swap rate if the notes are not redeemed at the end of this period.

On 17 June 2015, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of EUR 750 million, which pay a 6.125% fixed rate coupon. The notes could be redeemed at the end of a 7-year period. If the notes are not redeemed in 2022, a 5-year euro swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 29 June 2015, BNP Paribas redeemed the June 2005 issue for a total amount of USD 1,070 million at the first date of call. These notes paid a 5.186% fixed rate coupon.

The following table summarises the characteristics of these various issues:

Date of issue	Currency	Amount (in millions of currency units)	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
October 2005	EUR	1,000	annual	4.875%	6 years	4.875%
October 2005	USD	400	annual	6.25%	6 years	6.250%
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	5.954%	10 years	GBP 3-month Libor + 1.810%
April 2007	EUR	638	annual	5.019%	10 years	3-month Euribor + 1.720%
June 2007	USD	600	quarterly	6.5%	5 years	6.50%
June 2007	USD	1,100	semi-annual	7.195%	30 years	USD 3-month Libor + 1.290%
October 2007	GBP	200	annual	7.436%	10 years	GBP 3-month Libor + 1.850%
June 2008	EUR	500	annual	7.781%	10 years	3-month Euribor + 3.750%
September 2008	EUR	100	annual	7.57%	10 years	3-month Euribor + 3.925%
December 2009	EUR	2	quarterly	3-month Euribor + 3.750%	10 years	3-month Euribor + 4.750%
December 2009	EUR	17	annual	7.028%	10 years	3-month Euribor + 4.750%
December 2009	USD	70	quarterly	USD 3-month Libor + 3.750%	10 years	USD 3-month Libor + 4.750%
December 2009	USD	0.5	annual	7.384%	10 years	USD 3-month Libor + 4.750%
June 2015	EUR	750	semi-annual	6.125%	7 years	EUR 5-year swap rate + 5.230%
Total euro-equivalent value at 30 June 2015		**6,468** (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. Interest due has to be paid in case of dividend distribution on BNP Paribas SA ordinary shares. This clause is not stipulated in the June 2015 issue. 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 30 June 2015, the BNP Paribas Group held EUR 44 million of Undated Super Subordinated Notes which were deducted from shareholders’ equity.

- **Earnings per share**

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

Diluted earnings per share correspond to the net income for the period attributable to holders of ordinary shares, divided by the weighted average number of shares outstanding as adjusted for the maximum effect of the conversion of dilutive equity instruments into ordinary shares. In-the-money stock subscription options are taken into account in the diluted earnings per share calculation, as are performance shares granted under the Global Share-based Incentive Plan. Conversion of these instruments would have no effect on the net income figure used in this calculation.

	First half 2015	First half 2014[(1)]
Net profit / (loss) used to calculate basic and diluted earnings per ordinary share *(in millions of euros)* [(2)]	**4,002**	**(2,931)**
Weighted average number of ordinary shares outstanding during the year	**1,241,909,627**	**1,242,909,972**
Effect of potentially dilutive ordinary shares	1,141,403	2,525,027
- Stock subscription option plan	446,569	694,130
- Performance share attribution plan	694,834	1,830,897
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,243,051,030**	**1,245,434,999**
Basic earnings / (losses) per share (in euros)	3.22	(2.36)
Diluted earnings / (losses) per share (in euros)	3.22	(2.35)

(1) Restated according to the IFRIC 21 interpretation (see notes 1.a and 2.).
(2) The net profit/(loss) used to calculate basic and diluted earnings per share is the net profit/(loss) attributable to equity shareholders, adjusted for the remuneration on the Undated Super Subordinated Notes issued by BNP Paribas SA (treated as preferred share equivalents), which for accounting purposes is handled as dividends, as well as the related foreign exchange impact recognised directly in shareholders' equity.

The dividend per share paid in 2015 out of the 2014 net income amounted to EUR 1.50, unchanged as compared with the dividend paid in 2014 out of the 2013 net income.

6.b CONTINGENT LIABILITIES: LEGAL PROCEEDINGS AND ARBITRATION

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS"). These actions, known generally as "clawback claims", are similar to those brought by the BLMIS Trustee against numerous institutions, and seek recovery of amounts allegedly received by the BNP Paribas entities from BLMIS or indirectly through BLMIS-related "feeder funds" in which BNP Paribas entities held interests. The BLMIS Trustee claims in these actions that the amounts which BNP Paribas entities received are avoidable and recoverable under the U.S. Bankruptcy Code and New York state law. In the aggregate, the amount sought to be recovered in these actions approximates USD 1.3 billion. BNP Paribas has substantial and credible defenses to these actions and is defending against them vigorously.

Various litigations and investigations are ongoing relating to the restructuring of the Fortis group, now Ageas, of which BNP Paribas Fortis is no longer part, and to events having occurred before BNP Paribas Fortis became part of the BNP Paribas Group. Among these are litigations brought by shareholder groups in The Netherlands and Belgium against Ageas and, among others, against BNP Paribas Fortis, in relation to its role as global coordinator of Fortis (now Ageas)'s capital increase in October 2007 to partly finance its acquisition of ABN Amro Bank N.V. Those groups of shareholders mainly allege that there has been a breach in the financial communication, as, inter alia, the disclosure regarding the exposure to subprime mortgages.
The Bank is vigorously defending itself in these proceedings. The Court of Appeal of Amsterdam upheld on 29 July 2014 the ruling of the Dutch Court of first instance that Ageas was liable for mismanagement in relation to its financial communication during the period in question. BNP Paribas Fortis is not a party to this case.
If these litigations and investigations were to be successful, they could eventually result in monetary consequences for BNP Paribas Fortis. Such impact is unquantifiable at this stage.

Regulatory and law enforcement authorities in multiple jurisdictions are conducting investigations or making inquiries of a number of financial institutions regarding trading on the foreign exchange markets, including, among other things, possible collusion among financial institutions to manipulate certain benchmark currency exchange rates. The Bank has to date received requests for information in this respect from regulatory and law enforcement authorities in the United Kingdom, the United States and several countries in the Asia-Pacific region as well as from the European Competition Commission. The Bank is cooperating with the investigations and inquiries and responding to the information requests. In November 2014 the Financial Conduct Authority in the United Kingdom and in December 2014 the Hong Kong Monetary Authority informed the Bank that they had discontinued their investigation as to BNP Paribas. Moreover the Bank is conducting its own internal review of foreign exchange trading. While this review is ongoing, the Bank is not in a position to foresee the outcome of these investigations and proceedings nor their potential impact.
The Bank, along with a number of other financial institutions, was named as a defendant in a consolidated civil action filed in March 2014 in the U.S. District Court for the Southern District of New York on behalf of a purported class of plaintiffs alleging manipulation of foreign exchange markets. The plaintiffs allege in particular that the defendants colluded to manipulate the WM/Reuters rate (WMR), thereby causing the putative classes to suffer losses in connection with WMR-based financial instruments. The plaintiffs assert U.S. federal and state antitrust claims and claims for unjust enrichment, and seek compensatory damages, treble damages where authorized by statute, restitution, and declaratory and injunctive relief. It is worth noting that US antitrust proceedings provide that all defendants are jointly and severally liable. The Bank and its co-defendants have filed a motion to dismiss the consolidated complaint, which was denied on 28 January 2015 in respect of the class of U.S. plaintiffs but was granted in respect of the class of non-U.S. plaintiffs. The Bank is vigorously contesting the allegations against it in those proceedings.

In connection with the European Commission's investigation, which is still ongoing, into purported anti-competitive conduct in the Credit Default Swaps ("CDS") market between a number of investment banks including BNP Paribas, several class-actions have been commenced in the United States against these same players. Motions to dismiss the complaints were denied, and the lawsuits were consolidated into a single proceeding. It should also be noted that since it is an antitrust proceeding, defendants are jointly and severally liable.

6.c BUSINESS COMBINATIONS

- **Operations realised during the first half of 2015**

No significant business combination occurred during the first half of 2015.

- **Operations realised during the first half of 2014**

No significant business combination occurred during the first half of 2014.

6.d MINORITY INTERESTS

- **Main minority interests**

The assessment of the material nature of minority interests is based on the contribution of the relevant subsidiaries to the Group balance sheet (before elimination of intra-group balances and transactions) and to the Group profit and loss account.

In millions of euros	30 June 2015	First half 2015						
	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
Contribution of the entities belonging to the BGL BNP Paribas group	67,244	786	239	227	34%	84	74	75
Other minority interests						104	149	46
TOTAL						188	223	121

In millions of euros[1]	31 December 2014	First half 2014						
	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest (%)	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
Contribution of the entities belonging to the BGL BNP Paribas group	63,917	781	211	336	34%	83	128	54
Other minority interests						88	86	32
TOTAL						171	214	86

[1] Restated according to the IFRIC 21 interpretation (see notes 1.a and 2.).

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

No significant internal restructuration has occurred during the first half of 2015, nor during the first half of 2014.

- **Acquisitions of additional interests and partial sales of interests leading to changes in minority interests in the equity of subsidiaries**

In millions of euros	First half 2015		First half 2014	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
BNP Paribas Bank Polska SA				
BNP Paribas Bank Polska SA realised a capital increase, fully subscribed by external investors. The Group's interest in this entity decreases from 99.83% to 84.94%			(15)	67
Other	**3**	**(7)**	**11**	**(11)**
Total	**3**	**(7)**	**(4)**	**56**

- **Commitments to repurchase minority shareholders' interests**

In connection with the acquisition of certain entities, the Group granted minority shareholders put options on their holdings.
The total value of these commitments, which are recorded as a reduction in shareholders' equity, amounts to EUR 774 million at 30 June 2015, compared with EUR 853 million at 31 December 2014.

6.e FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

The information supplied in this note must be used and interpreted with the greatest caution for the following reasons:

- These fair values are an estimate of the value of the relevant instruments as at 30 June 2015. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instrument to BNP Paribas as a going concern;
- Most of these fair values are not meaningful, and hence are not taken into account in the management of the commercial banking activities which use these instruments;
- Estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank. This means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful;
- The fair values shown below do not include the fair values of finance lease transactions, non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of the BNP Paribas Group.

