2010
REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

BNP PARIBAS | The bank for a changing world

BNP PARIBAS

2010 Registration document and annual financial report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

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

The original document was filed with the AMF (French Securities Regulator) on 11 March 2011, in accordance with article 212-13 of the AMF's General Regulations. It may be used in support of a financial transaction only if supplemented by a Transaction Note that has received approval from the AMF.

This document includes all elements of the annual financial report specified by Section I of article L.451-1-2 of the Code Monétaire et Financier and article 222-3 of the AMF's General Regulations. A table allowing cross-referencing between the documents specified in article 222-3 of the AMF's General Regulations and the corresponding sections of this document is provided on page 385.

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

1 PRESENTATION OF THE BNP PARIBAS GROUP

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1.1 Group presentation

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

It is present in over 80 countries and has more than 200,000 employees, including over 160,000 in Europe. BNP Paribas holds key positions in its three activities:

- Retail Banking, which includes the following operating entities:
  - French Retail Banking (FRB),
  - BNL banca commerciale (BNL bc), Italian retail banking,
  - BeLux Retail Banking,
  - Europe-Mediterranean,
  - BancWest,
  - Personal Finance,
  - Equipment Solutions;
- Investment Solutions;
- Corporate and Investment Banking (CIB).

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

1.2 Key figures

RESULTS

	2006	2007	2008	2009	2010
Revenues *(in millions of euros)*	27,943	31,037	27,376	40,191	43,880
Gross operating income *(in millions of euros)*	10,878	12,273	8,976	16,851	17,363
Net income Group share *(in millions of euros)*	7,308	7,822	3,021	5,832	7,843
Earnings per share *(in euros)* (*)	7.81	8.25	2.99	5.20	6.33
Return on equity (**)	21.2%	19.6%	6.6%	10.8%	12.3%

(*) Restated to account for the capital increases with maintained preferential subscription rights, carried out in 2006 and 2009.
(**) Return on equity is calculated by dividing net income Group share (adjusted for interest on undated super-subordinated notes deemed equivalent to preferred shares issued by BNP Paribas SA and treated as a dividend for accounting purposes) by average equity attributable to equity holders at 1 January and 31 December of the period concerned (after distribution and excluding undated super-subordinated notes deemed equivalent to preferred shares issued by BNP Paribas SA).

MARKET CAPITALISATION

	31/12/2005	31/12/2006	31/12/2007	31/12/2008	31/12/2009	31/12/2010
Market capitalisation *(in billions of euros)*	57.3	76.9	67.2	27.6	66.2	57.1

Source: Bloomberg.

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LONG TERM CREDIT RATINGS

Standard and Poor's: AA, negative outlook - rating confirmed on 9 February 2011

Moody's: Aa2, stable outlook - rating revised on 21 January 2010

Fitch: AA-, stable outlook - rating revised on 21 June 2010

1.3 History

1966 : Creation of BNP

The merger of BNCI and CNEP to form BNP represented the largest restructuring operation in the French banking sector since the end of the Second World War.

1968 : Creation of Compagnie Financière de Paris et des Pays-Bas

1982 : Nationalisation of BNP and Compagnie Financière de Paris et des Pays-Bas at the time of the nationalisation of all French banks

In the 1980s, deregulation of the banking sector and the growing tendency of borrowers to raise funds directly on the financial market transformed the banking business in France and worldwide.

1987 : Privatisation of Compagnie Financière de Paribas

With 3.8 million individual shareholders, Compagnie Financière de Paribas had more shareholders than any other company in the world. Compagnie Financière de Paribas owned 48% of the capital of Compagnie Bancaire.

1993 : Privatisation of BNP

BNP's return to the private sector represented a new start. During the 1990s, new banking products and services were launched and financial market activities were developed. At the same time, the Bank expanded its presence in France and internationally, and prepared to reap the full benefits of the introduction of the euro. Privatisation also significantly boosted the Bank's profitability – in 1998, it led the French banking industry in terms of return on equity.

1998 : Creation of Paribas

On 12 May 1998, the merger between Compagnie Financière de Paribas, Banque Paribas and Compagnie Bancaire was approved.

1999 : A momentous year for the Group

Following an unprecedented double tender offer and a stock market battle waged over six months, BNP was in position to carry out a merger of equals with Paribas. For both groups, this was the most important event since their privatisation. It gave rise to a new Group with tremendous prospects. At a time of economic globalisation, the merger created a leading player in the European banking sector.

2000 : Creation of BNP Paribas

BNP and Paribas merged on 23 May 2000.

Drawing on its strong banking and financial services heritage, the new Group's objectives are to create value for shareholders, clients and employees by building the bank of the future and becoming a leading global player.

2006 : Acquisition of BNL in Italy

BNP Paribas acquired BNL, Italy's 6th-largest bank. This acquisition transformed BNP Paribas, providing it with access to a second domestic market in Europe. In both Italy and France, all of the Group's businesses can now develop their activities by leveraging a nationwide banking network.

2009 : Merger with the Fortis group

BNP Paribas took control of Fortis Bank and BGL (Banque Générale du Luxembourg), thereby creating a European leader in retail banking, with four domestic markets.

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1.4 Presentation of activities and business lines

RETAIL BANKING

BNP Paribas generated 54% of its 2010 revenues from retail banking and specialised financial services. Its retail banking networks have 22 million individual, professional and small business customers and 200,000 corporate clients, whilst its specialist credit activities have 13 million active customers. Retail banking activities employ more than 148,000 staff in 52 countries, representing 72% of the Group's headcount.

Retail Banking operates branch networks, with a total of 7,300 branches including 6,500 in Europe and the Mediterranean Basin, together with specialised financial services. It is divided into seven Operating Entities:

- French Retail Banking;
- BNL bc, Italian retail banking;
- BeLux Retail Banking, covering retail banking activities in Belgium and Luxembourg, a new entity created following the integration of Fortis;
- Europe-Mediterranean, covering retail banking activities in Central and Eastern Europe, the Mediterranean Basin and West Africa;
- BancWest, the retail banking network in the USA;
- Personal Finance, comprising the specialist personal loan, consumer credit and mortgage financing businesses;
- Equipment Solutions, dedicated to financing equipment for corporate clients.

Retail Banking's creative structure is designed to encourage cross-functionality between operating entities. Eight transversal missions – Distribution, Markets & Solutions (DMS), IT Transverse, US Operations, Business Development, Wealth Management, Platforms, Operations & Process (POP), HR, Brand & Communications – provide the business lines with their expertise and work on shared cross-functional projects.

The effectiveness of this structure and the integrated distribution and origination business model was demonstrated during 2010. Through Retail Banking, BNP Paribas is the euro zone's leader in wealth management [1] and the European leader in consumer credit [2], cash management [3] and equipment financing for businesses [4]. Integration of the Retail Banking networks and CIB has also made BNP Paribas one of the leading banks serving companies seeking to expand in Europe.

FRENCH RETAIL BANKING

French Retail Banking (FRB) supports all its clients with their projects. It has a client base made up of 6.7 million individual and private banking clients, 600,000 entrepreneurs and small business clients, and 22,000 corporate and institutional clients. The division offers a broad line-up of products and services, ranging from current account services to the most complex financial engineering services in the areas of corporate financing and asset management.

The French Retail Banking Division network is strengthened every year with a view to enhancing local coverage and client service. At 31 December 2010, it consisted of 2,255 branches, of which over 1,460 had been refurbished with the "Welcome & Services" concept, and 5,620 cash dispensers. As such, the network is now more compatible with a multi-channel organisational structure. FRB focuses on regions with strong economic potential, notably with an 18% market share in the Paris region [5]. FRB is characterised by a strong presence in the upper affluent segments of the retail market and a prominent position among businesses with a penetration rate of 38% among companies with 50 or more employees [6]

The French Retail Banking Division employs 32,000 people working chiefly in the BNP Paribas branded branch network, as well as at Banque de Bretagne, BNP Paribas Factor, BNP Paribas Développement, a provider of capital, and Protection 24, a remote surveillance firm.

The role of the branch advisors has been strengthened in order to meet client expectations.

The network is organised by client category:

- branches dedicated to individual, professional and business clients;
- 221 private banking centres, representing the most extensive private banking coverage in France[7];
- a unique network of 28 Business Centres dedicated to business customers across the length and breadth of the country, as well as a professional assistance service - "Service Assistance Enterprise (SAE)" - and Cash Customer Services (CCS);
- 32 Small Business Centres which help entrepreneurs and small businesses to manage their wealth planning projects or projects related to their company's lifecycle.

(1) Source: in-house study based on information published by competitors as at 30 September 2010.

(2) Source: Annual Reports of personal finance companies.

(3) Source: TMI, 2010.

(4) Source: Leaseurope 2009 league tables reported in September 2010.

(5) BNP Paribas French Retail Banking 2010 marketing research, percentage of adults living in the Paris region who are BNP Paribas clients.

(6) BNP Paribas French Retail Banking 2010 marketing research.

(7) Source: internal data.

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This organisation is rounded out by a Client Relations Centre (CRC) and back-offices handling the processing of transactions. The Client Relations Centre's three platforms in Paris, Orléans and Lille deal with calls made to the branches and process client e-mails. As for back-offices, the integrated Information Technology System is completed by Production and Sales Support Units. Specialised by customer type, they span the whole of France. At year-end 2010, 61 production units were in charge of transaction processing.

Complementing the NetÉpargne area of the bnpparibas.net website informing customers and enabling them to apply for savings accounts and life insurance products, the "Net Crédit Immo" contact centre handles mortgage requests in less than 48 hours.

FRB is also pursuing development in personal banking through its multi-channel approach encompassing automated banking systems in branches, mobile internet account management, SMS text alerts, new online services and loans, and "NET Agence", an online bank.

BNL BANCA COMMERCIALE

BNL banca commerciale (BNL bc) is one of the major players in the Italian banking and financial system, ranking 6th in terms of both total assets (1) and loans to customers (1).

BNL bc provides a comprehensive range of banking, financial and insurance products and services to meet the needs of its large and diversified client base consisting of:

- around 2.5 million individuals and more than 16,000 private clients (households);
- over 157,000 business clients (with turnover under EUR 5 million);
- 27,000 medium and large companies, with a particular focus on Large Relationships ("Grandes Relations"), a sub-segment consisting of around 450 groups with 1,500 operating companies;
- 16,000 local authorities and non-profit organisations.

In retail and private banking, BNL bc has a strong position in lending (especially residential mortgages, with a market share of nearly 7%), and a good deposits base (market share of about 3.5%) well ahead of its network penetration (2.6% in terms of branch numbers) (2).

BNL bc also has a longstanding tradition in supporting large companies and local authorities, boasting market shares of around 5% and 6% respectively (2), with a well-established reputation in cross-border payments, project financing and structured finance, as well as factoring (its specialised subsidiary Ifitalia ranks 3rd in Italy in terms of credit outstandings and 2nd for turnover (3)).

BNL bc has adopted a multi-channel distribution approach, organised into 5 regions ("direzioni territoriali") with the Retail & Private Banking and Corporate Banking activities being run as separate structures:

- 104 retail districts ("distretti") with over 860 branches;
- 29 private banking centres;
- 20 business centres with 52 branches dealing with small and medium enterprises, large corporates, local authorities and public sector organisations.

In addition, 5 Trade Centres provide companies with a range of products, services and solutions for cross-border activities, complementing BNP Paribas' international network. At the same time, the network of Italian desks that assist Italian companies abroad as well as multinational companies with direct investments in Italy now covers 10 countries, mainly in the Mediterranean area.

The multi-channel offering is complemented by more than 1,900 Automated Teller Machines and over 25,000 points of sale with retailers, as well as telephone and online banking for both retail and business clients.

This organisation is supported by specialised local back-office units, which work closely with the distribution network to improve the satisfaction of both internal and external clients by delivering high-quality, effective services and better management of operational risk.

BELUX RETAIL BANKING

According to the integration plan, the activities of BNP Paribas Fortis and BGL BNP Paribas were split into the different business lines of BNP Paribas Group and a new business line was created: BeLux Retail Banking, which encompasses the activities of retail and corporate banking in Belgium and Luxembourg, the new domestic markets of the Group.

Retail & Private Banking (RPB)

BNP Paribas Fortis is the number one in personal banking in Belgium (4), with 3.7 million customers and high-ranking positions in all banking products. Retail customers are reached through a multichannel distribution strategy. The branch network comprises 1,014 branches plus 650 customer service points under the partnership with Banque de la Poste and 311 Fintro franchise outlets (5).

RPB's Client Relationship Management (CRM) centre manages a network of 2,300 cash dispensers, as well as online banking services (1.3 million users), mobile banking and phone banking.

With 36 Private Banking centres, BNP Paribas Fortis is a major player in the Belgian private banking market. Its services are aimed at individual customers with assets of more than EUR 250,000. Wealth Management caters to about 1,500 clients with assets of more than EUR 4 million.

(1) Source: internal estimates based on published financial information as at 30 September 2010.

(2) Source: internal data and Bank of Italy statistics as at 30 September 2010.

(3) Source: internal data and Assifact as at 31 December 2010.

(4) Source: BNP Paribas Fortis research.

(5) In December 2010, Fintro had 1,060 employees, over 336,257 customers and more than EUR 10.9 billion of deposits.

Corporate & Public Bank, Belgium (CPBB)

CPBB offers a comprehensive range of local and international financial services to Belgian enterprises, public entities and local authorities. With more than 450 corporate clients and 34,100 midcap clients, it is the market leader in both those categories [(1)], and a challenger in public banking with 1,300 clients. CPBB keeps very close to the market through its team of more than 60 corporate bankers and 200 relationship managers operating out of 22 Business Centres, supported by specialists in specific areas.

Retail and Corporate Banking Luxembourg (BDEL)

BDEL provides a broad range of financial products and services to its private and professional clients, as well as corporates through a network of 37 branches.

BGL BNP Paribas is the second retail bank in Luxembourg in terms of services for individuals, with a total of 223,000 resident customers representing a market share of 16% [(2)]. It is the leading commercial bank with 36,000 corporate clients representing a market share of 38% [(3)].

Wealth Management Luxembourg

Wealth Management provides high-net-worth clients with integrated, customised financial planning and wealth management solutions. These high-potential clients enjoy a multilingual offering covering a broad international array of tailored wealth management products and solutions, including discretionary portfolio management and insurance. BGL BNP Paribas is the leading private bank in Luxembourg [(4)].

EUROPE MEDITERRANEAN

Europe Mediterranean (EM) operates a network of 2,220 branches in some ten countries. It is present in Turkey, Central and Eastern Europe (Poland and Ukraine) and the southern Mediterranean Basin (Morocco, Algeria, Tunisia, Egypt) and in sub-Saharan Africa. EM is gradually rolling out the integrated retail banking model of the BNP Paribas group which has proved so successful in its domestic markets by providing local customers with the expertise for which the BNP Paribas group has a strong competitive position in the market (dynamic customer segmentation, cash management, trade finance, multichannel distribution, specialised financing, wealth management, etc.).

In June 2010, BNP Paribas and the Colakoğlu group, co-shareholders of TEB - Türk Ekonomi Bankasi A.Ş. - since 2005, and BNP Paribas Fortis entered into a memorandum of understanding regarding the merger of TEB and Fortis Bank Turkey. The merger was approved by the shareholders of the two banks on 25 January 2011 and was legally completed on 14 February 2011.

BANCWEST

In the United States, the retail banking business is conducted through BancWest Corporation, a company formed out of the 1998 merger between Bank of the West and First Hawaiian Bank, wholly-owned by BNP Paribas since the end of 2001. Until 2006, BancWest pursued a policy of acquisitions to develop its franchise in western America.

Bank of the West markets a very broad range of retail banking products and services to individuals, small businesses and corporate clients in 19 states in western and mid-western America. It also has strong positions across the USA in certain niche lending markets, such as marine, recreational vehicles, church lending, small business and agribusiness.

With a market share of more than 40% in deposits [(5)], First Hawaiian Bank is Hawaii's leading bank, offering banking services to a local clientele of private individuals and businesses.

In total, with 11,300 employees, 769 branches and total assets of more than USD 73 billion at 31 December 2010, BancWest currently serves some 5 million client accounts. It ranks as the 7th largest commercial bank in the western United States by deposits [(5)].

PERSONAL FINANCE

BNP Paribas Personal Finance: Europe's number one in personal finance [(6)]

Within the BNP Paribas Group, BNP Paribas Personal Finance specialises in personal loans through its consumer credit and mortgage lending activities. With nearly 29,000 employees in more than 30 countries and on 4 continents, BNP Paribas Personal Finance ranks as the leading player in France and Europe [(6)].

BNP Paribas Personal Finance markets a comprehensive range of solutions available at the point of sale (stores, car dealerships), through authorised business providers (brokers, estate agents, property developers) or directly via its customer relations centres and over the internet.

Furthermore, BNP Paribas Personal Finance has made partnerships an area of specialisation in its own right underpinned by its expertise in providing all types of financing and services geared to the activities and commercial strategy of its partners. As a result, BNP Paribas Personal Finance has become a key partner for retail chains, service providers, banks and insurance companies.

(1) Source: TNS survey.

(2) Source: ILRES survey, October 2010.

(3) Source: ILRES survey, November 2010.

(4) Euromoney 2010 league tables.

(5) Source: SNL Financial, 30 June 2010.

(6) Source: Annual Reports of personal finance companies.

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Core commitment to responsible lending

BNP Paribas Personal Finance is committed to responsible lending, in particular through Cetelem and Findomestic, both in practice and in its communications. Its vision of personal finance consists of making a sustained contribution to improving the personal and social quality of consumers' lives, through four main vectors:

- developing a product and service offering tailored to customer expectations;
- improving access to lending for as many people as possible;
- supporting customers with individual solutions that meet their specific needs;
- combating overindebtedness.

In France, BNP Paribas Personal Finance provides the general public with information about personal loans on its non-commercial web site: www.moncreditresponsable.com.

Since 2007, BNP Paribas Personal Finance has supported the development of personal micro finance guaranteed by the Fonds de Cohésion Sociale. At the end of 2010, it had granted more than 200 micro loans totalling EUR 428,111.

EQUIPMENT SOLUTIONS

Equipment Solutions, through a multi-channel approach (direct sales, sales via referrals or via partnerships), offers corporate and business clients a range of rental solutions, ranging from equipment financing to fleet outsourcing.

Equipment Solutions consists of five international business lines organised by assets and specially designed rental solutions:

- Arval for cars and light commercial vehicles;
- Equipment & Logistics Solutions for public works, farm and transport equipment;
- Technology Solutions for office equipment, hardware and software, telecoms, medical and retail trade equipment;
- Specialised Assets Solutions provides centres of expertise in specialised high-value asset markets (real estate for investors, flight simulators, business jets, port infrastructure, etc.);
- Bank Leasing Services provides leasing products to BNP Paribas bank customers.

Despite the still fragile economic recovery, Equipment Solutions continues to enjoy strong business momentum and has become European leader in equipment financing both in terms of outstandings and new business [(1)].

In 2010, Arval posted strong 10% growth in its leased fleet, with a 27% increase in the number of vehicles purchased to 180,557. At end-2010, it had a total leased fleet of 667,458 vehicles. Arval is a major European player in full service vehicle leasing and number one in France [(2)] and Italy [(3)] in terms of leased vehicles.

BNP Paribas Lease Group has changed its name to BNP Paribas Leasing Solutions to better reflect the shift in its offering towards services and solutions that create value for its customers and partners.

It arranged over 267,000 financing deals in 2010, bringing its total outstandings up to EUR 25.6 billion at the year-end [(4)].

INVESTMENT SOLUTIONS

BNP Paribas Investment Solutions provides a unique range of solutions to meet all the present and future needs of institutional, corporate and retail investors:

- Asset management (BNP Paribas Investment Partners);
- Insurance (BNP Paribas Assurance);
- Wealth management (BNP Paribas Wealth Management);
- Savings and online brokerage (BNP Paribas Personal Investors);
- Securities services (BNP Paribas Securities Services);
- Real estate services (BNP Paribas Real Estate).

In 2010, the Investment Solutions businesses all held leading positions in their market.

Investment Solutions operates in 68 countries and employs almost 30,000 people representing more than 70 different nationalities. It continues to expand its international reach, mainly in Europe, Asia, Latin America and the Middle East, through new operations, acquisitions, joint ventures and partnership agreements.

Investment Solutions' experts always endeavour to offer the products and services that are best suited to client expectations in terms of transparency, performance and security, while meeting the strictest sustainable development standards.

(1) Source: Leaseurope 2009 league tables published in September 2010.

(2) Source: Syndicat National des Loueurs Véhicules Longue Durée (SNLVLD) data, 3rd quarter 2010.

(3) FISE ANIASA (Federazione Imprese di Servizi - Associazione Nazionale Industria dell'Autonoleggio e Servizi Automobilistici), Italy, 3rd quarter 2010.

(4) Amounts after servicing transfer.

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BNP PARIBAS INVESTMENT PARTNERS

BNP Paribas Investment Partners (BNPP IP) is the asset management arm of the BNP Paribas Group and is comprised of a unique network of 26 specialised partners worldwide.

A global investment solution provider, BNPP IP has three distinct groups of investment expertise:

Multi-expertise investment capabilities: BNP Paribas Asset Management, the largest partner, encompasses the major asset classes with investment teams operating in all the major markets.

Specialist Investment Partners: specialists in a particular asset class or field (mainly alternative and multi-management), operating as boutique-like structures.

Local and regional solution providers: local asset managers covering a specific geographical region and/or clientele, the majority in emerging markets.

With over EUR 546 billion in assets under management (1) (USD 730 billion) and 4,000 staff operating in 45 countries, BNPP IP offers a full range of investment management services to both institutional clients and distributors wherever they are located.

BNPP IP has offices in the world's major financial centres, including Hong Kong, London, New York, Paris and Tokyo. It has a strong presence in a large number of emerging markets with local teams – in China, Russia, Brazil, Indonesia, India and Turkey – enabling it to adapt its offering to the needs of each market. This is why BNPP IP can be considered both a global investor and a local partner.

The merger in 2010 with Fortis Investment also had a positive effect on BNPP IP's position in the league tables. Based on assets under management as at 31 December 2010, BNPP IP ranks no. 5 in Europe (2).

BNP Paribas Investment Partners combines the financial strength, distribution network and the rigorous management of BNP Paribas with the reactivity, specialisation and entrepreneurial spirit of investment boutiques.

INSURANCE

BNP Paribas Assurance insures people, their families and their goods. It designs and markets its savings and protection products and services under two brand names: BNP Paribas and Cardif.

Its distribution partners include 35 of the world's top 100 banks, major retailers and many financial institutions.

Products:

- the savings business encompasses capitalisation as well as individual and group pension contracts;
- the protection business covers a broad range of products including loan protection insurance, extended warranties, credit card and cheque book protection, invoice protection, gap insurance (3), individual and group personal risk insurance, property and casualty insurance and health insurance.

BNP Paribas Assurance has three major distribution channels:

- BNP Paribas retail branch networks (in France, Italy, Belgium, Luxembourg, Turkey, Ukraine, etc.);
- banks, financial institutions and major retailers;
- digital & brokers: networks of independent financial advisors and distance networks such as telemarketing and Internet.

BNP Paribas Assurance holds strong positions on three continents: Europe, Asia and Latin America. It is a world leader in loan protection insurance (4) and among the top 15 insurers in Europe (4).

Strong culture of partnerships

BNP Paribas Assurance's strength and distinguishing features are predicated primarily on its ability to:

- offer customised products to meet the needs of its various partners;
- build a major profit centre for its partners;
- satisfy its clients' demand for high standards of service and transparency through its Customer Centric Program.

WEALTH MANAGEMENT

BNP Paribas Wealth Management encompasses BNP Paribas' private banking activities. As part of an integrated approach to client relationships, Wealth Management offers its clients security coupled with innovative product and service capability.

It provides high value-added products and services designed to meet the needs of a sophisticated clientele. This range includes:

- wealth management services: estate planning and advice on asset structures;
- financial services: advise on asset allocation, investment products and securities, notably discretionary portfolio management;
- expert advice in specific areas, such as art, real estate and philanthropy.

In an environment strongly affected by new regulations, the business is now organised on the basis of four geographies: Domestic Markets (excluding Luxembourg), Luxembourg, Europe International (including the Middle East and Latin America), and Asia-Pacific.

The new organisational structure is designed to meet the following objectives:

- support the development of the wealth management business in countries where the Group has a retail banking clientele;
- gain or strengthen positions through close cooperation with Corporate & Investment Banking and through partnerships or acquisitions;
- increase cross-functionality between geographies and support functions.

The four geographies draw on the expertise of the business line's support teams in financial planning and asset management as well as diversification. It sources solutions from the Group's other businesses (Investment Partners, Securities Services, Insurance, Corporate Finance,

(1) Including assets under advisory.

(2) Source: internal data.

(3) Insurance covering the difference between the vehicle's value and the loan outstanding in the event of theft or damage.

(4) Source: in-house study based on information published by competitors.

Fixed Income and Equity Derivatives), as well as from selected external product and service providers. In addition, to strengthen its ability to attract and advise the world's largest fortunes, BNP Paribas Wealth Management has set up a specialised UHNWI (Ultra High Net Worth Individuals) team responsible for global coverage of this segment.

BNP Paribas Wealth Management ranks as no. 6 worldwide and no. 4 in Western Europe in private banking with almost EUR 254 billion in assets under management at year-end 2010 and over 6,100 professionals in almost 30 countries (1). In France, it ranks no. 1 with EUR 69 billion in assets under management (1).

PERSONAL INVESTORS

BNP Paribas personal investors provides independent financial advice and a wide range of investment services to individual clients. It brings together three players:

- Cortal Consors, Europe's leading online savings and brokerage player for individuals (2), provides personalised investment advice and online trading services to over one million clients in Germany, France and Spain. Cortal Consors offers clients its investment advisory experience through several channels – online, telephone and face to face. Its broad range of independent products and services includes short-term investment solutions, mutual funds and life insurance.
- B*capital, an investment firm, specialises in personalised advice on listed securities and derivatives as well as portfolio advisory and discretionary portfolio management for affluent clients. It provides clients with direct access to all markets, financial analysis, personalised portfolio advisory and portfolio management services. B*capital is the majority shareholder in investment firm Portzamparc, which specialises in small and mid caps.
- Geojit BNP Paribas is one of the leading retail brokers in India. It provides brokerage services for equities, derivatives and financial savings products (funds and life insurance) by phone, online and via a network of more than 500 branches. Geojit BNP Paribas also operates in the United Arab Emirates, Saudi Arabia, Oman, Bahrain and Kuwait, where it targets mainly a non-resident Indian clientele.

In **Luxembourg** and **Singapore**, BNP Paribas Personal Investors provides products and services to an international and expatriate clientele.

At 31 December 2010, BNP Paribas Personal Investors (3) had 1.3 million customers and EUR 33 billion in assets under management, of which 39% was invested in equity assets, 38% in savings products or mutual funds and 23% in cash. BNP Paribas Personal Investors employs over 4,100 staff.

BNP Paribas Personal Investors' goal is to strengthen its leadership position in Europe and in emerging markets that enjoy strong savings capacity.

BNP PARIBAS SECURITIES SERVICES

BNP Paribas Securities Services is a top five global provider of securities services (4). Assets under custody expanded in 2010 by +12.9% over 2009 to EUR 4,641 billion. Assets under administration grew by +5.8% to EUR 771 billion and the number of funds rose by +0.7% to 6,329. The number of transactions settled declined by -5.1% to 47 million, against a background of very low activity in the financial markets.

BNP Paribas Securities Services provides integrated solutions for all operators involved in the investment cycle: sell side, buy side and issuers.

- Investment banks, broker-dealers, banks and market infrastructures are offered customised solutions in execution services, derivatives clearing, local and global clearing, settlement/delivery and custody for all onshore and offshore asset classes worldwide. Outsourcing solutions for middle and back-office activities are also provided;
- Institutional investors (asset managers, alternative fund managers, sovereign wealth funds, insurance companies, pension funds, fund distributors and promoters) have access to an array of services. These include global custody, depository bank and trustee services, transfer agency and fund distribution support, fund administration and middle-office outsourcing, investment reporting and risk and performance measurement;
- Issuers (originators, arrangers and corporates) are provided with a wide range of corporate trust solutions: securitisation and structured finance services, debt agency services, issuer advisory, stock option and employee stock plans, shareholder services and management of Annual General Meetings;
- Market and financing services are provided across all client types. These include securities lending and borrowing, foreign exchange, credit and collateral management, and cash financing.

(1) Source: in-house study based on information published by competitors at 30 September 2010.

(2) Source: in-house study based on information published by competitors.

(3) With Geojit included at a rate of 34.33%.

(4) Source: BNP Paribas Securities Services' figures for assets under custody, 31 December 2010; globalcustody.net competitors' assets under custody tables, 2 February 2011.

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BNP PARIBAS REAL ESTATE

With 3,300 employees, BNP Paribas Real Estate is ranked second as continental Europe's provider of real estate services to corporates [1] and one of France's major players in residential property [2].

Its offering is unique in terms of its geographical reach and the diversity of its business lines. Its client base encompasses corporate occupiers, investors, local authorities, property developers and individuals.

International network

- In commercial real estate, BNP Paribas Real Estate supports its customers in 30 countries worldwide:
  - 15 countries with direct operations:
    - Europe: Germany, Belgium, Spain, France, Hungary, Ireland, Italy, Jersey, Luxembourg, Poland, Czech Republic, United Kingdom, Romania,
    - India and the Gulf countries;
  - 15 other countries through alliances with local partners;
- In residential real estate, BNP Paribas Real Estate's is mainly active in France.

Six complementary real estate business lines

Property development

- 50,000 sq. m of commercial property and 3,200 housing units started in 2010;
- ranked among the top French real estate developers [2].

Transaction

- commercial property: approximately 7.7 million sq. m of commercial property let in 2010 (office, light industrial, retail space, etc.). No. 1 in France, Germany and Luxembourg [3];
- residential property: more than 3,950 new housing units marketed in 2010.

Consulting

- advising clients on their real estate projects and optimising their asset portfolios.

Valuation

- 84,000 appraisals carried out in 2010 on all types of real estate assets (offices, retail, hotels, warehouses, land, etc.);
- no. 1 in France [3].

Property Management

- commercial property: 30 million sq. m managed. No. 1 in France, Belgium and Luxembourg [3];
- residential property: over 6,000 housing units managed in student residences and serviced apartments for business users.

Investment Management

- almost EUR 11 billion of real estate assets managed in France, Italy, Luxembourg, United Kingdom and Belgium. One of the leading managers of non-trading property investment trusts in France [3].

CORPORATE AND INVESTMENT BANKING

BNP Paribas Corporate & Investment Banking (CIB) employs 19,800 people across more than 50 countries. CIB provides its clients with financing, advisory and capital markets services. During 2010, CIB made a significant contribution to the BNP Paribas Group's revenues (27% of total revenues) and earnings (41% of pre-tax net income).

BNP Paribas CIB has 14,000 clients, consisting of corporates, financial institutions and investment funds, which are central to BNP Paribas CIB's strategy and business model. Staff's main aim is to develop and maintain long-term relationships with clients, to support them in their expansion or investment strategy and provide global solutions to meet their financing, advisory and risk management needs.

As an integral part of a robust, well-known group and drawing on its client-focused business model, BNP Paribas CIB continued to demonstrate its ability to adapt to the new economic and financial challenges facing the banking industry and its clients. In 2010, BNP Paribas CIB strengthened its European leadership and further developed its international activities, consolidating its role as European partner of choice for many corporates and financial institutions worldwide.

STRUCTURED FINANCE (SF)

Structured Finance (SF) operates at the crossroads of the lending and capital markets activities. It designs customised financing solutions for a global clientele. With a presence in almost 40 countries and over 2,000 experts, SF offers a full range of financing solutions, from the origination, structuring and execution of structured debt through syndication. Structured Finance also includes CIB's flow banking activities.

(1) Source: Property Week, June 2010.

(2) Source: Innovapresse property developer league tables, September 2010.

(3) Source: internal data.

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In 2010, in a persistently difficult market, SF sealed a large number of deals that contributed to financing the economy. It finances its clients' investment and expansion projects by providing customised integrated solutions geared to their specific needs. Clients therefore benefit from an end-to-end offering combining product expertise with dedicated sales teams.

SF plays a prominent role in energy and commodities financing, asset financing (aircraft, maritime, real estate), export financing, leveraged financing, project financing, corporate acquisition financing, trade financing, cash management and loan syndication.

Once again in 2010, SF won a number of awards reflecting the excellence of its teams and the quality of its achievements:

- Aircraft Finance Innovator of the Year (*Jane's Transport Finance* 2011);
- EMEA (Europe, Middle East and Africa) & Latin American Loan House (*IFR* 2010);
- Best Commodity Finance Bank (*GTR* 2010);
- Excellence in Energy Markets (*Commodities Now/Energy Business* 2010);
- Excellence in Corporate Social Responsibility (*Commodities Now/ Energy Business* 2010);
- Best Global Infrastructure & Project Finance House (*Euromoney* 2010);
- No. 1 MLA (Mandated Lead Arranger) for all ECA Backed Loans (*Dealogic* 2010);
- No. 1 Bookrunner and MLA for Syndicated Loans in EMEA by Volume and Number of Deals (*Thomson Reuters* 2010);
- No. 1 Bookrunner and MLA in EMEA in Acquisition/Demerger Finance by Volume and Number of Deals (*Dealogic* 2010);
- No. 1 Bookrunner and MLA for Media & Telecom in EMEA by Volume and Number of Deals (*Dealogic* 2010).

CORPORATE AND TRANSACTION BANKING EUROPE

Corporate and Transaction Banking Europe (CTBE), created in February 2010, is the cornerstone for BNP Paribas' strategy of becoming "THE bank for corporates in Europe". CTBE provides its corporate clients with both day-to-day corporate banking services in liaison with the competence centres Global Cash Management, Global Trade Solutions and Global Factoring, and a full range of investment banking services from CIB's other business lines.

CTBE targets a local clientele of large and mid caps and the local subsidiaries of BNP Paribas' customers from all regions. Clients are served equally whether they come from CIB, a domestic retail market or another retail banking entity.

With its corporate banking focus, CTBE offers to all its clients financing, cash management and trade solutions. It works hand in hand with BNP Paribas Factor and Arval to distribute a range of leasing and factoring solutions. It also joins with the other CIB business lines to offer their products and services to its clients, and particularly the Fixed Income business line for simple interest rate and exchange rate hedging solutions.

CTBE operates in 18 counties (Germany, Austria, Bulgaria, Denmark, Spain, Greece, Hungary, Ireland, Israel, Norway, The Netherlands, Portugal, Czech Republic, Romania, United Kingdom, Russia, Sweden and Switzerland) and has 32 business centres. A team of 200 relationship managers, 40 Cash Management specialists and 25 Trade Solutions specialists serve 8,000 clients. CTBE works in cooperation with the relevant branch networks which provide corporate banking services in the Group's four domestic markets.

CORPORATE FINANCE

Corporate Finance offers its clients advisory services for mergers and acquisitions, primary equity capital market transactions and financial restructuring. The Mergers & Acquisitions (M&A) teams advise both buyers and targets and also offer advice on strategic financial issues and privatisations. Primary capital market services include Initial Public Offerings (IPOs), equity issues, secondary placements, and convertible/ exchangeable bond issues. It employs 400 professionals in a global network based on two main platforms, one in Europe and one in Asia, and a growing presence in the Middle East, Africa and the Americas.

In M&A, BNP Paribas has consolidated its European expansion, ranking no. 1 in France (*Thomson Reuters* and *Dealogic*, announced and completed deals) and no. 6 in the United Kingdom (*Bloomberg*, announced deals) in 2010. In Asia (excluding Japan), the Bank ranks no. 5 (*Thomson Reuters*, completed deals) and was awarded "Best Domestic M&A/Best Privatization: Guangzhou Automotive Group USD 3.2 billion Privatization of Denway Motors and H-Share IPO", by *The Asset*. It has also gained a strong foothold in Africa and the Middle-East where it now ranks no. 2 (*Bloomberg*, announced deals); this strength is underlined by the following awards:

- "Cross Border Deal of the Year - Zain-Bharti Airtel" (*Acquisitions Monthly*);
- "MENA Advisor of the Year" (*Acquisitions Monthly*);
- "Best M&A House in Kuwait" (*emeafinance*).

In the primary equity markets, BNP Paribas has consolidated its European leadership, winning the no. 1 spot in 2010 as bookrunner for equity-linked deals (*Dealogic*) and named "EMEA Structured Equity House" by IFR. BNP Paribas also ranks no. 10 in EMEA as bookrunner for "All Equity Capital Markets" deals (*Dealogic*) and won the following awards:

- "Europe Equity Deal of the Year 2010" awarded by *The Banker* for the "Cable & Wireless – GBP 230 million Convertible Bond" deal, for which BNP Paribas acted as bookrunner;
- "Best Equity House in France" (*Euromoney*).

In Asia, BNP Paribas won the following awards:

- "Best Small-Cap Equity: Huiyin Household Appliances USD 69.3 million IPO" BNP Paribas Global Coordinator, awarded by *The Asset* in the "Triple A Regional Awards 2010";
- "Asia Pacific Financial Institutions Group Capital Raising Deal of the Year 2010" awarded by *The Banker* for the "Shinhan Financial Group – USD 1 billion Rights Issue", for which BNP Paribas acted as Joint Lead Manager and Underwriter.

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GLOBAL EQUITIES & COMMODITY DERIVATIVES

BNP Paribas CIB's Global Equities & Commodity Derivatives (GECD) division offers equity derivatives and commodity derivatives products, indices and funds as well as research and brokerage services in Asian equities. It employs 1,400 front-office professionals operating in three major regions (Europe, America, Asia-Pacific).

GECD is organised into three business lines:

Structured Equity provides structured solutions to a broad clientele including retail customers, corporate clients, banking networks, insurance companies and pension funds. It provides customised or exchange-traded structured products to meet their needs in capital protection, yield and diversification.

Flow and Financing covers products and services required by institutional investors to implement their investment, hedging and portfolio optimisation needs in a multitude of markets and underlyings. These products and services encompass flow derivatives, stock lending, prime brokerage and execution, as well as Asian equities research and brokerage.

Commodity Derivatives provides a range of hedging solutions to corporate clients whose business is highly correlated with commodity prices (producers, refineries and transport companies). It also provides investors with access to commodities through various investment strategies and structured solutions.

An entity dedicated to the Emerging Markets completes the structure to meet the growing interest in investing in this area, as well as the specific needs of emerging and growth market clients.

2010 awards

GECD's expertise and know-how was recognised in 2010 by the following awards:

- Best Global Equity Derivatives House (*Euromoney* 2010);
- Best Equity Structured Products for *Super Sprinter* (*Finance Asia* 2010);
- Structured Products House of the Year (*Risk* 2011);
- Derivatives House of the Year (*The Asset Triple A Investment Awards* 2010);
- Emissions Europe - House of the Year (*Energy Risk* 2010);
- Excellence in Corporate and Social Responsibility (*Commodity Business Awards* 2010).

FIXED INCOME

BNP Paribas CIB's Fixed Income division is a global provider of solutions in the interest rate, foreign exchange (FX) and credit markets. With headquarters in London, six other trading floors in Paris, New York, São Paulo, Hong Kong, Singapore and Tokyo, and additional regional offices throughout Europe, the Americas, the Middle East and Asia-Pacific, the business has around 2,000 staff globally.

The business line covers a broad range of products and services, including origination, syndication, trading, distribution, ecommerce, structuring and research. The division's global network of fixed income experts has built a large and diversified client base of asset managers, insurance companies, banks, corporates, governments and supranational organisations.