In millions of euros 30 June 2015	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and receivables due from credit institutions (note 5.d)		43,694	23	43,717	43,803
Loans and receivables due from customers (note 5.e) [1]		76,910	608,741	685,651	672,160
Held-to-maturity financial assets	9,493	170	81	9,744	8,436
FINANCIAL LIABILITIES					
Due to credit institutions (note 5.d)		93,693		93,693	93,424
Due to customers (note 5.e)		688,792		688,792	687,365
Debt securities (note 5.f)	62,210	124,654		186,864	185,036
Subordinated debt (note 5.f)	6,585	7,819		14,404	14,575

[1] Finance leases excluded

In millions of euros, at 31 December 2014	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and receivables due from credit institutions (note 5.d)		43,299	25	43,324	43,348
Loans and receivables due from customers (note 5.e) (1)		62,751	580,189	642,940	631,189
Held-to-maturity financial assets	10,206	113	82	10,401	8,965
FINANCIAL LIABILITIES					
Due to credit institutions (note 5.d)		90,729		90,729	90,352
Due to customers (note 5.e)		643,156		643,156	641,549
Debt securities (note 5.f)	79,463	109,805		189,268	187,074
Subordinated debt (note 5.f)	5,116	8,579		13,695	13,936

(1) Finance leases excluded

The valuation techniques and assumptions used by BNP Paribas ensure that the fair value of financial assets and liabilities carried at amortised cost is measured on a consistent basis throughout the Group. Fair value is based on prices quoted in an active market when these are available. In other cases, fair value is determined using valuation techniques such as discounting of estimated future cash flows for loans, liabilities and held-to-maturity financial assets, or specific valuation models for other financial instruments as described in note 1, “Summary of significant accounting policies applied by the BNP Paribas Group”. The description of the fair value hierarchy levels is also presented in the accounting principles (note 1.c.10). In the case of loans, liabilities and held-to-maturity financial assets that have an initial maturity of less than one year (including demand deposits) or of most regulated savings products, fair value equates to carrying amount. These instruments have been classified in Level 2, except for loans to customers, which are classified in Level 3.

6.f SCOPE OF CONSOLIDATION

		30 June 2015				31 December 2014			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Consolidating company									
BNP Paribas SA	France								
BNP Paribas SA (Argentina branch)	Argentina	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Australia branch)	Australia	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Bahrain branch)	Bahrain	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Belgium branch)	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Bulgaria branch)	Bulgaria	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Canada branch)	Canada	Full	100%	100%		Full	100%	100%	E2
BNP Paribas SA (Cayman Islands branch)	Cayman Islands	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (China branch)	China								S1
BNP Paribas SA (Germany branch)	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Hong Kong branch)	Hong Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Hungary branch)	Hungary	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (India branch)	India	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Ireland branch)	Ireland	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Italy branch)	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Japan branch)	Japan	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Jersey branch)	Jersey	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Kuwait branch)	Kuwait	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Luxembourg branch)	Luxembourg	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Malaysia branch)	Malaysia	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Monaco branch)	Monaco	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Netherlands branch)	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Norway branch)	Norway				S1	Full	100%	100%	
BNP Paribas SA (Panama branch)	Panama	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Philippines branch)	Philippines	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Poland branch)	Poland	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Portugal branch)	Portugal	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Qatar branch)	Qatar	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Republic of Korea branch)	Rep. of Korea	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Saudi Arabia branch)	Saudi Arabia	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Singapore branch)	Singapore	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (South Africa branch)	South Africa	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Spain branch)	Spain	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Taiwan branch)	Taiwan	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Thailand branch)	Thailand	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (U.S.A branch)	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (UK branch)	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (United Arab Emirates branch)	United Arab Emirates	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Viet Nam branch)	Viet Nam	Full	100%	100%		Full	100%	100%	
Retail Banking & Services									
Domestic Markets									
Retail Banking - France									
Banque de Wallis et Futuna	France	Full (1)	51,0%	51,0%		Full (1)	51,0%	51,0%	
BNP Paribas Developpement	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Factor	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Factor (Spain branch)	Spain	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Factor AS	Denmark	Equity *	100%	100%	E1				
BNP Paribas Factor Portugal	Portugal	Full	100%	100%		Full	100%	100%	
BNP Paribas Guadeloupe	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Guyane	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Martinique	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Nouvelle Caledonie	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Réunion	France	Full (1)	100%	100%		Full (1)	100%	100%	
Société Alsacienne de développement et d'expansion	France	Full	100%	65,9%		Full	100%	65,9%	
Retail Banking - Belgium									
Alpha Card SCRL (Group)	Belgium	Equity	50,0%	50,0%		Equity	50,0%	50,0%	
Belgian Mobile Wallet	Belgium	Equity	33,2%	33,2%		Equity	33,2%	33,2%	V2&V3
BNP Paribas Commercial Finance Ltd.	UK	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Factor Deutschland BV	Netherlands	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Factor GmbH	Germany	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Factoring Coverage Europe Holding NV	Netherlands	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis	Belgium	Full	99,9%	99,9%		Full	99,9%	99,9%	
BNP Paribas Fortis (Austria branch)	Austria	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis (Cayman Islands branch)	Cayman Islands	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis (Czech Republic branch)	Czech Republic	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis (Denmark branch)	Denmark	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis (Finland branch)	Finland	Full	100%	99,9%		Full	100%	99,9%	E2
BNP Paribas Fortis (Germany branch)	Germany	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis (Netherlands branch)	Netherlands	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis (Norway branch)	Norway	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis (Romania branch)	Romania	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis (Spain branch)	Spain	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis (Sweden branch)	Sweden	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis (U.S.A branch)	U.S.A	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis (UK branch)	UK				S1	Full	100%	99,9%	
BNP Paribas Fortis Factor NV	Belgium	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis Funding SA	Luxembourg	Full	100%	99,9%		Full	100%	99,9%	
Bpost banque	Belgium	Equity (3)	50,0%	50,0%		Equity (3)	50%	50,0%	
Demetris NV	Belgium	Equity *	100%	99,9%		Equity *	100%	99,9%	
Immobilière Sauvenière SA	Belgium	Equity *	100%	99,9%		Equity *	100%	99,9%	

		30 June 2015				31 December 2014			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Special Purpose Entities									
BASS Master Issuer NV	Belgium	Full	-	-		Full	-	-	
Esmée Master Issuer	Belgium	Full	-	-		Full	-	-	
Retail Banking - Luxembourg									
BGL BNP Paribas	Luxembourg	Full	66,0%	65,9%		Full	66,0%	65,9%	
BGL BNP Paribas (Germany branch)	Germany	Full	100%	65,9%		Full	100%	65,9%	
BGL BNP Paribas Factor SA	Luxembourg	Full	100%	65,9%		Full	100%	65,9%	
BNP Paribas Lease Group Luxembourg SA	Luxembourg	Full	100%	65,9%		Full	100%	65,9%	
Cofhylux SA	Luxembourg	Full	100%	65,9%		Full	100%	65,9%	
Special Purpose Entities									
Société Immobilière de Monterey SA	Luxembourg	Full	-	-		Full	-	-	
Société Immobilière du Royal Building SA	Luxembourg	Full	-	-		Full	-	-	
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%	
Business Partners Italia SCPA	Italy	Full	100%	99,9%	V3	Full	100%	100%	E2
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	-	-	
Vela ABS SRL	Italy	Full	-	-		Full	-	-	
Vela Home SRL	Italy	Full	-	-		Full	-	-	
Vela Mortgages SRL	Italy	Full	-	-		Full	-	-	
Vela OBG SRL	Italy	Full	-	-		Full	-	-	
Vela Public Sector SRL	Italy	Full	-	-		Full	-	-	
Vela RMBS SRL	Italy	Full	-	-		Full	-	-	E2
Arval									
Artel	France	Equity *	100%	100%	E1				
Arval AS	Denmark	Equity *	100%	100%		Equity *	100%	100%	
Arval Austria GmbH	Austria	Equity *	100%	100%		Equity *	100%	100%	
Arval Belgium SA	Belgium	Full	100%	100%		Full	100%	100%	
Arval Benelux BV	Netherlands	Full	100%	100%		Full	100%	100%	
Arval Brasil Ltda.	Brazil	Full	100%	100%		Full	100%	100%	
Arval BV	Netherlands	Full	100%	100%		Full	100%	100%	
Arval China Co Ltd.	China	Equity *	100%	100%		Equity *	100%	100%	
Arval CZ SRO	Czech Republic	Full	100%	100%		Full	100%	100%	
Arval Deutschland GmbH	Germany	Full	100%	100%		Full	100%	100%	
Arval ECL	France				S4	Equity *	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 Luxembourg SA	Luxembourg	Equity *	100%	100%		Equity *	100%	100%	
Arval Magyarorszag KFT	Hungary	Equity *	100%	100%		Equity *	100%	100%	
Arval Maroc SA	Morocco	Equity *	100%	89,0%		Equity *	100%	89,0%	
Arval OOO	Russia	Full	100%	100%		Full	100%	100%	
Arval Oy	Finland	Equity *	100%	100%		Equity *	100%	100%	
Arval Schweiz AG	Switzerland	Equity *	100%	100%		Equity *	100%	100%	
Arval Service Lease	France	Full	100%	100%		Full	100%	100%	
Arval Service Lease Aluger Operational Automoveis SA	Portugal	Equity *	100%	100%		Equity *	100%	100%	
Arval Service Lease Italia SPA	Italy	Full	100%	100%		Full	100%	100%	
Arval Service Lease Polska SP ZOO	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%		Equity *	100%	100%	
Arval Trading	France	Equity *	100%	100%		Equity *	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				S4	Equity *	100%	100%	
BNP Paribas Fleet Holdings Ltd.	UK	Full	100%	100%		Full	100%	100%	
Cofiparc	France	Full	100%	100%		Full	100%	100%	
Greenval Insurance Company Ltd.	Ireland	Full (2)	100%	100%		Full (2)	100%	100%	
Public Location Longue Durée	France	Equity *	100%	100%		Equity *	100%	100%	
TEB Arval Arac Filo Kiralama AS	Turkey	Full	100%	75,0%		Full	100%	75,0%	
Leasing Solutions									
Ace Equipment Leasing	Belgium	Full	100%	83,0%		Full	100%	83,0%	
Ace Leasing	Belgium								S4
Agrilease BV	Netherlands								S3
Albury Asset Rentals Ltd.	UK	Full	100%	83,0%		Full	100%	83,0%	
All In One Vermietung GmbH	Austria	Equity *	100%	83,0%		Equity *	100%	83,0%	
All In One Vermietungsgesellschaft für Telekommunicationsanlagen MBH	Germany	Equity *	100%	83,0%		Equity *	100%	83,0%	
Aprolis Finance	France	Full	51,0%	42,3%		Full	51,0%	42,3%	
Aprolis Finance (Romania branch)	Romania	Equity *	100%	42,3%		Equity *	100%	42,3%	D1
Arius	France	Full	100%	83,0%		Full	100%	83,0%	
Artegy	France	Full	100%	83,0%		Full	100%	83,0%	
Artegy Ltd.	UK	Equity *	100%	83,0%		Equity *	100%	83,0%	D1
BNP Paribas Finansal Kiralama AS	Turkey	Full	100%	82,5%	V4	Full	100%	82,4%	V1
BNP Paribas Lease Group (Rentals) Ltd.	UK	Full	100%	83,0%		Full	100%	83,0%	
BNP Paribas Lease Group BPLG	France	Full (1)	100%	83,0%		Full (1)	100%	83,0%	
BNP Paribas Lease Group BPLG (Germany branch)	Germany	Full (1)	100%	83,0%		Full (1)	100%	83,0%	
BNP Paribas Lease Group BPLG (Italy branch)	Italy	Full (1)	100%	83,0%		Full (1)	100%	83,0%	
BNP Paribas Lease Group BPLG (Portugal branch)	Portugal	Full (1)	100%	83,0%		Full (1)	100%	83,0%	
BNP Paribas Lease Group BPLG (Spain branch)	Spain	Full (1)	100%	83,0%		Full (1)	100%	83,0%	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds as defined by the Group (see note 1.b)
E2 Incorporation
E3 Purchase, gain of control or significant influence
Removals (S) from the scope of consolidation
S1 Cessation of activity (including dissolution, liquidation)
S2 Disposal, loss of control or loss of significant influence
S3 Entities removed from the scope because < qualifying thresholds (see note 1.b)
S4 Merger, Universal transfer of assets and liabilities
Variance (V) in voting or ownership interest
V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest
D2 83 Construction-Sale Companies (Real Estate programmes) of which 73 fully and 10 equity method consolidated
D3 The LaSer group was consolidated under the equity method until 25 July 2014. Following the additional purchase of interest by BNP Paribas Group, the LaSer group has been fully consolidated