Teams of dedicated experts in each region help to finance the economy by meeting client needs with financing solutions such as bond issues. Fixed Income also offers its institutional client base new investment opportunities, liquidity sources and solutions to manage various types of risk, such as interest rate, inflation, foreign exchange and credit risk. In 2010, Fixed Income brought its clients real added-value, as illustrated by its rankings in the official league tables and awards won:

2010 rankings

- no. 1 bookrunner for euro bond issues, among the top 10 bookrunners for global bond issues in all currencies (*Thomson Reuters Bookrunner Rankings* 2010);
- no. 5 in all interest rate products all currencies combined and no. 3 in euro inflation products (*Total Derivatives/Euromoney Interest Rate Derivatives* Survey 2010);
- no. 3 in global credit derivatives (*Risk Institutional Investor Survey* 2010);
- no. 2 in forex services for financial institutions (Asiamoney FX Poll 2010);
- no. 2 in credit research in the "banks", " non-bank financial institutions" and "consumer products" sectors, and no. 5 in credit strategy and trading ideas (*Euromoney Fixed Income Research Poll* 2010);
- no. 1 derivatives dealer in Asia, no. 1 currency derivatives in Asia, no. 2 credit derivatives in Asia, no. 2 interest rate derivatives in Asia (*AsiaRisk Interdealer Rankings* 2010).

2010 awards

- Structured Products House of the Year (*Risk 2010*);
- Euro Bond House of the Year (*IFR* 2010);
- EMEA Investment-Grade Corporate Bond House of the Year (*IFR* 2010);
- Covered Bond House of the Year (*IFR* 2010);
- FX House & Interest Rates House (*Structured Products Europe Awards* 2010);
- Most Innovative in FX (*The Banker* 2010);
- Derivatives House of the Year in Asia-Pacific, Best Derivatives House-Institutional & Best Credit Derivatives House (*The Asset Asian Awards* 2010).

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BNP PARIBAS "PRINCIPAL INVESTMENTS"

BNP Paribas Principal Investments manages the Group's portfolio of listed and unlisted investments and emerging market sovereign debt.

LISTED INVESTMENT MANAGEMENT

The Listed Investment Management unit acquires and manages minority interests in listed companies on behalf of the Group. Investments are generally made in large caps and the portfolio comprises mostly French companies. The unit's mission is to extract the greatest possible value from its assets over the medium term.

UNLISTED INVESTMENT MANAGEMENT

The Unlisted Investment Management unit manages the Group's portfolio of interests in unlisted companies (direct and indirect through funds). It identifies and analyses investment opportunities, structures transactions, manages investments with a view to extracting value in the medium-term and organises the disposal of mature investments.

EMERGING MARKET SOVEREIGN DEBT MANAGEMENT

The Sovereign Debt Management unit's role is to:

- monitor, on the Group's behalf, restructurings of emerging market sovereign debt in default or in difficulties and take part in or chair specially-created credit committees (London Club Committees);
- manage the portfolio of emerging market sovereign debt housed in Principal Investments, with a view to extracting value in the medium-term.

KLÉPIERRE

Klépierre is an owner, manager and developer of shopping centres, providing major international retailers with a unique platform for their expansion in continental Europe through its portfolio of 356 managed shopping centres, 273 of which are also owned by Klépierre. The Group operates in 13 European countries, including France, Belgium, Norway, Sweden, Denmark, Italy and Spain. Ségécé and Steen & Strøm, subsidiaries of Klépierre, are the leading shopping centre managers in continental Europe and Scandinavia respectively [(1)].

Klépierre also offers sale & lease back solutions in out-of-town and city-centre locations in France through its subsidiary Klémurs.

Furthermore, Klépierre owns and manages a portfolio of office buildings concentrated in the main business districts of Paris and inner suburbs (3.6% of the portfolio at 31 December 2010).

At 31 December 2010, Klépierre's portfolio was valued at EUR 15.1 billion (excluding transfer duties) and the company employed 1,500 people.

Klépierre and Klémurs, both of which are SIICs (French REITs), are listed on compartment A and compartment C respectively of Euronext Paris™.

The Klépierre group in Europe [(2)]:

- **13** countries;
- **1,500** employees;
- **EUR 15.1** billion portfolio value (excluding transfer duties);
- **273** shopping centres owned;
- **356** shopping centres managed.

(1) Source: internal data.

(2) At 31 December 2010.

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1.5 BNP Paribas and its shareholders

SHARE CAPITAL

At 31 December 2009, BNP Paribas' share capital stood at EUR 2,368,310,748 divided into 1,184,155,374 shares. Details of the historical evolution of the capital are provided in the "Changes in share capital and earnings per share" section.

In 2010, five series of transactions led to changes in the number of ordinary shares outstanding:

- 1,737,512 shares were issued through the exercise of stock options;
- 354 shares were issued following the merger between Fortis Banque France and BNP Paribas;
- 9,160,218 shares were issued as a result of shareholders opting to receive their 2009 dividends in shares;
- 600,000 shares were cancelled;
- 3,700,076 shares were issued under an employee share offering.

Thus, at 31 December 2010, BNP Paribas' share capital stood at EUR 2,396,307,068 divided into 1,198,153,534 shares with a par value of EUR 2 each [(1)].

The shares are all fully paid-up and are held in registered or bearer form at the choice of their holders, subject to compliance with the relevant legal provisions. **None of the Bank's shares entitle their holders to an increased dividend or double voting rights or limit the exercise of voting rights.**

(1) Since the end of the financial year, 506,622 shares have been created following the exercise of options. As a result, at 17 January 2011, BNP Paribas' share capital stood at EUR 2,397,320,312 divided into 1,198,660,156 shares with a par value of EUR 2 each.

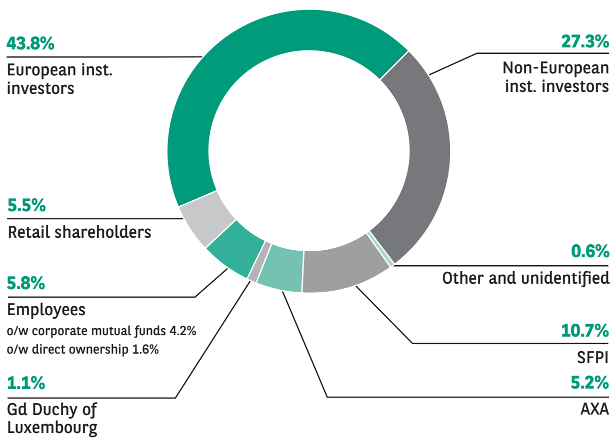
CHANGES IN SHARE OWNERSHIP

Changes in the Bank's ownership structure over the last three years are as follows:

Date	31/12/08			31/12/09			31/12/10		
Shareholder	Number of shares *(in millions)*	% of share capital	% of voting rights	Number of shares *(in millions)*	% of share capital	% of voting rights	Number of shares *(in millions)*	% of share capital	% of voting rights
SFPI (*)	-		-	127.75	10.8%	10.8%	127.75	10.7%	10.7%
AXA	53.08	5.8%	5.9%	61.63	5.2%	5.2%	61.65	5.1%	5.2%
Gd. Duchy of Luxembourg	-	-	-	12.87	1.1%	1.1%	12.87	1.1%	1.1%
Employees	57.69	6.3%	6.4%	67.69	5.7%	5.8%	69.63	5.8%	5.8%
- o/w corporate mutual funds	42.75	4.7%	4.7%	49.43	4.2%	4.2%	50.84	4.2%	4.2%
- o/w direct ownership	14.94	1.6%	1.7%	18.26	1.5%	1.6%	18.79	1.6%	1.6%
Corporate officers	0.43	nm	nm	0.48	nm	nm	0.47	nm	nm
Treasury shares (**)	5.46	0.6%		3.66	0.3%	-	2.99	0.3%	-
Retail shareholders	64.36	7.1%	7.1%	63.63	5.4%	5.4%	66.00	5.5%	5.5%
Institutional investors	717.75	78.8%	79.2%	780.17	65.9%	66.1%	849.37	70.9%	71.1%
(o/w "Socially Responsible Investors")	(3.92)	(0.4%)	(0.4%)	(6.00)	(0.5%)	(0.5%)	(4.36)	(0.4%)	(0.4%)
- Europe	484.10	53.1%	53.4%	486.61	41.1%	41.2%	523.08	43.7%	43.8%
- Outside Europe	233.65	25.7%	25.8%	293.56	24.8%	24.9%	326.29	27.2%	27.3%
Other and unidentified	13.00	1.4%	1.4%	66.27	5.6%	5.6%	7.42	0.6%	0.6%
TOTAL	**911.77**	**100%**	**100%**	**1,184.15**	**100%**	**100%**	**1,198.15**	**100%**	**100%**

(*) *Société Fédérale de Participations et d'Investissement: public-interest société anonyme (public limited company) acting on behalf of the Belgian government.*
(**) *Excluding trading desks' working positions.*

BNP PARIBAS OWNERSHIP STRUCTURE AS AT 31 DECEMBER 2010 (VOTING RIGHTS)



To the Company's knowledge, no shareholder other than SFPI or AXA owns more than 5% of its capital or voting rights.

Société Fédérale de Participations et d'Investissement (SFPI) became a shareholder in BNP Paribas at the time of the integration with the Fortis group in 2009. During 2009, SFPI made two threshold crossing disclosures to the Autorité des marchés financiers (AMF):

- On 19 May 2009 (AMF disclosure no. 209C0702), SFPI disclosed that its interest in BNP Paribas' capital and voting rights had risen above the 5% and 10% disclosure thresholds following its transfer of a 74.94% stake in Fortis Bank SA/NV in return for 121,218,054 BNP Paribas shares, which at the time represented 9.83% of its share capital and 11.59% of its voting rights. The disclosure stated that neither the Belgian government nor SFPI were considering taking control of BNP Paribas.

  At the same time, BNP Paribas notified the AMF (AMF disclosure no. 209C0724) that an agreement had been reached between the Belgian government, SFPI and Fortis SA/NV (renamed Ageas SA/NV on 29 April 2010), giving Fortis SA/NV an option to buy the 121,218,054 BNP Paribas shares issued as consideration for SFPI's transfer of its shares in Fortis Bank, with BNP Paribas having a right of subrogation regarding the shares concerned.

- On 4 December 2009 (AMF disclosure no. 209C1459), SFPI disclosed that it owned 10.8% of BNP Paribas' capital and voting rights. This change mainly resulted from:
  - BNP Paribas' issue of ordinary shares between 30 September and 13 October 2009,
  - and the reduction in its capital through the cancellation, on 26 November, of non-voting shares issued on 31 March 2009 to Société de Prise de Participation de l'État.

BNP Paribas received no disclosures from SFPI in 2010.

On 16 December 2005, the AXA Group and the BNP Paribas Group informed the AMF (AMF disclosure no. 205C2221) about an agreement under which the two groups would maintain stable cross-shareholdings and reciprocal call options exercisable in the event of a change in control affecting either group. The two companies subsequently notified the AMF on 5 August 2010 (AMF disclosure no. 210C0773) that they had entered into an agreement replacing that of December 2005 to take into account the new rules on financial institutions drawn up by the regulators. The new agreement no longer refers to maintaining stable cross-shareholdings.

LISTING INFORMATION

When the shareholders of BNP and Paribas approved the merger between the two banks at the Extraordinary General Meeting of 23 May 2000, BNP shares became BNP Paribas shares. The Euroclear-France code for BNP Paribas is the same as the previous BNP code (13110). Since 30 June 2003, BNP Paribas shares have been registered under ISIN code FR0000131104.

BNP shares were first listed on the Cash Settlement Market of the Paris Stock Exchange on 18 October 1993, following privatisation, before being transferred to the Monthly Settlement Market on 25 October of that year. When the monthly settlement system was discontinued on 25 September 2000, BNP Paribas shares became eligible for Euronext's Deferred Settlement Service (SRD). The shares are also traded on SEAQ International in London and on the Frankfurt Stock Exchange. Since 24 July 2006 they have been traded on the MTA International exchange in Milan. Since privatisation, a Level 1 144A ADR programme has been active in the USA, where JP Morgan Chase is the depositary bank (2 ADRs correspond to 1 BNP Paribas share). The ADRs have been traded on the OTCQX International Premier since 14 July 2010 in order to provide better liquidity and clarity for US investors.

To help increase the number of shares held by individual investors, BNP Paribas carried out a two-for-one share split on 20 February 2002, reducing the par value of the shares to EUR 2.

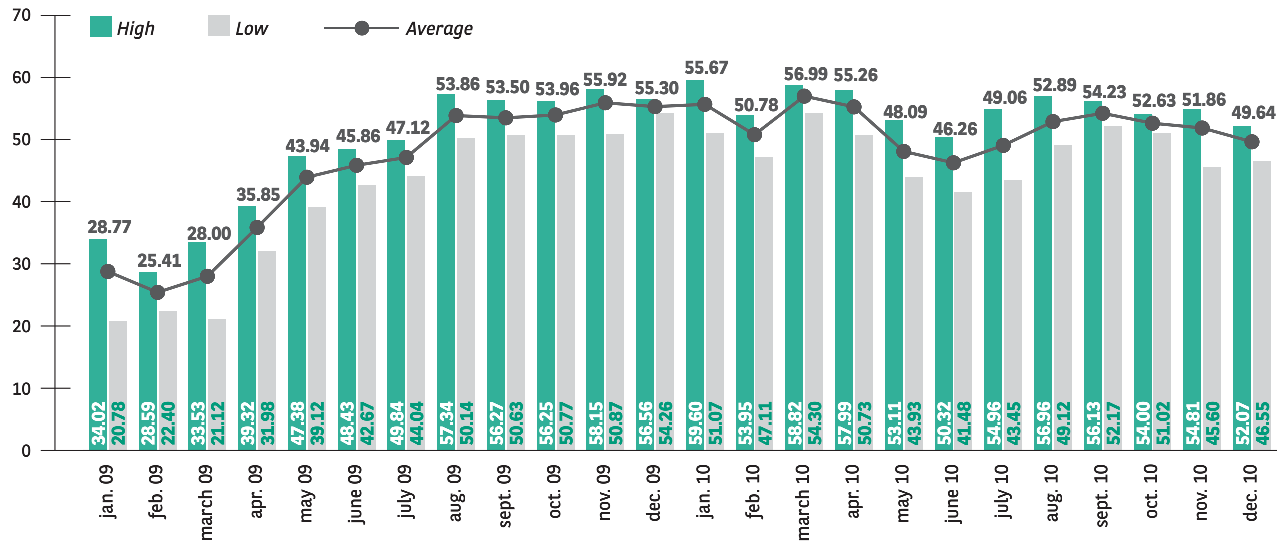
BNP became a constituent of the CAC 40 index on 17 November 1993 and of the EuroStoxx 50 index on 1 November 1999. Since 18 September 2000, it has been a constituent of the Dow Jones Stoxx 50 index. In 2007, BNP Paribas joined the Global Titans 50, an index comprising the 50 largest corporations worldwide. BNP Paribas shares are also included in the main benchmark indexes for sustainable development: Aspi Eurozone, FTSE4Good (Global and Europe 50), DJSI World and Ethibel. All of these listings have fostered liquidity and share price appreciation, as the BNP Paribas share is necessarily a component of every portfolio and fund that tracks the performance of these indexes.

➤ SHARE PERFORMANCE BETWEEN 31 DECEMBER 2007 AND 31 DECEMBER 2010

Comparison with the DJ Euro Stoxx Banks, DJ Stoxx Banks and CAC 40 indexes (rebased on share price)

Source: Datastream.

➤ AVERAGE MONTHLY SHARE PRICES AND MONTHLY HIGHS AND LOWS SINCE JANUARY 2009(*)



(*) Share prices have been adjusted to account for the capital increases with maintained preferential subscription rights, carried out from 30 September 2009 to 13 October 2009.

- Between 31 December 2007 and 31 December 2010, **the share price fell by 33.99% against a 32.23% decline for the CAC 40, but a 60.50% fall for the DJ Euro Stoxx Banks index** (index of banking stocks in the eurozone) **and a 53.73% drop for the DJ Stoxx Banks index** (index of banking stocks in Europe). BNP Paribas shares suffered from the widespread loss of confidence in financial institutions, triggered by the subprime mortgage crisis in the US. However, because BNP Paribas had much lower exposure to the crisis than many of its competitors, its share price performance compared very well with banking-sector indexes until October 2008. The market dislocation that followed the Lehman Brothers bankruptcy in mid-September 2008 affected the Group's activities and consequently its share price. As a result, much of its previous outperformance relative to broad bank indexes had disappeared by the end of 2008.

  However, the tide has turned since early 2009, and the share price rose from EUR 29.40 at 31 December 2008 to EUR 47.61 at 31 December 2010. This 61.94% increase comfortably beat the 18.24% rise in the CAC 40 index, the 8.93% rise in the DJ Euro Stoxx Banks index and the 29.91% rise in the DJ Stoxx Banks index over the same period.

  During 2010, the share price shed 14.83%, underperforming the CAC 40 (down 3.34%) and similar to the DJ Stoxx Banks (down 11.57%), but significantly outperforming the DJ EuroStoxx Banks (down 26.86%). The banks in this index were affected by investor fears over sovereign debt in some euro zone countries, and their share price retreated substantially in the Spring, reaching lows in June. The increase from September 2010 onwards only partially offset the first half decline. In addition, the Basel Committee's publication of proposals to significantly strengthen capital and liquidity requirements for banks weighed heavily on investor perception of banks and, consequently, their share price.
- **At 31 December 2010, BNP Paribas' market capitalisation was EUR 57 billion,** ranking it fifth among CAC 40 stocks (unchanged from end 2009). In terms of free float, BNP Paribas ranks third among the CAC 40 stocks (also unchanged since 2009). BNP Paribas had the eighth-largest free float in the DJ Euro Stoxx 50 index at end-2010, down from sixth place a year before.
- **Daily trading volume** on Euronext Paris averaged 5,140,273 shares in 2010, down 4.36% from 5,374,599 a year earlier. Rather than a decrease in liquidity, this reflects the impact of MiFID (Markets in Financial Instruments Directive) which, from 1 November 2007, abolished the concentration rule requiring orders to be routed through regulated markets. The abolition led to deregulation of trading venues and growth in alternative securities trading methods, such as multilateral trading facilities (MTFs) and systematic internalisers.

  Including volumes traded on MTFs, daily trading volume averaged 7,258,788 shares in 2010 (source: TAG Audit).

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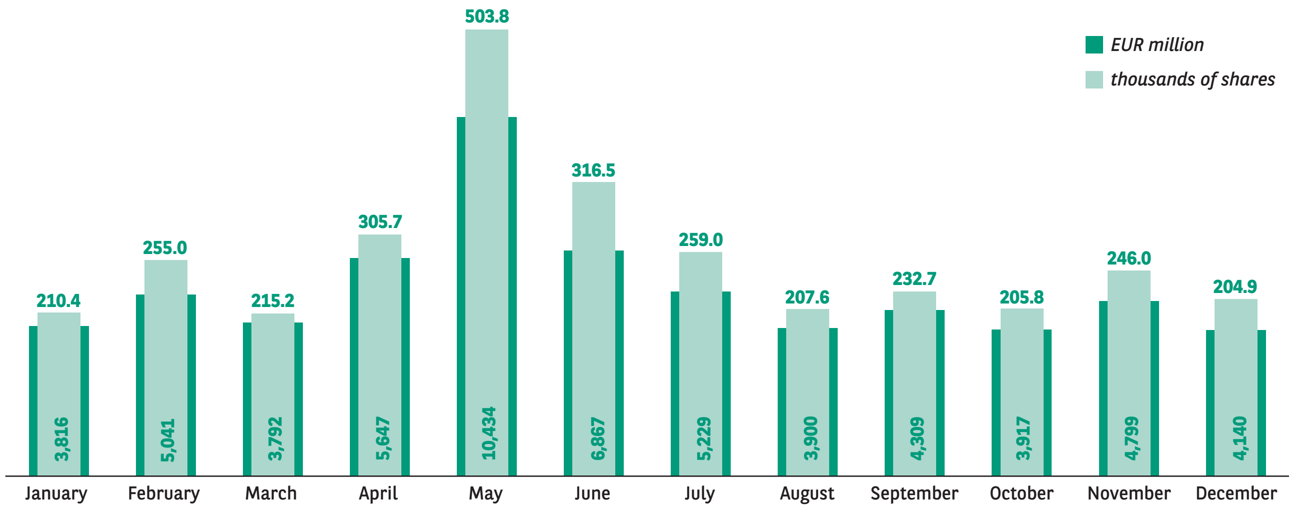
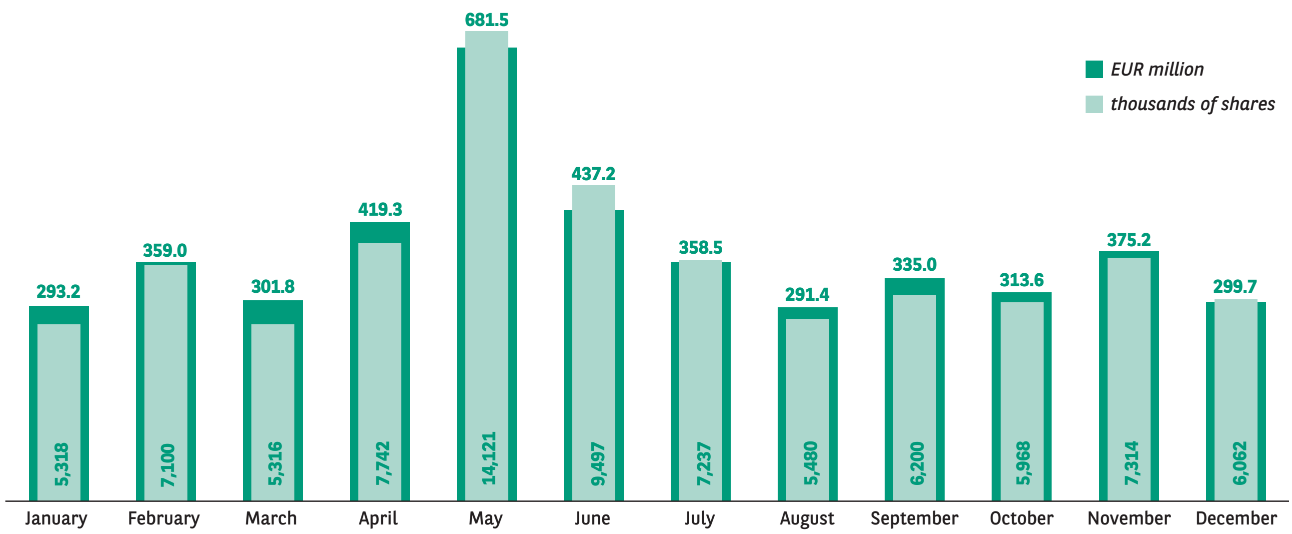
TRADING VOLUME ON EURONEXT PARIS IN 2010 (DAILY AVERAGE)



Source: Euronext Paris

TRADING VOLUME IN 2010 (DAILY AVERAGE)



Source: TAG Audit

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KEY SHAREHOLDER DATA

In euros	2006	2007	2008	2009	2010
Earnings per share (1) (*)	7.81	8.25	2.99	5.20	6.33
Net assets per share (2) (*)	48.40	50.93	45.68	51.93	55.62
Net dividend per share (*)	3.01	3.26	0.97	1.50	2.10 (3)
Payout rate *(%)* (4)	40.3	39.8	33.0	32.3	33.4 (3)
Share price					
High (5) (*)	86.01	92.40	73.29	58.58	60.38
Low (5) (*)	64.78	65.64	27.70	20.08	40.81
year-end (*)	80.33	72.13	29.40	55.90	47.61
CAC 40 index on 31 December	5,541.76	5,614.08	3,217.97	3,936.33	**3,804.78**

(1) Based on the average number of shares outstanding during the year.
(2) Before dividends. Net reevaluated book value based on the number of shares outstanding at year-end.
(3) Subject to approval at the Annual General Meeting of 11 May 2011.
(4) Dividend recommended at the Annual General Meeting expressed as a percentage of earnings per share.
(5) Registered during trading.
(*) Data in the above table have been adjusted to reflect share issues with preferential subscription rights:
- March 2006 (adjustment ratio = 0.992235740050131);
- From 30 September to 13 October 2009 (adjustment ratio = 0.971895).

CREATING VALUE FOR SHAREHOLDERS

TOTAL SHAREHOLDER RETURN (TSR)

Calculation parameters

- dividends reinvested in BNP shares then BNP Paribas shares; 50% tax credit included until tax credit system abolished in early 2005;
- exercise of pre-emptive rights during the rights issues in March 2006 and October 2009;
- returns stated gross, i.e. before any tax payments or brokerage fees.

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Calculation results

The following table indicates, for various periods ending on 31 December 2010, the total return on a BNP share, then a BNP Paribas share, as well as the effective annual rate of return.

Holding period	Investment date	Share price at the investment date *(in euros)*	Number of shares at end of calculation period (31/12/2010)	Initial investment multiplied by	Effective annual rate of return
Since privatisation	18/10/1993	36.59	3.86	x 5.03	+ 9.84%
17 years	03/01/1994	43.31	3.52	x 3.87	+ 8.28%
16 years	03/01/1995	37.20	3.46	x 4.42	+ 9.74%
15 years	02/01/1996	33.57	3.38	x 4.80	+ 11.02%
14 years	02/01/1997	30.40	3.28	x 5.14	+ 12.41%
13 years	02/01/1998	48.86	3.18	x 3.10	+ 9.09%
12 years	04/01/1999	73.05	3.12	x 2.03	+ 6.09%
Since inception of BNP Paribas	01/09/1999	72.70	3.03	x 1.99	+ 6.24%
11 years	03/01/2000	92.00	3.03	x 1.57	+ 4.18%
10 years	02/01/2001	94.50	2.95	x 1.49	+ 4.04%
9 years	02/01/2002	100.40	2.85	x 1.35	+ 3.42%
8 years	02/01/2003	39.41	1.38	x 1.67	+ 6.61%
7 years	02/01/2004	49.70	1.33	x 1.27	+ 3.50%
6 years	03/01/2005	53.40	1.27	x 1.14	+ 2.14%
5 years	02/01/2006	68.45	1.23	x 0.85	- 3.10%
4 years	02/01/2007	83.50	1.18	x 0.67	- 9.50%
3 years	02/01/2008	74.06	1.14	x 0.73	- 9.92%
2 years	02/01/2009	30.50	1.08	x 1.69	+ 30.07%
1 year	02/01/2010	56.11	1.03	x 0.87	- 12.66%

BNP Paribas uses two comparative methods to measure the value created for shareholders, based on a long/medium-term investment period reflecting the length of time during which the majority of individual investors hold their BNP Paribas shares.

FIVE-YEAR COMPARISON OF AN INVESTMENT IN BNP PARIBAS SHARES AT AN OPENING PRICE OF EUR 68.45 ON 2 JANUARY 2006 WITH THE CAISSE D'EPARGNE "LIVRET A" PASSBOOK SAVINGS ACCOUNT AND MEDIUM-TERM GOVERNMENT BONDS.

In this calculation, we assess the creation of shareholder value by comparing an investment in BNP Paribas shares with two "risk-free" investments: the Caisse d'Epargne "Livret A" passbook savings account and medium-term French government notes (OATs).

Total shareholder return on an investment in BNP Paribas shares

Initial investment = 1 share at the opening price on 2 January 2006 = EUR 68.45.

Dividends reinvested.

Preferential subscription rights exercised in the March 2006 and October 2009 rights issues.

Value at 31 December 2010: 1.2284 shares at EUR 47.61, i.e. EUR 58.48.

Effective rate of return: -3.10% per year

Investment of Eur 68.45 on 1 January 2006 in a Caisse d'Epargne "Livret A" passbook account:

The interest rate on the investment date was 2%, increased to 2.25% on 1 February and then to 2.75% on 1 August 2006. The rate was increased to 3% on 1 August 2007. The interest rate was increased twice more in 2008, to 3.50% on 1 February and to 4% on 1 August. In 2009, the rate was gradually reduced to 2.50% on 1 February, 1.75% on 1 May and 1.25% on 1 August. It then moved back to 1.75% on 1 August 2010. At 31 December 2010, this investment was worth **EUR 77.31**, an increase of EUR 8.86 Euros (+12.9%).

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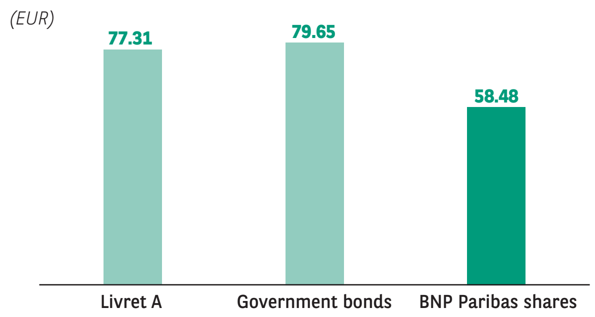
Investment of Eur 68.45 on 1 January 2006 in five-year french government bonds :

The five-year BTAN yield on 1 January 2006 was 3.06117%. At the end of each subsequent year, interest income is reinvested in a similar note on the following terms:

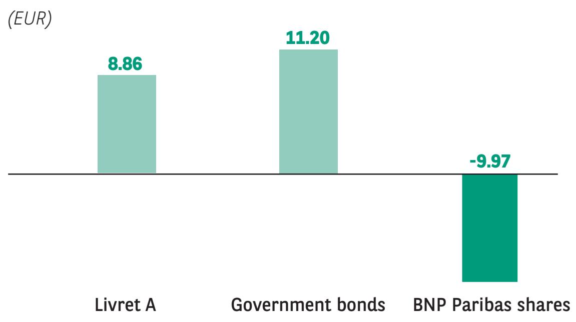
- 3.90021% (BTAN) in January 2007 for 4 years;
- 4.13131% (BTAN) in January 2008 for 3 years;
- 2.069% (BTAN) in January 2009 for 2 years;
- 1.248% in January 2010 for 1 year (Euribor).

At the end of five years, the accrued value of the investment is EUR 79.65, an increase of EUR 11.20 (+16.4%).

➤ VALUE AT 31/12/2010 OF A EUR 68.45 INVESTMENT MADE ON 01/01/2006



➤ COMPARATIVE TOTAL 5-YEAR RETURN FOR AN INVESTMENT OF EUR 68.45



COMMUNICATION WITH SHAREHOLDERS

BNP Paribas endeavours to provide all shareholders with clear, consistent, high-quality information at regular intervals, in accordance with best market practice and the recommendations of stock market authorities.

The Investor Relations team informs French and foreign institutional investors and financial analysts of the Group's strategies, major events concerning the Group's business and, of course, the Group's quarterly results. In 2011 the following dates have been set [(1)]:

- 17 February 2011: publication of 2010 results;
- 4 May 2011: results for the first quarter of 2011;
- 2 August 2011: publication of 2011 half-year results;
- 9 November 2011: results for the third quarter and first nine months of 2011.

Informative briefings are organised several times a year, when the annual and half-year results are released, or on specific topics, providing senior management with an opportunity to present the BNP Paribas Group and its strategy. A Relations Officer is responsible for liaising with managers of ethical and socially responsible funds.

The Individual Shareholder Relations Department provides information and deals with queries from the Group's 585,000 or so individual shareholders (source: 31 December 2010 TPI Survey). A half-yearly financial newsletter informs both members of the "***Cercle BNP Paribas***" and other shareholders of important events concerning the Group, and a summary of the matters discussed during the Annual General Meeting is sent out very early in July. During the year, senior management presents the Group's strategy to individual shareholders at meetings organised in various French cities and towns. For example, in 2010, meetings were held in Rouen on 27 May, Massy on 22 June, Orléans on 29 June and Pau on 28 September. BNP Paribas representatives also met and spoke with over 1,000 people at the ACTIONARIA shareholder fair held in Paris on 19 and 20 November 2010.

BNP Paribas Shareholders' Guide

The BNP Paribas Shareholders' Guide was designed to provide individual shareholders with full details on share price performance and the Bank's achievements. Its main purpose is to give investors a better idea and a deeper understanding of the economic environment and of the markets in which BNP Paribas operates. The guide can be obtained on request from the Individual Shareholder Relations Department and can also be viewed and downloaded on the website (see below).

(1) Subject to alteration.

1

In 1995, the "**Cercle BNP Paribas**" was set up for individual shareholders holding at least 200 shares. The Cercle currently has 63,200 shareholder members. Every year, alternating with three financial newsletters, three issues of "***La Vie du Cercle***" are sent to shareholders. This is a publication inviting them to take part in artistic and cultural events with which BNP Paribas is associated, as well as training sessions. These include seminars on trading in equities (technical analysis, financial research, placing orders etc.), private asset management and warrants. Economic update sessions are also organised by BNP Paribas teams. The Bank regularly organises scientific conferences and visits to industrial sites. These events are held in Paris and the provinces, on weekdays and the weekend, to enable as many people as possible to attend. To illustrate the variety on offer, 286 events were organised for more than 13,000 participants in 2010. Shareholders can obtain information about these services by dialling a special toll-free number: 0800 666 777. A telephone news service can also be accessed through the same number, offering a wide range of information to BNP Paribas shareholders, such as the share price, shareholders' events, news and interviews. There is also a Cercle des Actionnaires website (cercle-actionnaires.bnpparibas.com), which features all offers and services available among others things through the Cercle membership card.

The **BNP Paribas website (http://invest.bnpparibas.com)** can be consulted in both French and English. Large portions of the website are also available in Italian, with Dutch soon to come. It provides information on the Group, including press releases, key figures and details of significant developments and events. All financial documents such as Annual Reports and Registration Documents can also be viewed and downloaded. The financial calendar gives the dates of important forthcoming events, such as the Annual General Meeting, communications of results and shareholder seminars. Publications compiled by the Bank's Economic Research unit can be viewed on the website. The website also naturally features the latest share performance data and comparisons with major indexes. Among its features is a tool for calculating returns.

The Investors and Shareholders section now includes all reports and presentations concerning the Bank's business and strategy aimed at all audiences (individual shareholders, institutional investors, asset managers and financial analysts). The website also has a section entitled "To be a shareholder", which was specifically designed with individual shareholders in mind, offering information tailored to their needs and details of proposed events. In addition, there is a specific section dedicated to the Annual General Meeting of Shareholders, which includes information regarding the attending of the meeting, ways of voting, practical matters, as well as a presentation of the resolutions and the complete text of all speeches made by corporate officers. Webcasts of the Annual General Meeting can be viewed on the Bank's website. In response to the expectations of individual shareholders and investors, and to meet increasingly strict transparency and regulatory disclosure requirements, BNP Paribas regularly adds sections to its website and improves existing sections with enhanced content (particularly as regards the glossary) and new functions.

SHAREHOLDER LIAISON COMMITTEE

After its formation in 2000, BNP Paribas decided to create a Shareholder Liaison Committee to help the Group improve communications with its individual shareholders. At the Shareholders' Meeting that approved the BNP Paribas merger, the Chairman of BNP Paribas initiated the process of appointing members to this committee, which was fully established in late 2000.

Headed by Michel Pébereau, the committee includes ten shareholders who are both geographically and socio-economically representative of the individual shareholder population, along with two employees or former employees. Each member serves a three-year term. When their terms expire, announcements are published in the press and/or in the Group's various financial publications, inviting new candidates to come forward. Any shareholder can become a candidate.

At 1 January 2011, the members of the Liaison Committee were as follows:

- Michel Pébereau, Chairman;
- Franck Deleau, resident of the Lot department;
- Nicolas Derely, resident of the Paris area;
- Jean-Louis Dervin, residing in Caen;
- Jacques de Juvigny, resident of the Alsace region;
- André Laplanche, residing in Cavaillon;
- Jean-Marie Laurent, resident of the Oise departement;
- Dyna Peter-Ott, residing in Strasbourg;
- Jean-Luc Robaux, residing in Nancy;
- Chantal Thiebaut, resident of the Meurthe-et-Moselle departement;
- Thierry de Vignet, resident of the Dordogne departement;
- Odile Uzan-Fernandes, BNP Paribas employee;
- Bernard Coupez, Honorary Chairman of the Organisation of shareholder employees, pensioners, fromer employees of the BNP Paribas group.

In accordance with the committee's Charter – i.e. the Internal Rules that all committee members have adopted – the Committee met twice in 2010, on 19 March and 24 September, in addition to taking part in the Annual General Meeting and attending the ACTIONARIA shareholder fair. The main topics of discussion included:

- BNP Paribas' ownership structure and changes therein, particularly among individual shareholders;
- the periodical publications which provide information on the Group's achievements and strategy;
- the integration with the Fortis group;
- the draft 2009 Registration Document and Annual Report;

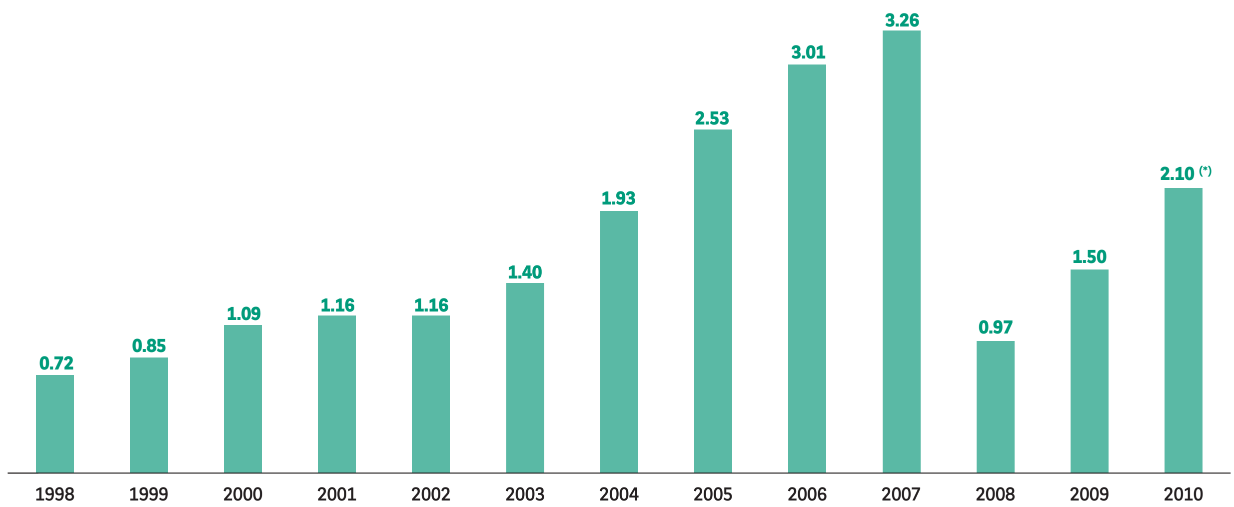
- quarterly results presentations;
- initiatives taken in preparation for the Annual General Meeting;
- revision of the Shareholders' Guide and the best way of keeping it regularly up to date;
- the Bank's participation in the ACTIONARIA shareholder fair. At this event, several Liaison Committee members explained the role played by the committee to people who visited the Group's stand.

DIVIDEND

At the 11 May 2011 Annual General Meeting, the Board of Directors will recommend a dividend of EUR 2.10 per share, an increase of 40% relative to 2010. The shares will go ex-dividend on 20 May and the dividend will be paid on 25 May 2011, subject to approval at the Annual General Meeting.

The total amount of the proposed payout is EUR 2,517 million, compared with EUR 1,778 million in 2010, representing an increase of 41.6%. The proposed payout rate is 33.4%(1).

DIVIDEND EVOLUTION (EURO PER SHARE)



(*) Subject to approval at the Annual General Meeting of 11 May 2011.

Dividends for 1998-2008 have been adjusted to reflect:

- the two-for-one share split carried out on 20 February 2002;
- capital increases with preferential subscription rights maintained in March 2006 and between 30 September and 13 October 2009.

The Group's objective is to adjust the dividend to reflect variations in income and to optimise management of available capital.

Timeframe for claiming dividends: after five years, any unclaimed dividends will be forfeited and paid to the French Treasury, in accordance with applicable legislation.

(1) Dividend recommended at the 11 May 2011 Annual General Meeting expressed as a percentage of net earnings.

1

BNP PARIBAS REGISTERED SHARES

At 31 December 2010, 37,287 shareholders held BNP Paribas registered shares.

REGISTERED SHARES HELD DIRECTLY WITH BNP PARIBAS

Shareholders who hold shares in pure registered form:

- automatically receive all documents regarding the Bank which are sent to shareholders;
- can call a French toll-free number (0800 600 700) to place buy and sell orders [(1)] and to obtain any information;
- benefit from special, discounted brokerage fees;
- have access to "PlanetShares" (https://planetshares.bnpparibas.com), a fully secure dedicated web server, allowing them to view registered share accounts, and account movements, to as well as place and track orders [(1)] ;
- are automatically invited to General Meetings without the need for an ownership certificate;
- may receive notice of meetings by Internet;
- and, of course, pay no custody fees.

Holding shares in pure registered form is not compatible with holding them in a PEA tax-efficient share saving plan, due to the specific regulations and procedures applying to those plans.

REGISTERED SHARES HELD IN AN ADMINISTERED ACCOUNT

BNP Paribas is also extending its administered share account services to institutional shareholders. For institutional shareholders, this type of account combines the main benefits of holding shares in bearer form with those of holding pure registered shares:

- shares can be sold at any time, through the shareholder's usual broker;
- the shareholder can have a single share account, backed by a cash account;
- the shareholder is automatically invited to attend and vote at General Meetings, without the invitation being sent through a third party;
- shareholders may receive notice of meetings and vote at General Meetings online.

ANNUAL GENERAL MEETING

The last General Meeting of Shareholders took place on 12 May 2010. The text of the resolutions and the video of the meeting can be viewed on the BNP Paribas website, which is where the original live webcast was shown. The composition of the quorum and the results of the votes cast on resolutions were posted online the day after the meeting. The meeting was also written up in the specialist press and a specific letter was sent to shareholders summarising the meeting.

The quorum broke down as follows:

➤ BREAKDOWN OF QUORUM

	Number of shareholders	(%)	Number of shares	(%)
Present	1,885	*14.44%*	238,765,588	*32.68%*
Proxy given to spouse or another shareholder	72	*0.55%*	71,449	*0.01%*
Proxy given to Chairman	7,044	*53.95%*	35,313,727	*4.83%*
Postal votes	4,056	*31.06%*	456,462,231	*62.48%*
TOTAL	**13,057**	***100%***	**730,612,995**	***100%***
Of which online	**636**	*4.87%*	**911,472**	*0.12%*

		Quorum
Total number of shares issued excluding treasury stock	**1,183,694,315**	**61.72%**

(1) Subject to their having previously signed a "brokerage service agreement" (free of charge).

1

All resolutions proposed to the shareholders were approved.

Results	Rate of approval (%)
ORDINARY MEETING	
Resolution 1: *Approval of the consolidated balance sheet at 31 December 2009 and the consolidated profit and loss account for the year then ended*	99.82%
Resolution 2: *Approval of the parent-company balance sheet at 31 December 2009 and the parent-company profit and loss account for the year then ended*	99.82%
Resolution 3: *Appropriation of net income and dividend distribution*	99.59%
Resolution 4: *Agreements and commitments governed by Article L.225-38 et seq. of the Code de Commerce*	95.21%
Resolution 5: *Share buybacks*	99.63%
Resolution 6: *Renewal of the term of office of Louis Schweitzer as a Director*	77.03%
Resolution 7: *Appointment of Michel Tilman as a Director*	98.23%
Resolution 8: *Appointment of Emiel Van Broekhoven as a Director*	98.11%
Resolution 9: *Appointment of Meglena Kuneva as a Director*	98.76%
Resolution 10: *Appointment of Jean-Laurent Bonnafé as a Director*	99.19%
Resolution 11: *Setting the amount of Directors' fees*	97.79%
EXTRAORDINARY MEETING	
Resolution 12: *Issue, with pre-emptive rights, of ordinary shares and securities giving rights to the share capital or to debt securities*	93.12%
Resolution 13: *Issue, without pre-emptive rights, of ordinary shares and securities giving rights to the share capital or to debt securities*	85.98%
Resolution 14: *Issue of securities to be given in exchange for securities tendered to public exchange offers*	87.34%
Resolution 15: *Issue of securities to be given in exchange for unlisted securities tendered, up to a maximum of 10% of the capital*	92.83%
Resolution 16: *Blanket limit on authorisations to issue shares without pre-emptive rights for existing shareholders*	88.25%
Resolution 17: *Issue of shares to be paid up by capitalising income, retained earnings or additional paid-in capital*	98.81%
Resolution 18: *Blanket limit on authorisations to issue shares with or without pre-emptive rights*	91.35%
Resolution 19: *Transactions reserved for members of the Employee Savings Plan*	97.10%
Resolution 20: *Reduction in the Bank's capital by cancelling shares*	99.80%
Resolution 21: *Merger of Fortis Banque France into BNP Paribas*	99.70%
Resolution 22: *Amendment to the Articles of Association following the buyback of preferred shares*	99.27%
Resolution 23: *Powers to carry out formalities*	99.90%

The 2010 Annual General Meeting was an additional opportunity for BNP Paribas to demonstrate its commitment to sustainable development, and to social and environmental responsibility. BNP Paribas seeks to create value consistently, to show its quality and its respect not only for "traditional" partners comprising shareholders, clients and employees, but also for the environment and community at large. The Group considered it appropriate that these principles and values be reflected in its General Meetings. As a result, a decision was taken, in conjunction with the Shareholder Liaison Committee, to donate EUR 10 for every investor attending the meeting or voting online, to the "Coups de pouce aux projets du personnel" (a helping hand for employee projects) programme. The programme was specifically developed by the BNP Paribas Foundation to encourage public-interest initiatives for which Bank staff personally volunteer their time and efforts. The sums collected (EUR 25,210 in 2010, including EUR 6,360 through internet voting) are donated in addition to the funds that the Bank already grants to this programme via the BNP Paribas Foundation, which operates under the aegis of the Fondation de France. Total 2010 contributions were ultimately divided between 70 projects (62 in 2009), all of which were initiated by BNP Paribas staff. In all, 98 projects were submitted and 88 of them were examined. The sums awarded varied from EUR 1,000 to EUR 4,000 according to the scale of the project, its nature and the commitment of employees. The projects relate mainly to education, international co-operation, healthcare, disabilities, and help for disadvantaged and socially excluded people.

The allocation of funds is contained in the notice convening the next General Meeting.

The procedures for BNP Paribas' General Meetings are defined in Article 18 of the Bank's Articles of Association.

The Board of Directors calls an Ordinary General Meeting at least once a year to vote on the agenda set by the Board.

The Board may call Extraordinary General Meetings for the purpose of amending the Articles of Association, and especially to increase the Bank's share capital. Resolutions are adopted by a two-thirds majority of shareholders present or represented.

The combined Ordinary and Extraordinary General Meeting may be called in a single notice of meeting and held on the same date. BNP Paribas will hold its next combined Ordinary and Extraordinary General Meeting on 11 May 2011 (1).

NOTICE OF MEETINGS

For combined Ordinary and Extraordinary General Meetings:

- holders of registered shares are notified by post; the convening notice contains the agenda, the draft resolutions and a postal voting form. Notice of meeting was sent via the Internet for the first time in 2010, once the Group had obtained the agreement of certain of its shareholders, as required by law: 7% of them took up this new option;
- holders of bearer shares are notified via announcements in the press, particularly investor and financial journals. In addition to legal requirements, BNP Paribas sends the following documents aimed at boosting attendance:
  - convening notices and a postal voting form for shareholders who own over a certain number of shares (set at 250 shares in 2010); these same documents may be accessed freely on the website,
  - letters informing shareholders about the General Meeting and arrangements for taking part.

In total, nearly 115,000 of the Bank's shareholders (representing about 20% of the total 590,000 at the time of the General Meeting) personally received the information needed to participate in 2010.

Staff at all BNP Paribas branches is specifically trained to provide the necessary assistance and carry out the required formalities.

ATTENDANCE AT MEETINGS

Any holder of shares may gain admittance to a General Meeting, provided that shares have been recorded in their accounts for at least three trading days. Holders of bearer shares must in addition present an entry card or certificate stating the ownership of the shares.

VOTING

Shareholders who are unable to attend a General Meeting may complete and return to BNP Paribas the postal voting form/proxy enclosed with the convening notice. This document enables them to either:

- vote by post;
- give their proxy to their spouse or any other individual or legal entity;
- give their proxy to the Chairman of the Meeting or indicate no proxy.

Shareholders or their proxies present at the meeting are given the necessary equipment to cast their votes. Since the General Meeting of 13 May 1998, BNP Paribas has used an electronic voting system.

Since the Meeting of 28 May 2004, shareholders can use a dedicated, secure internet server to send all the requisite attendance documents prior to Annual General Meeting (https://gisproxy.bnpparibas.com/bnpparibas.pg).

DISCLOSURE THRESHOLDS

In addition to the legal thresholds, and in accordance with Article 5 of the Articles of Association, any shareholder, whether acting alone or in concert, who comes to hold directly or indirectly at least 0.5% of the capital or voting rights of BNP Paribas, or any multiple of that percentage up to 5%, is required to notify BNP Paribas by registered letter with return receipt.

Once the 5% threshold is reached, shareholders are required to disclose any increase in their interest representing a multiple of 1% of the capital or voting rights of BNP Paribas.

The disclosures described in the previous two paragraphs shall also apply when the shareholding falls below the above-mentioned thresholds.

In the case of failure to comply with these disclosure requirements, the undisclosed shares will be stripped of voting rights at the request of one or more shareholders who hold a combined interest of at least 2% of the capital or voting rights of BNP Paribas.

(1) Subject to alteration.

2 CORPORATE GOVERNANCE

2

2.1 Board of Directors

MEMBERSHIP OF THE BOARD OF DIRECTORS

Michel PEBEREAU
Principal function [1]: Chairman of the BNP Paribas Board of Directors

Date of birth 23 January 1942
Elected on 13 May 2009.
Term expires at the 2012 AGM
First elected to the Board on: 14 May 1993

Number of BNP Paribas shares held [2]: 214,260
Office address: 3, rue d'Antin
75002 PARIS,
FRANCE

<u>Functions at 31 December 2010</u> [1]
Director of: AXA, Compagnie de Saint-Gobain, Lafarge, Total, *BNP Paribas (Suisse) SA, Eads N.V. (Netherlands), Pargesa Holding SA (Switzerland)*
Member of the Supervisory Board of: *Banque Marocaine pour le Commerce et l'Industrie (Morocco)*
Non-voting Director of: *Société Anonyme des Galeries Lafayette*
Chairman of: *European Financial Round Table, Investment Banking and Financial Markets Committee of the Fédération Bancaire Française, Management Board of Institut d'Etudes Politiques de Paris, Institut de l'entreprise*
Member of: *Académie des Sciences morales et politiques, Executive Committee of Mouvement des Entreprises de France, Haut Conseil de l'Éducation, Institut International d'Études Bancaires, International Advisory Panel of the Monetary Authority of Singapore, International Capital Markets Advisory Committee of the Federal Reserve Bank of New York, International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC)*

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:
Chairman of the Board of Directors of: BNP Paribas
Director of: Lafarge, Compagnie de Saint-Gobain, Total, BNP Paribas (Suisse) SA, Eads N.V. (Netherlands), Pargesa Holding SA (Switzerland)
Member of the Supervisory Board of: AXA, Banque Marocaine pour le Commerce et l'Industrie (Morocco)
Non-voting Director of: Société Anonyme des Galeries Lafayette
Chairman of: Investment Banking and Financial Markets Committee of the Fédération Bancaire Française, Management Board of Institut d'Études Politiques de Paris, Supervisory Board of Institut Aspen France, European Financial Round Table, Institut de l'entreprise
Member of: Académie des Sciences morales et politiques, Executive Committee of Mouvement des Entreprises de France, Haut Conseil de l'Education, Institut International d'Etudes Bancaires, International Advisory Panel of the Monetary Authority of Singapore, International Capital Markets Advisory Committee of the Federal Reserve Bank of New York, International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC)

2008:
Chairman of the Board of Directors of: BNP Paribas
Director of: Lafarge, Compagnie de Saint-Gobain, Total, BNP Paribas (Suisse) SA, Eads N.V. (Netherlands), Pargesa Holding SA (Switzerland)
Member of the Supervisory Board of: AXA, Banque Marocaine pour le Commerce et l'Industrie (Morocco)
Non-voting Director of: Société Anonyme des Galeries Lafayette
Chairman of: Investment Banking and Financial Markets Committee of the Fédération Bancaire Française, Management Board of Institut d'Études Politiques de Paris, Supervisory Board of Institut Aspen France, Institut de l'entreprise
Member of: Académie des Sciences morales et politiques, Executive Committee of Mouvement des Entreprises de France, Haut Conseil de l'Éducation, European Financial Round Table, Institut International d'Études Bancaires, International Advisory Panel of the Monetary Authority of Singapore, International Capital Markets Advisory Committee of the Federal Reserve Bank of New York, International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC)

2007:
Chairman of the Board of Directors of: BNP Paribas
Director of: Lafarge, Compagnie de Saint-Gobain, Total, Eads N.V. (Netherlands), Pargesa Holding SA (Switzerland)
Member of the Supervisory Board of: AXA, Banque Marocaine pour le Commerce et l'Industrie (Morocco)
Non-voting Director of: Société Anonyme des Galeries Lafayette
Chairman of: European Banking Federation, Investment Banking and Financial Markets Committee of the Fédération Bancaire Française, Management Board of Institut d'Études Politiques de Paris, Supervisory Board of Institut Aspen France, Institut de l'entreprise
Member of: Académie des Sciences morales et politiques, Executive Committee of Mouvement des Entreprises de France, Haut Conseil de l'Éducation, European Financial Round Table, Institut International d'Études Bancaires, International Advisory Panel of the Monetary Authority of Singapore, International Capital Markets Advisory Committee of the Federal Reserve Bank of New York, International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC)

2006:
Chairman of the Board of Directors of: BNP Paribas
Director of: Lafarge, Compagnie de Saint-Gobain, Total, Pargesa Holding SA (Switzerland)
Member of the Supervisory Board of: AXA, Banque Marocaine pour le Commerce et l'Industrie (Morocco)
Non-voting Director of: Société Anonyme des Galeries Lafayette
Chairman of: European Banking Federation, Investment Banking and Financial Markets Committee of the Fédération Bancaire Française, Management Board of Institut d'Études Politiques de Paris, Supervisory Board of Institut Aspen France, Institut de l'entreprise
Member of: Executive Committee of Mouvement des Entreprises de France, Haut Conseil de l'Éducation, European Institut International d'Études Bancaires, International Advisory Panel of the Monetary Authority of Singapore, International Capital Markets Advisory Committee of the Federal Reserve Bank of New York, International Monetary Conference, International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC)

(1) Directorships and other functions shown in italics are not governed by the provisions of Law no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2010.

Patrick AUGUSTE **Principal function [1]: Technical Services Manager**			
Date of birth 18 June 1951 *Director elected to a three-year term by BNP Paribas executive employees on* 22 January 2009 *First elected to the Board on:* 14 December 1993 *Number of BNP Paribas shares held* [2]: 36 *Office address:* 20, avenue Georges-Pompidou 92300 LEVALLOIS-PERRET, FRANCE		**Functions at 31 December 2010** [1] None	
Functions at previous year-ends *(the companies listed are the parent companies of the groups in which the functions were carried out)*			
2009: None	**2008:** None	**2007:** None	**2006:** None

Claude BEBEAR **Principal function [1]: Honorary Chairman of AXA**			
Date of birth 29 July 1935 *Elected on* 13 May 2009. *Term expires at the* 2012 AGM *First elected to the Board on:* 23 May 2000 *Number of BNP Paribas shares held* [2]: 3,074 *Office address:* 25, avenue Matignon, 75008 PARIS, FRANCE	**Functions at 31 December 2010** [1] **Director of:** *AXA Assurances Iard Mutuelle, AXA Assurances Vie Mutuelle* **Member of the Supervisory Board of:** Vivendi **Non-voting Director of:** *Schneider Electric* **Chairman of:** *IMS-Entreprendre pour la Cité, Institut Montaigne* **Member of:** *International Advisory Panel of the Monetary Authority of Singapore*		
Functions at previous year-ends *(the companies listed are the parent companies of the groups in which the functions were carried out)*			
2009: **Honorary Chairman of:** AXA **Director of:** AXA Assurances Iard Mutuelle, AXA Assurances Vie Mutuelle **Member of the Supervisory Board of:** Vivendi **Non-voting Director of:** Schneider Electric **Chairman of:** IMS-Entreprendre pour la Cité, Institut Montaigne **Member of:** International Advisory Panel of the Monetary Authority of Singapore	**2008:** **Honorary Chairman of:** AXA **Director of:** AXA Assurances Iard Mutuelle, AXA Assurances Vie Mutuelle **Member of the Supervisory Board of:** Vivendi **Non-voting Director of:** Schneider Electric **Chairman of:** IMS-Entreprendre pour la Cité, Institut Montaigne **Member of:** International Advisory Panel of the Monetary Authority of Singapore	**2007:** **Chairman of the Supervisory Board of:** AXA **Director of:** AXA Assurances Iard Mutuelle, AXA Assurances Vie Mutuelle **Member of the Supervisory Board of:** Vivendi **Non-voting Director of:** Schneider Electric **Chairman of:** IMS-Entreprendre pour la Cité, Institut Montaigne **Member of:** International Advisory Panel of the Monetary Authority of Singapore, International Advisory Board of Tsinghua School of Economics and Management (Beijing)	**2006:** **Chairman of the Supervisory Board of:** AXA **Chairman and Chief Executive Officer of:** Finaxa (Finaxa merged into AXA on 16 December 2005) **Director of:** AXA Assurances Iard Mutuelle, AXA Assurances Vie Mutuelle **Member of the Supervisory Board of:** Vivendi **Non-voting Director of:** Schneider Electric **Chairman of:** Institut du Mécénat de Solidarité, Institut Montaigne **Member of:** International Advisory Panel of the Monetary Authority of Singapore, International Advisory Board of Tsinghua School of Economics and Management (Beijing)

(1) Directorships and other functions shown in italics are not governed by the provisions of Law no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2010.

Jean Louis BEFFA
Principal function [1]: Honorary Chairman of Saint-Gobain

Date of birth 11 August 1941 *Elected on* 13 May 2009. *Term expires on 19 July 2010* *First elected to the Board on:* 22 October 1986 *Number of BNP Paribas shares held* [2]: 15,757 *Office address:* "Les Miroirs" 18, avenue d'Alsace 92096 LA DÉFENSE CEDEX FRANCE	<u>Functions at 31 December 2010</u> [1] **Chairman:** *Claude Bernard Participations (SAS), JL2B Conseil (SAS)* **Vice-Chairman of the Supervisory Board of:** *Fonds de réserve pour les retraites – FRR* **Member of the Board of Directors of:** Compagnie de Saint-Gobain (SA), GDF SUEZ (SA) France, *Groupe Bruxelles Lambert – GBL (Belgium), Saint-Gobain Corporation (United States)* **Member of the Supervisory Board of:** *Siemens AG (Germany), Le Monde (SA), Le Monde & Partenaires Associés (SAS),* Société Editrice du Monde (SA).

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:	2008:	2007:	2006:
Chairman of the Board of Directors of: Compagnie de Saint-Gobain **Vice-Chairman of the Board of Directors of:** BNP Paribas **Chairman of:** Claude Bernard Participations **Director of:** GDF SUEZ, Groupe Bruxelles Lambert (Belgium), Saint-Gobain Corporation (United States) **Member of the Supervisory Board of:** Siemens AG Germany, Le Monde SA, Le Monde & Partenaires Associés (SAS), Société Editrice du Monde	**Chairman of the Board of Directors of:** Compagnie de Saint-Gobain **Vice-Chairman of the Board of Directors of:** BNP Paribas **Chairman of:** Claude Bernard Participations **Director of:** GDF SUEZ, Groupe Bruxelles Lambert (Belgium), Saint-Gobain Corporation (United States) **Member of the Supervisory Board of:** Siemens AG (Germany), Le Monde SA, Le Monde & Partenaires Associés (SAS), Société Éditrice du Monde	**Chairman of the Board of Directors of:** Compagnie de Saint-Gobain **Vice-Chairman of the Board of Directors of:** BNP Paribas **Chairman of:** Claude Bernard Participations **Director of:** Gaz de France, Groupe Bruxelles Lambert (Belgium), Saint-Gobain Cristaleria SA (Spain), Saint-Gobain Corporation (USA) **Member of the Supervisory Board of:** Le Monde SA, Le Monde & Partenaires Associés (SAS), Société Éditrice du Monde	**Vice-Chairman of the Board of Directors of:** BNP Paribas **Chairman and Chief Executive Officer of:** Compagnie de Saint-Gobain **Chairman of:** Claude Bernard Participations **Director of:** Gaz de France, Groupe Bruxelles Lambert (Belgium), Saint-Gobain Cristaleria SA (Spain), Saint-Gobain Corporation (USA) **Permanent representative of:** Saint-Gobain PAM **Chairman of the Supervisory Board of:** the A.I.I. (Agence de l'Innovation Industrielle) **Member of the Supervisory Board of:** Le Monde SA, Le Monde Partenaires AS (SAS), Société Éditrice du Monde (SAS)

Suzanne BERGER
Principal function [1]: Professor of Political Science at the Massachusetts Institute of Technology, Cambridge, Massachusetts (USA) – Director ofthe MIT International Science and Technology Initiative (MISTI)

Date of birth 11 March 1939 *Elected on* 21 May 2008. *Term expires at the* 2011 AGM *First elected to the Board on:* 8 March 2007 *Number of BNP Paribas shares held* [2]: 850 *Office address:* 30, Wadsworth Street, E53-451, CAMBRIDGE, MA 02139-4307 USA	<u>Functions at 31 December 2010</u> [1] **Member of:** *American Academy of Arts and Sciences* **Research associate and member of:** *the Executive Committee of Center for European Studies at Harvard University*

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:	2008:	2007:
Member of: American Academy of Arts and Sciences **Research associate and member of the Executive Committee of:** Center for European Studies at Harvard University	**Member of:** American Academy of Arts and Sciences **Research associate and member of the Executive Committee of:** Center for European Studies at Harvard University	**Member of:** American Academy of Arts and Sciences **Research associate and member of the Executive Committee of:** Center for European Studies at Harvard University

(1) Directorships and other functions shown in italics are not governed by the provisions of Law no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2010.

Jean-Laurent BONNAFE
Principal function [1]: Chief Operating Officer of BNP Paribas

Date of birth 14 July 1961 *Elected on* 12 May 2010. *Term expires at the* 2013 AGM *First elected to the Board on:* 12 May 2010 *Number of BNP Paribas held* [2]: 14,675 [(*)] *Office address:* 3, rue d'Antin 75002 PARIS, FRANCE	**Functions at 31 December 2010** [(1)] **Director of:** Carrefour, *BNP Paribas Personal Finance, Banca Nazionale del Lavoro (Italy)* **Chairman of:** *Management Committee and Executive Committee of BNP Paribas Fortis (Belgium)* **Chief Executive Officer:** *BNP Paribas Fortis (Belgium)*

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:	2008:
Director of: Carrefour, BNP Paribas Personal Finance, Banca Nazionale del Lavoro (Italy), BancWest Corporation, Bank of the West	**Director:** Carrefour, BNP Paribas Personal Finance, Banca Nazionale del Lavoro (Italy)

Jean-Marie GIANNO
Principal function [1]: Sales associate

Date of birth 7 September 1952 *Director elected to a three-year term by BNP Paribas employees on* 5 February 2009 *First elected to the Board on:* 15 March 2004 (Jean-Marie Gianno was an employee representative on the Board of Banque Nationale de Paris from 1993 to 1999) *Number of BNP Paribas shares held* [2]: 10 *Office address:*21, avenue Jean Médecin 06000 NICE, FRANCE	**Functions at 31 December 2010** [(1)] **Member of:** *Comité des établissements de crédit et des entreprises d'investissement (CECEI), "Confrontations" (a European think tank)*

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:	2008:	2007:	2006:
Member of: Comité des établissements de crédit et des entreprises d'investissement (CECEI), "Confrontations" (a European think tank)	**Member of:** Comité des établissements de crédit et des entreprises d'investissement (CECEI), "Confrontations" (a European think tank)	**Member of:** Comité des établissements de crédit et des entreprises d'investissement (CECEI), "Confrontations" (a European think tank)	**Member of:** Comité des établissements de crédit et des entreprises d'investissement (CECEI), "Confrontations" (a European think tank)

(1) Directorships and other functions shown in italics are not governed by the provisions of Law no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2010.

(*) Jean-Laurent Bonnafé owns the equivalent of 14,618 BNP Paribas shares under the Company Savings Plan.

François GRAPPOTTE
Principal function [1]: Honorary Chairman of Legrand, Director of companies

Date of birth 21 April 1936 *Elected on* 21 May 2008. *Term expires at the* 2011 AGM *First elected to the Board on:* 4 May 1999	**Functions at 31 December 2010** [1] **Director of:** Legrand, Legrand France **Member of the Supervisory Board of:** Michelin
Number of BNP Paribas shares held [2]: 2,963 *Office address:* 128, avenue de-Lattre-de-Tassigny 87045 LIMOGES, FRANCE	

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:	2008:	2007:	2006:
Honorary Chairman of: Legrand **Director of:** Legrand, Legrand France **Member of the Supervisory Board of:** Michelin	**Honorary Chairman of:** Legrand **Director of:** Legrand, Legrand France **Member of the Supervisory Board of:** Michelin	**Honorary Chairman of:** Legrand **Director of:** Legrand, Legrand France **Member of the Supervisory Board of:** Michelin **Member of:** Advisory Committee of Banque de France	**Honorary Chairman of:** Legrand **Director of:** Legrand, Legrand France, Valeo **Member of the Supervisory Board of:** Michelin **Member of:** Advisory Committee of Banque de France

(1) Directorships and other functions shown in italics are not governed by the provisions of Law no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2010.

Denis KESSLER
Principal function [1]: Chairman and Chief Executive Officer of SCOR SE

Date of birth 25 March 1952
Elected on 13 May 2009.
Term expires at the 2012 AGM
First elected to the Board on: 23 May 2000

Number of BNP Paribas shares held [2]: 2,344
Office address: 1, avenue du Général-de-Gaulle
92074 PARIS LA DÉFENSE CEDEX
FRANCE

Functions at 31 December 2010 [1]
Director of: Bolloré, Dassault Aviation, Fonds Stratégique d'Investissement, *Invesco Ltd (United States)*
Member of the Supervisory Board of: *Yam Invest N.V. (Netherlands)*
Member of: *Commission Economique de la Nation, Board of Directors of Siècle, Board of Directors of Association de Genève, Board of the French Foundation for Medical Research, Strategic Board of the European Insurance Federation*
Chairman of: *Reinsurance Advisory Board, Global Reinsurance Forum*

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:
Chairman and Chief Executive Officer of: SCOR SE
Director of: Bolloré, Dassault Aviation, Fonds Stratégique d'Investissement, Invesco Ltd (United States)
Member of the Supervisory Board of: Yam Invest N.V. (Netherlands)
Non-voting Director of: Financière Acofi SA, Gimar Finance & Cie SCA
Member of: Commission Economique de la Nation, Conseil économique, social et environnemental, Board of Directors of the Association de Genève, Board of the French Foundation for Medical Research, Comité des entreprises d'assurance, Conseil Stratégique du Comité Européen des Assurances
Chairman of: Reinsurance Advisory Board, Global Reinsurance Forum, Board of Directors of Siècle

2008:
Chairman and Chief Executive Officer of: SCOR SE
Chairman of: SCOR Global P&C SE, SCOR Global Life U.S. Re Insurance Company (United States), SCOR Global Life Re Insurance Company of Texas (United States), SCOR Reinsurance Company (United States), SCOR U.S. Corporation (United States), SCOR Holding (Switzerland) AG (Switzerland)
Chairman of the Supervisory Board of: SCOR Global Investments SE
Director of: SCOR Global Life SE, SCOR Canada Reinsurance Company (Canada), Bolloré, Dassault Aviation, Dexia SA (Belgium), Fonds Stratégique d'Investissement, Invesco Ltd (United States)
Member of the Supervisory Board of: Yam Invest N.V. (Netherlands)
Non-voting Director of: Financière Acofi SA, Gimar Finance & Cie SCA
Member of: Commission Économique de la Nation, Conseil économique, social et environnemental, Board of Directors of the Association de Genève, Board of the French Foundation for Medical Research, Comité des entreprises d'assurance
Chairman of: Board of Directors of Siècle, Cercle de l'Orchestre de Paris
Vice-Chairman of: Reinsurance Advisory Board
Global Counsellor of: The Conference Board

2007:
Chairman and Chief Executive Officer of: SCOR
Chairman of: SCOR Global Life SE, SCOR Global P&C SE, SCOR Global Life U.S. Re Insurance Company (United States), SCOR Reinsurance Company (United States), SCOR Holding (Switzerland) AG (Switzerland), SCOR Reinsurance Company (United States), SCOR US Corporation (United States)
Director of: Bolloré, Cogedim SAS, Dassault Aviation, Dexia SA (Belgium), Invesco Plc (United Kingdom), SCOR Canada Reinsurance Company (Canada)
Member of the Supervisory Board of: Fondation du Risque
Permanent representative of: Fergascor in SA Communication & Participation
Non-voting Director of: Financière Acofi (formerly FDC SA), Gimar Finance & Cie SCA
Member of: Commission Économique de la Nation, Conseil économique, social et environnemental, Board of Directors of Siècle, Association de Genève, Comité des entreprises d'assurance, Board of the French Foundation for Medical Research
Global Counsellor of: The Conference Board

2006:
Chairman and Chief Executive Officer of: SCOR
Chairman of: SCOR Global Life, SCOR Italia Riassicurazioni S.p.a (Italy), SCOR Life U.S. Re Insurance (United States), SCOR Reinsurance Company (United States), SCORUS Corporation (United States)
Director of: Bolloré Investissement SA, Dassault Aviation, Amvescap Plc (United Kingdom), Cogedim SAS, Dexia SA (Belgium), SCOR Canada Reinsurance Company (Canada)
Member of the Supervisory Board of: SCOR Deutschland (Germany)
Permanent representative of: Fergascor in SA Communication & Participation
Non-voting Director of: FDC SA, Gimar Finance & Cie SCA
Member of: Commission Économique de la Nation, Conseil économique, social et environnemental, Board of Directors of Siècle, Association de Genève, Comité des entreprises d'assurance
Global Counsellor of: The Conference Board

(1) Directorships and other functions shown in italics are not governed by the provisions of Law no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2010.

Meglena KUNEVA
Principal function [1]: Chairman of the Board of the European Policy Centre (Brussels)

Date of birth 22 June 1957
Elected on 12 May 2010.
Term expires at the 2013 AGM
First elected to the Board on: 12 May 2010

Number of BNP Paribas shares held [2]: 10
Office address: Ul. "Plachkovica" - 1
Vhod A
SOFIA 1164
BULGARIA

Functions at 31 December 2010 [1]
Member of: *Board of the American University (Bulgaria)*

Jean-François LEPETIT
Principal function [1]: Company Director

Date of birth 21 June 1942
Elected on 21 May 2008.
Term expires at the 2011 AGM
First elected to the Board on: 5 May 2004

Number of BNP Paribas shares held [2]: 8,739
Office address: 30, boulevard Diderot
75572 PARIS CEDEX 12,
FRANCE

Functions at 31 December 2010 [1]
Director of: Smart Trade Technologies S.A, Shan S.A.
Member of: *Board of the QFCRA - Qatar Financial Center Regulatory Authority - (Doha)*

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:	2008:	2007:	2006:
Director of: Smart Trade Technologies SA, Shan SA **Member of:** Board of the QFCRA – Qatar Financial Center Regulatory Authority – (Doha), Collège de l'Autorité des Marchés Financiers, Conseil de normalisation des comptes publics	**Director of:** Smart Trade Technologies SA, Shan SA **Member of:** Board of the QFCRA – Qatar Financial Center Regulatory Authority – (Doha), Collège de l'Autorité des Marchés Financiers	**Director of:** Smart Trade Technologies SA, Shan SA **Member of:** Board of QFCRA - Qatar Financial Center Regulatory Authority - (Doha), Collège de l'Autorité des Marchés Financiers	**Director of:** Smart Trade Technologies SA, Shan SA **Chairman of:** Advisory Board of EDHEC Desk and Asset Management Research Center **Associate professor of:** EDHEC **Member of:** Board of QFCRA - Qatar Financial Center Regulatory Authority - (Doha)

Laurence PARISOT
Principal function [1]: Vice-Chairman of the Board of Directors of IFOP SA

Date of birth 31 August 1959
Elected on 13 May 2009.
Term expires at the 2012 AGM
First elected to the Board on: 23 May 2006

Number of BNP Paribas shares held [2]: 360
Office address: 6/8 rue Eugène-Oudiné
75013 PARIS, FRANCE

Functions at 31 December 2010 [1]
Chairman of: *Mouvement des Entreprises de France (MEDEF)*
Director of: Coface SA
Member of the Supervisory Board of: Michelin

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:	2008:	2007:	2006:
Vice-Chairman of the Board of Directors of: IFOP SA **Chairman of:** Mouvement des Entreprises de France (MEDEF) **Director of:** Coface SA **Member of the Supervisory Board of:** Michelin	**Chairman of the Board of Directors of:** IFOP SA **Chairman of:** Mouvement des Entreprises de France (MEDEF) **Director of:** Coface SA **Member of the Supervisory Board of:** Michelin	**Chairman of the Board of Directors of:** IFOP SA **Chairman of:** Mouvement des Entreprises de France (MEDEF) **Director of:** Coface SA **Member of the Supervisory Board of:** Michelin	**Chairman of:** Mouvement des Entreprises de France (MEDEF) **Chairman of the Board of Directors of:** IFOP SA **Member of the Supervisory Board of:** Michelin

(1) Directorships and other functions shown in italics are not governed by the provisions of Law no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2010.

2

Hélène PLOIX
Principal function [1]: Chairman of Pechel Industries SAS, Pechel Industries Partenaires SAS, and FSH SAS

Date of birth 25 September 1944
Elected on 21 May 2008.
Term expires at the 2011 AGM
First elected to the Board on: 21 March 2003

Number of BNP Paribas shares held [2]: 1,609
Office address: 162, rue du Faubourg Saint Honoré
75008 PARIS, FRANCE

Functions at 31 December 2010 [1]
Director of: Lafarge, *Ferring S.A. (Switzerland), Completel NV (Netherlands), Institut Français des Administrateurs*
Permanent representative of: Pechel Industries Partenaires SAS in *Ypso Holding (Luxembourg)*
Member of the Supervisory Board of: Publicis Groupe
Legal manager of: *Hélène Ploix SARL, Hélène Marie Joseph SARL, Sorepe Société Civile*
Member of: *Investment Committee of the United Nations Staff Pension Fund, Independent Expert Oversight Advisory Committee (IEOAC) of the World Health Organisation (WHO)*

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:
Chairman of: Pechel Industries SAS and Pechel Industries Partenaires SAS
Director of: Lafarge, Ferring SA (Switzerland), Completel NV (Netherlands), Institut Français des Administrateurs
Permanent representative of: Pechel Industries Partenaires in Ypso Holding (Luxembourg)
Member of the Supervisory Board of: Publicis Groupe
Legal manager of: Hélène Ploix SARL, Hélène Marie Joseph SARL, Sorepe Société Civile
Member of: Investment Committee of the United Nations Staff Pension Fund

2008:
Chairman of: Pechel Industries SAS and Pechel Industries Partenaires SAS
Director of: Lafarge, Ferring SA (Switzerland), Completel NV (Netherlands)
Permanent representative of: Pechel Industries Partenaires in Ypso Holding (Luxembourg)
Member of the Supervisory Board of: Publicis Groupe
Legal manager of: Hélène Ploix SARL, Hélène Marie Joseph SARL, Sorepe Société Civile
Member of: Investment Committee of the United Nations Staff Pension Fund

2007:
Chairman of: Pechel Industries SAS, Pechel Industries Partenaires SAS and Pechel
Director of: Lafarge, Ferring SA (Switzerland), Completel NV (Netherlands)
Member of the Supervisory Board of: Publicis
Legal manager of: Hélène Ploix SARL, Hélène Marie Joseph SARL, Sorepe Société Civile
Member of: Investment Committee of the United Nations Staff Pension Fund

2006:
Chairman of: Pechel Industries SAS and Pechel Industries Partenaires SAS
Director of: Lafarge, Boots Group plc (United Kingdom), Ferring S.A. (Switzerland)
Member of the Supervisory Board of: Publicis
Representative of: Pechel Industries and Pechel Industries Partenaires SAS in various companies
Legal manager of: Hélène Ploix SARL, Hélène Marie Josèph SARL, Sorepe Société Civile
Member of: Investment Committee of the United Nations Staff Pension Fund

Baudouin PROT
Principal function [1]: Director and Chief Executive Officer of BNP Paribas

Date of birth 24 May 1951
Elected on 21 May 2008.
Term expires at the 2011 AGM
First elected to the Board on: 7 March 2000

Number of BNP Paribas shares held [2]: 137,211
Office address: 3, rue d'Antin
75002 PARIS, FRANCE

Functions at 31 December 2010 [1]
Director of: Pinault-Printemps-Redoute, Veolia Environnement, *Erbé SA (Belgium), Pargesa Holding SA (Switzerland)*
Member of: *Executive Board of the Fédération Bancaire Française*

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:
Director and Chief Executive Officer of: BNP Paribas
Director of: Accor, Pinault-Printemps-Redoute, Veolia Environnement, Erbé SA (Belgium), Pargesa Holding SA (Switzerland)
Chairman of: Fédération Bancaire Française from September 2009 to August 2010
Member of: Executive Board of the Fédération Bancaire Française

2008:
Director and Chief Executive Officer of: BNP Paribas
Director of: Accor, Pinault-Printemps-Redoute, Veolia Environnement, Erbé SA (Belgium), Pargesa Holding SA (Switzerland)
Member of: Executive Board of the Fédération Bancaire Française

2007:
Director and Chief Executive Officer of: BNP Paribas
Director of: Accor, Pinault-Printemps-Redoute, Veolia Environnement, Banca Nazionale del Lavoro (Italy), Erbé SA (Belgium), Pargesa Holding SA (Switzerland)
Member of: Executive Board of the Fédération Bancaire Française

2006:
Director and Chief Executive Officer of: BNP Paribas
Director of: Accor, Pinault-Printemps-Redoute, Veolia Environnement, Banca Nazionale del Lavoro (Italy), Erbé SA (Belgium), Pargesa Holding SA (Switzerland)
Chairman of: Association Française des Banques

(1) Directorships and other functions shown in italics are not governed by the provisions of Law no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2010.