Prudential scope of consolidation
(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council.
(2) Entities consolidated under the equity method for prudential purposes
(3) Jointly controlled entities under proportional consolidation for prudential purposes.

		30 June 2015				31 December 2014			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNP Paribas Lease Group IFN SA	Romania	Equity *	100%	83,0%		Equity *	100%	83,0%	
BNP Paribas Lease Group KFT	Hungary	Equity *	100%	83,0%		Equity *	100%	83,0%	
BNP Paribas Lease Group Leasing Solutions SPA	Italy	Full	100%	95,5%		Full	100%	95,5%	
BNP Paribas Lease Group Lizing RT	Hungary	Equity *	100%	83,0%		Equity *	100%	83,0%	
BNP Paribas Lease Group PLC	UK	Full	100%	83,0%		Full	100%	83,0%	
BNP Paribas Lease Group Polska SP ZOO	Poland	Equity *	100%	83,0%		Equity *	100%	83,0%	
BNP Paribas Lease Group SA Belgium	Belgium	Full	100%	83,0%		Full	100%	83,0%	
BNP Paribas Leasing Solutions	Luxembourg	Full	100%	83,0%		Full	100%	83,0%	
BNP Paribas Leasing Solutions Immobilier Suisse	Switzerland				S4	Equity *	100%	83,0%	
BNP Paribas Leasing Solutions Ltd.	UK	Full	100%	83,0%		Full	100%	83,0%	
BNP Paribas Leasing Solutions NV	Netherlands	Full	100%	83,0%		Full	100%	83,0%	
BNP Paribas Leasing Solutions Suisse SA	Switzerland	Equity *	100%	83,0%		Equity *	100%	83,0%	
Claas Financial Services	France	Full (1)	60,1%	49,9%		Full (1)	60,1%	49,9%	
Claas Financial Services (Germany branch)	Germany	Full (1)	100%	49,9%		Full (1)	100%	49,9%	
Claas Financial Services (Italy branch)	Italy	Full (1)	100%	49,9%		Full (1)	100%	49,9%	
Claas Financial Services (Poland branch)	Poland	Full (1)	100%	49,9%		Full (1)	100%	49,9%	
Claas Financial Services (Spain branch)	Spain	Full (1)	100%	49,9%		Full (1)	100%	49,9%	
Claas Financial Services Inc.	U.S.A	Full	100%	49,9%		Full	100%	49,9%	
Claas Financial Services Ltd.	UK	Full	51,0%	42,3%		Full	51,0%	42,3%	
CNH Industrial Capital Europe	France	Full (1)	50,1%	41,6%		Full (1)	50,1%	41,6%	
CNH Industrial Capital Europe (Belgium branch)	Belgium	Full (1)	100%	41,6%		Full (1)	100%	41,6%	
CNH Industrial Capital Europe (Germany branch)	Germany	Full (1)	100%	41,6%		Full (1)	100%	41,6%	
CNH Industrial Capital Europe (Italy branch)	Italy	Full (1)	100%	41,6%		Full (1)	100%	41,6%	
CNH Industrial Capital Europe (Poland branch)	Poland	Full (1)	100%	41,6%		Full (1)	100%	41,6%	E2
CNH Industrial Capital Europe (Spain branch)	Spain	Full (1)	100%	41,6%		Full (1)	100%	41,6%	
CNH Industrial Capital Europe BV	Netherlands	Full	100%	41,6%		Full	100%	41,6%	
CNH Industrial Capital Europe GmbH	Austria	Full	100%	41,6%		Full	100%	41,6%	
CNH Industrial Capital Europe Ltd.	UK	Full	100%	41,6%		Full	100%	41,6%	
Commercial Vehicle Finance Ltd.	UK	Full	100%	83,0%		Full	100%	83,0%	
ES-Finance	Belgium	Full	100%	99,9%		Full	100%	99,9%	
Fortis Lease	France	Full (1)	100%	83,0%		Full (1)	100%	83,0%	
Fortis Lease Belgium	Belgium	Full	100%	83,0%		Full	100%	83,0%	
Fortis Lease Car & Truck	Belgium								S4
Fortis Lease Deutschland GmbH	Germany	Equity *	100%	83,0%		Equity *	100%	83,0%	
Fortis Lease Iberia SA	Spain	Equity *	100%	86,6%		Equity *	100%	86,6%	
Fortis Lease Operativ Lizing Zartkoruen Mukodo Reszvenytarsasag	Hungary	Equity *	100%	83,0%		Equity *	100%	83,0%	
Fortis Lease Polska Sp.zoo	Poland								S3
Fortis Lease Portugal	Portugal	Equity *	100%	83,0%		Equity *	100%	83,0%	
Fortis Lease Romania IFN SA	Romania	Equity *	100%	83,0%		Equity *	100%	83,0%	
Fortis Lease UK Ltd.	UK	Equity *	100%	83,0%		Equity *	100%	83,0%	D1
Fortis Lease UK Retail Ltd.	UK	Equity *	100%	83,0%		Equity *	100%	83,0%	D1
Fortis Vastgoedlease BV	Netherlands	Equity *	100%	83,0%		Equity *	100%	83,0%	D1
Heffiq Heftruck Verhuur BV	Netherlands								S3
HFGL Ltd.	UK	Full	100%	83,0%		Full	100%	83,0%	
Humberclyde Commercial Investments Ltd.	UK	Full	100%	83,0%		Full	100%	83,0%	
Humberclyde Commercial Investments N°1 Ltd.	UK	Full	100%	83,0%		Full	100%	83,0%	
JCB Finance	France	Full (1)	100%	41,6%		Full (1)	100%	41,6%	
JCB Finance (Germany branch)	Germany	Full (1)	100%	41,6%		Full (1)	100%	41,6%	
JCB Finance (Italy branch)	Italy	Full (1)	100%	41,6%		Full (1)	100%	41,6%	
JCB Finance (Spain branch)	Spain								S1
JCB Finance Holdings Ltd.	UK	Full	50,1%	41,6%		Full	50,1%	41,6%	
Locatrice Italiana SPA	Italy	Equity *	100%	83,0%	V3	Equity *	100%	95,5%	
Manitou Finance Ltd.	UK	Full	51,0%	42,3%		Full	51,0%	42,3%	
MFF	France	Full (1)	51,0%	42,3%		Full (1)	51,0%	42,3%	
Natiocrédibail	France	Full (1)	100%	100%		Full (1)	100%	100%	
Natiocrédimurs	France	Full (1)	100%	100%		Full (1)	100%	100%	
Natioénergie 2	France	Equity *	100%	100%		Equity *	100%	100%	
RD Portofoliu SRL	Romania	Equity *	100%	83,0%	E2				
Same Deutz Fahr Finance	France	Full (1)	100%	83,0%		Full (1)	100%	83,0%	
Same Deutz Fahr Finance Ltd.	UK	Full	100%	83,0%		Full	100%	83,0%	
SREI Equipement Finance Ltd.	India	Equity (3)	50,0%	41,5%		Equity (3)	50,0%	41,5%	
Special Purpose Entities									
Vela Lease SRL	Italy				S3	Full	-	-	
Personal Investors									
Cortal Consors	France								S4
Cortal Consors (Germany branch)	Germany								S4
Cortal Consors (Spain branch)	Spain								S4
DAB Bank AG	Germany	Full	91,7%	91,7%		Full	91,7%	91,7%	E3
Direktanlage AT AG	Austria	Full	100%	91,7%		Full	100%	91,7%	E3
Geojit BNP Paribas Financial Services Ltd. (Group)	India	Equity	34,4%	34,4%		Equity	34,4%	34,4%	V1
Geojit Technologies Private Ltd.	India	Equity *	57,4%	57,4%	D1	Full	57,4%	57,4%	V1
Portzamparc Gestion	France								S3
Portzamparc société de Bourse	France	Full (1)	51,0%	51,0%		Full (1)	51,0%	51,0%	
Special Purpose Entities									
BNP Paribas Beteiligungsholding AG	Germany	Full	-	-		Full	-	-	E3
International Financial Services									
BNP Paribas Personal Finance									
Alpha Crédit SA	Belgium	Full	100%	99,9%		Full	100%	99,9%	
Axa Banque Financement	France	Equity	35,0%	35,0%		Equity	35,0%	35,0%	
Banco BNP Paribas Personal Finance SA	Portugal	Full	100%	100%		Full	100%	100%	
Banco Cetelem Argentina SA	Argentina	Full	100%	100%		Full	100%	100%	
Banco Cetelem SA	Spain	Full	100%	100%		Full	100%	100%	
Banco Cetelem SA (ex- Banco BGN SA)	Brazil	Full	100%	100%		Full	100%	100%	
Banco de Servicios Financieros SA	Argentina	Equity	40,0%	40,0%		Equity	40,0%	40,0%	
Banque Solféa	France	Equity (3)	44,9%	44,9%		Equity (3)	44,9%	44,9%	V1&D3
BGN Mercantil E Servicos Ltda.	Brazil	Equity *	100%	100%		Equity *	100%	100%	