Louis SCHWEITZER
Principal function [1]: Honorary Chairman of Renault

Date of birth 8 July 1942 *Elected on* 12 May 2010. *Terms expires at the* 2013 AGM *First elected to the Board on:* 14 December 1993 *Number of BNP Paribas shares held* [2]: 14,501 *Office address:* 8-10, avenue Emile-Zola 92109 BOULOGNE-BILLANCOURT CEDEX FRANCE	**Functions at 31 December 2010** [1] **Chairman of the Board of Directors of:** *AstraZeneca Plc (United Kingdom), AB Volvo (Sweden)* **Director of:** L'Oréal, Veolia Environnement **Member of the Advisory Committee:** *Banque de France, Allianz (Germany)* **Member of the Board of:** *Fondation Nationale des Sciences Politiques, Institut Français des Relations Internationales, Musée du quai Branly*

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:	2008:	2007:	2006:
Chairman of the Board of Directors of: Renault, AstraZeneca Plc (United Kingdom) **Chairman of the Supervisory Board of:** Le Monde & Partenaires Associés (SAS), Le Monde SA, Société Editrice du Monde **Director of:** L'Oréal, Veolia Environnement, AB Volvo (Sweden) **Chairman of:** Haute Autorité de lutte contre les discriminations et pour l'égalité (HALDE) **Member of the Advisory Committee of:** Banque de France, Allianz (Germany) **Member of the Board of:** Fondation Nationale des Sciences Politiques, Institut Français des Relations Internationales, Musée du quai Branly	**Chairman of the Board of Directors of:** Renault, AstraZeneca Plc (United Kingdom) **Chairman of the Supervisory Board of:** Le Monde & Partenaires Associés (SAS), Le Monde SA, Société Éditrice du Monde **Director of:** L'Oréal, Veolia Environnement, AB Volvo (Sweden) **Chairman of:** Haute Autorité de lutte contre les discriminations et pour l'égalité (HALDE) **Member of the Advisory Committee of:** Banque de France, Allianz (Germany) **Member of the Board of:** Fondation Nationale des Sciences Politiques, Institut Français des Relations Internationales, Musée du Louvre, Musée du quai Branly	**Chairman of the Board of Directors of:** Renault, AstraZeneca Plc (United Kingdom) **Vice-Chairman of the Supervisory Board of:** Philips (Netherlands) **Director of:** Électricité de France, L'Oréal, Veolia Environnement, AB Volvo (Sweden) **Chairman of:** Haute Autorité de lutte contre les discriminations et pour l'égalité (HALDE) **Member of the Advisory Committee of:** Banque de France, Allianz (Germany) **Member of the Board of:** Fondation Nationale des Sciences Politiques, Institut Français des Relations Internationales, Musée du Louvre, Musée du quai Branly	**Chairman of the Board of Directors of:** Renault, AstraZeneca Plc (United Kingdom) **Vice-Chairman of the Supervisory Board of:** Philips (Netherlands) **Director of:** Électricité de France, L'Oréal, Veolia Environnement, AB Volvo (Sweden) **Chairman of:** Haute Autorité de lutte contre les discriminations et pour l'égalité (HALDE) **Member of the Advisory Committee of:** Banque de France, Allianz (Germany) **Member of the Board of:** Fondation Nationale des Sciences Politiques, Institut Français des Relations Internationales, Musée du Louvre, Musée du quai Branly

Michel TILMANT
Principal function [1]: Legal Manager of Strafin sprl (Belgium)

Date of birth 21 July 1952 *Elected on* 12 May 2010. *Terms expires at the* 2013 AGM *First elected to the Board on:* 12 May 2010 (Michel Tilmant was a non-voting Director of BNP Paribas from 4 November 2009 to 11 May 2010) *Number of BNP Paribas shares held* [2]: 500 *Office address:* Rue du Moulin 10 B – 1310 LA HULPE BELGIUM	**Functions at 31 December 2010** [1] **Senior Advisor:** *Cinven Ltd (U.K.)* **Director of:** *Sofina SA (Belgium), Groupe Lhoist SA (Belgium), Foyer Assurances SA (Luxembourg), CapitalatWork Foyer Group SA (Luxembourg), Université Catholique de Louvain (Belgium), Royal Automobile Club of Belgium (Belgium)*

(1) Directorships and other functions shown in italics are not governed by the provisions of Law no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2010.

Emiel VAN BROEKHOVEN **Principal function (1): Economist, Honorary Professor of the University of Antwerp (Belgium)**	
Date of birth 30 April 1941 *Elected on* 12 May 2010. *Terms expires at the* 2013 AGM *First elected to the Board on:* 12 May 2010 (Emiel Van Broekhoven was a non-voting Director of BNP Paribas from 4 November 2009 to 11 May 2010)	**Functions at 31 December 2010 (1)** None
Number of BNP Paribas held (2): 150 *Office address:* Zand 7 – 9 B – 2000 ANTWERP BELGIUM	

Daniela WEBER-REY **Principal function (1): Partner at Clifford Chance, Frankfurt**	
Date of birth 18 November 1957 *Elected on* 21 May 2008. *Term expires at the* 2011 AGM *First elected to the Board on:* 21 May 2008	**Functions at 31 December 2010 (1)** **Member of:** *Ad Hoc Group of Corporate Governance Experts for the Financial Services Area of the European Commission, German Government Commission on the German Corporate Governance Code*
Number of BNP Paribas shares held (2): 1,136 *Office address:* Mainzer Landstrasse 46 D 60325 – FRANKFURT AM MAIN GERMANY	

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:	2008:
Member of: Advisory group on corporate governance and company law of the European Commission, Group of Experts on "Removing obstacles to cross-border investments" of the European Commission, Ad Hoc Group of Corporate Governance Experts for the Financial Services Area of the European Commission, German Government Commission on the German Corporate Governance Code	**Member of:** Advisory group on corporate governance and company law of the European Commission, Group of Experts on "Removing obstacles to cross-border investments" of the European Commission, German Government Commission on the German Corporate Governance Code

(1) Directorships and other functions shown in italics are not governed by the provisions of Law no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2010.

OTHER CORPORATE OFFICERS

Georges CHODRON DE COURCEL
Principal function [1]: Chief Operating Officer of BNP Paribas

Date of birth 20 May 1950 *Number of BNP Paribas shares held* [2]: 69,384 *Office address:* 3, rue d'Antin 75002 PARIS, FRANCE	**Functions at 31 December 2010** [1] **Chairman of:** *Compagnie d'Investissement de Paris SAS, Financière BNP Paribas SAS, BNP Paribas (Suisse) SA* **Vice-Chairman of:** *Fortis Bank SA/NV (Belgium)* **Director of:** Alstom, Bouygues, Société Foncière, Financière et de Participations SA, Nexans, *Erbé SA (Belgium), Groupe Bruxelles Lambert – GBL (Belgium), SCOR Holding (Switzerland) AG (Switzerland), SCOR Global Life Rückversicherung Schweiz AG (Switzerland), SCOR Switzerland AG (Switzerland), Verner Investissements SAS* **Member of the Supervisory Board of:** *Lagardère SCA* **Non-voting Director of:** *Exane, Safran, SCOR SE*

Functions at previous year-ends
(the companies listed are the parent companies of the groups in which the functions were carried out)

2009:	2008:	2007:	2006:
Chief Operating Officer of: BNP Paribas **Chairman of:** Compagnie d'Investissement de Paris SAS, Financière BNP Paribas SAS, BNP Paribas (Suisse) SA **Vice-Chairman of:** Fortis Bank SA/NV (Belgium) **Director of:** Alstom, Bouygues, Société Foncière, Financière et de Participations SA, Nexans, Erbé SA (Belgium), Groupe Bruxelles Lambert – GBL (Belgium), SCOR Holding (Switzerland) AG (Switzerland), Scor Global Life Rückversicherung Schweiz AG (Switzerland), SCOR Switzerland AG (Switzerland), Verner Investissements SAS **Member of the Supervisory Board of:** Lagardère SCA **Non-voting Director of:** Exane, Safran, SCOR SA	**Chief Operating Officer of:** BNP Paribas **Chairman of:** Compagnie d'Investissement de Paris SAS, Financière BNP Paribas SAS, BNP Paribas (Suisse) SA **Director of:** Alstom, Bouygues, Société Foncière, Financière et de Participations SA, Nexans, BNP Paribas ZAO (Russia), Erbé SA (Belgium), SCOR Holding (Switzerland) AG (Switzerland), Verner Investissements SAS **Member of the Supervisory Board of:** Lagardère SCA **Non-voting Director of:** Exane, Safran, SCOR SA	**Chief Operating Officer of:** BNP Paribas **Chairman of:** Compagnie d'Investissement de Paris SAS, Financière BNP Paribas SAS, BNP Paribas (Suisse) SA **Director of:** Alstom, Bouygues, Société Foncière, Financière et de Participations SA, Nexans, Banca Nazionale del Lavoro (Italy), BNP Paribas ZAO (Russia), Erbé SA (Belgium), SCOR Holding (Switzerland) AG (Switzerland), Verner Investissements SAS **Member of the Supervisory Board of:** Lagardère SCA **Non-voting Director of:** Exane, Safran, SCOR SA	**Chief Operating Officer of:** BNP Paribas **Chairman of:** BNP Paribas Energis SAS, Compagnie d'Investissement de Paris SAS, Financière BNP Paribas SAS, BNP Paribas (Suisse) SA, BNP Paribas UK Holdings Limited (United Kingdom) **Director of:** Alstom, Banca Nazionale del Lavoro (Italy), BNP Paribas ZAO (Russia), Verner Investissement SAS, Bouygues, Société Foncière, Financière et de Participations SA, Nexans, Erbé SA (Belgium) **Member of the Supervisory Board of:** Lagardère SCA **Non-voting Director of:** Exane, Safran, SCOR SA

COMPENSATION

COMPENSATION AND BENEFITS PAID TO CORPORATE OFFICERS IN 2010

See Section 4.6 of the consolidated financial statements - note 8.e. – Compensation and benefits awarded to the Group's corporate officers.

DIRECTORS' FEES

See report of the Chairman.

(1) Directorships and other functions shown in italics are not governed by the provisions of Law no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2010.

INFORMATION ON STOCK OPTION PLANS

Employees other than corporate officers receiving/exercising the highest number of options:

	Number of options granted/exercised	Weighted average exercise price *(in euros)*	Date of grant	
Options granted in 2010 (Sum of 10 largest grants)	230,800	51,.20	05/03/2010	
Options exercised in 2010 (10 employees)	195,370	43.94	15/05/2001	131,885
			21/03/2003	60,381
			25/03/2005	3,104

SUMMARY OF REPORTED TRANSACTIONS ON BNP PARIBAS STOCK

Transactions on BNP Paribas stock carried out in 2010 by the corporate officers and other individuals listed in Article L.621-8-2 of the Monetary and Financial Code that must be reported pursuant to Articles 223–22 to 223-26 of the AMF's General Regulations.

Name Function	Transactions carried out	Type of financial instrument	Nature of the transaction	Number of transactions	Amount of the transactions *(in euros)*
BONNAFE Jean-Laurent Chief Operating Officer of BNP Paribas	Personally	BNP Paribas shares	Purchase of 12,947 shares	3	569,386.06
KESSLER Denis Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 72 shares	1	3,440.25
KUNEVA Meglena Director of BNP Paribas	Personally	BNP Paribas shares	Purachse of 10 shares	1	551.40
LEPETIT Jean-François Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 278 shares	1	12,751.86
PEBEREAU Michel (*) Chairman of the Board of Directors of BNP Paribas	Personally	BNP Paribas shares	Sale of 80,000 shares	2	4,519,280.00
PLOIX Hélène Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 183 shares	3	9,569.45
			Sale of 131 shares	1	7,123.61
PROT Baudouin (*) Director - Chief Executive Officer of BNP Paribas	Personally	BNP Paribas shares	Sale of 50,000 shares	1	2,368,500.00
	By a related party		Sale of 2,000 shares	1	112,000
SCHWEITZER Louis Director BNP Paribas	Personally	BNP Paribas shares	Purchase of 7,676 shares	3	400,805.52
TILMANT Michel Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 500 shares	1	27,250.00
WEBER-REY Daniela Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 36 shares	1	1,651.32

(*) Excluding the exercise of stock-options, details of which are listed in note 8.e. to the consolidated financial statements.

2.2 Report of the Chairman of the Board of Directors on the manner of preparation and organisation of the work of the Board and on the internal control procedures implemented by the company

This report has been prepared in accordance with Article L.225-37 of the French Commercial Code.

The information that it contains takes into account, in particular, Annex 1 of European Commission Regulation (EC) no. 809/2004 of 29 April 2004, the recommendations of the 2010 report by the AMF (the French Securities Regulator) on corporate governance and the compensation of company Directors, and the "Guide to Preparing Registration documents" published by the AMF and updated on 20 December 2010.

In accordance with the provisions of Article L.225-37 of the French Commercial Code, the corporate governance code referred to by BNP Paribas on a voluntary basis in this report is the corporate governance code for listed companies published in December 2008 by the French employers' organisations AFEP (Association Française des Entreprises Privées) and MEDEF (Mouvement des Entreprises de France), as supplemented in April 2010. BNP Paribas applies all of the recommendations of that Code.

CORPORATE GOVERNANCE AT BNP PARIBAS

PRINCIPLES OF GOVERNANCE

This report reproduces, in the form of citations or excerpts, all of the provisions of the Internal Rules dealing with the composition and operation of the Board, the allocation of work between Executive Management and the decision-making body, the terms of reference and operation of the specialised Committees, and the conduct of Directors and non-voting Directors [1].

1.a The terms of reference of the Board of Directors

- The Internal Rules adopted by the Board in 1997 define the duties of the Board and of its specialised Committees; they are updated periodically to comply with current laws, regulations and market guidelines, and to keep pace with best practice in the area of corporate governance. They include a Directors' code of ethics.
- The specialised Committees of the Board of Directors are the Financial Statements Committee, the Internal Control, Risk Management and Compliance Committee, the Corporate Governance and Nominations Committee and the Compensation Committee.

  In creating an Internal Control and Risks Committee distinct from the Financial Statements Committee, the Board of Directors decided, as early as 1994, to separate the powers usually devolved to the Audit Committee. In 2007, the Board extended the terms of reference of the Internal Control and Risks Committee to any matter relating to the policy of compliance and to risks, in particular in relation to reputation or professional ethics. The Internal Control, Risk Management and Compliance Committee carries out its duties in a way that is independent of and complementary to the Financial Statements Committee, which is responsible for monitoring matters relating to the preparation and auditing of accounting and financial information. In 2009, the Board decided that these two Committees would meet twice a year to deal with common subjects relating to the risks and provisioning policy of BNP Paribas, to consider the mission statement of the General Inspection unit and the audit plan of the Statutory Auditors, and to prepare the work of the Board on the assessment of risk management policies and mechanisms. The two Committees deliberate on the basis of documentation prepared jointly by the Group's Chief Financial Officer and Head of Group Risk Management, both of whom attend the meetings of these Committees.

  The composition of these two Committees and the work that they do in their respective fields are intended to satisfy the requirements of banking and prudential discipline, whether provided by law, contained in provisions defined by the regulator or in rules imposed by BNP Paribas itself to ensure the quality of its internal control and risk policy.
- An extract from the Internal Rules relating to the terms of reference of the Board of Directors and the Committees is attached in an appendix to this report.

1.b Separation of the functions of Chairman and Chief Executive Officer

The separation of the functions of the Chairman from those of the Chief Executive Officer demonstrates the desire of BNP Paribas to comply with best practice in the area of governance and to ensure the continuity of Executive Management under conditions of transparency. The Chairman informed the General Meeting of Shareholders of this decision, in principle, as early as 14 May 2003.

(1) On a proposal from the Chairman and in accordance with the Articles of association, the Board of Directors can appoint one or two non-voting Directors. Non-voting Directors take part in meetings of the Board of Directors in a consultative capacity.

The duties of the Chairman

On a proposal from the Chairman and the Corporate Governance and Nominations Committee, the Board of Directors explicitly defined the Chairman's duties pursuant to certain provisions of the Internal Rules, not all of which relate to the organisation and functioning of the Board or the Chairman's responsibilities pursuant to the legal provisions. These duties in no way limit the powers of the Chief Executive Officer.

"The Chairman is responsible for ensuring that the quality of the relationship with shareholders is maintained, coordinating closely with any steps taken by Executive Management in this area." In this connection, the Chairman chairs the Shareholder Liaison Committee, whose task is to assist the bank in its communications with individual shareholders; several times a year, he invites the shareholders to meetings where the company's strategy is explained.

"The Chairman provides assistance and advice to the Chief Executive Officer, while respecting his executive responsibility." The Chairman organises his activities to guarantee his availability and to give the Group the benefit of his experience. At the request of the Chief Executive Officer, he can take part in any internal meeting on subjects relating to strategy, organisation, investment or disinvestment projects, risks and financial information. He expresses his opinions without prejudice to the remit of the Board of Directors.

"Coordinating closely with Executive Management, the Chairman can represent the Group in its high-level relationships, particularly with major clients and the authorities, both at national and international level." The Chairman provides support for the teams responsible for covering major companies and international financial institutions; he also contributes to the development of the Bank's advisory activities, particularly by assisting in the completion of major Corporate Finance transactions. He provides support for Executive Management, or, at its request, represents the Bank in its relationships with national and international financial and monetary authorities. He plays an active part in discussions concerning regulatory developments and public policies affecting the Bank, and, more generally, the banking sector.

The Chairman contributes to promoting the values and image of BNP Paribas, both within the Group and externally. He expresses the Bank's guiding principles, particularly in the area of professional ethics, and contributes to the Group's reputation when discharging his personal responsibilities as a member of national and international public bodies.

These duties require the Chairman to devote his time to the service of the Group. The initiatives and actions that he takes to carry them out successfully are all taken into account by the Board of Directors in assessing his work and determining his compensation.

An extract from the Internal Rules relating to the duties of the Chairman is attached as an appendix to this report.

The powers of the Chief Executive Officer

The Chief Executive Officer has the broadest powers to act in all circumstances on behalf of BNP Paribas, and to represent the Bank in its relation with third parties. He has authority over the entire Group, and is responsible for the organisation of internal control procedures and for all the information required by the regulations in that regard.

He exercises his powers within the limitations of the corporate object, and subject to any powers expressly attributed by law to the General Meeting of Shareholders and Board of Directors.

Internally, the Regulations of the Board of Directors provide that the Chief Executive Officer shall request its prior approval for all investment or disinvestment decisions (other than portfolio transactions) in an amount in excess of EUR 250 million, and for any proposal to acquire or dispose of shareholdings in excess of that threshold (other than portfolio transactions). The Chief Executive Officer must also ask the Board's Financial Statements Committee for prior approval of any audit task involving fees in an amount of over EUR 1 million (excluding VAT).

1.c Membership of the Board – Directors' independence

Membership of the Board

- Based on proposals submitted by the Board of Directors, the Combined General Meeting of 12 May 2010 (1) re-elected Louis Schweitzer and appointed Michel Tilmant and Emiel Van Broekhoven, formerly non-voting Directors, and Jean-Laurent Bonnafé and Meglena Kuneva, as Directors. Seventeen Directors attended this General Meeting.
- At the end of the Annual General Meeting on 12 May 2010, the Board of Directors had eighteen members, sixteen of whom had been appointed by the shareholders. That number was reduced to fifteen following the resignation of Jean-Louis Beffa, which took effect on 19 July 2010. As of 31 December 2010, 33.3% (5/15) of the Directors appointed by the shareholders were women, and five nationalities are represented on the Board.

Directors' independence

- Following a review of Directors' personal circumstances by the Corporate Governance and Nominations Committee, the Board considered that the following qualify as independent Directors according to the independence criteria defined by the AFEP-MEDEF Corporate Governance Code: Claude Bébéar, Suzanne Berger, François Grappotte, Denis Kessler, Meglena Kuneva, Jean-François Lepetit, Laurence Parisot, Hélène Ploix, Michel Tilmant (2), Emiel Van Broekhoven (2) and Daniela Weber-Rey. Based on its assessment of Louis Schweitzer before proposing his re-election at the Annual General Meeting of 12 May 2010, the Board took the view that the criterion concerning loss of independence associated with holding office as a Director for more than twelve years did not apply to him. This assessment was made in accordance with the provisions of the AFEP-MEDEF Corporate Governance Code. More than one half of the Directors of BNP Paribas are independent according to that Code.

(1) The Articles of association define the manner of shareholders' participation in General Meetings. The section of the Registration document and annual financial report entitled "BNP Paribas and its shareholders" contains a summary of those rules and a report on the organisation and business of the General Meeting on 12 May 2010.

(2) The Board of Directors considered that Michel Tilmant and Emiel Van Broekhoven can be considered independent according to the criteria set forth in the AFEP-MEDEF Corporate Governance Code (Point 8.5), due to the lack of potential conflicts of interest and the composition of BNP Paribas' share capital.

- The two employee representatives on the Board, Patrick Auguste and Jean-Marie Gianno, do not qualify as independent Directors according to the criteria contained in the AFEP-MEDEF Corporate Governance Code, despite their status and the method by which they were elected, which nevertheless are a guarantee of their independence.
- Three Directors appointed by the shareholders, Michel Pébereau, Chairman of the Board of Directors, Baudouin Prot, Director and Chief Executive Officer, and Jean-Laurent Bonnafé, Chief Operating Officer, do not qualify as independent Directors according to the criteria contained in the AFEP-MEDEF Corporate Governance Code.

The following table shows the situation of each Director with regard to the independence criteria contained in the AFEP-MEDEF Corporate Governance Code:

SITUATION OF THE DIRECTORS WITH REGARD TO THE INDEPENDENCE CRITERIA OF THE AFEP-MEDEF CODE

	1st criterion	2nd criterion	3rd criterion	4th criterion	5th criterion	6th criterion	7th criterion
M. PEBEREAU	x	o	o	o	o	x	o
P. AUGUSTE	x	o	o	o	o	x	o
C. BEBEAR	o	o	o	o	o	o	o
S. BERGER	o	o	o	o	o	o	o
J.L. BONNAFÉ	x	o	o	o	o	o	o
J.M. GIANNO	x	o	o	o	o	o	o
F. GRAPPOTTE	o	o	o	o	o	o	o
D. KESSLER	o	o	o	o	o	o	o
M. KUNEVA	o	o	o	o	o	o	o
J.F. LEPETIT	o	o	o	o	o	o	o
L. PARISOT	o	o	o	o	o	o	o
H. PLOIX	o	o	o	o	o	o	o
B. PROT	x	o	o	o	o	o	o
L. SCHWEITZER	o	o	o	o	o	x (*)	o
M. TILMANT	o	o	o	o	o	o	o
E. VAN BROEKHOVEN	o	o	o	o	o	o	o
D. WEBER-REY	o	o	o	o	o	o	o

Key:
"o": compliance with independence criterion defined in the AFEP-MEDEF Code.
"x": non-compliance with an independence criterion defined in the AFEP-MEDEF Code.
1st criterion: Not an employee or corporate officer of the Company within the previous five years.
2nd criterion: No issue of corporate offices held in another company.
3rd criterion: No material business relationships.
4th criterion: No close family ties to a corporate officer.
5th criterion: Not an auditor of the Company within the previous five years.
6th criterion: Not a Director of the Company for more than twelve years.
7th criterion: Not a major shareholder.
(*) Refer to comment above in the paragraph entitled "Directors' independence".

- On a proposal from the Corporate Governance and Nominations Committee, the Board of Directors has taken the view that the main personal qualities required to ensure Directors' independence, in addition to compliance with the criteria defined in the AFEP-MEDEF Corporate Governance Code, are as follows:
  - Competence, based on experience and ability to understand the issues and risks,
  - Courage, in particular to express opinions and make a judgment,
  - Availability, which allows for the necessary detachment and encourages the Director to be committed to the exercise of his office,
  - Affectio societatis, which encourages Directors on the Board, which collectively represents the shareholders, to be committed to the Company; in particular, affectio societatis promotes the Director's proper understanding of the business's culture and ethics;
- The procedure for recruiting members of the Board of Directors makes use of the information and assessments of the members of the Corporate Governance and Nominations Committee and of the Chairman of the Board of Directors, in order to select candidates likely to have the desired personal and professional qualities, according to the criteria defined by the Board.

1.d The Directors' code of ethics

- BNP Paribas complies with European Regulation 809/2004 of 29 April 2004.

  As far as the Board is aware, none of the Directors is in a situation of conflict of interest. In any event, the Board's internal regulations require them to report "any, even potential, situation of conflict of interest" and to refrain from "taking part in voting on the relevant decision." As far as the Board is aware, there are no family ties between the members of the Board.

  As far as the Board is aware, none of its members has been found guilty of fraud "during at least the last five years" or been associated, as the member of an administrative, management or supervisory body, or as the Chief Executive Officer, with any insolvency, sequestration or liquidation proceedings "during at least the last five years".

  As far as the Board is aware, no member of the Board of Directors is subject to any "official public accusation and/or penalty". No Director has been prohibited from acting in an official capacity "during at least the last five years".

  Apart from regulated agreements and commitments, there are no arrangements or agreements with key shareholders, customers, suppliers or other persons that involve the selection of any member of the Board of Directors.
- The Directors must carry out their duties in a responsible manner, particularly as regards the regulations relating to insider dealing. In particular, they are bound to comply with the legal provisions relating to insider information, and are also asked to refrain from carrying out any transactions in relation to BNP Paribas shares that could be regarded as speculative.
- Pursuant to the application of accounting standards, the Directors have confirmed that they have not received any financial support from BNP Paribas or from any company in the Group that was not provided on market terms.
- An extract from the Internal Rules relating to the conduct of Directors is attached in an appendix to this report.

1.e Directors' training and information

- Pursuant to the Internal Rules, every Director can ask the Chairman or the Chief Executive Officer to provide him with all the documents and information necessary for him to carry out his duties, to play a useful part in the meetings of the Board of Directors and to take informed decisions, provided that such documents are necessary to the decisions to be taken and connected with the Board's powers.
- The Directors have unrestricted access to the minutes of meetings of Board Committees.
- Meetings of the Committees provide an opportunity to update the Directors on the topical issues on the agenda. In addition, the Board is kept informed of changes in the reference texts concerning governance, particularly in the banking business. At its last ordinary meeting of the year, the Board of Directors considered the recommendations contained in the guide relating to the prevention of insider dealing offences, published by the AMF on 3 November 2010. The Directors were informed of the periods during which they may, save in special circumstances, carry out any transactions in relation to BNP Paribas shares in 2011.
- Upon taking up office, new Directors receive documentation about the Group, its characteristics, organisation and recent financial statements, together with a set of references on the information available on the Group's websites. The Board Secretary provides them with the main legal provisions relating to the definition, communication and use of insider information. He provides them with the Board's Internal Rules and organises a programme of working meetings between them and the Group's operational and line managers, relevant to the requirements of their position and personal priorities.

2. MEETINGS OF THE BOARD AND COMMITTEES IN 2010

- The Board of Directors met nine times in 2010, including twice in specially convened meetings. The average attendance rate of Directors at Board meetings was 94%. In addition, the Board met twice for a strategic seminar.
- The Financial Statements Committee met four times, and its members had a 100% attendance record.
- The Internal Control, Risk Management and Compliance Committee met four times with an average attendance rate of 91%.
- The Financial Statements Committee and the Internal Control, Risk Management and Compliance Committee met twice with an average attendance rate of 93%. These two Committees thus met ten times during 2010, whether together or separately.
- The Corporate Governance and Nominations Committee met three times with an average attendance rate of 89%.
- The Compensation Committee met six times with an average attendance rate of 94%.

ATTENDANCE AT MEETINGS OF THE BOARD AND ITS COMMITTEES IN 2010

	Board meetings		Committee meetings		All meetings		
Directors	**1**	**2**	**1**	**2**	**1**	**2**	**3**
M. PEBEREAU	9	9			9	9	100%
P. AUGUSTE	9	9	6	6	15	15	100%
C. BEBEAR	6	9	2	3	8	12	66%
J.L. BEFFA (until 19/07/2010)	5	5	3	4	8	9	89%
S. BERGER	9	9			9	9	100%
J.L. BONNAFE (from 12/05/2010)	4	4					100%
J.M. GIANNO	9	9	5	6	14	15	93%
F. GRAPPOTTE	9	9	6	6	15	15	100%
D. KESSLER	9	9	12	12	21	21	100%
M. KUNEVA (from 12/05/2010)	3	4			3	4	75%
J.F. LEPETIT	8	9	6	6	14	15	93%
L. PARISOT	7	9	3	3	10	12	83%
H. PLOIX	9	9	6	6	15	15	100%
B. PROT	9	9			9	9	100%
L. SCHWEITZER	9	9	5	6	14	15	93%
M. TILMANT	8	9			8	9	89%
E. VAN BROEKHOVEN	9	9			9	9	100%
D. WEBER-REY	9	9	3	3	12	12	100%
Average		**94%**		**93%**			

The first column shows the number of meetings attended.
The second column shows the total number of meetings held during the year.
The third column shows the individual attendance rate.

3. THE WORK OF THE BOARD IN 2010

3.a Strategy

The Board of Directors formulates BNP Paribas' strategy and overall business objectives based on proposals submitted by Executive Management, the key elements of which are presented following a documented in-house process.

It examines and decides on strategic operations in accordance with its Internal Rules. It oversees the implementation of the objectives it has approved, particularly in the course of discussions on the financial statements and on the budget.

The Board is also kept regularly informed of the Group's cash position and ongoing commitments.

- On numerous occasions, the Board of Directors considered the consequences of the new solvency and liquidity rules for BNP Paribas, for the banking industry and for the financing of the economy. It regularly discussed the issues raised by the crisis, which has affected the currency and European sovereign debt.
- The Board was informed of the completion of the operations carried out in the context of the adjustments to consolidation scope agreed to successfully complete the integration of BNP Paribas Fortis. It considered the amount of the synergies achieved, and finalised the terms and conditions of the proposed merger-takeover of Fortis Banque France by BNP Paribas and the relevant proposed resolution presented to the General Meeting in order to complete that project.
- The Board examined the proposed merger of Türk Ekonomi Bankasi A. Ş. (TEB) and Fortis Bank A.Ş. Subsequently, it was informed of the manner of implementation of the agreement relating to that merger.
- The Board was not called upon to deliberate on any strategic operation that was not in line with approved strategic objectives and would as such have required its prior approval in accordance with the Internal Rules. It reviewed the negotiations of investment projects that it had previously discussed.
- The Board met on two occasions for a strategic seminar.

  The first meeting was devoted mainly to the impact of regulatory changes, to geographical ambitions, to human resources, to risks, and to the organisational and industrial issues associated with the Group's new dimension.

The second meeting dealt with the Group's strategy in its new economic, competitive and regulatory environment, and with the situation and ambitions of the business lines and divisions.

- The Board discussed the Group's values and the management principles upon which both its operational action plans and Human Resources policies are based.

3.b Internal Control, Risk Management and Compliance

- In response to the report of the Internal Control, Risk Management and Compliance Committee based on information provided by Executive Management, the Board of Directors regularly discussed the economic, financial and regulatory environment, risk trends, and in particular market and credit risks, as well as the Group's cash position.
- It discussed the main stakes identified in respect of the different risk categories.
- It was regularly informed of changes in the Value-at-Risk (VaR) as well as of the results of risk measurements according to crisis situation simulation methods.
- It debated the results of the stress tests carried out at the request of the European Committee of Banking Supervisors (ECBS) on the Group's exposure to sovereign risks. It was also informed of selected exposures based on the recommendations of the Financial Stability Board.
- The Board adapted the organisation of its work to the new provisions of CRBF Regulation 97-02, particularly as regards the assessment of policies and risk management mechanisms. It considered the steps taken by Executive Management to ensure that the organisation of Group Risk Management complies with the regulatory requirements.
- It was informed of the conclusions of the joint work of the Financial Statements Committee and Internal Control, Risk Management and Compliance Committee on the indicators of risk and profitability of market activities and on the regulatory capital allocated to operational risk. It noted the comments of Executive Management on the methodology for the preparation of annual mission statements intended to ensure the effectiveness of periodic controls.
- The Board discussed the issues involved in the changes to the regulations relating to liquidity. It was addressed by the Head of Asset and Liabilities Management – ALM-Treasury Department on the principles of analysis of the various categories of risk and on the measures put in place to improve the security of decision-making processes.
- It was informed of the manner in which the medium and long-term financing programme agreed for 2010 was carried out.
- The Board was briefed on internal control activity and on the resources allocated to it. It was provided with draft reports for the 2009 financial year concerning the measurement and monitoring of risks, and with the draft reports on compliance, permanent control and periodic control.
- It was informed of the progress of the steps taken by Executive Management to ensure the monitoring and security of market transactions. It was briefed on changes in the amount of operational risk incidents.
- It was briefed by the Chairman of the Internal Control, Risk Management and Compliance Committee on the results of the periodic control reported by the General Inspection unit and on the principal observations that it had to make.
- The Board heard the report of the Chairman of the Internal Control, Risk Management and Compliance Committee on the interviews, conducted in the absence of the Chairman and Chief Executive Officer, of the Head of the General Inspection unit, the Head of periodic control, the Head of permanent control and compliance, the Head of ALM-Treasury Department and the Head of Group Risk Management, whose remit covers the whole of the Group's risk policy.
- The Board considered the exchanges of correspondence with the Autorité de Contrôle Prudentiel and the comments of the Internal Control, Risk Management and Compliance Committee. It was informed about relations with regulators abroad, as reported by Executive Management.

3.c Budget, financial statements and results, financial management and information

Budget

In accordance with its usual practice, the Board examined and approved the draft budget for 2011 at its last meeting of the year, as presented by Executive Management for the Group as a whole and for its activities and major business lines.

Financial statements and results

- The Board examined and approved the results for the fourth quarter of 2009 and for the year 2009, for the first two quarters and first half of 2010, for the third quarter and for the first nine months of 2010. Each quarter, it discussed the revenue trends of the core businesses, the cost/income ratio and the cost of risk per business line. It was informed of the findings of the Financial Statements Committee and of the Group's three Statutory Auditors, who routinely attend meetings dealing with the results and financial statements.
- The Board was informed of changes in the solvency ratio. It considered the impact of the new rules of the Basel Committee on the risk-weighted assets of market activities and the order of magnitude of the new deductions of prudential capital that will gradually have to be made. It examined the return on equity allocated to the Group's activities.
- The Board of Directors was informed of the analyses carried out by the Financial Statements Committee on the adjustments to the opening balance sheet of BNP Paribas Fortis and on the Group's consolidated balance sheet to 31 December 2009 and 30 June 2010.
- It considered the key choices made concerning the application of accounting standards, which were examined by the Financial Statements Committee on the joint report of the Statutory Auditors and the Group's Chief Financial Officer.
- The Board was informed of the findings of the work of the Financial Statements Committee, based on the information provided by Executive Management, on the effectiveness of the accounting risk oversight mechanism. It was also informed by the Committee of the results of the Internal Control audit operations and results and on the key audit points raised by Group entities in the context of the certification procedure intended to ensure the reliability of consolidation data.

- The Board heard the report, presented by the Chairman of the Financial Statements Committee, on the interviews conducted in the absence of the Chairman and of the Chief Executive Officer, of the Statutory Auditors and of the Group's Chief Financial Officer. On this occasion, reference was made to the actions taken to integrate the businesses of BNP Paribas Fortis into the accounts of the Group's business lines and core businesses.

Financial management

- The Board was provided with the report on medium and long-term financing in 2009 and in the first half of 2010. It was also informed of the profitability of new lending during the same periods.
- It finalised the resolutions to be submitted to the General Meeting of Shareholders and recorded the issue price of the new shares delivered by way of payment of the dividend, in accordance with the legal provisions.
- The Board of Directors was informed of the share purchases made in the context of the authorisations given by the General Meeting. It considered the results of the public exchange offers for "hybrid" securities, which had been decided upon at the end of 2009.

Financial information

- At each meeting devoted to results, the Board examined the draft press releases. It approved the draft report of the Board of Directors for 2009 as well as the draft report of the Chairman on the Internal Control procedures relating to the preparation and processing of accounting and financial information.
- The Bank's long-term ratings from financial rating firms are given in the introduction to the Registration document and financial report.

3.d Corporate governance

Follow-up to the assessment of the Board of Directors in 2009

The main improvement on 2009 that the Board of Directors wished to see, involved deepening the work of the Board on the Group's strategy in its new dimension. The Board had also expressed a wish for its consideration of risks to be extended more systematically to reputation risk.

On 5 March 2010, the Board met at a strategic seminar and devoted a substantial part of the meeting to discussions with Executive Management on the new challenges facing BNP Paribas (cf. above, paragraph 3.a.).

Reputation risk was specifically raised by the Head of Compliance and Permanent Control at a meeting of the Internal Control, Risk Management and Compliance Committee. The Committee reported to the Board on the information it had received about the measures taken by Executive Management, due to the growing importance of reputation risk, in order to ensure the integrity of the markets and safeguard clients' interests.

Assessment of the Board of Directors in 2010

- For the ninth consecutive year, an assessment was carried out of the organisation and functioning of the Board of Directors and its specialised Committees.
- This assessment was carried out on the basis of an anonymous questionnaire about the organisation of the Board, the manner in which it functioned, its main areas of activity as appearing in this report (strategy, internal control and risk management, financial management, compensation), the competence of the members of the Board's Committees, and the quality of the reports submitted on their work. The assessment questionnaire contained thirty-four questions, each with a scale of ratings and covering ten different topics. The Directors were asked to make proposals for improvements on each of these topics.
- In the ratings they gave and the comments they made, the Directors' assessment of the way the Board functioned was favourable. In particular, they indicated their satisfaction with the clarity of the presentations made to the Board and with the relevance of the topics discussed. They also emphasised the quality of the information received on the risk identification and management mechanism, and the Board's involvement in the definition of the principles of remuneration of groups subject to specific regulations.

  The main improvement that the Board of Directors wished to see, involved deepening the work of the Board on the various aspects of operational risk and on a comparison of the Group's performance and that of its business lines with the performance of representative competitors.

Assessment of Directors – Changes in the membership of the Board and its specialised Committees

- The Board took the view that its membership guaranteed its ability to perform its duties in a satisfactory manner. On a proposal from the Corporate Governance and Nominations Committee, it specified the personal qualities necessary to ensure the independence of the Directors, in addition to compliance with the criteria defined by the AFEP-MEDEF Corporate Governance Code (cf. paragraph 1.c. above).

  Reference to these qualities was included in the Board's process of assessment of the way it functioned in 2010.
- The Board of Directors formally noted the resignation of Jean-Louis Beffa. After having discussed Louis Schweitzer's expertise and the contribution he had made to the work of the Board and its discussions, the Board of Directors proposed that the General Meeting adopt a resolution concerning the renewal of his term of office for a period of three years (cf. paragraph 1.c. above). The Board of Directors also proposed that the General Meeting appoint Meglena Kuneva, Jean-Laurent Bonnafé, Michel Tilmant and Emiel Van Broekhoven as Directors. On a proposal from the Corporate Governance and Nominations Committee, the Board appointed Michel Tilmant as a member of the Internal Control, Risk Management and Compliance Committee, Emiel Van Broekhoven as a member of the Financial Statements Committee, and Jean-Francois Lepetit as a member of the Compensation Committee. Thus, every member of the Compensation Committee is also a member either of the Financial Statements Committee (Denis Kessler) or of the Internal Control, Risk Management and Compliance Committee (François Grappotte and Jean-François Lepetit). This membership of the Compensation Committee is likely to benefit the work of the Board of Directors on matching compensation principles to the Bank's risk policy.

Assessment of BNP Paribas management

As in previous years, the Board devoted part of one of its meetings to assessing the Bank's management. It heard the Chairman's observations on the actions taken by the Chief Executive Officer and Chief Operating Officers. In the absence of Michel Pébereau, the Board also assessed the Chairman of the Board of Directors.