		30 June 2015				31 December 2014			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Bieffe 5 SPA	Italy								S4
BNP Paribas Personal Finance	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Personal Finance (Czech Republic branch)	Czech Republic	Full	100%	100%	E2				
BNP Paribas Personal Finance BV	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas Personal Finance EAD	Bulgaria	Full	100%	100%		Full	100%	100%	
BNP Paribas Personal Finance SA de CV	Mexico	Full	100%	100%		Full	100%	100%	
Cafineo	France	Full (1)	51,0%	50,8%		Full (1)	51,0%	50,8%	
Carrefour Banque	France	Equity	40,0%	40,0%	V1	Equity	39,2%	39,2%	
Cetelem Algérie	Algeria	Equity *	100%	100%		Equity *	100%	100%	
Cetelem America Ltda.	Brazil	Full	100%	100%		Full	100%	100%	
Cetelem Bank LLC	Russia	Equity	20,8%	20,8%	V3	Equity	26,0%	26,0%	
Cetelem Brasil SA	Brazil								S4
Cetelem CR AS	Czech Republic				S4	Full	100%	100%	
Cetelem IFN	Romania	Full	100%	100%		Full	100%	100%	
Cetelem Serviços Ltda.	Brazil	Full	100%	100%		Full	100%	100%	
Cetelem Slovensko AS	Slovakia	Full	100%	100%		Full	100%	100%	
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%	100%		Full (1)	100%	100%	
Commerz Finanz	Germany	Full	50,1%	50,1%		Full	50,1%	50,1%	
Communication Marketing Services - CMS	France	Full	100%	100%		Full	100%	100%	V1&D3
Compagnie de Gestion et de Prêts	France	Full	100%	100%	V4	Full	65,0%	65,0%	V1&D3
Creation Consumer Finance Ltd.	UK	Full	100%	100%		Full	100%	100%	V1&D3
Creation Financial Services Ltd.	UK	Full	100%	100%		Full	100%	100%	V1&D3
Creation Marketing Services Ltd.	UK	Full	100%	100%		Full	100%	100%	V1&D3
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	Equity *	100%	100%		Equity *	100%	100%	
EkspresBank	Denmark	Full	100%	100%		Full	100%	100%	V1&D3
EkspresBank (Norway branch)	Norway	Full	100%	100%		Full	100%	100%	V1&D3
Eos Aremas Belgium SA NV	Belgium	Equity	50,0%	49,9%		Equity	50,0%	49,9%	
Eurocredito EFC SA	Spain	Full	100%	100%		Full	100%	100%	
Facet	France				S4	Full (1)	100%	100%	
Fidecom	France	Full	82,4%	82,4%		Full	82,4%	82,4%	V1&D3
Fidem	France				S4	Full (1)	100%	100%	
Fimestic Expansion SA	Spain	Full	100%	100%		Full	100%	100%	
Findomestic Banca SPA	Italy	Full	100%	100%		Full	100%	100%	
Findomestic Banka AD	Serbia	Full	100%	100%		Full	100%	100%	
Gesellschaft für Capital & Vermögensverwaltung GmbH (GCV)	Germany	Equity *	100%	99,9%		Equity *	100%	99,9%	
Gestion et Services Groupe Cofinoga GIE	France	Full	100%	100%		Full	100%	100%	V1&D3
Inkasso Kodat GmbH & CO KG	Germany	Equity *	100%	99,9%		Equity *	100%	99,9%	
LaSer Cofinoga	France	Full	100%	100%		Full	100%	100%	V1&D3
LaSer Loyalty	France	Full	100%	100%		Full	100%	100%	V1&D3
LaSer SA	France	Full	100%	100%		Full	100%	100%	V1&D3
LaSer Symag	France	Full	100%	100%		Full	100%	100%	V1&D3
Leval 20	France	Full	100%	100%		Full	100%	100%	
Loisirs Finance	France	Full (1)	51,0%	51,0%		Full (1)	51,0%	51,0%	
Magyar Cetelem Bank ZRT	Hungary	Full	100%	100%		Full	100%	100%	
Nissan Finance Belgium NV	Belgium								S4
Norrsken Finance	France	Full (1)	51,0%	51,0%		Full (1)	51,0%	51,0%	
Oney Magyarorszag Zrt	Hungary	Equity	40,0%	40,0%		Equity	40,0%	40,0%	
Prêts et Services SAS	France	Full (1)	100%	100%		Full (1)	100%	100%	
Projéo	France	Full (1)	100%	100%	V1	Full (1)	51,0%	51,0%	
RCS Botswana Proprietary Ltd.	Botswana				S3	Full	100%	100%	E3
RCS Cards Proprietary Ltd.	South Africa	Full	100%	100%		Full	100%	100%	E3
RCS Collections Proprietary Ltd.	South Africa				S3	Full	100%	100%	E3
RCS Home Loans Proprietary Ltd.	South Africa				S3	Full	100%	100%	E3
RCS Investment Holdings Ltd.	South Africa	Full	100%	100%		Full	100%	100%	E3
RCS Investment Holdings Namibia Proprietary Ltd.	Namibia				S3	Full	100%	100%	E3
Retail Mobile Wallet	France	Full	100%	100%	D1	Equity *	100%	100%	E1
Servicios Financieros Carrefour EFC SA	Spain	Equity	37,3%	40,0%	V4	Equity	37,3%	39,9%	
Sundaram BNP Paribas Home Finance Ltd.	India	Equity	49,9%	49,9%		Equity	49,9%	49,9%	
Sygma Banque	France	Full	100%	100%		Full	100%	100%	V1&D3
Sygma Banque (Poland branch)	Poland	Full	100%	100%		Full	100%	100%	V1&D3
Sygma Banque (UK branch)	UK	Full	100%	100%		Full	100%	100%	V1&D3
Sygma Funding Two Ltd.	UK	Full	100%	100%		Full	100%	100%	V1&D3
TEB Tuketici Finansman AS	Turkey	Full	100%	92,8%		Full	100%	92,8%	
UCB Ingatlanhitel RT	Hungary	Full	100%	100%		Full	100%	100%	
Union de Creditos Inmobiliarios - UCI (Group)	Spain	Equity (3)	50,0%	50,0%		Equity (3)	50,0%	50,0%	
Von Essen GmbH & Co. KG Bankgesellschaft	Germany	Full	100%	99,9%		Full	100%	99,9%	
Special Purpose Entities									
Autonoria 2012 - 1 et 2	France	Full	-	-		Full	-	-	
Autonoria 2014	France	Full	-	-		Full	-	-	E2
Cofinoga Funding Two LP	UK	Full	-	-		Full	-	-	V1&D3
Domos 2011 - A et B	France	Full	-	-		Full	-	-	
FCC Domos 2008	France	Full	-	-		Full	-	-	
FCC Retail ABS Finance Noria 2009	France	Full	-	-		Full	-	-	
FCC U.C.I 5 -18	Spain	Equity (3)	-	-		Equity (3)	-	-	
Fideicomiso Financiero Cetelem II, III et IV	Argentina	Full	-	-		Full	-	-	E2
Florence 1 SRL	Italy	Full	-	-		Full	-	-	
Florence SPV SRL	Italy	Full	-	-		Full	-	-	
Fondo de Titulizacion de Activos RMBS Prado 1	Spain	Equity (3)	-	-	E2				
Phedina Hypotheken 2010 BV	Netherlands	Full	-	-		Full	-	-	
Phedina Hypotheken 2011-I BV	Netherlands	Full	-	-		Full	-	-	
Phedina Hypotheken 2013-I BV	Netherlands	Full	-	-		Full	-	-	