Internal Rules

- On a proposal from the Corporate Governance and Nominations Committee, following its examination of the recommendations made by the AMF in its guide relating to the prevention of insider dealing, the Board made amendments to its Internal Rules. On this occasion, it introduced a number of provisions relating, on the one hand, to the legal provisions dealing with insider information, and on the other, to best practice as regards trading in the shares.
- The Board examined the conditions on which the employment contract of Baudouin Prot would be terminated before the expiry of his term of office, the appointment having been made prior to 6 October 2008 (AFEP-MEDEF Corporate Governance Code – point 19).

Report by the Chairman

- The Board of Directors approved this report by the Chairman on the manner of preparation and organization of the work of the Board and on the internal control and risk management procedures implemented by BNP Paribas.

3.e Compensation

Directors' compensation

- Directors who are not Group employees (1) do not receive any compensation from BNP Paribas other than Directors' fees.
- Having considered a comparative study of Directors' fees carried out by a specialised firm, the Board adopted the following provisions on a proposal from the Compensation Committee:
  - in the case of the Board of Directors:
    - the individual amount of Directors' fees calculated on the basis of the planned meetings (7 per year) was kept at EUR 29,728, of which EUR 14,864 (50%) constitutes the fixed part, and EUR 2,123.43 per planned meeting (7 per year) constitutes the variable part linked to actual attendance at meetings of the Board. In order to take account of the particular constraints they face, Board members residing abroad are paid 1.5 times the fixed portion of Directors' fees. The Chairman of the Board does not receive any additional fee in that capacity,
    - in the event of an exceptional meeting of the Board of Directors, each Director present receives an additional fee plus 75%;
  - in the case of the specialised Committees:
    - the fixed part of the fees payable to the members of the Board's Committees was maintained, and is therefore EUR 15,000 for the Chairmen of the Financial Statements Committee and Internal Control, Risk Management and Compliance Committee, and EUR 2,973 for other Chairmen and members of Committees,
    - the variable parts linked to actual attendance at meetings of the Committees were set at:
    - – 80% of the variable part per planned meeting of the Board, or EUR 1,698.74 per meeting, for Chairmen of Committees,
    - – 50% of the variable part per planned meeting of the Board, or EUR 1,061.71 per meeting, for the members of Committees.
- Based on the above provisions, the Board had decided to grant the members of the Board of Directors the sum of EUR 753,527 in 2010. The amount paid in respect of 2009 was EUR 532,509. The number of Directors was higher in 2010 than in 2009.
- Note 8.e. to the financial statements included in this Registration document and annual financial report contains a table showing the Directors' fees paid to the members of the Board of Directors.

Compensation of Directors and corporate officers

- On a proposal from the Compensation Committee, the Board of Directors decided the variable compensation of Directors and corporate officers according to the methods that it had defined in 2009. Those methods were described in note 8.d. to the financial statements included in the Registration document and annual financial report. The Board recorded the results of the calculations derived from the arithmetical criteria relating to the Group's performance. It also assessed how personal targets had been achieved based on its assessment of the individual performances of the Directors and corporate officers, and particularly the capacity to anticipate, take decisions and manage demonstrated by each of them.
- Neither the Chairman nor the Chief Executive Officer was involved in the preparation of the decisions concerning their compensation, nor did they take part in the Board's vote on decisions setting their compensation.
- The Board decided that the variable compensation allocated to the Directors and corporate officers would be deferred, as to 50% in the case of Michel Pébereau, Baudouin Prot and Georges Chodron de Courcel, and as to 25% in the case of Jean-Laurent Bonnafé; the amounts thus deferred have been carried forward to the years 2011, 2012 and 2013, indexed against the value of the shares and made subject to a return on capital condition for each of the years in question.
- The Board also made a decision regarding the principle of the fixed salary and variable compensation that Jean-Laurent Bonnafé could receive in respect of his responsibilities as Chief Executive Officer of BNP Paribas Fortis.
- The decisions of the Board of Directors were immediately made public.
- The Board of Directors settled the principles governing the compensation of Directors and corporate officers for 2010. These provisions are described in note 8.e. to the financial statements included in the Registration document and annual financial report.

A note annexed to the financial statements included in the Registration document and annual financial report is specifically devoted to the compensation and social benefits awarded to Directors and corporate officers. This note also includes information about the pension plans for the benefit of Directors and corporate officers and the corresponding commitments for which a provision has been made. It sets out all the compensation and benefits awarded to Directors and corporate officers in a standard format, and was prepared in accordance with the AFEP-MEDEF Corporate Governance Code and the recommendations of the AMF.

(1) The Directors who are members of the Group are: Patrick Auguste, Jean-Laurent Bonnafé, Jean-Marie Gianno, Michel Pébereau, Baudouin Prot.

Compensation of the categories of employees subject to specific regulations

- On a proposal from the Compensation Committee, the Board of Directors settled the principles governing the compensation of the categories of employees concerned, in accordance with the provisions of CRBF Regulation 97-02 and professional standards reflecting the provisions laid down by the Financial Stability Board. Where appropriate, it made the necessary amendments.
- It was regularly informed of changes in the regulations and of the decisions taken by Executive Management to ensure that the compensation policy took account of risks, while preserving the competitiveness of BNP Paribas compensation. It was provided with the report setting out the information relating to the compensation policy and practices of market professionals (compensation awarded in 2010 in respect of 2009).

Global Share-Based Incentive Plan – Capital increase

- Acting on a proposal from the Compensation Committee, the Board adopted the Group's Global Share-Based Incentive Plan for 2010.

  This plan concerns 2,423,700 stock options and 998,015 shares subject to performance conditions, for the benefit of 5,197 beneficiaries whose level of responsibility, contribution to results or professional potential means that they are key elements of the Group's strategy, development and profitability. The Board approved the rules and characteristics of this plan.
- The Board of Directors approved the terms and conditions of a new capital increase reserved for employees.

4. THE WORK OF THE COMMITTEES IN 2010

4.a Financial Statements Committee

In 2010, the membership of the Financial Statements Committee remained unchanged, comprising Louis Schweitzer (Chairman), Patrick Auguste, Denis Kessler and Hélène Ploix. The majority of its members have experience and expertise in the areas of corporate financial management, accounting and financial information.

The Committee's membership complies with the AFEP-MEDEF Corporate Governance Code. It does not include any member of Executive Management. Its duties and working methods are set out in the Board's Internal Rules, updated in 2009 to take account of the amendments to CRBF Regulation 97-02.

To ensure that the Committees' information and knowledge are updated, the Group's Chief Financial Officer, who attends its meetings, makes presentations on important subjects, which are then examined and discussed in the presence of the Statutory Auditors.

The Financial Statements Committee met four times, and its members had a 100% attendance rate. It also met twice with the Internal Control, Risk Management and Compliance Committee. Documents relating to the agenda, and in particular documentation concerning the quarterly, half-yearly and annual results and financial statements, are prepared in a standard format for presentation.

An extract from the Internal Rules relating to the duties of the Financial Statements Committee appears in an appendix to this report.

Examination of the financial statements and financial information

- The Financial Statements Committee examined the financial statements on the basis of the documents and information provided by Executive Management and the work carried out by the Statutory Auditors. It satisfied itself as to the relevance and consistency of the accounting methods used in the preparation of the parent company and consolidated accounts. Each quarter, it was informed of the effect of variations in exchange rates and consolidation scope. It heard presentations made jointly by Group Development and Finance and the Statutory Auditors on material choices made concerning the application of accounting standards. At this time, it particularly considered the choices made to supplement the impairment criteria applied to securities classified as held for sale, and the methods used for the clearing of financial instruments.
- The Financial Statements Committee analysed how the Group's consolidated balance sheet had progressed between 31 December 2008 and 31 December 2009, and examined the balance sheet as at 30 June 2010 on the basis of a document prepared for that purpose by Group Development and Finance.
- It was informed of the main updates to the adjustments of the opening balance sheet of BNP Paribas Fortis and of the distribution of the activities of BNP Paribas Fortis and BGL BNP Paribas by division.
- The Financial Statements Committee regularly discussed how the Group' solvency ratios were progressing. It was informed of the impact of the new rules of the Basel Committee on risk-weighted assets and prudential capital. The Financial Statements Committee also analysed the return on normalised capital and the return on capital employed per business area.
- It examined the development of selected exposures, presented in accordance with the recommendations of the Financial Stability Board, and considered a comparison made with peers.
- When reviewing the financial results for each quarter, the Financial Statements Committee interviewed the Group's Chief Financial Officer. After analysing the financial statements for the 2009 financial year, it interviewed the Chief Financial Officer without the Chairman or the Chief Executive Officer being present. It listened to the comments and findings of the Statutory Auditors concerning the results for each quarter. In the absence of the Chairman, the Chief Executive Officer and the Group's Chief Financial Officer, it interviewed the Statutory Auditors and asked them any questions it considered necessary, particularly in relation to the integration of Fortis in the accounts and the treatment of valuations and reserves.

Accounting internal control

- Every quarter, the Financial Statements Committee examined the summary of audit control points reported by Group entities in the context of certification of their financial statements.
- It analysed the distribution and evolution of the levels of risk detected in each of the thirty major accounting controls.
- It examined how the supervisory mechanism set up in accordance with CRFB Regulation 97-02 had performed, and considered the assessment of the accounting internal control environment carried out on the basis of information provided by Group entities.
- The Financial Statements Committee examined the section of the 2010 Chairman's draft report concerning internal control procedures relating to the preparation and treatment of accounting and financial information, and recommended its approval by the Board of Directors.

Joint meetings with the Internal Control, Risk Management and Compliance Committee

- The Committees deliberated, taking into account the provisions of CRBF Regulation 97-02, on the basis of the report on the measurement and supervision of risks and of a note prepared for its purposes by the Head of Group Risk Management on how the mechanisms put in place had performed.
- The Committees examined the decision-making and control procedures and the mechanism for managing liquidity risk. They considered the objectives and organisation of the management of interest rate risks, exchange rate risks and liquidity risks.
- They examined how the amount of losses and gains associated with operational incidents had evolved, and considered the proportion of capital allocated to operational risks.
- They were informed of the Statutory Auditors' audit plan and of the mission statement of the General Inspection unit for 2011. They considered the methodology applied by the latter to ensure the effectiveness of periodic controls.

Relations with the Group's Statutory Auditors

- The Financial Statements Committee received certification in writing from each of the Statutory Auditors as to their independence in the conduct of their mission.
- In the absence of the Statutory Auditors, it considered the amount of fees paid to them and to the members of their networks. It examined the summary table of tasks not directly related to auditing and was informed, where necessary, of the specific nature of each of them.

4.b Internal Control, Risk Management and Compliance Committee

In 2010, the membership of the Internal Control, Risk Management and Compliance Committee remained unchanged, comprising François Grappotte (Chairman), Jean-Marie Gianno and Jean-François Lepetit. A majority of two thirds of its members were therefore independent Directors in accordance with the criteria of the AFEP-MEDEF Corporate Governance Code. A majority of its members had particular expertise in financial matters and in the area of risks, by reason of their training or experience. The Committee did not include any members of Executive Management.

In 2010, the Committee met four times and its members had an attendance rate of 91%. It also met twice with the Financial Statements Committee, and all its members attended these meetings. Documents relating to the agenda are sent to Committee members in advance, in a standard format. Documentation relating to market, counterparty and credit risks is automatically accompanied by a summary note.

An extract from the Internal Rules relating to the duties of the Internal Control, Risk Management and Compliance Committee is attached in an appendix to this report.

Market, counterparty and credit risks, liquidity

- At each of its meetings, the Committee reviewed changes in market, counterparty and credit risks based on information presented by Group Risk Management (GRM). The head of GRM and his assistants specialised in the various risk categories were interviewed by the Committee and answered its questions concerning their particular areas of responsibility. The Committee regularly examined how credit risks were evolving in the retail businesses. It analysed the geographical distribution of the portfolio and considered the conclusions of the Risk Policy Committees devoted, in particular, to the main industrial sectors and concentrations. It reviewed the main corporate exposures.
- The Internal Control, Risk Management and Compliance Committee was informed of selected exposures according to the recommendations of the Financial Stability Board, as was the Financial Statements Committee. It examined the combined exposures of BNP Paribas and BNP Paribas Fortis to sovereign risks.
- The Committee regularly considered Value-at-Risk (VaR) trends as well as the results of the stress tests carried out in respect of market risks.
- At each of its meetings, the Committee examined the liquidity policy of BNP Paribas. It discussed the market situation and the foreseeable effects of the new Basel Committee regulations relating to equity capital and liquidity. It was informed of the gradual completion of the programme of medium and long-term issues and of the conditions on which those issues had been completed.
- In the absence of the Chairman and Chief Executive Officer, the Committee interviewed the Head of Group Risk Management and the Head of Asset and Liabilities Management.

Organisation of the Risks procedure

- The Committee examined the provisions proposed by Executive Management to implement the requirements of the Order of 19 January 2010 supplementing the regulatory risk Control mechanism.
- It noted the actions taken or to be taken to adapt the risk management mechanism of BNP Paribas to best market practice.
- It was informed of the objectives of the Risk Academy project intended to promote a risk control culture within the Group.

Internal control, compliance, relations with regulators

- The Committee was provided with the draft 2009 report on Compliance, permanent operational control and business continuity. It considered the new organisation including Fortis and analysed trends in operational risk incidents. It was informed of the main frauds committed against the Bank and of the lessons learned from analysis of the anomalies detected by those in charge of permanent control. It also considered the provisions adopted by Executive Management to reinforce the compliance mechanism intended to safeguard the interests of the customer and market integrity. In the absence of the Chairman and Chief Executive Officer, it interviewed the Head of Compliance and of permanent control.

- The Committee was provided with the draft 2009 report on periodic control. It considered the results of the risk assessment carried out by the General Inspection unit and the main observations that it had made in the context of its half-yearly business report. In the absence of the Chairman and Chief Executive Officer, it interviewed the Head of the General Inspection unit in charge of periodic control.
- The Committee examined the 2010 draft annual report on internal control and recommended its approval by the Board of Directors.
- It examined the exchanges of correspondence between the Autorité de Contrôle Prudentiel and Executive Management, and reported thereon to the Board of Directors.

4.c Corporate Governance and Nominations Committee

The members of the Corporate Governance and Nominations Committee are Claude Bébéar (Chairman), Laurence Parisot and Daniela Weber-Rey. Its members are independent Directors who have experience of corporate governance issues and of putting together management teams in international companies.

The Committee does not include any members of Executive Management, but includes the Chairman of the Board of Directors in its work when selecting new Directors or non-voting Directors and dealing with the replacement of Directors and corporate officers.

The Corporate Governance and Nominations Committee met three times in 2010, and its members had an attendance rate of 89%.

An extract from the Internal Rules relating to the terms of reference of the Corporate Governance and Nominations Committee is set out in an appendix to this report.

- The Committee prepared the assessment by the Board of Directors of how the Board and its specialised Committees functioned. It noted the desired improvements made since the previous assessment.
- The Committee analysed the composition of the Board of Directors from the point of view of the diversity of experience and personalities. It examined various possible developments having regard to the terms of office due to expire in the next few years.
- It made proposals to the Board of Directors concerning the definition of the personal qualities required to ensure the independence of Directors, in addition to compliance with the criteria defined by the AFEP-MEDEF Corporate Governance Code, and reviewed the situation of each Director in the light of these definitions.
- The Committee examined the applications of Meglena Kuneva, Jean-Laurent Bonnafé, Michel Tilmant and Emiel Van Broekhoven to be appointed as Directors of BNP Paribas. It recommended that the Board of Directors submit their appointment to the vote at the General Meeting of Shareholders.
- It proposed that the Board of Directors appoint Jean-François Lepetit as a member of the Compensation Committee to replace Jean-Louis Beffa, that it appoint Michel Tilmant as a member of the Internal Control, Risk Management and Compliance Committee, and that it appoint Emiel Van Broekhoven as a member of the Financial Statements Committee.
- The Committee discussed the nature of the Chairman's duties, which did not exclusively relate to the organisation and functioning of the Board. It submitted a formulation of those duties for the approval of the Board of Directors (cf. paragraph 1.b. above). It examined the conditions on which the employment contract of Baudouin Prot would be terminated before the expiry of his term of office.
- The Committee assessed the Chairman the Board of Directors, in his absence. It also assessed the Chief Executive Officer and Chief Operating Officers, in their absence. The assessments of Directors and corporate officers were carried out taking account of the capacity to anticipate, take decisions and manage demonstrated by each of them in developing the Group's strategy and preparing for its future.
- The Committee proposed to the Board of Directors that it approve an amendment to its Internal Rules in accordance with the recommendations published by the AMF on 3 November 2010 on the prevention of insider dealing.
- It examined the part of the Chairman's draft report devoted to corporate governance, and recommended its approval by the Board of Directors.

4.d Compensation Committee

The members of the Compensation Committee were Denis Kessler (Chairman), Jean-Louis Beffa (until 19 July 2010) and François Grappotte. Jean-François Lepetit was appointed as a member of the Committee with effect from 15 December 2010. The composition of the Committee is in accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code; its members have experience of compensation systems and market practices in this area. The Committee does not include any members of Executive Management. The Chairman of the Board of Directors is not a member of the Committee, but is invited to take part in its deliberations, except where they concern him personally. The Committee interviews the Head of Group Human Resources. The Compensation Committee met six times in 2010 and its members had an attendance rate of 94%.

An extract from the Internal Rules relating to the duties of the Compensation Committee is attached in an appendix to this report.

- The Compensation Committee examined all the steps taken by BNP Paribas in accordance with the guidance given by the G20 and the regulations relating to the compensation of groups of employees for whom the variable part of compensation is in the form of a bonus determined using specific methods. It noted the amendments made to these regulations pursuant to the European directive relating, in particular, to the prudential supervision of compensation policies. It was informed of the results of a comparative analysis of French and international regulations and market practices. It submitted to the Board of Directors the considerations that appeared to it to be appropriate, particularly as regards the consistency of the compensation and risk policy, together with the amendments that should be made, where necessary, to the compensation principles previously drawn up by the Board.
- The Committee considered the list identifying the highest compensation paid in respect of 2009, and examined the 2009 report relating to the compensation policy and practices sent to the Autorité de Contrôle Prudentiel. The Committee also examined a summary of the report of the General Inspection unit on the compensation process and on the application of the compensation policy. It was informed of the exchanges of correspondence between Executive Management and the Compensation Inspector and the Autorité de Contrôle Prudentiel.

- The Committee discussed the compensation of the Chairman, Chief Executive Officer and two Chief Operating Officers. It fixed the variable compensation for 2009 and proposed it to the Board of Directors. It also proposed to the Board of Directors that Jean-Laurent Bonnafé be paid a fixed salary and variable compensation by BNP Paribas Fortis due to his executive responsibilities with that company. The Committee reminded the Board of the commitment by Directors and corporate officers not to receive stock options or performance shares in 2010.
- Having considered the results of a survey carried out at its request by a firm specialising in the competitiveness of the compensation of Directors and corporate officers, the Committee made a proposal to the Board concerning a method for the determination of variable compensation for 2010. At the end of 2010, it started to give consideration to the principles to govern the compensation of Directors and corporate officers for 2011.
- The Committee examined, and proposed that the Board of Directors approve, the characteristics of the 2010 share-based incentive programme. It was informed of the allocations envisaged by Executive Management for members of the Executive Committee other than Directors and corporate officers. It examined the draft report on allocations of stock options and performance shares in respect of 2009. It started to carry out a preliminary examination of the envisaged direction of the 2011 programme.
- The Committee was informed of the compensation of members of the Executive Committee other than Directors and corporate officers, decided upon by Executive Management in respect of 2009.
- On several occasions, it discussed a comparative survey of Directors' fees carried out at its request by an independent firm. Having regard to the noted divergence from market practice, it proposed that the Board of Directors revise the amount of Directors' fees allocated to Directors, initially by increasing the variable portion allocated in respect of participation at meetings of the Board and its specialised Committees. The Committee proposed that the Board of Directors approve the table of allocation of Directors' fees prepared for the year 2010, taking these adjustments into account, as well as the amount thus allocated to each Director.

APPENDICES

Report of the Chairman – Point 1.a.

Terms of reference of the Board of Directors and of the specialised Committees

The Board of Directors

"The Board of Directors is a collegial body that collectively represents all shareholders and acts at all times in the corporate interests of the Bank.

It is tasked with monitoring its own composition and effectiveness in advancing the Bank's interests and carrying out its duties.

Towards these ends:

Based on proposals submitted by the Chief Executive Officer, it draws up the BNP Paribas business strategy and monitors its implementation;

It examines any and all issues related to the efficient running of the business, and makes any and all business decisions within its remit;

It may decide to either combine or separate the functions of Chairman and Chief Executive Officer;

It appoints corporate officers for three-year terms;

It may decide to limit the powers of the Chief Executive Officer;

It approves the draft of the Chairman's report presented along with the management report;

The Board or one or more of its Directors or Committees, or a specific Committee authorised by the Board, may:

- perform any or all verifications and Controls that it considers necessary pursuant to the applicable legislation,
- supervise the management of the business and the fairness of its accounts,
- review and approve the financial statements, and
- ensure that the financial information disclosed to the shareholders and the markets is of high quality.

The Chairman, or the Chief Executive Officer if the functions have been separated, submits for review by the Board, at least once a year, drafts of the budget, of the management report and of the various reports required under applicable laws and regulations.

The Chief Executive Officer is required to submit to the Board for prior approval any investment or disinvestment decision (excluding portfolio transactions) of more than EUR 250 million, and any proposed acquisition or divestment of equity interests of more than EUR 250 million. The Chief Executive Officer also regularly informs the Board of material transactions which fall below the EUR 250 million threshold.

Any material strategic operation which lies outside the approved business strategy must be submitted to the Board for prior approval.

Insofar as the Board of Directors has delegated the necessary powers to him to issue bonds and securities convertible into the capital of BNP Paribas, whether immediately or in the future, the Chairman, or the Chief Executive Officer in the event of those functions being separated, shall report on the issue of such bonds or securities with the same frequency."

Report of the Chairman – Point 1.a.

The specialised Committees of the Board of Directors

"In order to facilitate the exercise of the Directors' functions, specialised Committees of the Board of Directors are formed. Their remit does not reduce or limit the Board's powers.

The Chairman of the Board of Directors ensures that the number, terms of reference, composition and functioning of the Committees is at all times suitable for the Board's requirements and consistent with best practice in the area of corporate governance.

When he considers it necessary, the Chairman attends meetings of the Committees in a consultative capacity.

These Committees meet at their convenience and their meetings may or may not be attended by the Bank's management. They can use outside experts if necessary. Committee Chairmen can ask for any responsible officer of the Group to be heard in relation to questions within the competence of the relevant Committee, as defined by these rules.

Committees issue opinions intended for the Board of Directors. Committee Chairmen, or in the event of their being unable to act, another member of their Committee, orally present a summary of their work to the next meeting of the Board.

A written report on the meetings of the Committees is prepared and communicated to Directors wishing to receive it, once it has been approved."

Report of the Chairman – Point 1.b

The Chairman of the Board of Directors

"In relations with the Company's other management bodies and external entities, the Chairman is the only person who can act on behalf of the Board and make statements in its name, save in exceptional circumstances and where a special task or specific mandate has been entrusted to another Director.

The Chairman can represent the Group in its high-level relations, and particularly with major clients and the authorities, both at national and international level, in close coordination with Executive Management.

He ensures that the quality of relations with the shareholders is maintained, in close collaboration with the steps taken in this area by Executive Management.

He ensures that corporate governance principles of the highest standards are established and implemented.

He ensures that the management bodies of BNP Paribas function properly.

With the support of the Corporate Governance and Nominations Committee, and subject to the approval of the Board and of the General Meeting of Shareholders, he strives to build an effective and balanced Board, and to manage the processes of replacement and succession concerning the Board and the appointments that it has to deal with.

He organises the work of the Board of Directors, fixes the timetable and agenda for meetings of the Board, and convenes them.

He ensures that the work of the Board is well-organised, in a manner conducive to constructive discussion and decision-making. He directs the work of the Board and coordinates its work with that of the specialised Committees.

He satisfies himself that the Board devotes the necessary time to matters affecting the Company's future, and in particular its strategy.

He satisfies himself that outside Directors of the Company are well-acquainted with the management team.

He ensures that a close and trusting relationship is maintained with the Chief Executive Officer, and gives him assistance and advice while respecting his executive responsibilities.

The Chairman manages the work of the Board in order to ensure that it is in a position to carry out all the tasks for which it is responsible.

He satisfies himself that the Board is provided in good time, and in a clear and appropriate form, with the information necessary for it to carry out its tasks.

The Chairman is kept regularly informed by the Chief Executive Officer and the other members of Executive Management of significant events and situations affecting the business of the Group, and in particular: its strategy, organisation, investment and disinvestment projects, financial operations, risks and financial statements.

He receives from the Chief Executive Officer all the information required by law in respect of the report on internal control.

He can ask the Chief Executive Officer for any information that may assist the Board and its Committees to carry out their tasks.

He can interview the Statutory Auditors with a view to the preparation of the work of the Board and of the Financial Statements Committee.

He satisfies himself that the Directors are in a position to carry out their tasks, and in particular, that they have the required information to participate in the work of the Board and that they have adequate collaboration from the Company's officers for the specialised Committees to function. He also satisfies himself that the Directors play an effective part in the work of the Board, with satisfactory attendance, competence and loyalty.

He reports, in a document submitted alongside the management report, on the preparation and organisation of the work of the Board, as well as on the Bank's internal control procedures and any limits the Board may have decided to place on the Chief Executive Officer's authority."

Report of the Chairman – Point 1.d

Conduct of Directors – Code of ethics

"Directors shall interact effectively with others in the workplace and respect their opinions, and shall express themselves freely on subjects debated in Board meetings, even in the face of opposition.

They shall have a strong sense of responsibility towards shareholders and other stakeholders.

They shall show a high level of personal integrity during the term of their office, and respect the rules related to their responsibilities.

In the event of a significant change in the functions or positions held, Directors agree to allow the Board to decide whether or not it is appropriate for them to continue to serve as Directors of BNP Paribas.

Compliance with laws and regulations

All Directors are required to comply with the legal obligations and stock market recommendations and regulations relating to information that concerns Directors personally.

Directors of American nationality

Directors of American nationality must choose not to participate in certain Board discussions in view of the regulatory obligations pertaining to his or her nationality.

Ethics and Professional Conduct

Directors are particularly subject to the legislation relating to insider dealing, whether personally or in respect of functions exercised within companies that are shareholders of BNP Paribas. In particular, they are bound to comply with the legal requirements relating to the definition, communication and use of insider information, the main provisions of which are communicated to them upon taking office.

Directors can only deal in BNP Paribas shares on a personal basis during the period of six weeks commencing on the day after the publication of the quarterly and annual financial statements, or after the publication of a press release on the Company's business, unless during that period they are in possession of information that puts them in the position of an insider having regard to the stock exchange regulations.

Directors are recommended to refrain from any transactions that could be regarded as speculative, and in particular from leveraged purchases or sales, or short-term trading.

Directors are prohibited from communicating to any person, including their Company's securities managers, any information that is not in the public domain.

Directors can consult the Group's Head of Group Compliance and Permanent Control in relation to any question of professional conduct.

Situation of conflict of interest

Directors must inform the Board of Directors of any, even potential, situation of conflict of interest, and must refrain from taking part in the vote on relevant decisions.

A Director who considers himself unable to continue to perform his functions on the Board, or on the Committees of which he is a member, must resign.

Confidentiality

Every Director, and any person asked to attend all or part of the meetings of the Board of Directors and of its specialised Committees, is bound by a confidentiality obligation concerning the conduct and content of the Board's deliberations.

In particular, they must keep secret any information of a financial and stock market nature matching the definition of insider information, which is liable to interest competitors or third parties as "economic intelligence", or which is confidential in nature and is provided as such by the Chairman.

Failure to comply with this obligation can give rise to an action in damages against the Director or Directors responsible for infringing this rule.

Regular attendance

Directors must endeavour to take an active part in meetings of the Board and its Committees, to attend them regularly, and to attend General Meetings of Shareholders."

Report of the Chairman – Point 4.a

The Financial Statements Committee

"The Committee meets at least four times a year.

Membership

At least two thirds of the members of the Financial Statements Committee satisfy the requirement of independence adopted by the Board in the light of market recommendations.

It does not include any member of the Bank's Executive Management.

Terms of reference

The Committee is tasked with analysing the quarterly, half-yearly and annual financial statements issued by the Bank and obtaining further explanations of certain items prior to presentation of the financial statements to the Board of Directors.

The Committee shall examine all matters relating to the financial statements, including the choices of accounting principles and policies, provisions, management accounting data, capital adequacy requirements, profitability indicators, and all other accounting matters that raise methodological issues or give rise to potential risks.

At least twice a year, the Committee shall analyse the summary of operations and the results of the accounting and financial internal control based on the information communicated to it by Executive Management. It shall be informed of incidents revealed by the accounting and financial internal control, reported on the basis of the thresholds and criteria defined by the Board of Directors, and shall report its findings to the Board of Directors.

It is informed by the Chairman of the Board of Directors of any possible failure to implement corrective measures decided in the scope of the accounting and financial internal control, of which he has been directly informed by the Head of periodic control, and reports on its findings to the Board of Directors.

Relations with the Statutory Auditors

The Committee shall manage the procedure for selection of the Statutory Auditors, express an opinion on the amount of fees charged for conducting the statutory auditing engagements and report to the Board on the outcome of this selection process.

It shall review the Statutory Auditors' audit plan, together with the Auditors' recommendations and the implementation of these recommendations.

It shall be notified on a yearly basis of the amount and breakdown of the fees paid by the BNP Paribas Group to the Statutory Auditors and the networks to which they belong, calculated using a model approved by the Committee. It shall ensure that the portion of the audit firms' revenues that BNP Paribas represents is not likely to compromise the Statutory Auditors' independence.

Its prior approval shall be required for any engagement involving total fees of over EUR 1 million (before tax). The Committee shall approve on an ex post basis all other engagements, based on submissions from Group Development and Finance. The Committee shall validate Group Development and Finance's fast-track approval and Control procedure for all "non-audit" engagements involving fees of over EUR 50,000. The Committee shall receive on a yearly basis from Group Development and Finance a report on all "non-audit" engagements carried out by the networks to which the Group's Statutory Auditors belong.

Each Statutory Auditor shall report on a yearly basis to the Committee on its internal control mechanism for guaranteeing its independence, and shall provide a written statement of its independence in auditing the Group.

At least twice a year, the Committee shall devote part of a meeting to a discussion with the team of Statutory Auditors, without any member of Executive Management being present.

The Statutory Auditors shall attend the Committee meetings devoted to the review of quarterly, half-yearly and annual financial statements.

However, the Statutory Auditors shall not attend all or part of Committee meetings dealing with their fees or their re-appointment.

The Statutory Auditors shall not attend all or part of Committee meetings dealing with specific issues that concern a member of their staff.

Save in exceptional circumstances, the files containing the quarterly, half-yearly and annual results and financial statements shall be sent to Committee members at the latest on the Friday or Saturday morning preceding Committee meetings scheduled for the following Monday or Tuesday.

Where questions of interpretation of accounting principles arise in connection with the publication of quarterly, half-yearly and annual results, and involve choices with a material impact, the Statutory Auditors and Group Development and Finance shall submit, on a quarterly basis, a memorandum to the Committee analysing the nature and significance of the issues involved, presenting the pros and cons of the various possible solutions and explaining the rationale for the choices ultimately made."

The Committee shall review the draft report of the Chairman of the Board on internal control procedures relating to the preparation and processing of accounting and financial information.

Interviews

With regard to all issues within its remit, the Committee may, as it sees fit, and if it considers it appropriate, without any other member of Executive Management being present, interview the Heads of Group Finance and Accounting, as well as the Head of Asset and Liabilities Management.

The Committee may request an interview with the Head of Group Development and Finance with regard to any issue within its remit for which it may be liable, or for which the Bank's management may be liable, or that could compromise the quality of financial and accounting information issued by the Bank."

Report of the Chairman – Point 4.a

Provisions common to the Financial Statements Committee and to the Internal Control, Risk Management and Compliance Committee

"The Financial Statements Committee and the Internal Control, Risk Management and Compliance Committee shall meet twice a year.

They shall be briefed in that context on the mission statement of the General Inspection unit and on the audit plan of the Statutory Auditors, and shall prepare the work of the Board in assessing the risk policies and management systems.

They shall deal with common subjects relating to the risk and provisioning policy of BNP Paribas. This meeting shall be chaired by the Chairman of the Financial Statements Committee."

Report of the Chairman – Point 4.b

The Internal Control, Risk Management and Compliance Committee

"It shall hold at least four meetings per year.

Membership

A majority of the members of the Internal Control, Risk Management and Compliance Committee shall qualify as independent Directors based on the definition used by the Board in accordance with French corporate governance guidelines.

No members of the Bank's Executive Management shall sit on the Committee.

Terms of reference

The Committee examines the key focuses of the Group's risk management policy, based on measurements of risks and profitability provided to it in accordance with applicable regulations, as well as on its analyses of specific issues related to these matters and methodologies.

The Committee also examines all compliance-related issues, particularly those in the areas of reputation risk or professional ethics.

The Committee analyses the risk measurement and monitoring report. Twice a year it examines the internal control operations and findings (excluding accounting and financial internal control, which is the responsibility of the Financial Statements Committee) based on the information provided to it by Executive Management and the reports presented to it by the Heads of Permanent Control, Compliance and periodic controls. It reviews the Bank's exchanges of correspondence with the General Secretariat of the Autorité de Contrôle Prudentiel.

The Committee is briefed on incidents revealed by internal control that are reported on the basis of the thresholds and criteria defined by the Board of Directors, and reports on its findings to the Board of Directors.

It analyses the status of recommendations made by the General Inspection unit that were not implemented. It is informed by the Chairman of the Board of Directors of any possible failure to implement corrective measures decided in the scope of the accounting and financial internal control that is brought directly to his attention by the Head of periodic control, and reports on its findings to the Board of Directors.

Interviews

It may interview the Head of the General Inspection unit and of periodic controls, the Head of the Group Compliance and Permanent Control Function and the Head of Group Risk Management, without any other member of Executive Management being present if it considers this appropriate.

It presents the Board of Directors with its assessment concerning the methodologies and procedures employed.

It expresses its opinion concerning the way these functions are organised within the Group and is kept informed of their programmes of work."

Report of the Chairman – Point 4.c

The Corporate Governance and Nominations Committee

"The Committee meets as often as necessary.

Membership

A majority of the members of the Committee shall qualify as independent Directors based on the definition used by the Board in accordance with French corporate governance guidelines.

No members of the Bank's Executive Management shall sit on the Committee.

Terms of reference

The Committee is tasked with monitoring corporate governance issues. Its role is to help the Board of Directors to adapt corporate governance practices within BNP Paribas and to assess the performance of Board members.

It tracks developments in corporate governance at both global and domestic levels, and presents a summary thereof to the Board of Directors at least once a year. It selects measures that are suitable for the Group and which are likely to bring its procedures, organisation and conduct into line with best practice in this area.

It regularly assesses the performance of the Board using either its own resources or any other internal or external procedure that it deems appropriate.

It examines the draft report of the Chairman of the Board on corporate governance and all other documents required by applicable laws and regulations.

With the Chairman, it prepares resolutions relating to the proposed appointment of Directors by the General Meeting of Shareholders.

It proposes the appointment of non-voting Directors to the Board of Directors.

The Committee puts forward recommendations for the post of Chairman of the Board for consideration by the Board of Directors. Acting jointly with the Chairman of the Board, the Committee puts forward recommendations for the post of Chief Executive Officer for consideration by the Board, and acting on the recommendation of the Chief Executive Officer, it puts forward candidates for the post of Chief Operating Officer.

The Committee assesses the performance of the Chairman, in his absence. It also assesses the performances of the Chief Executive Officer and Chief Operating Officers, in the absence of the parties in question.

It is also responsible for developing plans for the succession of corporate officers.

It makes recommendations to the Board of Directors on the appointment of Committee Chairmen and Committee members.

It is also tasked with assessing the independence of the Directors and reporting its findings to the Board of Directors. The Committee shall examine, if need be, situations arising should a Director be repeatedly absent from meetings."

Report of the Chairman – Point 4.d

The Compensation Committee

"The Committee meets as often as necessary.

Membership

A majority of the members of the Committee shall qualify as independent Directors based on the definition used by the Board in accordance with French corporate governance guidelines.

No members of the Bank's Executive Management shall sit on the Committee.

Terms of reference

The Committee prepares the work of the Board on the principles governing the compensation policy, particularly as regards market professionals, in accordance with current regulations.

It is tasked with examining all questions relating to the personal status of corporate officers, and in particular compensation, pensions and allocations of stock options of the Company, and the provisions governing the departure of members of the Company's management and representative bodies.

It examines the conditions, amount and distribution of stock option programmes. It also examines the terms of allocation of bonus shares.

With the Chairman, it is also within its remit to assist the Chief Executive Officer with any matter relating to the compensation of senior executives that the latter might refer to it."

INTERNAL CONTROL

The information below concerning the Group's Internal Control system was provided by Executive Management. The Chief Executive Officer is responsible for Internal Control systems and procedures, and for all the statutory information in the report on Internal Control. This document was prepared using information provided by the following Group functions: Compliance, Risk Management, Finance and Development, Legal Affairs and the General Inspection unit. It was validated by the decision-making body.

BNP PARIBAS INTERNAL CONTROL REFERENCES

Internal controls in the banking sector in France and internationally are at the centre of banking and financial regulations and are governed by a wide range of laws and regulations.

In this sector, the main regulation applicable to BNP Paribas is CCLRF Regulation 97-02 [(1)] as amended, which defines the conditions for implementing and monitoring Internal control systems in banks and investment firms. These rules lay down the principles relating to control systems for transactions and internal procedures, accounting systems and information processing, risk and performance measurement systems, risk supervision and control systems, and internal control documentation and reporting systems. Under Article 42 of this Regulation, banks are required to prepare an annual statutory report on internal control for the attention of the Board of Directors.

As required by Regulation 97-02, BNP Paribas has set up an internal control system (referred to herein as internal control) in which distinct organisations and managers are in charge of permanent controls (including Compliance and Risk Management) and periodic controls. The Internal Control system must also take into account, as appropriate, the AMF's General Regulations (French Securities Regulator), regulations applicable to branches and subsidiaries outside France and to specialised operations such as portfolio management and insurance, the most widely accepted industry practices in this area and the recommendations of international bodies dealing with the capital adequacy framework issues, foremost among which are the Basel Committee and the Senior Supervisory Group.

INTERNAL CONTROL DEFINITION, OBJECTIVES AND STANDARDS

The Executive Management of the BNP Paribas Group has set up an Internal Control system whose main aim is to ensure overall control of risks and provide reasonable assurance that the Bank's goals in this area are being met. This system is defined in the Group's Internal Control Charter, which serves as its basic internal reference document. Widely distributed within the Group and freely available to all Group employees, this Charter defines internal control as a mechanism for ensuring:

- the development of a strong risk control culture among employees;
- the effectiveness and quality of the Group's internal operations;
- the reliability of internal and external information (particularly accounting and financial information);
- the security of transactions;
- compliance with applicable laws, regulations and internal policies.

The Charter lays down rules relating to the organisation, lines of responsibility and remit of the various players involved in Internal Control, and establishes the principle that the different control functions (Compliance, General Inspection unit and Risk Management) must operate independently.