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Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
International Retail Banking									
Retail Banking in the United States of America									
1897 Services Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
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	U.S.A	Full	100%	100%		Full	100%	100%	
Bank of the West (Cayman Islands branch)	Cayman Islands	Full	100%	100%		Full	100%	100%	
Bank of the West Business Park Association LLC	U.S.A								S3
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%	
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%	63,4%		Full	75,9%	63,4%	
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%	
Community Service, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Equity Lending Inc.	U.S.A								S1
Essex Credit Corporation	U.S.A								S4
FHB Guam Trust Co.	U.S.A	Full	100%	100%		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 Hawaiian Bank	U.S.A	Full	100%	100%		Full	100%	100%	
First Hawaiian Bank (Cayman Islands branch)	Cayman Islands	Full	100%	100%		Full	100%	100%	
First Hawaiian Capital 1	U.S.A				S1	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									
Bank of the West Auto Trust 2014-1 (ex- BOW Auto Trust LLC)	U.S.A	Full	-	-		Full	-	-	E2
Bank of the West Auto Trust 2015-1	U.S.A	Full	-	-	E2				
Bank of the West Auto Trust 2015-2	U.S.A	Full	-	-	E2				
BOW Auto Receivables LLC	U.S.A	Full	-	-		Full	-	-	E2
Commercial Federal Realty Investors Corporation	U.S.A	Full	-	-		Full	-	-	
Commercial Federal Service Corporation	U.S.A	Full	-	-		Full	-	-	
Equipment Lot FH	U.S.A	Full	-	-		Full	-	-	
Equipment Lot Siemens 1998A-FH	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	-	-	
Lexington Blue LLC	U.S.A	Equity	-	-		Equity	-	-	
MNCRC Equipement Lot	U.S.A				S2	Full	-	-	
Riverwalk Village Three Holdings LLC	U.S.A	Full	-	-		Full	-	-	
Santa Rita Townhomes Acquisition LLC	U.S.A	Full	-	-		Full	-	-	
Southwest Airlines 1993 Trust N363SW	U.S.A	Full	-	-		Full	-	-	
ST 2001 FH-1 Statutory Trust	U.S.A	Full	-	-		Full	-	-	
SWB 99-1	U.S.A	Full	-	-		Full	-	-	
VTA 1998-FH	U.S.A	Full	-	-		Full	-	-	
Europe Mediterranean									
Bank BGZ BNP Paribas SA (ex- BGZ SA)	Poland	Full	88,3%	88,3%	V1&V3	Full	89,0%	89,0%	E3
Bank of Nanjing	China	Equity	18,0%	18,0%	V1	Equity	16,2%	16,2%	
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	47,0%	47,0%		Equity	47,0%	47,0%	
Banque Internationale du Commerce et de l'Industrie Guinée	Guinea	Equity *	55,6%	55,6%		Equity *	55,6%	55,6%	V1
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 Marocaine du Commerce et de l'Industrie	Morocco	Full	67,0%	67,0%		Full	67,0%	67,0%	
Banque Marocaine du Commerce et de l'Industrie Assurance	Morocco	Equity *	100%	67,0%		Equity *	100%	67,0%	
Banque Marocaine du Commerce et de l'Industrie Crédit Conso	Morocco								S4
Banque Marocaine du Commerce et de l'Industrie Gestion Asset Management	Morocco	Equity *	100%	67,0%		Equity *	100%	67,0%	
Banque Marocaine du Commerce et de l'Industrie Leasing	Morocco	Full	86,9%	58,2%		Full	86,9%	58,2%	
Banque Marocaine du Commerce et de l'Industrie Offshore	Morocco	Full	100%	67,0%		Full	100%	67,0%	
BICI Bourse	Ivory Coast	Equity *	90,0%	53,5%	E1				
BNP Intercontinentale - BNPI	France				S4	Full (1)	100%	100%	
BNP Paribas Bank Polska SA	Poland				S4	Full	85,0%	84,9%	V3
BNP Paribas El Djazair	Algeria	Full	100%	100%		Full	100%	100%	
BNP Paribas Fortis Yatirimlar Holding AS	Turkey	Full	100%	99,9%		Full	100%	100%	
BNP Paribas IRB Participations (ex- BNP Paribas BDDI Participations)	France	Full	100%	100%		Full	100%	100%	

		30 June 2015				31 December 2014			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNP Paribas Yatirimlar Holding AS	Turkey	Full	100%	100%		Full	100%	100%	
Dominet SA	Poland								S1
IC Axa Insurance JSC	Ukraine	Equity	49,8%	49,8%		Equity	49,8%	49,8%	
Kronenburg Vastgoed BV	Netherlands	Full	100%	72,5%	V4	Full	100%	69,5%	E1
Orient Commercial Bank	Viet Nam				S2	Equity	20,0%	20,0%	
Stichting Effecten Dienstverlening	Netherlands	Full	100%	72,5%		Full	100%	69,5%	E1
TEB Faktoring AS	Turkey	Full	100%	72,5%		Full	100%	69,5%	V1
TEB Holding AS	Turkey	Full	50,0%	50,0%		Full	50,0%	50,0%	
TEB Portfoy Yonetimi AS	Turkey	Full	100%	72,5%	V1	Full	100%	70,8%	V1
TEB SH A	Serbia	Full	100%	50,0%		Full	100%	50,0%	
TEB Yatirim Menkul Degerler AS	Turkey	Full	100%	72,5%	V1	Full	100%	69,5%	V1
The Economy Bank NV	Netherlands	Full	100%	72,5%	V1	Full	100%	69,5%	V1
Turk Ekonomi Bankasi AS	Turkey	Full	100%	72,5%	V1	Full	97,0%	69,5%	V1
Turk Ekonomi Bankasi AS (Bahrain branch)	Bahrain	Full	100%	72,5%	V1	Full	100%	69,5%	V1
UkrSibbank Public JSC	Ukraine	Full	85,0%	100%		Full	85,0%	100%	
Union Bancaire pour le Commerce et l'Industrie	Tunisia	Full	50,1%	50,1%		Full	50,1%	50,1%	
Insurance									
AG Insurance (Group)	Belgium	Equity	25,0%	25,0%		Equity	25,0%	25,0%	
BNP Paribas Cardif	France	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif BV	Netherlands	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif Emeklilik Anonim Sirketi	Turkey	Equity *	100%	100%		Equity *	100%	100%	
BNP Paribas Cardif General Insurance CO. Ltd.	Rep. of Korea	Equity *	77,5%	77,5%	V4	Equity *	75,0%	75,0%	E3
BNP Paribas Cardif Levensverzekeringen NV	Netherlands	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif Pojistovna AS	Czech Republic	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif PSC Ltd.	UK	Equity *	100%	100%		Equity *	100%	100%	
BNP Paribas Cardif Schadeverzekeringen NV	Netherlands	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif Seguros de Vida SA	Chile	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif Seguros Generales SA	Chile	Full (2)	100%	100%		Full (2)	100%	100%	
BNP Paribas Cardif Servicios y Asistencia Limitada (ex- Cardif Extension De Garantia y Asistencia Limitada)	Chile	Equity *	100%	100%		Equity *	100%	100%	E1
BNP Paribas Cardif TCB Life Insurance Company Ltd.	Taiwan	Equity	49,0%	49,0%		Equity	49,0%	49,0%	
BNP Paribas Cardif Vita Compagnia di Assicurazione E Riassicurazione SPA	Italy	Full (2)	100%	100%		Full (2)	100%	100%	
BOB-Cardif Life Insurance Company Ltd.	China	Equity	50,0%	50,0%		Equity	50,0%	50,0%	E3
Cardif Assurance Vie	France	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Austria branch)	Austria	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Belgium branch)	Belgium	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Bulgaria branch)	Bulgaria	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Germany branch)	Germany	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Italy branch)	Italy	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Japan branch)	Japan	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Portugal branch)	Portugal	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Romania branch)	Romania	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Spain branch)	Spain	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Switzerland branch)	Switzerland	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurance Vie (Taiwan branch)	Taiwan	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers	France	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers (Austria branch)	Austria	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers (Belgium branch)	Belgium	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers (Bulgaria branch)	Bulgaria	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers (Germany branch)	Germany	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers (Italy branch)	Italy	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers (Japan branch)	Japan	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers (Luxembourg branch)	Luxembourg	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers (Poland branch)	Poland	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers (Portugal branch)	Portugal	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers (Romania branch)	Romania	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers (Spain branch)	Spain	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers (Switzerland branch)	Switzerland	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Assurances Risques Divers (Taiwan branch)	Taiwan	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Biztosito Magyarorszag Zrt	Hungary	Equity *	100%	100%		Equity *	100%	100%	
Cardif Colombia Seguros Generales SA	Colombia	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif del Peru Sa Compania de Seguros	Peru				S3	Equity *	100%	100%	
Cardif do Brasil Seguros e Garantias SA	Brazil	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif do Brasil Vida e Previdencia SA	Brazil	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif El Djazair	Algeria	Equity *	100%	100%	E1				
Cardif Forsakring AB	Sweden	Equity *	100%	100%		Equity *	100%	100%	
Cardif Forsakring AB (Denmark branch)	Denmark	Equity *	100%	100%		Equity *	100%	100%	
Cardif Forsakring AB (Norway branch)	Norway	Equity *	100%	100%		Equity *	100%	100%	
Cardif Hayat Sigorta Anonim Sirketi	Turkey				S3	Equity *	100%	100%	
Cardif Insurance Company LLC	Russia	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif I-Services	France	Equity *	100%	100%		Equity *	100%	100%	
Cardif Leven	Belgium	Full (2)	100%	100%		Full (2)	100%	100%	
Cardif Life Insurance CO. Ltd.	Rep. of Korea	Full (2)	85,0%	85,0%		Full (2)	85,0%	85,0%	
Cardif Livforsakring AB	Sweden	Equity *	100%	100%		Equity *	100%	100%	E1
Cardif Livforsakring AB (Denmark branch)	Denmark	Equity *	100%	100%		Equity *	100%	100%	E1
Cardif Livforsakring AB (Norway branch)	Norway	Equity *	100%	100%		Equity *	100%	100%	E1

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds as defined by the Group (see note 1.b)
E2 Incorporation
E3 Purchase, gain of control or significant influence
Removals (S) from the scope of consolidation
S1 Cessation of activity (including dissolution, liquidation)
S2 Disposal, loss of control or loss of significant influence
S3 Entities removed from the scope because < qualifying thresholds (see note 1.b)
S4 Merger, Universal transfer of assets and liabilities
Variance (V) in voting or ownership interest
V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest
D2 83 Construction-Sale Companies (Real Estate programmes) of which 73 fully and 10 equity method consolidated
D3 The LaSer group was consolidated under the equity method until 25 July 2014. Following the additional purchase of interest by BNP Paribas Group, the LaSer group has been fully consolidated

Prudential scope of consolidation
(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council.
(2) Entities consolidated under the equity method for prudential purposes
(3) Jointly controlled entities under proportional consolidation for prudential purposes.

Name	Country	30 June 2015 Method		Voting (%)	Interest (%)	Ref.	31 December 2014 Method		Voting (%)	Interest (%)	Ref.
Cardif Lux Vie	Luxembourg	Full	(2)	66,7%	55,3%		Full	(2)	66,7%	55,3%	
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	(2)	100%	100%		Full	(2)	100%	100%	
Cardif Osiguranje Dionicko Drustvo ZA Osiguranje	Croatia	Equity *		100%	100%	E1					
Cardif Pinnacle Insurance Holdings PLC	UK	Full	(2)	100%	100%		Full	(2)	100%	100%	
Cardif Pinnacle Insurance Management Services PLC	UK	Full	(2)	100%	100%		Full	(2)	100%	100%	
Cardif Polska Towarzystwo Ubezpieczen na Zycie SA	Poland	Full	(2)	100%	100%		Full	(2)	100%	100%	
Cardif Seguros SA	Argentina	Full	(2)	100%	100%		Full	(2)	100%	100%	
Cardif Services SAS	France	Equity *		100%	100%	E1					
Cargeas Assicurazioni SPA (ex- UBI Assicurazioni SPA)	Italy	Equity		50,0%	50,0%		Equity		50,0%	50,0%	E3
CB (UK) Ltd.	UK	Full	(2)	100%	100%		Full	(2)	100%	100%	
Darnell Ltd.	Ireland	Full	(2)	100%	100%		Full	(2)	100%	100%	
F&B Insurance Holdings SA (Group)	Belgium					S1	Equity		50,0%	50,0%	
Financial Telemarketing Services Ltd.	UK										S3
GIE BNP Paribas Cardif	France	Full	(2)	100%	99,0%		Full	(2)	100%	99,0%	
Icare	France	Full	(2)	100%	100%		Full	(2)	100%	100%	E3
Icare Assurance	France	Full	(2)	100%	100%		Full	(2)	100%	100%	E3
Luizaseg	Brazil	Equity		50,0%	50,0%		Equity		50,0%	50,0%	
Natio Assurance	France	Equity		50,0%	50,0%		Equity		50,0%	50,0%	
NCVP Participacoes Societarias SA	Brazil	Full	(2)	100%	100%		Full	(2)	100%	100%	
Pinnacle Insurance PLC	UK	Full	(2)	100%	100%		Full	(2)	100%	100%	
Pocztylion Arka Powszechne Towarzystwo Emerytalne SA	Poland	Equity		33,3%	33,3%		Equity		33,3%	33,3%	
Poistovna Cardif Slovakia AS	Slovakia	Equity *		100%	100%		Equity *		100%	100%	
Portes de Claye SCI	France	Equity		45,0%	48,6%	V3	Equity		45,0%	56,9%	
Scoo SCI	France	Equity		46,4%	49,9%	V3	Equity		46,4%	57,9%	V3
State Bank of India Life Insurance Company Ltd.	India	Equity		26,0%	26,0%		Equity		26,0%	26,0%	
Special Purpose Entities											
BNP Paribas Actions Euroland	France	Full	(2)	-	-	E1					
BNP Paribas Aqua	France	Full	(2)	-	-		Full	(2)	-	-	E1
BNP Paribas Convictions	France	Full	(2)	-	-	E1					
BNP Paribas Developpement Humain	France	Full	(2)	-	-	E1					
BNP Paribas Global Senior Corporate Loans	France	Full	(2)	-	-		Full	(2)	-	-	
BNP Paribas Money 3M	France					S3	Full	(2)	-	-	
Cardimmo	France	Full	(2)	-	-		Full	(2)	-	-	
Natio Fonds Ampère 1	France	Full	(2)	-	-		Full	(2)	-	-	
Odyssée SCI	France	Full	(2)	-	-		Full	(2)	-	-	
Profilea Monde Equilibre	France					S4	Full	(2)	-	-	
Wealth Management											
B*Capital	France	Full	(1)	100%	100,0%		Full	(1)	100%	100%	
Bank Insinger de Beaufort NV	Netherlands	Full		63,0%	63,0%		Full		63,0%	63,0%	
Bank Insinger de Beaufort NV (UK branch)	UK	Full		100%	63,0%		Full		100%	63,0%	
BNP Paribas Espana SA	Spain	Full		99,7%	99,7%		Full		99,7%	99,7%	V1
BNP Paribas Wealth Management	France	Full	(1)	100%	100%		Full	(1)	100%	100%	
BNP Paribas Wealth Management (Hong Kong branch)	Hong Kong	Full	(1)	100%	100%		Full	(1)	100%	100%	
BNP Paribas Wealth Management (Singapore branch)	Singapore	Full	(1)	100%	100%		Full	(1)	100%	100%	
BNP Paribas Wealth Management Monaco	Monaco	Full	(1)	100%	100%		Full	(1)	100%	100%	
Conseil Investissement SNC	France	Equity *		100%	100%		Equity *		100%	100%	
Investment Partners											
Alfred Berg Asset Management AB	Sweden	Full		100%	98,3%		Full		100%	98,3%	
Alfred Berg Asset Management AB (Denmark branch)	Denmark	Full		100%	98,3%		Full		100%	98,3%	
Alfred Berg Asset Management AB (Finland branch)	Finland	Full		100%	98,3%		Full		100%	98,3%	
Alfred Berg Asset Management AB (Norway branch)	Norway	Full		100%	98,3%		Full		100%	98,3%	
Alfred Berg Fonder AB	Sweden	Full		100%	98,3%		Full		100%	98,3%	
Alfred Berg Kapitalforvaltning AB	Sweden	Full		100%	98,3%		Full		100%	98,3%	
Alfred Berg Kapitalforvaltning AS	Norway	Full		100%	98,3%		Full		100%	98,3%	
Alfred Berg Kapitalforvaltning Finland AB	Finland	Full		100%	98,3%		Full		100%	98,3%	
Alfred Berg Rahastoyhtio Oy	Finland	Full		100%	98,3%		Full		100%	98,3%	
Bancoestado Administradora General de Fondos SA	Chile	Equity		50,0%	49,1%		Equity		50,0%	49,1%	
BNP Paribas Asset Management Brasil Ltda.	Brazil	Full		100%	99,6%		Full		100%	100%	
BNP Paribas Asset Management Inc.	U.S.A	Full		100%	100%		Full		100%	100%	
BNP Paribas Asset Management India Private Ltd.	India	Equity *		100%	98,3%		Equity *		100%	98,3%	
BNP Paribas Asset Management SAS	France	Full		100%	98,3%		Full		100%	98,3%	
BNP Paribas Asset Management SAS (Austria branch)	Austria	Full		100%	98,3%		Full		100%	98,3%	
BNP Paribas Capital Partners	France	Equity *		100%	100%		Equity *		100%	100%	
BNP Paribas Investment Partners	France	Full		100%	98,3%		Full		100%	98,3%	
BNP Paribas Investment Partners (Australia) Holdings Pty Ltd.	Australia	Full		100%	98,3%		Full		100%	98,3%	
BNP Paribas Investment Partners (Australia) Ltd.	Australia	Equity *		100%	98,3%		Equity *		100%	98,3%	
BNP Paribas Investment Partners Argentina SA	Argentina	Equity *		100%	99,6%		Equity *		100%	100%	E1
BNP Paribas Investment Partners Asia Ltd.	Hong Kong	Full		100%	98,3%		Full		100%	98,3%	
BNP Paribas Investment Partners BE Holding	Belgium	Full		100%	98,3%		Full		100%	98,3%	
BNP Paribas Investment Partners Belgium	Belgium	Full		100%	98,3%		Full		100%	98,3%	
BNP Paribas Investment Partners Belgium (Germany branch)	Germany	Full		100%	98,3%		Full		100%	98,3%	
BNP Paribas Investment Partners Funds (Nederland) N.V.	Netherlands	Full		100%	98,3%		Full		100%	98,3%	

Name	Country	30 June 2015 Method	Voting (%)	Interest (%)	Ref.	31 December 2014 Method	Voting (%)	Interest (%)	Ref.
BNP Paribas Investment Partners Japan Ltd.	Japan	Full	100%	98,3%		Full	100%	98,3%	
BNP Paribas Investment Partners Latam SA	Mexico	Equity *	99,1%	97,4%		Equity *	99,1%	97,4%	V4
BNP Paribas Investment Partners Luxembourg	Luxembourg	Full	99,7%	98,0%		Full	99,7%	98,0%	
BNP Paribas Investment Partners Netherlands NV	Netherlands	Full	100%	98,3%		Full	100%	98,3%	
BNP Paribas Investment Partners NL Holding NV	Netherlands	Full	100%	98,3%		Full	100%	98,3%	
BNP Paribas Investment Partners PT	Indonesia	Full	100%	98,3%		Full	100%	98,3%	
BNP Paribas Investment Partners Singapore Ltd.	Singapore	Equity *	100%	98,3%		Equity *	100%	98,3%	
BNP Paribas Investment Partners Societa di Gestione del Risparmio SPA	Italy	Full	100%	100%	V4	Full	100%	100%	
BNP Paribas Investment Partners UK Ltd.	UK	Full	100%	98,3%		Full	100%	98,3%	
BNP Paribas Investment Partners USA Holdings Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
CamGestion	France	Full	100%	98,3%		Full	100%	98,3%	
Fischer Francis Trees & Watts Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Fischer Francis Trees & Watts UK Ltd.	UK	Equity *	100%	98,3%		Equity *	100%	98,3%	
Fund Channel	Luxembourg	Equity	50,0%	49,1%		Equity	50,0%	49,1%	
FundQuest Advisor	France	Equity *	100%	98,3%		Equity *	100%	98,3%	
FundQuest Advisor (UK branch)	UK	Equity *	100%	98,3%		Equity *	100%	98,3%	
FundQuest UK Ltd.	UK								S3
Haitong - Fortis Private Equity Fund Management CO. Ltd.	China	Equity	33,0%	32,4%		Equity	33,0%	32,4%	
HFT Investment Management CO Ltd. (Group)	China	Equity	49,0%	48,2%		Equity	49,0%	48,2%	
Shinhan BNP Paribas Asset Management CO Ltd.	Rep. of Korea	Equity	35,0%	34,4%		Equity	35,0%	34,4%	
THEAM	France	Full	100%	98,3%		Full	100%	98,3%	
TKB BNP Paribas Investment Partners Holding BV	Netherlands				S2	Equity	50,0%	49,1%	
Real Estate Services									
Asset Partners	France								S4
Atisreal Netherlands BV	Netherlands	Full	100%	100%		Full	100%	100%	
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 Promotion Residentiel (ex-BNP Paribas Immobilier Residentiel Promotion Ile de France)	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Residences Services	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Residentiel	France	Full	100%	100%		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 & 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 UK Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory Belgium SA	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory Italy SPA	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory Netherlands BV	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory SA	Romania	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory Spain SA	Spain	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Consult France	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Consult GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Facilities Management Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Financial Partner	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Holding Benelux SA	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Holding GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Hotels France	France	Full	100%	96,0%	V3	Full	100%	96,1%	V2
BNP Paribas Real Estate Investment Management Belgium	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management France	France	Full	96,8%	96,8%		Full	96,8%	96,8%	
BNP Paribas Real Estate Investment Management Germany GmbH	Germany	Full	94,9%	94,9%		Full	94,9%	94,9%	
BNP Paribas Real Estate Investment Management Italy	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management Luxembourg SA	Luxembourg	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management Spain SA	Spain	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management UK Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Services	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Italy SRL	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Jersey Ltd.	Jersey	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Poland SP ZOO (ex-BNP Paribas Real Estate Advisory & Property Management Poland SP ZOO)	Poland	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Development UK Ltd.	UK	Full	100%	100%		Full	100%	100%	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds as defined by the Group (see note 1.b)
E2 Incorporation
E3 Purchase, gain of control or significant influence
Removals (S) from the scope of consolidation
S1 Cessation of activity (including dissolution, liquidation)
S2 Disposal, loss of control or loss of significant influence
S3 Entities removed from the scope because < qualifying thresholds (see note 1.b)
S4 Merger, Universal transfer of assets and liabilities
Variance (V) in voting or ownership interest
V1 Additional purchase
V2 Partial disposal
V3 Dilution
V4 Increase in %