SCOPE OF INTERNAL CONTROL

One of the fundamental principles of Internal Control is that it must be exhaustive in scope: it applies to the same degree to all types of risk and to all entities in the BNP Paribas Group, whether operational (divisions, business lines, functions and territories) or legal (branches and subsidiaries capable of consolidation), without exception. It also extends to core services or operational activities that have been outsourced, in accordance with regulatory requirements, as well as to companies for which the Group ensures operational management, even if not integrated in the scope of consolidation.

Implementing this principle requires a precise overview of the allocations of responsibilities and must factor in the ongoing growth in the Group's businesses.

FUNDAMENTAL PRINCIPLES OF INTERNAL CONTROL

Internal Control at BNP Paribas is based on the following key principles:

- **responsibility of operational staff:** the permanent control mechanism must be incorporated within the operational organisation of the entities. Operational managers must ensure effective control over the activities for which they are responsible, and all employees are under a duty to blow the whistle on any problems or failings of which they are aware;
- **exhaustiveness** of Internal Control (see above, under "Scope of Internal Control");
- **segregation of tasks:** this applies to the various phases of a transaction, from initiation and execution, to recording, settlement and control. The segregation of tasks also leads to independent functions carrying out independent controls and to permanent controls and periodic controls;

(1) This document is frequently amended so as to improve the efficiency of Internal Control mechanisms.

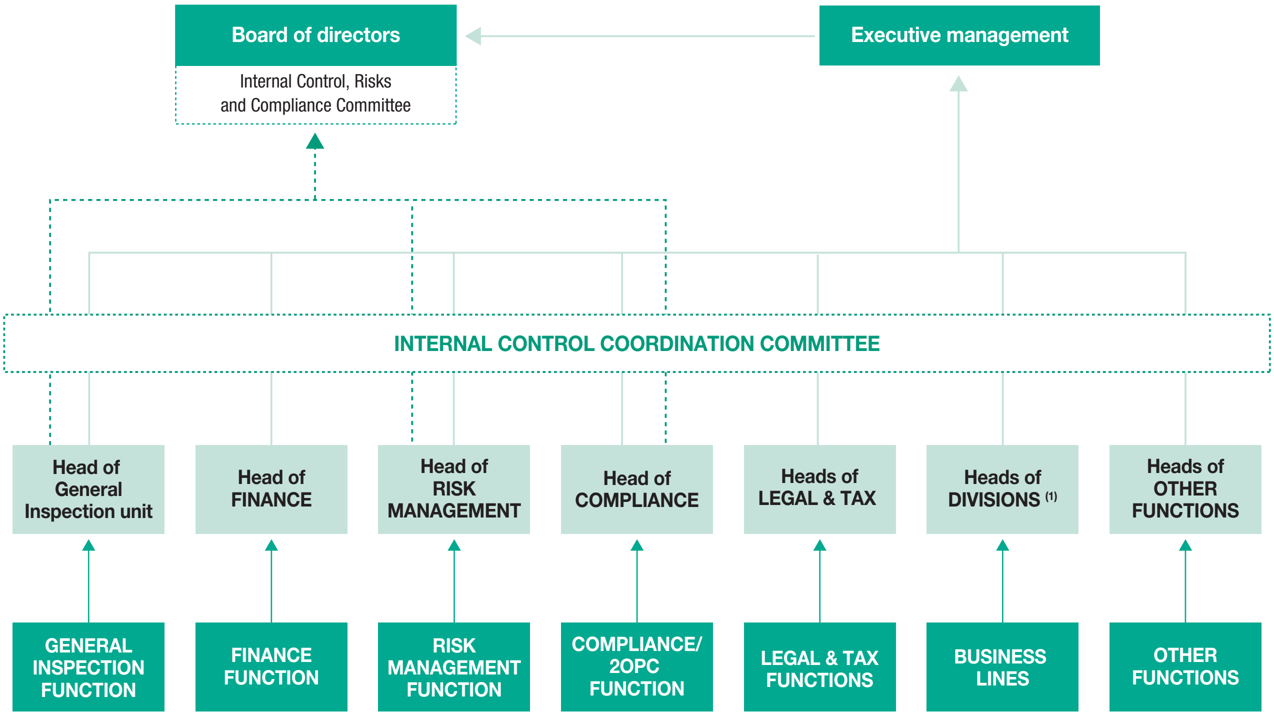
- **proportionality of risks:** the scope and number of controls must be proportional to the risk level covered. These controls may consist in one or more controls carried out by operational managers and, if necessary, one or more permanent control functions;
- appropriate **governance:** involving the various players of the Internal Control and covering all aspects of its organisation and control; the Internal Control Committees are key instruments of such governance;
- Internal Control **traceability:** this relies on written procedures and audit trails. Controls, results, exploitation and information reported by entities to higher Group governance levels must be traceable.

Periodic control teams (General Inspection unit) verify that these principles are complied with by carrying out regular inspections.

ORGANISATION OF INTERNAL CONTROL

Internal Control at BNP Paribas consists of permanent and periodic controls. While they are complementary, they are distinct and independent of one another:

- **permanent control** is an overall process for the ongoing implementation of risk management and monitoring of strategic actions. It is carried out by operational staff, and their line managers, and by independent permanent control functions either within or independent of these operational entities;
- **periodic control** is an overall process for "ex post" verification of the operation of the Bank, based on investigations that are conducted by the General Inspection unit, which performs these functions on an independent basis.



(1) Retail business lines are treated as divisions.

MAJOR PLAYERS INVOLVED WITH INTERNAL CONTROL

- **Executive Management**, reporting to the Board of Directors, is responsible for the Group's overall Internal Control system;
- **Operational staff**, at all levels (front/middle/back office, support function etc.), and in particular those in the reporting line of command have first-level responsibility for risk management and are leading permanent control players. They carry out first-level controls: controls of the transactions handled by them and for which they are responsible, controls on the operations or transactions handled by other operational staff or management controls;
- **Independent permanent control functions.** These functions carry out second-level controls:
  - **Compliance** contributes to permanent control of the risk of non-compliance, so as to ensure that the Group conforms to legal and regulatory provisions, professional and ethical standards, as well as to the overall strategy of the Board of Directors and Executive Management guidelines. It is integrated in the operational entities under the responsibility of the Heads of operating units but the independence of the team managers in charge of compliance in the divisions and support functions is ensured, in particular by a shared oversight, with the Head of Compliance function,. The Head of Compliance, who is a member of the Group's Executive Committee, reports to the Chief Executive Officer and represents the Bank before the Autorité de Contrôle Prudentiel with regard to all matters concerning permanent controls.

Its dedicated teams are also responsible for supervising, on the one hand, the systems of permanent control, and on the other, under powers delegated by the Head of Risk Management, the measurement and oversight of the operational risks of the various areas of business (divisions and business lines) and both support and control functions.

Lastly, its Head is responsible for coordinating the Group's overall Internal Control system, in chairing the Internal Control Coordination Committee and major cross-functional projects, in particular those intended to strengthen the Internal Control system,

- **Group Risk Management** contributes, in particular through its "second-tier" controls of transactions and new activities, to ensuring that the credit and market risks taken by BNP Paribas comply and are compatible with its policy, its desired rating level and its profitability targets. The duties associated with this function at Group Risk Management level are exercised independently of the divisions and support functions, contributing to the objectiveness of its permanent control. Its Head, who is a member of the Group's Executive Committee, reports directly to the Chief Executive Officer,
- **Finance and Development** is responsible for the preparation of financial statements and quality control management, overseeing project management for the Group's financial information systems and ensuring the compliance of the Group's financial structure. Its Head, who is a member of the Group's Executive Committee, reports directly to the Chief Executive Officer,
- **other functions** are key players involved in permanent control in their respective areas of responsibility: **Legal, Tax, Information Technology & Processes, Human Resources Department**;

- **Periodic control** ("third-level" control) is independently exercised by the General Inspection unit for all Group entities. It includes:
  - inspectors based at headquarters, who are authorised to carry out controls throughout the Group,
  - auditors deployed at geographical or business line hubs,

  Periodic controls fall under the responsibility of the Head of the General Inspection unit who reports to the Chief Executive Officer;
- The **Board of Directors** exercises internal control duties, in particular through the Internal Control, Risk Management and Compliance Committee, which:
  - analyses reports on internal control and on measuring and monitoring risks, as well as the General Inspection unit's reports on its operations, and exchanges of correspondence with the main regulators,
  - examines the key focuses of the Group's risk management policy.

The Heads of the Compliance, Risk Management and General Inspection functions report on the performance of their duties to the Chief Executive Officer, and whenever he or the Board of Directors consider it necessary, to the Board. They also report periodically to the competent Board Committee (as a general rule, the Internal Control, Risks and Compliance Committee) and, as the case may be, directly to the Board of Directors. At their request, they may be interviewed by the Board.

COORDINATION OF INTERNAL CONTROL

An Internal Control Coordination Committee (ICCC) meeting is held periodically with the main players involved in permanent control (see above), the Heads of the divisions or their representatives, and the Head of periodic control.

This Committee:

- is chaired by the Head of Compliance, who sits on the Group's Executive Committee, and steers the coordination of the Group's Internal Control;
- is not intended to replace the different Group risk management Committees but to enhance their effectiveness within the overall system;
- guarantees the consistency of the Internal Control system and its compliance with regulations;
- seeks to promote the use of shared Internal Control tools;
- contributes to the overall consistency of the annual reports on internal control and investment services control prepared by the permanent control and periodic control functions as required under their "Charter of responsibilities", and of the report of the Chairman of the Board of Directors on Internal Control procedures.

In 2010, the ICCC's work covered the following main topics:

- the applicability of the fraud prevention and detection policy;
- the disciplinary policy;
- the control of small entities;
- the e-mail archiving policy;
- the update of the Internal Control Charter.

PROCEDURES

Checking procedures is one of the key tasks of the permanent control system, alongside identifying and assessing risks, running controls, verifying reporting processes and overseeing the monitoring system.

Written guidelines are distributed throughout the Group and provide the basic framework for the Group's internal control, setting out the organisational structures, procedures and controls to be applied. The Compliance Function, at headquarters level, and in the context of the supervision of the permanent operational control system, checks that procedural guidelines are regularly monitored for completeness. Efforts are continuing to streamline the set of procedures and the applicable standards, improve their distribution and planning, make them more accessible and design better tools for storing them, both at the level of cross-function procedures and procedures for operational entities (level-3 procedures).

The Group's cross-functional guidelines (levels 1 and 2) are updated as part of an ongoing process in which all the core businesses and functions actively participate. As regards the organisation of controls, the twice-yearly surveys on the effectiveness of processes have been integrated into the twice-yearly reporting on the permanent control.

Among the Group's cross-functional procedures, applicable in all entities, the following are especially important in terms of controlling risks:

- procedures dealing with the validation of exceptional transactions, new products and new activities;
- the procedure for the approval of day-to-day credit and market transactions.

These processes essentially rely on Committees (exceptional transactions, new activities and new products Committees, Credit Committees, etc.) principally comprising operational staff and permanent control functions (Risk Management and Compliance, as well as Finance Department, Legal Department and other functions involved) who exercise a "second-tier" control of transactions. In the event of a disagreement, it is referred to a higher level in the organisation. At the top of the process are the Committees (Credit Committee, Capital Market Risk Committee and Risk Policy Committee) on which members of Executive Management sit. In addition, since the end of 2008, a monthly Risk Committee has met, comprising all the members of Executive Management, as well as, in particular, the Heads of Group Risk Management (GRM) and Finance Functions, so as to ensure more frequent monitoring of trends in Group risks.

HIGHLIGHTS OF 2010

Group Compliance

During 2010, Compliance undertook a major reorganisation of its central team. It combined the areas of expertise that jointly rely on detailed knowledge of the clientele, namely Financial Security (dedicated to the prevention of money-laundering and the financing of terrorism and corruption, and compliance with financial embargos) and the protection of customers' interests. It set up a dedicated unit aiming at the coordination of the Retail activities, which are now distributed among the Group's organisation in seven Retail business lines (French Retail Banking, BNP Paribas Fortis, BNL, Bank of the West/First Hawaiian Bank, Europe-Mediterranean, Equipment Solutions and Personal Finance) which are directly supervised by the central staff of Compliance in its area of responsibility. It also combined all its IT project management in a Services unit, along with the other Compliance support functions, a development which is evidence of the key role now played by IT tools in the management of non-compliance risks.

In 2010, Compliance was particularly concerned with:

- the continuing transposition of the 3rd European Directive on the prevention of money-laundering and the introduction of new requirements in the area of professional certification;
- the issue of compensation of employees whose professional activities are likely to have a material impact on financial institutions' risk exposure, in respect of whom regulation (the Decree of the French Ministry of Economy and Finance published on 13 December 2010) now not only requires that the compensation policy should take into account the risks involved, but also imposes restrictive rules with regard to the composition of their compensation (the ratio between fixed and variable salary), its conditionality and its deferral;
- the development of the mechanism to prevent and detect fraud by the setting up within the Group of a specific organisation under the direction and supervision of the persons responsible for permanent control, and by the development of a project aimed more specifically at small entities. An appropriate disciplinary policy was also defined;
- the introduction of professional certification of employees as required by regulation.

The integration of Fortis continued with a gradual alignment of its permanent control and compliance systems, and the corresponding procedures, with the Group's standards. This also provided an opportunity to introduce improved permanent monitoring of the organisation of Compliance in the various countries where the Group is established.

Permanent Operational Control

The permanent control and operational risk management system was further developed during 2010, in line with the defined strategy, with the objective of making operational staff more responsible for the management of risks, strengthening the oversight role of independent functions in respect of such management, and thus adapting to the change in the size of the BNP Paribas Group. Several significant steps are worthy of particular mention:

- the responsibilities of the independent control functions in respect of permanent control and operational risk were redefined and extended. Their independence was strengthened with the Group function being given greater authority over the business line functions. In addition, global coordination of operational risk was introduced with the set up of an operational risk stream;
- the fraud prevention and protection system was redefined. Within the entities exposed to a significant risk, a Head of Fraud Prevention and Protection in charge of operational implementation was appointed. Under the umbrella of the Group function in charge of permanent control and operational risk, a network of independent experts was set up in the business lines, to review the systems put in place and to adapt or improve them as required;
- the global operational risk policy was thoroughly reviewed, based on a number of simple and mobilizing principles, covering the Group in its new dimension;
- the norms and standards in terms of business continuity were revised to take account of the experience and progress made in this area over the years;
- the implementation of standard control plans for each major business line process has been widely deployed and has significantly expanded, particularly in the area of IT;
- special attention has been paid to the implementation, within the required time limits, of the recommendations and actions intended to make the risk control and management system more secure;
- the process of bringing the Fortis entities into line with Group standards in the area of permanent control and operational risk is well underway and constitutes a primary challenge both of a cultural and managerial nature. As regards the economic and regulatory capital calculation, the Group is aiming for convergence in 2012, subject to obtaining the necessary regulatory approvals.

2011 should be marked by an increase and by an intensification of the various actions initiated in 2010, and by the achievement of the first expected results.

Periodic control

In 2010, the system under the responsibility of the General Inspection unit was further strengthened:

- the number of General Inspection unit hubs was increased to 25 after the creation of the Brussels and Turkey hubs in the context of the integration of the audit teams of Fortis Bank, which has now been completed;
- a sub-branch of the central team of roaming inspectors was opened in Brussels. These inspectors will contribute to carrying out the General Inspection unit's audit plan. A second sub-branch is expected to be set up in Asia in 2011.

The efforts made to achieve convergence and continuous improvement in practices in the area of audit continued in the financial year 2010. They are based, in particular, on:

- revision and improvement of the reference standards that govern internal audit activities in the Group. The 4 reference standards relating to the conduct and archiving of the audit assignments were updated this year and 5 new reference standards were prepared and are in the process of being reviewed before their planned distribution in 2011. These reference standards formalise the instructions relating to the preparation of the Risk Assessment and audit plan, governance of the function, management of resources, and steering of the activity and its performance;
- the launch at the end of 2010 of an information system achitecture analysis comprising a review of the existing tools, whose objective is to define their future direction;
- the design and update of methodological guides, intended to help auditors to prepare their work programme;
- the Quality Assurance Review (QAR) programme, which since its launch in November 2006, has enabled the practices of 29 internal audit sites to be reviewed (including 7 in 2010) against professional standards and in the reference framework defined by the function.

Significant further efforts were made in the area of vocational training. Thus, nearly 70,000 hours of training will have been completed by the end of December 2010 throughout the General Inspection unit.

The number of auditors and inspectors certified to carry out audits (CIA, CISA, etc.) has increased considerably (185 are now certified) partly due to the integration of Fortis staff but also within the historic scope of BNP Paribas.

THE INTERNAL CONTROL WORKFORCE

At the end of 2010, the various Internal Control functions had the following workforce (in full-time equivalent staff - FTEs):

	2006	2007	2008	2009 (excluding Fortis)	2009 (including Fortis)	2010
Compliance (excluding permanent control)	614	740	864	904	1,125	1,413
Permanent Control/operational risk oversight	70	439	562	637	760	315 (1)
Group Risk Management	869	881	954	950	2,940 (2)	1,801 (1)
Periodic control	902	854	828	824	1,016	1,014
TOTAL	**2,455**	**2,839**	**3,208**	**3,315**	**5,841**	**4,543**

(1) After redeployment – c.f. infra.
(2) Before redeployment – c.f. infra.

Second-level permanent control

- With an estimated 1,413 FTEs at the end of the 2010 financial year, the growth in the Compliance workforce is still at a high level this year, of the order of 26%. This increase should slow down in 2011 to about 8%. The ratio of Compliance staff to the total BNP Paribas workforce is about 0.69%, compared to 0.56% in 2009.
- The repositioning of the permanent control and operational risk oversight function decided upon in 2010 has led to a reallocation to the operational entities of part of the workforce (400 FTEs) previously counted as part of permanent operational control. With effect from 2010, only staff that can clearly be assigned to second-level controls/second line of defence functions will be counted. The 2010 data and that from previous years are therefore not comparable.
- At the end of 2010, the GRM workforce amounted to 1,077 FTEs. The year was marked by the transfer to GRM of the IT team for market and counterparty risks and of credit officers from the Europe-Mediterranean entity. GRM continued to strengthen its team with the addition of about fifty staff mainly in the cross-functional areas, in IS Risk (the risks of the Investment Solutions division) and in IRB Risk (the risks of the Europe-Mediterranean business line).

The Fortis "Risks" function, which consisted of about 2,000 FTEs at the end of 2009, has adopted the GRM model, which has resulted in a large proportion of its staff being redeployed to the business lines and operations. At the end of this process, the Risks function integrated in GRM (excluding BNL and Personal Finance) consisted of 1,470 FTEs at the end of 2010.

Including those BNL Risk and Personal Finance Risk staff, who are assigned both to the CRO of BNP Paribas and to the respective Heads of those entities, the global GRM workforce at the end of 2010 amounted to 1,801 FTEs.

Periodic control

The staff of the General Inspection unit amounted to 1,014 FTEs on 31 December 2010, including 957 FTEs devoted to the performance of audit (excluding the Function's support staff) compared to 965 as at 31 December 2009.

The global ratio of auditors to audited is 0.53%, calculated on the basis of the workforce dedicated to the performance of audit.

INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

ROLES AND RESPONSIBILITIES REGARDING THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

Acting under the authority of the Chief Executive Officer, Group Development and Finance is responsible for the preparation and processing of accounting and financial information. Its duties and responsibilities are defined in a specific charter and include:

- producing and distributing high quality financial statements;
- producing quality management accounts, and providing all forecast quantitative data needed for steering Group policy;
- overseeing project management for the Group's financial information systems;
- optimising the Group's financial position;
- ensuring that the Group's financial position is well presented to the financial markets;
- coordinating the Group's development strategy and managing its external growth;
- providing Executive Management with early warnings.

The responsibilities of the Finance Function are exercised at different levels of the Group: within each accounting entity (1), by the local Finance Department function, at the level of each division/business line, by the Finance Department function, and at the level of the Group, by Group Development and Finance.

The production of accounting and financial data, and the controls designed to ensure their reliability, are first handled by the Finance Department of the accounting entity, which reports this information to the division and then on to the Group, certifying that it is reliable in accordance with the internal certification procedure described below.

For their part, the divisions/business lines/territories then perform controls on the data produced, and contribute to the quality of the financial statements prepared by the accounting entities, particularly by carrying out appropriate reconciliations between the accounting and management data, at their level.

Group Development and Finance gathers all the accounting and management information produced by the accounting entities through the reporting procedures formalised and approved by the divisions/ business lines/territories. It then consolidates these data for use by Executive Management or for external reporting to third parties.

PRODUCTION OF ACCOUNTING AND FINANCIAL INFORMATION

Accounting policies and rules

The local financial statements for each entity are prepared according to the accounting standards prevailing in the country where the entity carries on business, while the Group consolidated financial statements are prepared under IFRS (International Financial Reporting Standards) as adopted by the European Union.

The Accounting Policies Department within the central Group General Accounting Department defines the accounting policies to be applied on a Group-wide basis, which are based on IFRS. It monitors regulatory changes and prepares new internal accounting policies with the level of interpretation necessary to adapt them to the operations carried out by the Group. An IFRS accounting manual has been produced and distributed to accounting teams within divisions, business lines and entities on the internal network communication tools (Intranet) at BNP Paribas. It is regularly updated to reflect regulatory changes. This central department also handles requests for specific accounting studies made by the accounting entities or business lines when a financial product is designed or booked in the accounts.

The central Budget and Strategic Management control Department draws up management control rules that apply to all the Group's business lines. The Group's accounting and management control policies can be accessed in real time using internal network tools (Intranet).

Systems used

The role of dedicated teams within Group Development and Finance includes defining the target architecture of the Finance Department's information systems (accounting systems, cost-accounting systems, accounting and regulatory consolidated reporting systems and consolidated management reporting systems). They facilitate the sharing of information and the implementation of cross-functional projects in a context of increasing convergence of the different existing accounting platforms, both at Group and business line level.

The information used to prepare the BNP Paribas Group consolidated financial statements is derived from the Bank's various transaction processing systems, from origination by the Front Office through to their accounting entry. Dedicated teams are responsible for defining the accounting procedures used in the back office and accounting systems to apply the accounting principles established by the Accounting Policies Department at operational level. Routing controls are performed at each level of the data transmission chain to ensure these systems are adequately fed. The Group also regularly carries out upgrade maintenance on its systems to adapt them to the growth and increasing complexity of its business.

(1) "Accounting entity" refers to the parent company, BNP Paribas, as well as each of the consolidated subsidiaries and branches.

Process for collecting and preparing consolidated accounting and financial information

The process for collecting accounting and financial information is organised around two separate reporting channels, one dedicated to accounting data and the other to management data, using the same integrated collection and consolidation software package known as MATISSE ("Management & Accounting Information System"); at local level, the Finance teams enter validated financial and accounting data into the system in accordance with Group principles.

This reporting process applies to the channels dedicated to both financial and management accounting data:

- **Accounting data:** the procedures for preparing the Group's financial statements are set out in the guidelines distributed to all divisions/business lines and consolidated entities. This facilitates the standardisation of accounting and financial data and compliance with Group accounting standards. Each Group entity closes its accounts on a monthly or quarterly basis and prepares a consolidation reporting package with an analytical review in accordance with Group reporting deadlines. The validation procedures which accompany each phase in the reporting process seek to verify that:
  - Group accounting standards have been correctly applied,
  - inter-company transactions have been correctly adjusted and eliminated for consolidation purposes,
  - pre-consolidation entries have been correctly recorded.

The Finance Function of the relevant core business controls the consolidation packages from the accounting entities within its scope before reporting them to the department within Group Development and Finance in charge of preparing the consolidated financial statements.

- **Management data:** management information is reported on a monthly basis by each entity and business line to the Finance Function of the relevant division and business line, which then reports management data consolidated at its level to the Budget and Strategic Management Control unit at Group Development and Finance.

For each entity and division/business line, a reconciliation is performed between the main income and expense items based on management data and the profit and loss account intermediate balances, prior to submitting the package to the Group reporting system. This is supplemented by an overall reconciliation performed by Group Development and Finance to ensure consistency between consolidated accounting profits and management reporting profits. These two reconciliations form part of the procedure for ensuring reliable accounting and management data.

PROCEDURE FOR CONTROL OF ACCOUNTING AND FINANCIAL INFORMATION

Accounting internal control within Group Development and Finance

To enable it to ensure the monitoring of accounting risks centrally, Group Development and Finance has a "Control & Certification" Department, comprising, in particular, a "Group Control & Certification" team, which has the following key responsibilities:

- defining the Group's policy as regards the accounting internal control system. This system provides for the implementation by the accounting entities of a certain number of principles that organise the accounting internal control environment and key controls intended to ensure the reliability of the information contained in their consolidation reporting package. The Group has issued accounting internal control guidelines for use by the consolidated entities and distributed a standard plan of accounting controls listing the mandatory major controls aimed at covering the accounting risk;
- ensuring the correct functioning of the accounting internal control environment within the Group, in particular through the internal certification procedure described below;
- quarterly reporting to Executive Management and the Financial Statements Committee of the Board of Directors on the quality of the financial statements being produced within the Group;
- monitoring implementation by the entities of the Statutory Auditors' recommendations in conjunction with the divisions/business lines. This monitoring is facilitated by use of the dedicated tool FACT (Finance Accounting Control Tool) which enables each accounting entity to monitor the recommendations made to it and to regularly report on the progress made on the various action plans. Group Development and Finance can identify improvements to the accounting internal control system made within the consolidated entities and, where necessary, provide solutions to any cross-functional problems that may have been identified thanks to the centralised monitoring of such recommendations.

The application of Group principles of internal control accounting defined by "Group Control & Certification" results in the establishment of dedicated accounting control teams in the Finance Departments of Group entities. In addition, the pooling approach to the production of accounting synthesis within the regional platforms that has been adopted within the Group allows for greater harmonisation of the reporting and control processes and increases their effectiveness within the entities concerned.

In this context, the "Control & Certification France" team attached to the "Control & Certification" Department of Group Development and Finance, is in charge of providing quality control on accounting information provided by the French Retail Banking network, and by Corporate and Investment Banking businesses that report to BNP Paribas SA (France) and some French entities whose accounting is handled by the "Reporting France" Department of Group Development and Finance. The key responsibilities of this team are as follows:

- to liaise between the back offices feeding the accounting system and the Group Accounting Department and to provide training in the accounting tools made available to them;
- to coordinate the "elementary certification" process (described below) whereby the various departments of an entity report on the controls that they have carried out;
- to implement second-level accounting controls within all entities within its scope. These controls are in addition to the first-level controls carried out by back offices, and particularly rely on accounting control tools that, in particular, make it possible, in the case of each account, to identify the department responsible for its justification and control, to reconcile the balances recorded in the accounting system with the balances in the operational systems for each business, and to identify, justify and monitor the clearing of suspense accounts.

Internal Certification Process

At Group level

Group Development and Finance has introduced a process of internal certification of quarterly data produced by the different accounting entities, as well as of the controls performed within Finance departments of the divisions/business lines and by the Consolidation Department within Group Development and Finance. The process uses the FACT (Finance Accounting Control Tool) internet/intranet-based application.

The Heads of Finance of the entities concerned certify to Group Development and Finance that:

- the accounting data reported to Group Development and Finance are reliable and comply with Group accounting policies;
- the accounting internal control system designed to ensure the quality of accounting data is operating effectively.

The main certificate completed by the entities consolidated by global or proportional integration reproduces all of the major controls defined in the standard accounting control plan published by Group Development and Finance.

This internal certification process forms part of the overall Group accounting internal control monitoring system and enables Group Development and Finance, which has overall responsibility for the preparation and quality of the Group's consolidated financial statements, to be informed of any problems in the financial statements and to monitor the implementation by the accounting entities of appropriate corrective measures and, if necessary, to set aside appropriate provisions. A report on this procedure is presented to Executive Management and to the Financial Statements Committee of the Board of Directors at the close of the Group's quarterly consolidated accounts.

At entity level

The certification procedure vis-à-vis the Group requires a suitably adapted accounting internal control system for each accounting entity that gives the local Finance Function an overview of the entire accounting process. The formalisation of the work of closing using tools to map the processes and associated risks makes it possible to document the controls and contributes to achieving this objective. In addition, "Group Control & Certification" recommends implementing an "elementary certification" (or "sub-certification") process for accounting data whenever the processing of transactions and the preparation of accounting and financial data are organised in a decentralised way that makes such a process necessary.

This is a process whereby the providers of information associated with the performance of accounting controls and with the preparation of accounting and financial data (e.g. Middle Office, Back Office, Human Resources, Accounts Payable, etc.) formally certify that the basic controls designed to ensure the reliability of the accounting and financial data for which they are responsible are working effectively. The elementary certificates are sent to the local Finance Department, which analyses them, prepares a summary report intended to be used to prepare the main certificate, and liaises with the other players in order to monitor the effectiveness of the system.

The FACT (Finance Accounting Control Tool) application also makes it possible to automate the elementary certification process by providing entities with a dedicated environment in which they can directly manage the processes set up at their level.

Oversight arrangements for measuring financial instruments and determining the results of market transactions

Group Development and Finance, which is responsible for the production and quality of the Group's financial statements and management accounting data, delegates the production and control of market values or models of financial instruments to the different players involved in measuring financial instruments within the overall process of monitoring market risk and management data.

Controlling these operations, which concerns all players, is the responsibility of the Finance Function.

The purpose of these control procedures is as follows:

- to ensure that transactions involving financial instruments are properly recorded in the Group's books in accordance with Group policies for producing financial and management data;
- to guarantee the quality of financial instrument measurement and reporting used both in preparing the financial and management accounts and in managing and monitoring market and liquidity risk;
- to ensure that the results of market transactions are determined, understood and analysed correctly;
- to control the related operational risks.

This permanent control process uses first and second-level controls in accordance with Group internal control Charter guidelines and exists at each level in the organisation, i.e., Group, Corporate and Investment Banking and in the main territories recording market transactions in their accounts.

Finance Departments perform second-level controls and have visibility over the entire process via dedicated corporate investment banking teams ("CIB Financial Control"). They decide on the information that must be reported by the various players: this comprises both quantitative and qualitative data indicating trends in different businesses as well as the results and quality of upstream controls carried out.

Committees that meet on a monthly basis are being set up to bring all of the players together to discuss the entire range of issues concerning the measurement and recognition of market transactions. As part of the quarterly accounts closing process, the Corporate Investment Banking Finance Department reports back to an arbitration and decision-making Committee ("PFC" – Product Financial Control Committee) chaired by the Group Chief Financial Officer on the actions of the CIB Financial Control teams and their work to enhance control effectiveness and the reliability of the measurement and recognition of the results of market transactions. This Committee meets every quarter and brings together the Directors of Group Development and Finance-Accounting, Corporate Investment Banking and Group Risk Management.

PERIODIC CONTROL – CENTRAL ACCOUNTING INSPECTION TEAM

The General Inspection unit includes a team of inspectors (the Central Accounting Inspection Team) specialised in financial audits. This reflects the strategy of strengthening the Group's internal audit capability both in terms of technical scope and the areas of accounting risk tackled in the audit engagements undertaken.

Its action plan is based on the remote accounting internal control tools available to Group Development and Finance and the risk evaluation chart set up by the General Inspection unit.

The core aims of the team are as follows:

- to constitute a hub of accounting and financial expertise in order to reinforce the capability of the General Inspection unit when carrying out inspections in such areas;
- to disseminate internal audit best practices and standardise the quality of audit work throughout the BNP Paribas Group;
- to identify and inspect areas of accounting risk at Group level.

DEVELOPMENT OF THE ACCOUNTING INTERNAL CONTROL SYSTEM

The accounting internal control system is constantly being adapted to the Group's requirements. The procedures described form part of an evolving system that aims to guarantee an adequate level of control throughout the Group.

Accordingly, the entities of the Fortis subgroup acquired by BNP Paribas in 2009 are gradually deploying the Group's principles of accounting internal control. Since September 2010, they have contributed to the process of quarterly certification of the data produced for the Group.

In addition, in the context of the centralisation of the work of consolidation of the subgroups, certificates dedicated to this process have been introduced in order to confirm that key checks have been carried out in respect of the data made available to those subgroups by the central consolidation department.

RELATIONS WITH THE GROUP'S STATUTORY AUDITORS

Each year, the Statutory Auditors issue a report in which they give their opinion concerning the fairness of the consolidated financial statements of the BNP Paribas Group as well as the annual financial statements of the Group's companies.

The Statutory Auditors also carry out limited reviews on the closing of the quarterly accounts. As part of their statutory audit assignment:

- they examine any significant changes in accounting standards and present their recommendations to the Financial Statements Committee concerning choices with a material impact;
- they present the Finance Functions of the entities/business lines/divisions, and of the Group, with their conclusions, and in particular with any observations and recommendations intended to improve certain aspects of the internal control system that contributes to the preparation of the accounting and financial information that they examined in the course of their audit.

The Financial Statements Committee of the Board of Directors is briefed concerning accounting choices that have a material impact, as discussed in Section 2.2. "Corporate Governance" above.

CORPORATE COMMUNICATIONS (PRESS RELEASES, SPECIAL PRESENTATIONS, ETC.)

Financial reports are prepared for external publication by the Investor Relations and Financial Communications team, within Group Development and Finance, for the purpose of presenting the Group's different activities, explaining its financial results and providing details of its development strategy to individual shareholders, institutional investors, financial analysts and rating agencies. These materials, including press releases, earnings releases (notably those for Q4 2010 and FY 2010 issued on 17 February 2011), financial statements, the Registration document and any updates, share buyback and voting right disclosure statements, and other specific financial presentations and transaction documents are available on the BNP Paribas website, http://invest.bnpparibas.com/en.

The team, which reports to Executive Management and the Chief Financial Officer, devises the format in which financial information is published by the Group. It liaises with the divisions and functions when designing the presentation of the Group's results, strategic projects and special presentations for external publication.

Due to the growing demands of investors and the Group's determination to be at the leading edge of European corporate communications, BNP Paribas has adopted a detailed communications format designed to present its results to the financial markets on a quarterly basis. The Statutory Auditors are associated with the validation and review phase of press releases relating to the closing of quarterly, half-yearly or annual financial statements, before their presentation to the Financial Statements Committee and to the Board of Directors.

2.3 Statutory Auditors' report, prepared in accordance with Article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Directors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
185, avenue Charles de Gaulle	63, rue de Villiers	61, rue Henri Regnault
92524 Neuilly-sur-Seine Cedex	92208 Neuilly-sur-Seine Cedex	92400 Courbevoie

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BNP Paribas
16 boulevard des Italiens
75009 Paris

To the Shareholders,

In our capacity as Statutory Auditors of BNP Paribas, and in accordance with Article L.225-235 of the French Commercial Code *(Code de Commerce)*, we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L.225-37 of the French Commercial Code for the year ended 31 December 2010.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the Internal Control and risk management procedures implemented by the Company and providing the other information required by Article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the Internal Control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L.225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Courbevoie, 7 March 2011

The Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
Pascal Colin	Patrice Morot	Guillaume Potel

2.4 Executive Committee

On 31 December 2010, the Executive Committee of BNP Paribas was composed of the following members:

- **Baudouin Prot**, Director and Chief Executive Officer;
- **Georges Chodron de Courcel**, Chief Operating Officer;
- **Jean-Laurent Bonnafé**, Chief Operating Officer;
- **Philippe Bordenave**, Senior Executive Vice-President, Chief Financial Officer;
- **Jean Clamon**, Managing Director, Head of Compliance and Internal Control Coordinator;
- **Jacques d'Estais**, Head of Investment Solutions;
- **Fabio Gallia**, Head of BNL bc;
- **Maxime Jadot,** Head of BNP Paribas Fortis (1);
- **Michel Konczaty**, Head of Group Risk Management;
- **Frédéric Lavenir**, Head of Group Human Resources;
- **Alain Papiasse**, Head of Corporate and Investment Banking;
- **François Villeroy de Galhau**, Head of French Retail Banking.

Since November 2007, the Executive Committee of BNP Paribas has been assisted by a permanent secretariat.

(1) Maxim Jadot has been a member of the BNP Paribas Executive Committee since March 1st 2011.

3 2010 REVIEW OF OPERATIONS

3.1 BNP Paribas consolidated results

In millions of euros	2010	2009	2010/2009
Revenues	**43,880**	**40,191**	**+9.2%**
Operating Expenses and Dep.	(26,517)	(23,340)	+13.6%
Gross Operating Income	**17,363**	**16,851**	**+3.0%**
Cost of Risk	(4,802)	(8,369)	-42.6%
Operating Income	**12,561**	**8,482**	**+48.1%**
Share of earnings of associates	268	178	+50.6%
Other Non Operating Items	191	340	-43.8%
Non Operating Items	**459**	**518**	**-11.4%**
Pre-Tax Income	**13,020**	**9,000**	**+44.7%**
Corporate income tax	(3,856)	(2,526)	+52.7%
Net income attributable to minority interests	(1,321)	(642)	n.s.
Net income attributable to equity holders	**7,843**	**5,832**	**+34.5%**
Cost/Income	60.4%	58.1%	+2.3 pt

NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF 7.8 BILLION EUROS, CONFIRMING THE ROBUSTNESS OF BNP PARIBAS' MODEL

Thanks to its active roll in financing the economy and the successful integration of Fortis which takes the Group to a new dimension, BNP Paribas posted in 2010 net income (attributable to equity holders) of EUR 7,843 million, up 34.5% compared to 2009.

In 2010, the first full year in its new scope, the Group generated EUR 43,880 million in revenues, up 9.2% compared to 2009 (-0.1% at constant scope and exchange rates). Operating expenses totalled EUR 26,517 million (+13.6%; +3.3% at constant scope and exchange rates). Gross operating income was therefore virtually stable at EUR 17,363 million (+3.0%; -5.1% at constant scope and exchange rates). Thanks to the sharp decline in the cost of risk (-42.6% at EUR 4,802 million; -50.0% at constant scope and exchange rates) due to the improved economic environment, pre-tax income soared to EUR 13,020 million, up 44.7% (+36.5% at constant scope and exchange rates). Each of the operating divisions grew its pre-tax income and strong rebound in Retail Banking helped rebalance their respective contributions.

The successful merger of BNP Paribas Fortis' and BGL BNP Paribas' entities with those of the Group thanks to the dedication of teams in all the territories and business units resulted in an increase in the synergies estimated for 2012 from EUR 900 million to EUR 1,200 million with the associated restructuring costs revised up from EUR 1.3 billion to EUR 1.65 billion.

Return on equity was 12.3%, compared to 10.8% in 2009.

Net earnings per share was EUR 6.3, up 21.7% compared to 2009. The net book value per share, at EUR 55.5, was up 9.0% compared to 2009. It was up 29.4% since 2006, the last year before the global economic crisis: BNP Paribas' model has generated robust growth in the book value throughout the cycle.

The Board of Directors will propose to shareholders to pay a cash EUR 2.10 dividend, a 33.4% payout ratio. This allocation of earnings makes it possible to reinvest two-thirds of earnings back into the Company.

Capital allocation

Revenue from the capital allocated to each division is included in the division's profit and loss account. The capital allocated to each division corresponds to the amount required to comply with European Solvency Ratio requirements under Basel II, and is based on 7% of risk-weighted assets. Risk-weighted assets are calculated as the sum of:

- the risk-weighted assets for credit and counterparty risk, calculated using the standardised approach or the internal ratings based approach (IRBA) depending on the particular entity;
- the regulatory capital requirement for market and operational risks, multiplied by 12.5. The capital requirement for operational risk is calculated using the basic indicator approach, standardised approach, or advanced measurement approach (AMA), depending on the particular entity.

Each division is allocated the share of capital deducted prudentially from Tier 1 capital, which corresponds to 100% of the net asset value of investments in credit and financial institutions.

The capital allocated to the Insurance business is equal to the solvency requirement calculated according to insurance regulations.

3.2 Core business results

RETAIL BANKING

In 2010, 56% of the divisions' revenues came from the Retail Banking's banking networks and specialised financial services business units.

FRENCH RETAIL BANKING (FRB)

In millions of euros	2010	2009	2010/2009
Revenues	**6,877**	**6,541**	**+5.1%**
Incl. Net Interest Income	*4,004*	*3,816*	*+4.9%*
Incl. Commissions	*2,873*	*2,725*	*+5.4%*
Operating Expenses and Dep.	(4,541)	(4,367)	+4.0%
Gross Operating Income	**2,336**	**2,174**	**+7.5%**
Cost of Risk	(484)	(518)	-6.6%
Operating Income	**1,852**	**1,656**	**+11.8%**
Non Operating Items	1	1	+0.0%
Pre-Tax Income	**1,853**	**1,657**	**+11.8%**
Income Attributable to Investment Solutions	(118)	(102)	+15.7%
Pre-Tax Income of FRB	**1,735**	**1,555**	**+11.6%**
Cost/Income	66.0%	66.8%	-0.8 pt
Allocated Equity *(€bn)*	5.8	5.6	+2.6%

Including 100% of French Private Banking for Revenues to Pre-Tax Income line items

For the whole of 2010, the FRB teams were wholly dedicated to enhancing the service offering and making full use of the expertise of all the Group's business units in supporting their clients—individuals, small businesses and corporates—in their projects. This dedication is illustrated by growth in outstanding loans (+3.6% (*) vs. 2009), driven by strong growth in mortgages (+8.1% (*)) against a backdrop of very low interest rates. Although corporate demand remained very low on the whole (outstandings: -1.5% (*) vs. 2009), the success of initiatives targeting small businesses, VSEs and SMEs helped jumpstart their demand for loans at the end of the year (+3.5% vs. 31 December 2009).

Deposits rose 1.9% (*) on average compared to 2009 benefiting from a favourable structural effect with strong sight deposit growth (+9.5% (*)). The end of the year was marked by the beginning of a re-intermediation of money market mutual funds to savings accounts and term deposits.

Asset inflows into life insurance rose a further 8.5% compared to 31 December 2009 despite extremely low interest rates.

Thanks to a good sales and marketing drive, revenues (1) reached EUR 6,877 million. At constant scope, it rose 3.6%: net interest income growth (+3.3%) was driven by the increase in volumes and a favourable trend in the structure of deposits; fees were up (+4.0%) due to gains of individuals customers with a total of 190,000 net new current accounts opened and despite households' continued aversion to financial markets.

A moderate rise in operating expenses (1) (+2.2% (*)) to EUR 4,541 million helped the division generate a 1.4 point (*) jaws effect, outperforming the target set for 2010. The cost/income ratio improved a further 0.9 point (*) at 66.0%. This solid operating performance helped push up gross operating income (1) 6.3% (*) to EUR 2,336 million. The cost of risk (2)., at 35bp of outstanding customer loans, started to decline compared to 2009 (41bp).

After allocating one-third of French Private Banking's net income to the Investment Solutions division, FRB's pre-tax income came to EUR 1,735 million, up sharply by 11.6% over 2009.

BNL BANCA COMMERCIALE (BNL BC)

In millions of euros	2010	2009	2010/2009
Revenues	**3,060**	**3,003**	**+1.9%**
Operating Expenses and Dep.	(1,798)	(1,801)	-0.2%
Gross Operating Income	**1,262**	**1,202**	**+5.0%**
Cost of Risk	(817)	(671)	+21.8%
Operating Income	**445**	**531**	**-16.2%**
Non Operating Items	(2)	0	n.s.
Pre-Tax Income	**443**	**531**	**-16.6%**
Income Attributable to Investment Solutions	(11)	(7)	+57.1%
Pre-Tax Income of BNL bc	**432**	**524**	**-17.6%**
Cost/Income	58.8%	60.0%	-1.2 pt
Allocated Equity *(€bn)*	4.8	4.6	+4.2%

Including 100% of Italian private banking for Revenues to Pre-tax Income line items

For the whole of 2010, amidst a slow recovery of the Italian economy, BNL bc continued to implement its action plan to improve the product offering and to expand cross-selling with Investment Solutions (financial savings) and CIB (cash management, international trade finance and structured finance). Weak growth in loans (+0.3% (*)) was due to an increase in investment loans to corporates (+1.0% (*)) whilst the trend in lending to individuals (-0.5% (*)) was affected by steadfast efforts to maintain margins in a context of demand for mortgage terms renegotiation. Deposits rose 2.7% (*). Financial saving continued to grow thanks to the renewal of the offering, both in life insurance and mutual funds.

At EUR 3,060 million, revenues (2) edged up 1.9% compared to 2009 (+1.5% at constant scope). They held up well due to strong growth in fees (+8.5% (*)) thanks to the significant expansion of cross-selling both in terms of financial savings and flow products. However, net interest income fell (-2.0% (*)) due to eroding loan margins and a moderate rise in volumes.

While 54 new branches were opened in 2010 and the branch renovation and network restructuring programme was almost completed, operating expenses (2) dipped 0.7% (*) thanks, in particular, to the impact of synergies derived from the integration of Banca UCB and Fortis. This good operating performance translated into a further 1.3pt (*) improvement of the cost/income ratio at 58.8% and helped BNL bc produce a positive 2.2pt (*) jaws effect. Gross operating income (2), which totalled EUR 1,262 million, was up 4.8% (*) compared to 2009.

(*) At constant scope and exchange rates.

(1) Excluding PEL/CEL effects, with 100% of French Private Banking.

(2) With 100% of Italian Private Banking.

The Italian economic environment again weighed on the cost of risk [1], which, at EUR 817 million, was up 21.1% at 107bp compared to 91bp in 2009. It nevertheless stabilised around this level for the whole of 2010.

Thus, after allocating one-third of Italian Private Banking's net income to the Investment Solutions division, BNL bc's pre-tax income came to EUR 432 million, down 17.2% [*] compared to 2009.

BELUX RETAIL BANKING (BELUX RB)

In millions of euros	2010	2009 [1]	2010/2009 [2]
Revenues	**3,377**	**3,174**	**+6.6%**
Operating Expenses and Dep.	(2,409)	(2,352)	+2.5%
Gross Operating Income	**968**	**822**	**+18.1%**
Cost of Risk	(219)	(451)	-51.4%
Operating Income	**749**	**371**	**n.s.**
Non Operating Items	3	(3)	n.s.
Pre-Tax Income	**752**	**368**	**n.s.**
Income Attributable to Investment Solutions	(64)	(53)	+22.0%
Pre-Tax Income of BeLux Retail Banking	**688**	**315**	**n.s.**
Cost/Income	71.3%	74.1%	-2.8 pt
Allocated Equity *(€bn)*	2.8	3.1	-11.8%

Including 100% of Belgian private banking for Revenues to Pre-tax Income line items
(1) Pro forma.
(2) At constant scope.

For the whole of 2010, BeLux Retail Banking, the new retail banking entity in Belgium and Luxembourg, pursued its sales and marketing drive and reaped the benefits of its restored franchise. It also continued on-going efforts to improve customer satisfaction and to increase cross-selling with CIB to corporates and the public sector, in particular with respect to syndicated loans, bond issues and acquisition finance.

Outstanding loans grew by 2.2% [*] compared to 2009, driven by fast-paced growth in mortgages in Belgium and Luxembourg and the upswing in demand from small businesses whilst demand from corporates, who prefer financing on capital markets, remained limited. Outstanding deposits, at EUR 97.8 billion, jumped (+11.4% [*]) with good asset inflows into sight deposits (+7.5% [*]) and into savings accounts and out of term deposits. Belgian Private Banking's assets under management rose 13.2% compared to 2009.

Revenues [2] totalled EUR 3,377 million, up 6.6% [*] compared to 2009, driven by growth in volumes and margins holding up well.

Thanks to the optimisation of costs as a result of the implementation of the business plan, the rise in operating expenses [2] was limited to 2.5% [*] compared to 2009 and helped BeLux Retail Banking generate EUR 968 million in gross operating income [2], up 18.1% [*] for the period. The positive 4.1pt jaws effect was better than the target set for the 2010. The 71.3% cost/income ratio improved 2.8pts [*] during the period.

The EUR 219 million cost of risk [2], or 27bp of outstanding customer loans, was cut in half [*] compared to 2009 reaching a moderate level.

After allocating one-third of Belgian Private Banking's net income to the Investment Solutions division, BeLux Retail Banking's pre-tax income came to EUR 688 million. It was double [*] the 2009 level.

(1) With 100% of Italian Private Banking.

(2) With 100% of Belgian Private Banking.

(*) At constant scope and exchange rates.

EUROPE MEDITERRANEE

In millions of euros	2010	2009	2010/2009
Revenues	**1,878**	**1,847**	**+1.7%**
Operating Expenses and Dep.	(1,401)	(1,194)	+17.3%
Gross Operating Income	**477**	**653**	**-27.0%**
Cost of Risk	(392)	(869)	-54.9%
Operating Income	**85**	**(216)**	**n.s.**
Share of Earnings of Associates	20	12	+66.7%
Other Non Operating Items	(1)	0	n.s.
Pre-Tax Income	**104**	**(204)**	**n.s.**
Cost/Income	74.6%	64.6%	+10.0 pt
Allocated Equity *(€bn)*	2.8	2.9	-1.1%

For the whole of 2010, Europe-Mediterranean continued to reengineer the business operations in Ukraine and to gain new customers in other countries (+600,000 in total). Outstanding loans grew on average 2.6% (*) excluding Ukraine compared to 2009. The international trade finance and corporate cash management businesses are growing successfully.

Revenues totalled EUR 1,878 million. The slight drop (-2.9% (*)) compared to 2009 is due to the combination of significant contraction in Ukraine (-24.8% (*)) and 1.8% (*) growth excluding Ukraine.

Operating expenses rose 3.3% (*) to EUR 1,401 million.

The cost of risk was down sharply to 149bp compared to 355bp in 2009 with an improvement in all the leading countries, especially in Ukraine. Thus, in keeping with its target, Europe-Mediterranean returned to a break-even point: pre-tax income totalled EUR +104 million compared to EUR -204 million in 2009.

BANCWEST

In millions of euros	2010	2009	2010/2009
Revenues	**2,284**	**2,162**	**+5.6%**
Operating Expenses and Dep.	(1,250)	(1,167)	+7.1%
Gross Operating Income	**1,034**	**995**	**+3.9%**
Cost of Risk	(465)	(1,195)	-61.1%
Operating Income	**569**	**(200)**	**n.s.**
Share of Earnings of Associates	0	0	n.s.
Other Non Operating Items	4	3	+33.3%
Pre-Tax Income	**573**	**(197)**	**n.s.**
Cost/Income	54.7%	54.0%	+0.7 pt
Allocated Equity *(€bn)*	3.2	3.2	-1.2%

For the whole of 2010, BancWest managed to grow its core deposits significantly and on a regular basis, on average 9.7% compared to 2009. If one adds to that less frequent and more costly jumbo CDs, deposits grew on aggregate by 2.9% (*). Loans were down 4.4% (*) on average compared to 2009 but at the end of the year the improved economy and an upswing in marketing spending resulted in a pickup in consumer loans and corporate loans. Net interest margin expanded on average 15bp.

Against this backdrop, revenues were up 5.6% compared to 2009 to EUR 2,284 million (+1.0% at constant scope; the dollar appreciated in value relative to the euro by an average 5%).

Operating expenses were up 7.1% (+2.4% at constant exchange rates). The cost/income ratio edged up from 54% to 54.7% and remained very competitive.

Gross operating income therefore came to EUR 1,034 million (+3.9%; -0.7% at constant exchange rates).

The cost of risk benefited from a more favourable economic environment and the improved quality of the portfolios. It fell from 310bp in 2009 to 119bp in 2010. The property related Asset Backed Securities portfolio was brought down to a very small amount (EUR 78 million as at 31 December 2010 compared to EUR 759 million as at 31 December 2009). The average non-accruing loan ratio was fairly stable since the last quarter 2009 (3.01%) and even started to fall in the fourth quarter 2010 (2.96%).

Thus, the pre-tax income came to EUR 573 million compared to a loss of EUR 197 million in 2009.

(*) At constant scope and exchange rates.

PERSONAL FINANCE

In millions of euros	2010	2009	2010/2009
Revenues	**5,050**	**4,340**	**+16.4%**
Operating Expenses and Dep.	(2,324)	(2,068)	+12.4%
Gross Operating Income	**2,726**	**2,272**	**+20.0%**
Cost of Risk	(1,921)	(1,938)	-0.9%
Operating Income	**805**	**334**	**n.s.**
Share of Earnings of Associates	77	61	+26.2%
Other Non Operating Items	11	31	-64.5%
Pre-Tax Income	**893**	**426**	**n.s.**
Cost/Income	46.0%	47.6%	-1.6 pt
Allocated Equity *(€bn)*	3.9	3.5	+10.0%

For the whole of 2010, in a changing business and regulatory environment, Personal Finance continued its efforts initiated in 2009 to adapt its business model as well as its growth and industrialisation strategy: it formed a partnership with Commerzbank giving it access to a network of 1,200 branches and 11 million customers in Germany; in France, it forged a partnership with BPCE to create a common consumer loan management IT platform; it implemented the Findomestic integration plan in Italy.

Personal Finance's revenues, which totalled EUR 5,050 million, were up 16.4% compared to 2009. At constant scope and exchange rates, they grew 5.1% due to the rise in outstandings (+4.0% (*)) driven by origination growth, in particular in France, Italy, Germany, Brazil and Turkey with a low risk profile and good profitability.

Operating expenses rose 3.0% (*) and helped generate gross operating income up 7.1% (*) at EUR 2,726 million as well as a positive 2.1pt (*) jaws effect in line with the target set for 2010. The cost/income ratio, at 46.0%, improved a further 1pt (*).

The cost of risk, at EUR 1,921 million (or 232bp of outstandings), started to drop in most countries and was down 11.3% (*) overall.

The pre-tax income totalled EUR 893 million, nearly twice the 2009 level.

EQUIPMENT SOLUTIONS

In millions of euros	2010	2009	2010/2009
Revenues	**1,506**	**1,200**	**+25.5%**
Operating Expenses and Dep.	(807)	(740)	+9.1%
Gross Operating Income	**699**	**460**	**+52.0%**
Cost of Risk	(283)	(307)	-7.8%
Operating Income	**416**	**153**	**n.s.**
Share of Earnings of Associates	(10)	(3)	n.s.
Other Non Operating Items	1	(2)	n.s.
Pre-Tax Income	**407**	**148**	**n.s.**
Cost/Income	53.6%	61.7%	-8.1 pt
Allocated Equity *(€bn)*	2.1	2.0	+4.0%

For the whole of 2010, Equipment Solutions' revenues, at EUR 1,506 million, soared compared to 2009 (+25.5%). At constant scope and exchange rates, they grew 16.9% thanks to a rebound in used vehicle prices and the expansion of the financed automobile fleet (+4.0%) and the fact that the leasing businesses held up well. This good boost to business combined with control of operating expenses (+3.8% (*)) helped the business unit generate major gross operating income growth (+36.8% (*)). This operating performance combined with a sharp drop in the cost of risk (-22.0% (*)) helped Equipment Solutions generate EUR 407 million in pre-tax income, more than three times* the 2009 level.

(*) At constant scope and exchange rates.

INVESTMENT SOLUTIONS

In millions of euros	2010	2009	2010/2009
Revenues	**6,163**	**5,363**	**+14.9%**
Operating Expenses and Dep.	(4,365)	(3,835)	+13.8%
Gross Operating Income	**1,798**	**1,528**	**+17.7%**
Cost of Risk	16	(41)	n.s.
Operating Income	**1,814**	**1,487**	**+22.0%**
Share of Earnings of Associates	106	11	n.s.
Other Non Operating Items	62	(35)	n.s.
Pre-Tax Income	**1,982**	**1,463**	**+35.5%**
Cost/Income	70.8%	71.5%	-0.7 pt
Allocated Equity *(€bn)*	6.4	5.9	+8.9%

For the whole of 2010, Investment Solutions' net asset outflows totalled EUR 3.3 billion: good asset inflows in Insurance (EUR +8.4 billion), Private Banking (EUR +3.2 billion despite a challenging environment) and Personal Investors (EUR +1.4 billion) only partly offset the EUR 17.6 billion in asset outflows in asset management, primarily due to money market funds (EUR -12.7 billion). Combined with positive performance and foreign exchange effects, this asset movement nevertheless pushed managed assets [(1)] up 7.5%, compared to 31 December 2009, to EUR 901 billion.

At EUR 6,163 million, revenues were up 14.9% compared to 2009. At constant scope and exchange rates, they grew 6.8% driven by a rise in assets under management, by the fact that the private banking and asset management businesses held up well despite individual customers' aversion to risk, by a sharp rise in gross written premiums in Insurance in France (+8.4%) and outside France (+13.5%) and by Securities Services' good business drive in the second half of the year, the growth in assets under custody and under administration more than offsetting the decline in the volume of transactions.

Operating expenses, at EUR 4,365 million, were up 3.7% [(*)] due to continued investments to support business development, in particular in the Insurance and Securities Services business units.

After receiving one-third of the income from private banking in the domestic markets, pre-tax income, which was EUR 1,982 million, soared 28.5% [(*)]. The good operating performance of all the business units was supplemented by a significant contribution from the equity affiliates in insurance and by the sell-off of certain businesses as part of an effort to streamline the organisation.

WEALTH AND ASSET MANAGEMENT

In millions of euros	2010	2009	2010/2009
Revenues	**3,384**	**2,935**	**+15.3%**
Operating Expenses and Dep.	(2,477)	(2,155)	+14.9%
Gross Operating Income	**907**	**780**	**+16.3%**
Cost of Risk	19	(52)	n.s.
Operating Income	**926**	**728**	**+27.2%**
Share of Earnings of Associates	29	(4)	n.s.
Other Non Operating Items	41	(10)	n.s.
Pre-Tax Income	**996**	**714**	**+39.5%**
Cost/Income	73.2%	73.4%	-0.2 pt
Allocated Equity *(€bn)*	1.5	1.5	-4.0%

(*) At constant scope and exchange rates.

(1) Assets under management and advisory for outside clients.

INSURANCE

In millions of euros	2010	2009	2010/2009
Revenues	**1,571**	**1,282**	**+22.5%**
Operating Expenses and Dep.	(855)	(725)	+17.9%
Gross Operating Income	**716**	**557**	**+28.5%**
Cost of Risk	(3)	8	n.s.
Operating Income	**713**	**565**	**+26.2%**
Share of Earnings of Associates	80	13	n.s.
Other Non Operating Items	21	(25)	n.s.
Pre-Tax Income	**814**	**553**	**+47.2%**
Cost/Income	54.4%	56.6%	-2.2 pt
Allocated Equity *(€bn)*	4.6	4.0	+15.1%

SECURITIES SERVICES

In millions of euros	2010	2009	2010/2009
Revenues	**1,208**	**1,146**	**+5.4%**
Operating Expenses and Dep.	(1,033)	(955)	+8.2%
Gross Operating Income	**175**	**191**	**-8.4%**
Cost of Risk	0	3	n.s.
Operating Income	**175**	**194**	**-9.8%**
Other Non Operating Items	(3)	2	n.s.
Pre-Tax Income	**172**	**196**	**-12.2%**
Cost/Income	85.5%	83.3%	+2.2 pt
Allocated Equity *(€bn)*	0.3	0.3	-6.8%

CORPORATE AND INVESTMENT BANKING (CIB)

In millions of euros	2010	2009	2010/2009
Revenues	**11,998**	**13,497**	**-11.1%**
Operating Expenses and Dep.	(6,442)	(6,174)	+4.3%
Gross Operating Income	**5,556**	**7,323**	**-24.1%**
Cost of Risk	(314)	(2,473)	-87.3%
Operating Income	**5,242**	**4,850**	**+8.1%**
Share of Earnings of Associates	44	21	n.s.
Other Non Operating Items	19	(5)	n.s.
Pre-Tax Income	**5,305**	**4,866**	**+9.0%**
Cost/Income	53.7%	45.7%	+8.0 pt
Allocated Equity *(€bn)*	13.9	15.1	-8.2%

For the whole of 2010, CIB's revenues totalled EUR 11,998 million, down 11.1% compared to 2009. At constant scope and exchange rates, they fell 18.8% compared to the exceptionally high base in 2009 and were the result of a balanced contribution between the business units.

The division's operating expenses, at EUR 6,442 million, were down 4.5% (*) compared to 2009, despite the bolstering of the organisations in Asia and in the United States, in particular for Fixed Income and Structured Finance.

The cost/income ratio was 53.7%, still the best in the banking industry.

The division's cost of risk, at EUR 314 million, was down sharply compared to 2009 (EUR 2,473 million). The decline was particularly significant for the financing businesses, the cost of risk of which, 98bp in 2009, was down to zero in 2010, new provisions being offset by write-backs due to the improving economy.

CIB's pre-tax income was EUR 5,305 million, up 2.5% (*) despite a less favourable market than in 2009.

This performance showed again this year the superior quality of the CIB franchise, the robustness of a diversified customer-driven model as well as its ability to withstand major market shocks such as the sovereign debt crisis. The level of market risks remained low relative to peers and the operating efficiency is the best in the industry. The financing businesses contributed 50% to pre-tax income, comparable to pre-crisis levels.

This performance was achieved all the while reducing allocated equity by 8.2% compared to 2009, in particular for Capital Market businesses (14.7% reduction).

ADVISORY AND EQUITY MARKETS

In millions of euros	2010	2009	2010/2009
Revenues	**7,630**	**9,921**	**-23.1%**
Incl. Equity and Advisory	*2,222*	*1,920*	*+15.7%.*
Incl. Fixed Income	*5,408*	*8,001*	*-32.4%.*
Operating Expenses and Dep.	(4,760)	(4,747)	+0.3%
Gross Operating Income	**2,870**	**5,174**	**-44.5%**
Cost of Risk	(307)	(940)	-67.3%
Operating Income	**2,563**	**4,234**	**-39.5%**
Share of Earnings of Associates	1	1	+0.0%
Other Non Operating Items	13	(3)	n.s.
Pre-Tax Income	**2,577**	**4,232**	**-39.1%**
Cost/Income	62.4%	47.8%	+14.6 pt
Allocated Equity *(€bn)*	5.8	6.8	-14.7%

Capital Markets' revenues, which totalled EUR 7,630 million, were down 30.7% (*) compared to the especially high level in 2009, the first half of which was exceptional for Fixed Income businesses.

Fixed Income's revenues stood at EUR 5,408 million compared to 8,001 million in 2009. Despite a challenging market environment due to investors' concerns over the sovereign debt of certain European countries, which resulted in the contraction of primary markets twice, the customer business was sustained and the business unit strengthened its positions in all segments, in particular with institutional clients. It thereby consolidated its number 1 position in euro-denominated bond issues, enabling clients to finance their projects by raising funds on capital markets. Corporations substantial needs to hedge risks in a volatile market environment also favoured sustained business in forex and fixed income derivative products.

Equities and Advisory's revenues, which totalled EUR 2,222 million, were up 15.7% compared to 2009 despite the high cost of hedging customer positions in the second quarter of the year against a backdrop of feverish markets. Business gradually rebounded, thanks in particular to taylor-made solutions for major European clients, the success of structured products designed to limit volatility risks for institutional investors and the successful launch of capital-guaranteed structured products indexed to proprietary indices marketed through banking and insurance networks inside or outside the Group.

(*) At constant scope and exchange rates.

FINANCING BUSINESSES

In millions of euros	2010	2009	2010/2009
Revenues	**4,368**	**3,576**	**+22.1%**
Operating Expenses and Dep.	(1,682)	(1,427)	+17.9%
Gross Operating Income	**2,686**	**2,149**	**+25.0%**
Cost of Risk	(7)	(1,533)	-99.5%
Operating Income	**2,679**	**616**	**n.s.**
Non Operating Items	49	18	n.s.
Pre-Tax Income	**2,728**	**634**	**n.s.**
Cost/Income	38.5%	39.9%	-1.4 pt
Allocated Equity *(€bn)*	8.1	8.3	-2.9%

Revenues from the financing businesses came to EUR 4,368 million, up sharply compared to 2009 (+16.3% (*)), driven by good business in structured finance, especially energy and commodities finance. Its positions as a global leader in certain of its businesses helped the Group make a significant contribution to financing the economy on all the continents.

CORPORATE CENTRE

In millions of euros	2010	2009
Revenues	**2,116**	**629**
Operating Expenses and Dep.	(1,391)	(689)
Incl. restructuring costs	*(780)*	*(173)*
Gross Operating Income	**725**	**(60)**
Cost of Risk	78	(8)
Operating Income	**803**	**(68)**
Share of Earnings of Associates	31	74
Non Operating Items	92	353
Pre-Tax Income	**926**	**359**

For the whole of 2010, the Corporate Centre's revenues totalled EUR 2,116 million compared to EUR 629 million in 2009-a year marked by a total of EUR -1,050 million in exceptional negative items (own debt, impairment charges on investments). In 2010, the exceptional impairment charge to the AXA investment (EUR -534 million) was more than offset by exceptional PPA (Purchase Price Accounting) fair value adjustments associated with the acquisition of Fortis (EUR +630 million for the whole year) whilst the revaluation of the own debt had a net positive result (EUR +95 million) against a general backdrop of widening spreads.

Operating expenses came to EUR 611 million, excluding restructuring costs, compared to EUR 516 million in 2009. The variation comes primarily from new one-off contributions to deposit insurance funds that French and Belgian banks are required to pay.

Restructuring costs grew by EUR 173 to 780 million between 2009 and 2010. They are expected to be about EUR 600 million euros in 2011.

Corporate Centre's pre-tax income totalled EUR 926 million compared to EUR 359 million in 2009.

(*) At constant scope and exchange rates.

3.3 Selected exposures based on Financial Stability Board recommendations

EXPOSURE TO CONDUITS AND SIVs

As at 31 December 2010 *In billions of euros*	Entity data		BNP Paribas exposure				
			Liquidity lines				
	Assets funded	Securities issued	Line outstanding	o/w cash drawn	Credit enhancement (1)	ABCP held and others	Maximum commitment (2)
BNP Paribas sponsored entities							
ABCP conduits	6.6	6.7	6.7	-	0.4	0.4	9.5
Structured Investment Vehicles	-	-	-	-	-	-	-
Third party sponsored entities (BNP Paribas share)							
ABCP conduits	0.5	0.5	0.5	-	-	-	0.5
Structured Investment Vehicles	-	-	-	-	-	-	-

(1) Provided by BNP Paribas. In addition, each programme benefits from other types of credit enhancement.
(2) Represent the cumulative exposure across all types of commitments in a worst case scenario.

At 31 December 2010, exposures declined to EUR 9.5 billion, down EUR 1.5 billion compared to 31 December 2009, owing principally to repayments of facilities.

The Group does not have any exposure to SIVs.

SPONSORED ABCP CONDUITS

BREAKDOWN BY MATURITY AND GEOGRAPHY

Sponsored ABCP conduits as at 31 December 2010 *In billions of euros*	Starbird United States	Matchpoint Europe	Eliopee Europe	Thesee Europe	J Bird 1 & 2 Japan	Total
Ratings	A1 / P1	A1+ / P1	P1	A1 / P1 / F1	A1 / P1	
BNP Paribas commitments	4.3	3.8	0.9	0.4	0.2	9.5
Assets funded	**2.2**	**3.2**	**0.7**	**0.3**	**0.2**	**6.6**
Breakdown by maturity						
0 - 1 year	40%	22%	8%	77%	30%	32%
1 year - 3 years	40%	45%	67%	-	46%	43%
3 years - 5 years	14%	17%	25%	23%	22%	17%
> 5 years	6%	16%	0%	0%	2%	8%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Breakdown by geography (*)						
USA	91%	2%	-	-	-	31%
France	-	20%	93%	100%	-	25%
Spain	-	10%	-	-	-	5%
Italy	-	7%	-	-	-	4%
UK	-	9%	-	-	-	4%
Asia	-	17%	-	-	100%	11%
Diversified and Others	9%	35%	7%	-	-	20%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

(*) Convention used is: when a pool contains more than 50% country exposure, this country is considered to be the one of the entire pool. Any pool where one country does not reach this level is considered as diversified.

BREAKDOWN BY ASSET TYPE

Sponsored ABCP conduits as at 31 December 2010	Starbird United States	Matchpoint Europe	Eliopee Europe	Thesee Europe	J Bird 1 & 2 Japan	Total by asset type	Total o/w AA and above
Breakdown by asset type							
Auto Loans, Leases & Dealer Floorplans	37%	21%	-	-	-	25%	
Trade Receivables	27%	30%	100%	100%	-	37%	
Consumer Loans & Credit Cards	4%	9%	-	-	100%	8%	
Equipment Finance	8%	-	-	-	-	4%	
Student Loans							
RMBS	-	4%	-	-	-	1%	100%
o/w US (0% subprime)	-	*1%*	-	-	-	*0%*	*100%*
o/w UK							
o/w Spain	-	*2%*	-	-	-	*1%*	*100%*
CMBS	-	15%	-	-	-	6%	36%
o/w US, UK, Spain							
CDOs of RMBS (non US)	-	7%	-	-	-	3%	-
CLOs	16%	8%	-	-	-	10%	47%
CDOs of corporate bonds							
Insurance							
Others	8%	6%	-	-	-	6%	34%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	

FUNDING THROUGH PROPRIETARY SECURITISATION

Cash securitisation as at 31 December 2010 *In billions of euros*	Amount of securitised assets	Amount of notes	Securitised positions held: First losses	Securitised positions held: Others
Personal Finance	**3.5**	**3.9**	**0.1**	**1.7**
o/w Residential loans	*3.0*	*3.4*	*0.1*	*1.6*
o/w Consumer loans	*0.1*	*0.0*	*0.0*	-
o/w Lease receivables	*0.4*	*0.4*	*0.0*	*0.1*
BNL	**3.2**	**3.1**	**0.1**	**0.2**
o/w Residential loans	*3.2*	*3.1*	*0.1*	*0.2*
o/w Consumer loans	-	-	-	-
o/w Lease receivables	-	-	-	-
o/w Public sector	-	-	-	-
TOTAL	**6.7**	**7.0**	**0.2**	**1.9**

EUR 6.7 billion of loans had been refinanced through securitisation at 31 December 2010, compared to EUR 8.0 billion at 31 December 2009.

EUR 1.9 billion of senior securitised positions were held at the end of 2010, including EUR 0.4 billion of senior bond bought back in 2010 from some UCI funds (Residential loan securitisation).

Following the transition to IFRS in 2005, SPVs are consolidated in the BNP Paribas balance sheet whenever the Bank holds the majority of the corresponding risks and returns.

SENSITIVE LOAN PORTFOLIOS

PERSONAL LOANS

Personal loans as at 31 December 2010 *In billions of euros*		Gross outstanding					Allowances		Net exposure
		Consumer	First Mortgage Full Doc	First Mortgage Alt A	Home Equity Loans	Total	Portfolio	Specific	
US		**8.6**	**7.4**	**0.3**	**3.0**	**19.2**	**(0.3)**	**(0.1)**	**18.8**
Super Prime	*FICO (*) > 730*	5.6	4.7	0.2	1.9	12.4			12.4
Prime	*600 < FICO (*) < 730*	2.4	2.2	0.1	0.9	5.7			5.7
Subprime	*FICO (*) < 600*	0.5	0.4	0.0	0.2	1.1			1.1
UK		**0.6**	**0.4**	**-**	**-**	**1.0**	**(0.0)**	**(0.1)**	**0.9**
Spain		**3.8**	**6.0**	**-**	**-**	**9.9**	**(0.1)**	**(0.9)**	**8.8**

(*) At origination.

The Group's personal loans classified as sensitive included the following at 31 December 2010:

- the good quality of the US portfolio, which represented gross exposure of EUR 19.2 billion, up EUR 0.8 billion compared with 31 December 2009. The consumer loan portfolio quality is improving;
- moderate exposure to the UK market (EUR 1.0 billion);
- well-secured exposure to risks in Spain through guarantees in the mortgage portfolio and a sizeable percentage of auto loans in the consumer loan portfolio.

COMMERCIAL REAL ESTATE

Commercial Real Estate as at 31 December 2010 *In billions of euros*	Gross exposure					Allowances		Net exposure
	Home Builders	Non residential developers	Property companies	Others (1)	Total	Portfolio	Specific	
US	**0.6**	**0.9**	**0.5**	**4.7**	**6.7**	**(0.1)**	**(0.1)**	**6.6**
BancWest	0.6	0.8	-	4.7	6.1	(0.1)	(0.0)	6.0
CIB	0.0	0.1	0.5	-	0.6	(0.0)	(0.0)	0.6
UK	**0.1**	**0.3**	**1.8**	**0.4**	**2.7**	**(0.0)**	**(0.1)**	**2.6**
Spain	**-**	**0.0**	**0.5**	**0.6**	**1.1**	**(0.0)**	**(0.0)**	**1.1**

(1) Excluding owner-occupied and real estate backed loans to corporates.

The Group's commercial real estate loan portfolio included the following at 31 December 2010:

- diversified and granular exposure to the US, including an exposure to the home builder sector which has been significantly reduced (down EUR 0.7 billion compared with 31 December 2009) and an exposure of EUR 4.7 billion to the other sectors of commercial real estate (up EUR 0.7 billion compared with 31 December 2009) corresponding to very granular and well diversified financing of smaller property companies on a secured basis (mainly office, retail and residential multifamily property type);
- exposure to the UK concentrated on the major property companies and down EUR 0.4 billion compared with 31 December 2009;
- limited exposure to commercial real estate risk in Spain due in particular to the good quality of the commercial mortgage loan portfolio.

REAL-ESTATE RELATED ABS AND CDOs EXPOSURE

BANKING BOOK AND TRADING PORTFOLIO

Net exposure *In billions of euros*	31.12.2009	31.12.2010		
	Net exposure	Gross exposure (1)	Allowances	Net exposure
TOTAL RMBS	**11.8**	**10.6**	**(0.1)**	**10.4**
US	**1.4**	**0.4**	**(0.1)**	**0.3**
Subprime	0.1	0.1	(0.0)	0.1
Mid-prime	0.1	0.0	(0.0)	0.0
Alt-A	0.1	0.0	(0.0)	0.0
Prime (2)	1.1	0.2	(0.0)	0.2
UK	**1.0**	**0.9**	**(0.1)**	**0.8**
Conforming	0.2	0.2	-	0.2
Non conforming	0.8	0.7	(0.1)	0.6
Spain	**0.9**	**0.8**	**(0.0)**	**0.8**
The Netherlands	**8.2**	**8.2**	**(0.0)**	**8.2**
Other countries	**0.4**	**0.4**	**-**	**0.4**
TOTAL CMBS	**2.2**	**2.3**	**(0.0)**	**2.3**
US	1.2	1.3	(0.0)	1.3
Non US	1.0	1.0	(0.0)	1.0
TOTAL CDOs (CASH AND SYNTHETIC)	**0.7**	**0.8**	**(0.0)**	**0.8**
RMBS	**0.6**	**0.7**	**(0.0)**	**0.7**
US	0.0	0.2	(0.0)	0.2
Non US	0.6	0.6	(0.0)	0.6
CMBS	**0.0**	**0.0**	**(0.0)**	**0.0**
CDO of TRUPs	**0.1**	**0.1**	**-**	**0.1**
TOTAL	**14.8**	**13.7**	**(0.2)**	**13.5**
o/w Trading Book	0.0	-	-	0.2
TOTAL SUBPRIME, ALT-A, US CMBS AND RELATED CDOS	1.5	1.6	(0.1)	1.5

(1) Entry price + accrued interests – amortisation.
(2) Excluding Governement Sponsored Entity backed Securities.

The banking book's exposure to real estate related ABSs and CDOs decreased by EUR 1.5 billion due to sales of Prime US RMBS. The quality of the portfolio remains high, with 74% of assets rated AAA.

The assets are booked at amortised cost with the appropriate provision whenever there is a permanent impairment.

The trading book's exposure to real estate ABSs and CDOs was negligible.

MONOLINE COUNTERPARTY EXPOSURE

In billions of euros	31.12.2009 Notional	31.12.2009 Gross counterparty exposure	31.12.2010 Notional	31.12.2010 Gross counterparty exposure
CDOs of US RMBS subprime	1.56	1.30	0.68	0.58
CDOs of european RMBS	0.27	0.14	0.26	0.04
CDOs of CMBS	1.04	0.24	1.12	0.26
CDOs of corporate bonds	7.32	0.21	7.81	0.18
CLOs	5.07	0.17	5.05	0.17
Non credit related	n.s	0.00	n.s	0.00
TOTAL GROSS COUNTERPARTY EXPOSURE	**N.S**	**2.06**	**N.S**	**1.23**

In billions of euros	31.12.2009	31.12.2010
TOTAL GROSS COUNTERPARTY EXPOSURE	**2.06**	**1.23**
Credit derivatives bought from banks or other collateralized third parties	(0.38)	(0.22)
TOTAL UNHEDGED GROSS COUNTERPARTY EXPOSURE	**1.68**	**1.01**
Credit adjustments and allowances (1)	(1.39)	(0.86)
NET COUNTERPARTY EXPOSURE	**0.30**	**0.16**

(1) Including specific allowances as at 31 December 2010 of €0.4bn related to monolines classified as doubtful.

At 31 December 2010, gross exposure to counterparty risk stood at EUR 1.23 billion, down EUR 0.83 billion compared with 31 December 2009, as a result of commutations during 2010 with no significant impact on the profit and loss.

LBO

	Final take by region
Asia	4%
USA	13%
Other Europe	25%
UK	5%
Italy	8%
France	45%
TOTAL	**100%**

	Final take by sector
Business services	21%
Materials & ores	10%
Communication	8%
Media	8%
Retail trade	6%
Agriculture, food,...	6%
Healthcare & pharma	6%
Building & public works	5%
Others (< 5%)	30%
TOTAL	**100%**

The Group's LBP final take portfolio totalled EUR 9.4 billion at 31 December 2010, down EUR 1.3 billion compared with 31 December 2009. This portfolio is highly diversified (over 450 transactions) and 93% of it consists of senior debt. This portfolio is booked as loans and receivables at amortised cost. Allowances total EUR 0.9 billion.

The trading book's exposure is negligible.

BNP PARIBAS FORTIS "IN" PORTFOLIO [(1)]

Net exposure *In billions of euros*	31.12.2009	31.12.2010		
	Net exposure	Gross exposure [(1)]	Allowances	Net exposure
TOTAL RMBS	**4.8**	**3.4**	**(0.1)**	**3.3**
US	**1.4**	**0.9**	**(0.1)**	**0.8**
Subprime	0.0	0.0	-	0.0
Mid-prime	-	-	-	-
Alt-A	0.4	0.2	(0.0)	0.2
Prime [(2)]	0.8	0.6	(0.1)	0.5
Agency	0.2	0.1	-	0.1
UK	**1.1**	**1.0**	**-**	**1.0**
Conforming	0.2	0.3	-	0.3
Non conforming	0.8	0.8	-	0.8
Spain	**0.3**	**0.3**	**-**	**0.3**
Netherlands	**1.0**	**0.2**	**-**	**0.2**
Other countries	**1.1**	**0.9**	**(0.0)**	**0.9**
CDO OF RMBS	**-**	**-**	**-**	**-**
TOTAL CMBS	**0.8**	**0.8**	**(0.0)**	**0.8**
US	0.0	0.1	(0.0)	0.0
Non US	0.8	0.8	(0.0)	0.8
TOTAL CONSUMER RELATED ABS	**5.6**	**4.7**	**(0.0)**	**4.6**
Auto Loans/Leases	**1.3**	**0.4**	**(0.0)**	**0.4**
US	0.2	-	-	-
Non US	1.1	0.4	(0.0)	0.4
Student Loans	**3.0**	**3.0**	**(0.0)**	**3.0**
Credit cards	**0.9**	**0.9**	**-**	**0.9**
Consumer Loans / Leases	**0.1**	**0.1**	**-**	**0.1**
Other ABS (equipment lease, ...)	**0.3**	**0.3**	**-**	**0.3**
CLOs AND CORPORATE CDOs	**3.6**	**3.2**	**(0.0)**	**3.2**
US	2.4	2.3	(0.0)	2.3
Non US	1.2	0.9	(0.0)	0.8
Sectorial Provision			(0.1)	
TOTAL	**14.6**	**12.1**	**(0.3)**	**11.8**

(1) Entry price + accrued interests - amortisation.
(2) Excluding Governement Sponsored Entity backed Securities.