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest
D2 83 Construction-Sale Companies (Real Estate programmes) of which 73 fully and 10 equity method consolidated
D3 The LaSer group was consolidated under the equity method until 25 July 2014. Following the additional purchase of interest by BNP Paribas Group, the LaSer group has been fully consolidated

Prudential scope of consolidation
(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council.
(2) Entites consolidated under the equity method for prudential purposes
(3) Jointly controlled entities under proportional consolidation for prudential purposes.

Name	Country	30 June 2015				31 December 2014			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNP Paribas Real Estate Property Developpement Italy SPA	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management Belgium	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management France SAS	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management Italy SRL	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management Spain SA	Spain	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Transaction France	France	Full	96,0%	96,0%	V3	Full	96,1%	96,1%	V2
BNP Paribas Real Estate Valuation France	France	Full	100%	100%		Full	100%	100%	
BNP PB Real Estate Advisory & Property Management Czech Republic SRO	Czech Republic	Full	100%	100%		Full	100%	100%	
BNP PB Real Estate Advisory & Property Management Hungary Ltd.	Hungary	Full	100%	100%		Full	100%	100%	
European Direct Property Management SA	Luxembourg								S3
FG Ingenierie et Promotion Immobilière	France	Full	100%	100%		Full	100%	100%	
Immobilière des Bergues	France	Full	100%	100%		Full	100%	100%	
Locchi SRL	Italy	Full	100%	100%	E1				
Meunier Hispania	Spain	Full	100%	100%		Full	100%	100%	
Parker Tower Ltd.	UK	Full	100%	100%	E3				
Partner's & Services	France	Full	100%	100%		Full	100%	100%	
Pyrotex GB 1 SA	Luxembourg	Full	100%	100%		Full	100%	100%	
Pyrotex SARL	Luxembourg	Full	100%	100%		Full	100%	100%	
San Basilio 45 SRL	Italy	Full	100%	100%		Full	100%	100%	
Siège Issy	France	Full	100%	100%		Full	100%	100%	
Construction-Sale Companies (Real Estate programmes)	France	Full / Equity	-	-	D2	Full / Equity	-	-	D2
Sviluppo HQ Tiburtina SRL	Italy	Full	100%	100%		Full	100%	100%	
Sviluppo Residenziale Italia SRL	Italy	Full	100%	100%		Full	100%	100%	
Tasaciones Hipotecarias SA	Spain								S2
Via Crespi 26 SRL	Italy				S2	Full	100%	100%	
Special Purpose Entities									
REPD Parker Ltd.	UK	Full	-	-	E2				
Corporate & Institutional Banking									
Securities services									
BNP Paribas Dealing Services	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Dealing Services (UK branch)	UK	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Dealing Services Asia Ltd.	Hong Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas Fund Administration Services Ireland Ltd.	Ireland	Full	100%	100%	E3				
BNP Paribas Fund Services Australasia Pty Ltd.	Australia	Equity *	100%	100%	D1	Full	100%	100%	
BNP Paribas Fund Services Australasia Pty Ltd. (New Zealand branch)	New Zealand	Equity *	100%	100%	D1	Full	100%	100%	
BNP Paribas Fund Services Dublin Ltd.	Ireland	Full	100%	100%	D1	Equity *	100%	100%	
BNP Paribas Fund Services France	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities Services - BP2S	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Australia branch)	Australia	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Belgium branch)	Belgium	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Germany branch)	Germany	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Greece branch)	Greece	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Guernsey branch)	Guernsey	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Hong Kong branch)	Hong Kong	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Hungary branch)	Hungary	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Ireland branch)	Ireland	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Isle of Man branch)	Isle of Man								S1
BNP Paribas Securities Services - BP2S (Italy branch)	Italy	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Jersey branch)	Jersey	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Luxembourg branch)	Luxembourg	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Netherlands branch)	Netherlands	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Poland branch)	Poland	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Portugal branch)	Portugal	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Singapore branch)	Singapore	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Spain branch)	Spain	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Switzerland branch)	Switzerland	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (UK branch)	UK	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Sundaram Global Securities Operations Private Ltd.	India	Equity *	51,0%	51,0%		Equity *	51,0%	51,0%	

Name	Country	30 June 2015				31 December 2014			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
CIB EMEA (Europ, Middle East, Africa)									
France									
BNP Paribas Arbitrage	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Arbitrage (U.S.A branch)	U.S.A	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Arbitrage (UK branch)	UK	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Equities France	France								S4
Esomet	France	Full	100%	100%		Full	100%	100%	
Laffitte Participation 22	France	Full	100%	100%		Full	100%	100%	
Opéra Trading Capital	France	Full	100%	100%	E2				
Opéra Trading Capital (Hong Kong branch)	Hong Kong	Full	100%	100%	E2				
Opéra Trading Capital (UK branch)	UK	Full	100%	100%	E2				
Parifergie	France								S4
Parilease	France	Full (1)	100%	100%		Full (1)	100%	100%	
Taitbout Participation 3 SNC	France	Full	100%	100%		Full	100%	100%	
Verner Investissements (Group)	France	Equity	40,0%	50,0%		Equity	40,0%	50,0%	
Other European countries									
Alpha Murcia Holding BV	Netherlands	Equity *	100%	99,9%		Equity *	100%	100%	
BNP Paribas Arbitrage Issuance BV	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas Bank JSC (ex- BNP Paribas ZAO)	Russia	Full	100%	100%		Full	100%	100%	
BNP Paribas Bank NV	Netherlands								S3
BNP Paribas Commodity Futures Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Emission-und Handel. MBH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Ireland	Ireland	Full	100%	100%		Full	100%	100%	
BNP Paribas Islamic Issuance BV	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas Net Ltd.	UK	Equity *	100%	100%		Equity *	100%	100%	
BNP Paribas Prime Brokerage International Ltd.	Ireland	Full	100%	100%		Full	100%	100%	E2
BNP Paribas U.K. 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	Equity *	100%	100%	D1	Full (2)	100%	100%	
BNP PUK Holding Ltd.	UK	Full	100%	100%		Full	100%	100%	
FScholen	Belgium	Equity	50,0%	50,0%		Equity	50,0%	50,0%	E1
GreenStars BNP Paribas	Luxembourg	Equity *	100%	100%		Equity *	100%	100%	
Harewood Holdings Ltd.	UK	Full	100%	100%		Full	100%	100%	
Hime Holding 1 SA	Luxembourg	Equity	26,4%	26,4%		Equity	26,4%	26,4%	
Hime Holding 2 SA	Luxembourg	Equity	21,0%	21,0%		Equity	21,0%	21,0%	
Hime Holding 3 SA	Luxembourg	Equity	20,6%	20,6%		Equity	20,6%	20,6%	
Landspire Ltd.	UK	Full	100%	100%		Full	100%	100%	
Plagefin SA	Luxembourg	Full	100%	65,9%		Full	100%	65,9%	
SC Nueva Condo Murcia SL	Spain	Equity *	100%	99,9%		Equity *	100%	99,9%	
Utexam Logistics Ltd.	Ireland	Full	100%	100%		Full	100%	100%	
Utexam Solutions Ltd.	Ireland	Full	100%	100%		Full	100%	100%	
Middle East									
BNP Paribas Investment Company KSA	Saudi Arabia	Equity *	100%	100%		Equity *	100%	100%	
Africa									
BNP Paribas Securities South Africa Holdings PTY Ltd. (ex- BNP Paribas Cadiz Securities)	South Africa	Equity *	60,0%	60,0%		Equity *	60,0%	60,0%	E1
BNP Paribas Securities South Africa PTY Ltd. (ex- BNP Paribas Cadiz Stockbroking)	South Africa	Equity *	100%	60,0%	V1	Equity *	60,0%	60,0%	
CIB Americas									
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) Valeurs Mobilières	Canada	Equity *	100%	100%		Equity *	100%	100%	E1
BNP Paribas Canada	Canada	Full	100%	100%		Full	100%	100%	
BNP Paribas Capital Services Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas CC Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Colombia Corporation Financiera SA	Colombia	Equity *	100%	100%		Equity *	100%	100%	
BNP Paribas Energy Trading Canada Corp	Canada	Equity *	100%	100%		Equity *	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								S1
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%	
Cronos Holding Company Ltd. (Group)	Bermuda				S3	Equity	30,1%	30,0%	
FB Transportation Capital LLC	U.S.A	Full	100%	99,9%		Full	100%	99,9%	
Fortis Funding LLC	U.S.A	Full	100%	99,9%		Full	100%	99,9%	
French American Banking Corporation - FABC	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%	
Via North America, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
CIB Pacific Asia									
Bank BNP Paribas Indonesia PT	Indonesia	Full	100%	100%		Full	100%	100%	
BNP Pacific (Australia) Ltd.	Australia	Full	100%	100%		Full	100%	100%	
BNP Paribas (China) Ltd.	China	Full	100%	100%		Full	100%	100%	
BNP Paribas Arbitrage (Hong Kong) Ltd.	Hong Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas Capital (Asia Pacific) Ltd.	Hong Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas Commodities Trading (Shanghai) Co Ltd.	China	Full	100%	100%		Full	100%	100%	E2
BNP Paribas Finance (Hong Kong) Ltd.	Hong Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas India Holding Private Ltd.	India	Full	100%	100%		Full	100%	100%	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation
E1 Passing qualifying thresholds as defined by the Group (see note 1.b)
E2 Incorporation
E3 Purchase, gain of control or significant influence

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

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

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest
D2 83 Construction-Sale Companies (Real Estate programmes) of which 73 fully and 10 equity method consolidated
D3 The LaSer group was consolidated under the equity method until 25 July 2014. Following the additional purchase of interest by BNP Paribas Group, the LaSer group has been fully consolidated

Prudential scope of consolidation
(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council.
(2) Entities consolidated under the equity method for prudential purposes
(3) Jointly controlled entities under proportional consolidation for prudential purposes.

		30 June 2015				31 December 2014			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
BNP Paribas India Solutions Private Ltd.	India	Full	100%	100%		Full	100%	100%	
BNP Paribas Japan Ltd.	Japan								S1
BNP Paribas Malaysia Berhad	Malaysia	Full	100%	100%		Full	100%	100%	
BNP Paribas Principal Investments Japan Ltd.	Japan								S1
BNP Paribas Securities (Asia) Ltd.	Hong Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities (Singapore) Pte Ltd.	Singapore	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities (Taiwan) Co Ltd.	Taiwan	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities India Private Ltd.	India	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities Indonesia PT	Indonesia	Full	99,0%	99,0%		Full	99,0%	99,0%	
BNP Paribas Securities Japan Ltd.	Japan	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities Korea Company Ltd.	Rep. of Korea	Full	100%	100%		Full	100%	100%	
BNP Paribas SJ Ltd.	Hong Kong	Equity *	100%	100%		Equity *	100%	100%	
BNP Paribas SJ Ltd. (Japan branch)	Japan	Equity *	100%	100%		Equity *	100%	100%	
BPP Holdings Pte Ltd.	Singapore	Full	100%	100%		Full	100%	100%	
Special Purpose Entities									
54 Lombard Street Investments Ltd.	UK	Full	-	-		Full	-	-	
ACG Capital Partners Singapore Pte. Ltd.	Singapore	Equity (3)	-	-		Equity (3)	-	-	
Alamo Funding II Inc.	U.S.A	Full	-	-		Full	-	-	
Alectra Finance PLC	Ireland	Full	-	-		Full	-	-	
Alleray SARL	Luxembourg	Full	-	-		Full	-	-	E1
Antin Participation 8	France	Full	-	-		Full	-	-	
Aquarius + Investments PLC	Ireland	Full	-	-		Full	-	-	E1
Aquarius Capital Investments Ltd.	Ireland								S3
Astir BV	Netherlands								S3
Atargatis	France	Full	-	-		Full	-	-	
Austin Finance	France	Full	-	-		Full	-	-	
BNP Paribas EQD Brazil Fund Fundo Invest Multimercado	Brazil	Full	-	-		Full	-	-	
BNP Paribas Finance Inc.	U.S.A	Full	-	-		Full	-	-	
BNP Paribas Flexi III Deposit Euro	France				S2	Full	-	-	E1
BNP Paribas International Finance Dublin	Ireland	Full	-	-		Full	-	-	
BNP Paribas Investments N°1 Ltd.	UK	Full	-	-		Full	-	-	
BNP Paribas Investments N°2 Ltd.	UK	Full	-	-		Full	-	-	
BNP Paribas IP Euro Clo 2015-1 B.V (ex-Leveraged Finance Europe Capital V BV)	Netherlands				S3	Full	-	-	
BNP Paribas Proprietario Fundo de Investimento Multimercado	Brazil	Full	-	-		Full	-	-	
BNP Paribas VPG Adonis LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG BMC Select LLC	U.S.A								S1
BNP Paribas VPG Brookfin LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Brookline Cre LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG CB LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG CT Holdings LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG EDMC Holdings LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Freedom Communications LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Lake Butler LLC	U.S.A				S1	Full	-	-	
BNP Paribas VPG Legacy Cabinets LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Mark IV LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Master LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Medianews Group LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG MGM LLC	U.S.A								S1
BNP Paribas VPG Modern Luxury Media LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Northstar LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG PCMC LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Reader's Digest Association LLC	U.S.A								S1
BNP Paribas VPG SBX Holdings LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG SDI Media Holdings LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Semgroup LLC	U.S.A								S1
BNP Paribas VPG Titan Outdoor LLC	U.S.A				S1	Full	-	-	
Boug BV	Netherlands	Full	-	-		Full	-	-	
Compagnie Investissement Italiens	France	Full	-	-		Full	-	-	
Compagnie Investissement Opéra	France	Full	-	-		Full	-	-	
Crossen SARL	Luxembourg	Full	-	-		Full	-	-	
European Index Assets BV	Netherlands	Full	-	-		Full	-	-	E2
Financière des Italiens	France	Full	-	-		Full	-	-	
Financière Paris Haussmann	France	Full	-	-		Full	-	-	
Financière Taitbout	France	Full	-	-		Full	-	-	
Grenache et Cie SNC	Luxembourg								S1
Harewood Financing Ltd.	UK	Full	-	-		Full	-	-	
Madison Arbor LLC	U.S.A								S1
Madison Arbor Ltd.	Ireland	Full	-	-		Full	-	-	E2
Marc Finance Ltd.	Cayman Islands				S3	Full	-	-	
Matchpoint Finance Public Company Ltd.	Ireland	Full	-	-		Full	-	-	
Matchpoint Master Trust	U.S.A	Full	-	-		Full	-	-	E1
Méditerranéa	France	Full	-	-		Full	-	-	
Omega Capital Funding Ltd.	Ireland	Full	-	-		Full	-	-	
Omega Capital Investments PLC	Ireland	Full	-	-		Full	-	-	
Optichamps	France	Full	-	-		Full	-	-	
Participations Opéra	France	Full	-	-		Full	-	-	
Ribera del Loira Arbitrage	Spain								S3
Royale Neuve I SARL	Luxembourg	Full	-	-		Full	-	-	
Royale Neuve VI SARL	Luxembourg								S3
Scaldis Capital (Ireland) Ltd.	Ireland	Full	-	-		Full	-	-	
Scaldis Capital LLC	U.S.A				S1	Full	-	-	
Scaldis Capital Ltd.	Jersey	Full	-	-		Full	-	-	
Starbird Funding Corporation	U.S.A	Full	-	-		Full	-	-	
TCG Fund I, LP	Cayman Islands	Full	-	-		Full	-	-	
Tender Option Bond Municipal program	U.S.A	Equity *	-	-		Equity *	-	-	
VPG SDI Media LLC	U.S.A	Equity *	-	-	V1	Equity	-	-	

		30 June 2015				31 December 2014			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Other Business Units									
BNP Paribas Suisse SA	Switzerland	Full	100%	100%		Full	100%	100%	
BNP Paribas Suisse SA (Guernsey branch)	Guernsey	Full	100%	100%		Full	100%	100%	
BNP Paribas Suisse SA (Jersey branch)	Jersey	Full	100%	100%		Full	100%	100%	
Private Equity (BNP Paribas Capital)									
BNP Paribas Fortis Private Equity Belgium (ex-Fortis Private Equity Belgium NV)	Belgium	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis Private Equity Expansion (ex-Fortis Private Equity Expansion Belgium NV)	Belgium	Full	100%	99,9%		Full	100%	99,9%	
BNP Paribas Fortis Private Equity Management (ex- Fortis Private Equity Management Belgium)	Belgium	Equity *	100%	99,9%		Equity *	100%	99,9%	E1
Cobema	Belgium	Full	100%	100%		Full	100%	100%	
Compagnie Financière Ottomane SA	Luxembourg	Full	97,1%	97,0%	V1	Full	97,0%	97,0%	
Fortis Private Equity Venture Belgium SA	Belgium								S4
Gepeco	Belgium								S4
Property companies (property used in operations)									
Antin Participation 5	France	Full	100%	100%		Full	100%	100%	
Ejesur SA	Spain								S3
Société Immobilière du Marché Saint-Honoré	France	Full	99,9%	99,9%		Full	99,9%	99,9%	
Investment companies and other subsidiaries									
BNL International Investments SA	Luxembourg	Full	100%	100%		Full	100%	100%	
BNP Paribas Home Loan SFH	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Mediterranée Innovation et Technologies	Morocco	Full	100%	96,7%		Full	100%	96,7%	
BNP Paribas Partners for Innovation (Group)	France	Equity	50,0%	50,0%		Equity	50,0%	50,0%	
BNP Paribas Public Sector SCF	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas SB Re	Luxembourg	Full (2)	100%	100%		Full (2)	100%	100%	
Compagnie d'Investissements de Paris - CIP	France				S4	Full	100%	100%	
Financière BNP Paribas	France				S4	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%	
Omnium de Gestion et de Developpement Immobilier - OGDI	France								S4
Plagefin - Placement, Gestion, Finance Holding SA	Luxembourg								S4
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								S4
Special Purpose Entities									
BNP Paribas US Medium Term Notes Program LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas-SME-1	France	Full	-	-		Full	-	-	E2
FCT Opéra	France	Full	-	-		Full	-	-	E2
Klépierre									
Klépierre SA (Group)	France	Equity	6,6%	6,6%	V2&V3	Equity	21,7%	21,6%	

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

E1 Passing qualifying thresholds as defined by the Group (see note 1.b)
E2 Incorporation
E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

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

Variance (V) in voting or ownership interest

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

Equity * Controlled but non material entities consolidated under the equity method as associates

Miscellaneous

D1 Consolidation method change not related to fluctuation in voting or ownership interest
D2 83 Construction-Sale Companies (Real Estate programmes) of which 73 fully and 10 equity method consolidated
D3 The LaSer group was consolidated under the equity method until 25 July 2014. Following the additional purchase of interest by BNP Paribas Group, the LaSer group has been fully consolidated

Prudential scope of consolidation

(1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council.
(2) Entities consolidated under the equity method for prudential purposes
(3) Jointly controlled entities under proportional consolidation for prudential purposes.