The IN portfolio was included for the first time in BNP Paribas' balance sheet upon the consolidation of Fortis' assets from 12 May 2009. At 31 December 2010, the net exposure of the "IN" portfolio stood at EUR 11.8 billion, down EUR 2.8 billion compared with 31 December 2009, owing principally to amortisation and sales of assets.

This portfolio carries a EUR 1.5 billion guarantee from the Belgian government covering the second-loss tranche. Auto loans related ABS decreased by EUR 0.9 billion compared with 31 December 2009.

The portfolio of RMBS and CMBS is of good quality: 70% are rated AA or higher [(2)].

The consumer credit related ABS comprises student loans, 96% of which are AAA-rated [(2)], auto loans of which 100% are rated AA or higher [(2)] and credit card outstandings of which 96% are AAA-rated [(2)].

The portfolio of CLOs and corporate CDOs is diversified. It comprises bonds and corporate loans. 81% of the US assets are rated AA or higher [(2)]. 42% of the assets in other countries are rated AA or higher [(2)].

(1) Including Scaldis, ABCP refinancing conduit consolidated by BNP Paribas Fortis.

(2) Based on the lowest S&P, Moody's & Fitch rating.

3.4 Balance sheet

ASSETS

OVERVIEW

The Group's consolidated assets amounted to EUR 1,998.2 billion at 31 December 2010, down 3% from EUR 2,057.7 billion at 31 December 2009. The main components of the Group's assets were financial assets at fair value through profit or loss, loans and receivables due from customers, available-for-sale financial assets, loans and receivables due from credit institutions, and accrued income and other assets, which together accounted for 94% of total assets at 31 December 2010 (vs. 93% at 31 December 2009). The 3% decrease in total assets reflects: a 29%, or EUR 26.2 billion, reduction in loans and receivables due from credit institutions to EUR 62.7 billion; a 20%, or EUR 20.2 billion, decline in accrued income and other assets to EUR 83.1 billion; and a 40%, or EUR 22.5 billion, decrease in cash accounts to EUR 33.6 billion, partially offset by growth in other assets including a 1% increase in loans and receivables due from customers and a 0.5% increase in financial assets at fair value through profit or loss.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair or model value through profit or loss consist of trading account transactions (including derivatives) and certain assets designated by the Group as at fair or model value through profit or loss at the time of acquisition. Financial assets carried in the trading book include mainly securities, repurchase agreements, and derivatives. Assets designated by the Group as at fair or model value through profit or loss include admissible investments related to unit-linked insurance contracts, and to a lesser extent assets with embedded derivatives that have not been separated from the host contract. Specifically, financial assets at fair value through profit or loss are divided into the following categories on the balance sheet: negotiable certificates of deposit; bonds; equities and other variable-income securities; repurchase agreements; loans to credit institutions, individuals, and corporate customers; and trading book derivatives. These assets are remeasured at fair value at each balance sheet date.

Total financial assets at fair value through profit or loss amounted to EUR 832.9 billion at 31 December 2010, up 0.5% from EUR 828.8 billion at 31 December 2009. This increase reflects a 15%, or EUR 14.4 billion, rise in bonds to EUR 109.4 billion and a 14%, or EUR 13.9 billion, jump in equities and other variable-income securities to EUR 111.2 billion, partially offset by a 4%, or EUR 16 billion, decline in trading book derivatives to EUR 347.8 billion and a 13%, or EUR 7.9 billion, decrease in negotiable certificates of deposit to EUR 51.8 billion.

The decrease in trading book derivatives is primarily attributable to a 44% reduction in equity derivatives to EUR 39.4 billion and a 15% decline in credit derivatives to EUR 30.3 billion. Conversely, interest rate derivatives rose 10% to EUR 240 billion.

Financial assets at fair value through profit or loss accounted for 42% of the Group's total assets at 31 December 2010, compared with 40% at 31 December 2009.

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

Loans and receivables due from credit institutions consist of demand accounts, interbank loans, and repurchase agreements.

Loans and receivables due from credit institutions (net of impairment provisions) amounted to EUR 62.7 billion at 31 December 2010, down 29% from EUR 88.9 billion at 31 December 2009. Most of this decrease is due to repurchase agreements, which fell 75% to EUR 7 billion at year-end 2010, from EUR 28.5 billion at year-end 2009. Demand accounts also decreased 31% to EUR 11.3 billion, from EUR 16.4 billion a year earlier. Impairment provisions declined slightly, from EUR 1 billion at 31 December 2009 to EUR 0.9 billion at 31 December 2010.

LOANS AND RECEIVABLES DUE FROM CUSTOMERS

Loans and receivables due from customers consist of demand accounts, loans to customers, repurchase agreements, and finance leases.

Loans and receivables due from customers (net of impairment provisions) amounted to EUR 684.7 billion at 31 December 2010, up 1% from EUR 678.8 billion at 31 December 2009. This growth is due to a 3% increase in loans to customers, from EUR 616.9 billion at year-end 2009 to EUR 633.6 billion at year-end 2010, together with a 36% decrease in repurchase agreements, from EUR 25.9 billion at year-end 2009 to EUR 16.5 billion at year-end 2010. Demand accounts rose 6% to EUR 28.2 billion while finance leases declined 5% to EUR 33 billion. Impairment provisions rose 5% to EUR 26.7 billion, up from EUR 25.4 billion a year earlier.

AVAILABLE-FOR-SALE ASSETS

Available-for-sale financial assets are fixed- and variable-income securities that cannot be classified as financial assets at fair value through profit or loss or held-to-maturity financial assets. These assets are remeasured at market or similar value at each balance sheet date.

Available-for-sale financial assets (net of impairment provisions) amounted to EUR 219.9 billion at 31 December 2010, down 1% from EUR 221.4 billion at 31 December 2009. This decrease is attributable to a 2% decline in bonds, from EUR 173.4 billion at year-end 2009 to EUR 170.1 billion at year-end 2010, and 8% decrease in equities and other variable-income securities, from EUR 22.5 billion at year-end 2009 to EUR 20.7 billion at year-end 2010, partially offset by a 15% increase in negotiable certificates of deposit from EUR 28.3 billion at year-end 2009 to EUR 32.5 billion at year-end 2010.

The Group recognised an additional EUR 0.5 billion of impairment provisions on available-for-sale financial assets in 2010, bringing the total from EUR 3.2 billion at 31 December 2009 to EUR 3.7 billion at 31 December 2010. Impairment provisions for available-for-sale financial assets are calculated at each balance sheet date. The unrealised gain on available-for-sale financial assets totalled EUR 0.4 billion at 31 December 2010, compared with EUR 4.4 billion a year earlier. The EUR 4 billion decrease reflects a EUR 4.7 billion decline in the unrealised gain on fixed-income securities and a EUR 0.7 billion increase in the unrealised gain on variable-income securities.

HELD-TO-MATURITY FINANCIAL ASSETS

Held-to-maturity financial assets are investments with fixed or determinable payments and a fixed maturity that the Group has the intention and the ability to hold until maturity. They are recognised in the balance sheet at amortised cost using the effective interest method, and are divided into two categories: negotiable certificates of deposit and bonds.

Held-to-maturity financial assets totalled EUR 13.8 billion at 31 December 2010, down 2% from EUR 14 billion at 31 December 2009.

ACCRUED INCOME AND OTHER ASSETS

Accrued income and other assets consist of the following: guarantee deposits and guarantees paid; settlement accounts related to securities transactions; collection accounts; reinsurers' share of technical reserves; accrued income and prepaid expenses; and other debtors and miscellaneous assets.

Accrued income and other assets decreased 20% to EUR 83.1 billion at 31 December 2010, from EUR 103.4 billion at 31 December 2009. This decrease is primarily due to a 53%, or EUR 24.9 billion, decline in settlement accounts related to securities transactions.

CASH AND AMOUNTS DUE FROM CENTRAL BANKS AND POST OFFICE BANKS

Cash and amounts due from central banks and post office banks decreased 40% to EUR 33.6 billion at year-end 2010, from EUR 56.1 billion at year-end 2009. This decline reflects a EUR 22.5 billion decrease in loans to central banks.

LIABILITIES (EXCLUDING SHAREHOLDERS' EQUITY)

OVERVIEW

The Group's consolidated liabilities totalled EUR 1,912.5 billion at 31 December 2010, down 3% from EUR 1,977.4 billion at 31 December 2009. The main components of the Group's liabilities are financial liabilities at fair value through profit or loss, amounts due to credit institutions, amounts due to customers, debt securities, accrued expenses and other liabilities, and technical reserves of insurance companies. These items together accounted for 97.4% of total liabilities at 31 December 2010 (vs. 97.1% a year earlier). The 3% decrease reflects a 24%, or EUR 52.7 billion, decline in amounts due to credit institutions to EUR 168 billion and a 4%, or EUR 23.9 billion, decline in amounts due to customers to EUR 580.9 billion. This was partially offset by a 2%, or EUR 15.8 billion, increase in financial liabilities at fair value through profit or loss to EUR 725.1 billion at 31 December 2010.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The trading book primarily includes securities borrowing and short-selling transactions, repurchase agreements, and derivatives. Financial liabilities at fair or model value through profit or loss consist mainly of originated and structured issues, where the risk exposure is managed in combination with the hedging strategy. These types of issues contain significant embedded derivatives, whose changes in value are set off by changes in the value of the hedging instrument.

Total financial liabilities at fair value through profit or loss rose 2% to EUR 725.1 billion at year-end 2010, from EUR 709.3 billion at year-end 2009. This increase is due to a 23%, or EUR 18.8 billion, growth in securities borrowing and short-selling transactions to EUR 102 billion and a 7%, or EUR 14 billion, increase in repurchase agreements to EUR 223.4 billion, together with a 3%, or EUR 10.7 billion, decrease in trading book derivatives to EUR 345.5 billion.

The decline in trading book derivatives primarily reflects a 40% reduction in equity derivatives to EUR 40.9 billion, a 15% decline in credit derivatives to EUR 30.3 billion, and a 39% decrease in other derivatives to EUR 7.6 billion. On the other hand, interest rate derivatives rose 12% to EUR 236.4 billion at 31 December 2010, from EUR 210.8 billion a year earlier.

AMOUNTS DUE TO CREDIT INSTITUTIONS

Amounts due to credit institutions consist primarily of borrowings, but also include demand deposits and repurchase agreements.

Amounts due to credit institutions fell 24% to EUR 168 billion at 31 December 2010. This is due to the combined effect of a 62%, or EUR 30.8 billion, decrease in repurchase agreements to EUR 18.5 billion and a 17%, or EUR 27.0 billion, reduction in borrowings to EUR 131.9 billion.

AMOUNTS DUE TO CUSTOMERS

Amounts due to customers consist primarily of demand deposits, term accounts, regulated savings accounts, and repurchase agreements.

Amounts due to customers totalled EUR 580.9 billion at 31 December 2010, down EUR 24 billion from EUR 604.9 billion at 31 December 2009. This decline is attributable to a 56%, or EUR 35.6 billion, decrease in repurchase agreements to EUR 27.5 billion, partially offset by a 3%, or EUR 6.9 billion, increase in term and related accounts to EUR 241.4 billion.

DEBT SECURITIES

Debt securities consist of negotiable certificates of deposit and bond issues. They do not include debt securities classified as "Financial liabilities at fair value through profit or loss" (see note 5.a to the consolidated financial statements).

Debt securities decreased 1% to EUR 208.7 billion at 31 December 2010, from EUR 211 billion at 31 December 2009. This decrease is due to a 2% reduction in negotiable certificates of deposit to EUR 186.7 billion together with a 12% increase in bond issues to EUR 22 billion.

SUBORDINATED DEBT

Subordinated debt decreased 12% to EUR 24.7 billion at 31 December 2010, from EUR 28.2 billion the prior year.

TECHNICAL RESERVES OF INSURANCE COMPANIES

Technical reserves of insurance companies grew 13% to EUR 114.9 billion at 31 December 2010, up from EUR 101.6 billion at 31 December 2009. This increase is primarily due to higher technical reserves at the life insurance business.

ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities consist of guarantee deposits received, settlement accounts related to securities transactions, collection accounts, accrued expenses and deferred income, and other creditors and miscellaneous liabilities.

Accrued expenses and other liabilities fell 10% to EUR 65.2 billion at 31 December 2010, from EUR 72.4 billion at 31 December 2009. This decrease reflects a 34% decrease in settlement accounts related to securities transactions to EUR 19.5 billion, partially offset by a 14% increase in guarantee deposits received to EUR 25.8 billion.

MINORITY INTERESTS

Minority interests edged up to EUR 11 billion at 31 December 2010, from EUR 10.8 billion at 31 December 2009. This increase is primarily due to a EUR 1.3 billion contribution to net income, less EUR 0.5 billion of dividend payouts and a EUR 0.4 billion redemption of preferred shares.

CONSOLIDATED SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP

Consolidated shareholders' equity attributable to the Group before the 2010 dividend payout amounted to EUR 74.6 billion at 31 December 2010, up from EUR 69.5 billion a year earlier. This EUR 5.2 billion increase is attributable to net income for the year of EUR 7.8 billion and share issuance amounting to EUR 0.6 billion, partially offset by a dividend payment of EUR 1.8 billion for the 2009 financial year.

Assets and liabilities recognised directly in equity changed by EUR 1 billion, mainly as a result of lower unrealised gains on available-for-sale financial assets.

OFF-BALANCE SHEET ITEMS

FINANCING COMMITMENTS

Financing commitments given to customers consist mostly of documentary credits, other confirmed letters of credit, and commitments relating to repurchase agreements. These commitments grew 13% to EUR 269.3 billion at 31 December 2010.

Commitments to credit institutions rose 30% to EUR 45.4 billion.

Financing commitments received consist primarily of stand-by letters of credit and commitments relating to repurchase agreements. Financing commitments received increased 50% to EUR 129.5 billion at 31 December 2010, up from EUR 86.1 billion the prior year. This growth is due to a 32% increase in commitments received from credit institutions to EUR 104.8 billion and a 3.8x increase in commitments received from customers to EUR 24.7 billion.

GUARANTEE COMMITMENTS

Guarantee commitments fell 2% to EUR 102.6 billion at 31 December 2010, down from EUR 104.7 billion a year earlier. This decline reflects a 2% reduction in commitments to customers to EUR 92 billion, partially offset by a 2% increase in commitments to credit institutions to EUR 10.6 billion.

For further information concerning the Group's financing and guarantee commitments, see note 6 to the consolidated financial statements.

3.5 Profit and loss account

REVENUES

In millions of euros	2010	2009	Change (2010/2009)
Net interest income	24,060	21,021	+14%
Net commission income	8,486	7,467	+14%
Net gain on financial instruments at fair value through profit or loss	5,109	6,085	-16%
Net gain on available-for-sale financial assets and other financial assets not measured at fair value	452	436	+4%
Net income from other activities	5,773	5,182	+11%
TOTAL REVENUES	**43,880**	**40,191**	**+9%**

OVERVIEW

The 9% growth in the Group's 2010 revenue mainly reflects a 14% increase in net interest and commission income and an 11% increase in net income from other activities, partially offset by a 16% decrease in the net gain on financial instruments at fair value through profit or loss.

NET INTEREST INCOME

The "Net interest income" line item includes net income and expenses related to customer items, interbank items, bonds issued by the Group, cash flow hedging instruments, interest rate portfolio hedging instruments, the trading book (fixed-income securities, repurchase agreements, loans and borrowings, and debt securities), available-for-sale financial assets, and held-to-maturity financial assets.

More specifically, under IFRS, the "Net interest income" line item includes:

- Net interest income from the Group's loans and receivables, including the interest, transaction costs, fees, and commissions included in the initial value of the loan; these items are calculated using the effective interest method and recorded in the profit and loss account over the life of the loan;

- Net interest income from fixed-income securities held by the Group which are classified as "Financial assets at fair value through profit or loss" (for the contractual accrued interest) and "Available-for-sale financial assets" (for the interest calculated using the effective interest method);
- Interest income from held-to-maturity assets, which are investments with fixed or determinable payments and fixed maturity that the Group has the intention and ability to hold until maturity; and
- Net interest income from cash flow hedges, which are used in particular to hedge interest rate risk on variable-rate assets and liabilities. Changes in the fair value of cash flow hedges are recorded in shareholders' equity. The amounts recorded in shareholders' equity over the life of the hedge are transferred to "Net interest income" as and when the cash flows from the hedged item are recognised as profit or loss in the income statement.

Interest income and expenses on hedging derivatives at fair value are included with the interest generated by the hedged item. Similarly, interest income and expenses arising from hedging derivatives used for transactions designated as at fair value through profit or loss are allocated to the same line items as the interest income and expenses relating to the underlying transactions.

Net interest income grew 14% in 2010 to EUR 24,060 million. This increase is mainly due to a 6% increase in interest income on customer transactions, from EUR 19,236 million in 2009 to EUR 20,418 million in 2010, reflecting a EUR 1,070 million increase in income from loans and borrowings as a result of higher interest rates and a 1% growth in loans to customers to EUR 684.7 billion.

Interest income on available-for-sale financial assets increased 22% to EUR 6,258 million, primarily as a result of higher interest rates, as the volume of these assets remained relatively unchanged over the year (down 1%). Interest expenses on the Group's borrowings fell 21% to EUR 3,320 million, from EUR 4,215 million a year earlier.

Expenses (net of interest) on interbank transactions decreased 17%, from EUR 774 million in 2009 to EUR 644 million in 2010, mainly as a result of a 36% decrease in expenses (net of interest) related to loans and borrowings.

The growth in interest income was partially offset by a EUR 849 million decrease in the net gain on the trading book, which fell from EUR 2,666 million in 2009 to EUR 1,817 million in 2010, mainly as a result of a 26% reduction in interest income from fixed-income securities to EUR 2,586 million and a 61% decrease in interest income from repurchase agreements to EUR 1,081 million. These declines were partially offset by a 50% decrease in interest expenses on repurchase agreements to EUR 1,210 million.

The main factors affecting the level of net interest income are the relative volumes of interest-earning assets and interest-bearing liabilities and the spread between lending and funding rates. Net interest income is also affected by the impact of hedging transactions, and, to a lesser extent, exchange rate fluctuations.

Interest-earning assets primarily include loans and receivables due from customers, loans and receivables due from credit institutions, and fixed-income securities classified as "Financial assets at fair value through profit or loss" and "Available-for sale financial assets". The change in these assets between 31 December 2009 and 31 December 2010 is described in the following discussion of the Group's balance sheet.

Volumes of interest-earning assets and interest-bearing liabilities can be affected by several factors in addition to general economic conditions and growth of the Group's lending activities, either organically or through acquisitions. One such factor is the Group's business mix, such as the relative proportion of capital allocated to interest-generating as opposed to fee-generating businesses. In addition, the ratio of interest-earning assets to interest-bearing liabilities is affected by the funding of non-interest income by way of interest-bearing loans (i.e., the cost of carry of the Group's trading portfolio), which increases the interest-bearing liabilities without a corresponding increase in the interest-earning assets.

The other principal factor affecting net interest income is the spread between lending and funding rates, which is also influenced by several factors. These include central bank funding rates (which affect both the yield on interest-earning assets and the rates paid on sources of funding, although not always in a linear and simultaneous manner), the proportion of funding sources represented by non-interest bearing customer deposits, government decisions to raise or lower rates on regulated savings accounts, the competitive environment, the relative weights of the Group's various interest-bearing products, which have differing typical margins as a result of different competitive environments, and the Bank's hedging strategy and accounting treatment of hedging transactions.

NET COMMISSION INCOME

Net commission income includes commissions on interbank and money market transactions, customer transactions, securities transactions, foreign exchange and arbitrage transactions, securities commitments, forward financial instruments, and financial services. Net commission income rose 14% to EUR 8,486 million in 2010, from EUR 7,467 million in 2009. This is primarily due to a EUR 236 million increase in commissions from trusts and similar activities, which grew from EUR 2,215 million in 2009 to EUR 2,451 million in 2010, as well as a EUR 233 million increase in commissions from financial assets and liabilities that are not measured at fair value through profit or loss, which rose from EUR 2,650 million in 2009 to EUR 2,884 million in 2010.

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

This line item includes all profit and loss items (other than interest income and expenses, which are recognised under "Net interest income" as discussed above) relating to financial instruments managed in the trading book and to financial instruments designated as fair value through profit or loss by the Group under the fair value option of IAS 39. This includes both capital gains and losses on the sale and the marking-to-market of these instruments, along with dividends from variable-income securities.

This line item also includes gains and losses due to the ineffectiveness of fair value hedges, cash flow hedges, and net foreign currency investment hedges.

The net gain on financial instruments at fair value through profit or loss fell 16% to EUR 5,109 million in 2010, from EUR 6,085 million in 2009. The gains and losses resulting from cash flows and the remeasurement of financial instruments, either cash or derivatives, must be appreciated as a whole in order to give a fair representation of the profit or loss resulting from trading activities. The decrease in this line item is primarily due to a 52% decline in the net gain on the trading book to EUR 3,670 million and a 37% decrease in the net gain on the remeasurement of foreign exchange positions to EUR 888 million, partially offset by an increase in the net gain on financial instruments at fair value through profit or loss under the IAS 39 option, which increased from a loss of EUR 3,058 million in 2009 to a gain of EUR 524 million in 2010. The decrease in the net gain on the trading book mainly reflects a 39% decrease in income from debt instruments to EUR 1,657 million and a 71% reduction in income from capital instruments to EUR 1,303 million.

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

This line item includes assets classified as available-for-sale. Changes in fair value (excluding interest due) of these assets are initially recognised under "Change in assets and liabilities recognised directly in shareholders' equity". Upon the sale of such assets or upon recognition of an impairment loss, these unrealised gains or losses are recognised in the profit and loss account under "Net gain on available-for-sale financial assets and other financial assets not measured at fair value".

This line item also includes gains and losses on the sale of other financial assets not measured at fair value.

The net gain on available-for-sale financial assets and other financial assets not measured at fair value grew 4%, or EUR 16 million, in 2010. This increase results from a EUR 106 million increase in the net gain on fixed-income financial assets, partially offset by a EUR 90 million decline in the net gain on variable-income financial assets.

NET INCOME FROM OTHER ACTIVITIES

This line item consists of net income from insurance activities, investment property, assets leased under operating leases, property development activities, and other products. Net income from other activities grew 11% to EUR 5,773 million in 2010, from EUR 5,182 million in 2009. This increase is attributable primarily to a EUR 412 million increase in net income from assets leased under operating leases and a EUR 328 million increase in net income from insurance assets, partially offset by a EUR 107 million decrease in income from other products.

The principal components of net income from insurance activities are gross premiums written, movements in technical reserves, claims and benefit expenses, and changes in the value of admissible investments related to unit-linked contracts. Claims and benefits expenses include expenses arising from surrenders, maturities, and claims relating to insurance contracts, as well as changes in the value of financial contracts (in particular unit-linked contracts). Interest paid on such contracts is recognised under "Interest expense".

The increase in income from insurance activities reflects a decrease in the charge for technical reserves from EUR 10,075 million in 2009 to EUR 7,608 million in 2010, which is due to a reduction in the value of investments related to unit-linked contracts from a net gain of EUR 3,864 million in 2009 to a net gain of EUR 1,412 million in 2010. Gross premiums written grew from EUR 16,876 million in 2009 to EUR 18,691 million in 2010, while claims and benefit expenses rose from EUR 7,516 million in 2009 to EUR 8,996 million in 2010.

OPERATING EXPENSES, DEPRECIATION, AND AMORTISATION

In millions of euros	2010	2009	Change (2010/2009)
Operating expenses	(24,924)	(21,958)	+14%
Depreciation, amortisation, and impairment of property, plant, and equipment and intangible assets	(1,593)	(1,382)	+15%
TOTAL OPERATING EXPENSES, DEPRECIATION, AND AMORTISATION	**(26,517)**	**(23,340)**	**+14%**

Operating expenses, depreciation, and amortisation rose 14% to EUR 26,517 million in 2010 from EUR 23,340 million in 2009.

GROSS OPERATING INCOME

The Group's gross operating income grew 3% to EUR 17,363 million in 2010 from EUR 16,851 million in 2009 on the back of a 14% increase in operating expenses together with a smaller 9% increase in revenues.

COST OF RISK

In millions of euros	2010	2009	Change (2010/2009)
Net additions to impairment provisions	(4,594)	(8,161)	-44%
Recoveries on loans and receivables previously written off	393	420	-6%
Irrecoverable loans and receivables not covered by impairment provisions	(601)	(628)	-4%
TOTAL NET ADDITIONS TO PROVISIONS	**(4,802)**	**(8,369)**	**-43%**

This line item represents the net amount of impairment losses recognised for credit risks inherent in the Group's intermediation activities, plus any impairment losses relating to counterparty risks on over-the-counter derivative instruments.

The cost of risk fell in 2010 on the back of a sharp reduction in impairment provisions due to an 87% decrease in provisions at the Corporate and Investment Banking business to EUR 314 million (compared to EUR 2,473 million in 2009), which includes a 99% decrease in the provision for financing activities to EUR 7 million in 2010 (compared to a provision of EUR 1,533 million in 2009). The provision at the Retail Banking business fell 22% to EUR 4,582 million (compared to EUR 5,847 million in 2009), including a 61% decline in the provision for BancWest to EUR 465 million in 2010 (compared to EUR 1,195 million in 2009).

Total doubtful loans and commitments net of guarantees amounted to EUR 36 billion at year-end 2010, up from EUR 31 billion a year earlier, and provisions totalled EUR 29 billion, up from EUR 28 billion a year earlier. The Group's coverage ratio was 81% at 31 December 2010, down from 88% at 31 December 2009, in an overall improved risk environment.

For a more detailed discussion of the net additions to provisions for each division, see the section of this chapter titled "Core business results".

NET INCOME ATTRIBUTABLE TO THE GROUP

In millions of euros	2010	2009	Change (2010/2009)
OPERATING INCOME	**12,561**	**8,482**	**+48%**
Share of earnings of associates	268	178	+51%
Net gain on non-current assets	269	87	3.1x
Change in value of goodwill	(78)	253	n.s.
Income tax expense	(3,856)	(2,526)	+53%
Minority interests	(1,321)	(642)	2.1x
NET INCOME ATTRIBUTABLE TO THE GROUP	**7,843**	**5,832**	**+34%**

OVERVIEW

Net income attributable to the Group grew a sharp 34% in 2010.

SHARE OF EARNINGS OF ASSOCIATES

The Group's share of earnings of associates (i.e., companies accounted for under the equity method) rose from EUR 178 million in 2009 to EUR 268 million in 2010 as a result of broadly higher net income at these companies.

NET GAIN ON NON-CURRENT ASSETS

This line item includes net realised gains and losses on sales of property, plant, equipment, and intangible assets used in operations, and on sales of investments in consolidated undertakings still included in the scope of consolidation at the time of sale. The net gain on non-current assets rose from EUR 87 million in 2009 to EUR 269 million in 2010.

CHANGE IN VALUE OF GOODWILL

The change in the value of goodwill shifted from a positive EUR 253 million in 2009 to a negative EUR 78 million in 2010. This reflects negative goodwill of EUR 835 million on the 2009 acquisitions of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries, partially offset by a EUR 582 million impairment charge on the goodwill from the acquisitions of Personal Finance, Arval, UkrSibBank, and Banque du Sahara.

INCOME TAX EXPENSE

The Group's income tax expense totalled EUR 3,856 million in 2010, up from EUR 2,526 million in 2009 as a result of higher net income before tax.

MINORITY INTERESTS

The share of earnings attributable to minority interests in consolidated companies grew to EUR 1,321 million in 2010, from EUR 642 million in 2009, in particular due to the integration of BNP Paribas Fortis with a full-year effect (compared to seven and a half months in 2009) against a backdrop of profitability recovery of this sub-group after implementation of the integration plan.

3.6 Recent events

PRODUCTS AND SERVICES

BNP Paribas regularly introduces new products and services for its customers. More information is available on the Group's websites, including in the press releases available at www.invest.bnpparibas.com.

ACQUISITIONS AND PARTNERSHIPS

No significant acquisition or partnership events have occurred since the third update to the 2009 Registration document was issued on 8 November 2010.

3.7 Outlook

CORE BUSINESSES

RETAIL BANKING

In the four domestic networks (France, Italy, Belgium and Luxembourg), the Group will continue its dedication to serve the economy and support households and businesses in their financing needs.

Thus, for individual customers, the networks will maintain the technological innovation drive, will pursue the rolling out of the Private Banking model, especially in Belgium, and will grow the distribution of insurance products. In Italy, BNL bc will complete efforts to renovate its network and will upgrade its product offering targeting corporates.

For corporates and small businesses, the networks will endeavour to expand the product offering and grow cross-selling with Investment Solutions and CIB (Structured Finance, forex and fixed income products), continue to develop cash management services, open close to 30 new Small Business Centres in France and develop closer relationships with midcaps in Italy.

In the other retail banking networks, the emphasis will be placed on introducing targeted business development plans designed to improve the profitability of franchises:

- After a year marked by a return to profits, BancWest will implement a business development plan with technology investments in its product offering and the distribution channels in order to increase cross-selling and boost customer acquisition.
- In addition to continuing to roll out the integrated model throughout the entire network, Europe-Mediterranean will focus on pursuing business development efforts in Poland and making the operating cost base more flexible in Ukraine after a year 2010 spent restructuring the business.
- In Turkey, the legal merger of TEB and Fortis Bank Turkey (600 branches, EUR 5.6 billion in deposits and EUR 7.4 billion in loans) was completed on 14 February 2011, creating the country's 9th largest bank. BNP Paribas maintains joint control of the merged entity and there was virtually no impact on the Group's solvency. Due to the Group's direct equity investments, the New TEB entity will be consolidated on a 67% proportional basis. The business plan based on rolling out BNP Paribas's integrated model, provides for 86 million euros in net synergies by 2013, primarily in Retail Banking (75%) and in CIB (22%). Restructuring costs are expected to total EUR 123 million over 3 years.

Lastly, Personal Finance will take advantage in 2011 of strong growth potential in developed and emerging countries.

In France, the launch of Cetelem Bank will make it possible to develop savings solutions sold via a new multi-channel marketing model geared directly to customers. In Italy, the business unit will continue to market Findomestic's Carte Nova deferred debit or credit card, at the customer's choice. In Belgium, it will speed up the pace of distributing AlphaCrédit's products through the BNP Paribas Fortis network. In Germany, Personal Finance will benefit from strong growth in volumes in connection with its partnership alliance with Commerzbank.

Outside of the markets of Western Europe, growth potential will be exploited by expanding PF Inside, a model for deploying consumer loans in the Group's networks, especially in Poland, Ukraine, North Africa and China. The taking of control of TEB CTLM in Turkey as part of the recent agreements and new partnerships in the car loan business will also contribute to growth.

INVESTMENT SOLUTIONS

In 2011, the division will endeavour to take full advantage of its partnership with Retail Banking by continuing to roll out Private Banking's intragroup partnership model and capitalise on its working relationship with CIB in order to expand the product offering.

The division will continue its efforts to win new private banking and institutional clients.

Lastly, the division will continue expanding businesses in the Asia Pacific: it will capitalise on the existing organisation in Asset Management, improve its position in the top five private banks in Hong Kong and Singapore, maintain its drive in Insurance in India, Japan, Korea and Taiwan and keep expanding the presence of the Securities Services business unit in the region.

CORPORATE AND INVESTMENT BANKING (CIB)

In Europe, CIB will continue to provide financing to large corporations and cover their market risks and will be providing more strategic advisory services on M&As and rights issues. The unmatched pan-European flow product offering (the Corporate and Transaction Banking Europe, or CTBE, organisation) will be aggressively marketed to customers.

In the United States, CIB will make selected improvements to its organisation, especially its debt platform to better serve the needs of large corporate issuers and financial institutions and will develop its M&A services, drawing on the Energy & Commodities franchise.

In Asia, CIB will enhance its ability to deliver solutions to a broad range of clients in order to take advantage of the fast-growing region drawing on the Group's global franchises. CIB will expand its customer base and bring in new talent in China, India and Korea.

HIGH SOLVENCY, ACCESS TO A WIDE VARIETY OF LIQUIDITY SOURCES

BNP Paribas has broad access to a variety of liquidity sources:

- its large stable deposit base (EUR 553 billion) thanks to its position in Retail Banking at the heart of the euro zone, its reserve of central bank eligible collateral (EUR 160 billion available), as well as the quality of its collateral enabling it to issue covered bonds are all structural strengths;
- it also has, compared to its peers, capacity to issue medium and long term debt in leading financial markets (EUR, USD, AUD, JPY) on very favourable spread and maturity terms. It thus managed to raise EUR 7 billion in January 2011 with an average maturity extended to 8 years for a total programme of EUR 35 billion planned in 2011.

The substantial amount of retained earnings and the optimal management of risk weighted assets, which, at EUR 601 billion, were down EUR 20 billion compared to 31 December 2009 despite the rise in the dollar, enabled the Group to further strengthen its solvency considerably. As at 31 December 2010, the common equity Tier 1 ratio was 9.2% compared to 8.0% as at 31 December 2009 or a year-on-year increase of 120bp due essentially to the organic generation of equity (+80bp) and the decrease in risk weighted assets (+30bp).

The Group's balance sheet, which totalled EUR 1,998 billion as at 31 December 2010, was down slightly compared to 31 December 2009 (EUR 2,058 billion) despite the rise in the dollar relative to the euro during the period. This drop is due in part to the reduction in trading assets and repos (EUR -30 billion) and loans to central banks (EUR -22 billion). Available-for-sale assets were stable at EUR 220 billion. Their valuation at the market price (EUR -0.014 billion euros) had virtually no impact on the book value.

4 CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

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

4.1 Profit and loss account for the year ended 31 december 2010

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

4.2 Statement of net income and changes in assets and liabilities recognised directly in equity

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

4.3 Balance sheet at 31 december 2010

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

4.4 Cash flows statement for the year ended 31 december 2010

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

4.5 Statement of changes in shareholders' equity

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

between 1 jan. 2009 and 31 dec. 2010

			Change in assets and liabilities recognised directly in equity					
Minority interests			Attributable to shareholders					
Capital and retained earnings	Preferred shares eligible as Tier 1 capital	Total	Exchange rates	Financial assets available for sale	Derivatives used for hedging purposes	Total	Minority interests	Total equity
3,849	**2,330**	**6,179**	**(1,680)**	**(568)**	**718**	**(1,530)**	**(439)**	**58,968**
(226)		**(226)**						**(1,270)**
		-						6,197
		-						5,097
		-						4,253
		-						(5,253)
		-						1,149
		-						(2,550)
		-						191
		-						93
(149)		(149)						(484)
4,087		4,087						4,087
17		17						-
(23)		(23)						(23)
506		506						466
(20)		(20)						(5)
91		91						71
		-	121	2,729	(145)	2,705	222	2,927
642		**642**						**6,474**
(44)		(44)						(44)
8,730	**2,330**	**11,060**	**(1,559)**	**2,161**	**573**	**1,175**	**(217)**	**80,344**
(359)		**(359)**						**(2,135)**
132		132						756
(130)	(440)	(570)						(610)
		-						(72)
	2	2						-
		-						2
(146)		(146)						(456)
23		23						-
(223)		(223)						(223)
(137)		(137)						(190)
145		145						147
90		90						32
		-	1,158	(2,175)	11	(1,006)	(79)	(1,085)
1,321		**1,321**						**9,164**
(45)		(45)						(45)
9,401	**1,892**	**11,293**	**(401)**	**(14)**	**584**	**169**	**(296)**	**85,629**

4.6 Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE GROUP

1.a APPLICABLE ACCOUNTING STANDARDS

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

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

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

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

1.b CONSOLIDATION

1.b.1 Scope of consolidation

The consolidated financial statements of BNP Paribas include all entities under the exclusive or joint control of the Group or over which the Group exercises significant influence, with the exception of those entities whose consolidation is regarded as immaterial to the Group. The consolidation of an entity is regarded as immaterial if its contribution to the consolidated financial statements is below the following three thresholds: EUR 8 million of consolidated Revenues, EUR 1 million of, consolidated gross operating income or net income before tax, EUR 40 million of total consolidated assets. Companies that hold shares in consolidated companies are also consolidated.

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

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

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

1.b.2 Consolidation methods

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

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

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

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

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

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

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

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

Transactions resulting in a loss of control completed prior to 1 January 2010 give rise to the recognition of a gain or loss equal to the difference between the sale price and the Group's share in the underlying equity. For transactions completed after 1 January 2010, the revised IAS 27 now requires any equity interest retained by the Group to be remeasured at its fair value through profit or loss.

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

1.b.3 Consolidation procedures

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

Elimination of intragroup balances and transactions

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

Translation of financial statements expressed in foreign currencies

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

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

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

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

On liquidation or disposal of some or all of an interest held in a foreign enterprise located outside the euro zone, leading to a change in the nature of the investment (loss of control, significant influence or joint control), the cumulative translation adjustment recorded in equity at the date of the liquidation or sale is recognised in the profit and loss account.

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

1.b.4 Business combinations and measurement of goodwill

Business combinations completed prior to 1 January 2010

Business combinations are accounted for using the purchase method. Under this method, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the IFRS recognition criteria are measured at fair value at the acquisition date except for non-current assets classified as assets held for sale, which are accounted for at fair value less costs to sell. The Group may recognise any adjustments to the provisional accounting within 12 months of the acquisition date.

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

Goodwill represents the difference between the cost of the combination and the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree at the acquisition date. Positive goodwill is recognised in the acquirer's balance sheet, while negative goodwill is recognised immediately in profit or loss, on the acquisition date.

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

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

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

Business combinations completed after 1 January 2010

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

- the acquiree's contingent liabilities are not recognised in the consolidated balance sheet unless they represent a present obligation (and not a present or possible obligation, as before) on the acquisition date and their fair value can be reliably estimated;
- costs directly attributable to the business combination are treated as a separate transaction and recognised through profit or loss;
- any contingent consideration is included in the consideration transferred at its acquisition-date fair value (and no longer when it is probable and can be reliably measured as before). After the measurement period of 12 months following the business combination, changes in the value of any contingent consideration recognised as a financial liability are recognised through profit or loss;
- on the acquisition date, any previously held equity interest in the acquiree is remeasured at its fair value through profit or loss. In the case of a step acquisition, the goodwill is therefore determined by reference to the acquisition-date fair value and no longer by reference to the fair value of the assets and liabilities acquired in each stage.

Measurement of goodwill

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

Cash-generating units

The BNP Paribas Group has split all its activities into cash-generating units [(1)], representing major business lines. This split is consistent with the Group's organisational structure and management methods, and reflects the independence of each unit in terms of results and management approach. It is reviewed on a regular basis in order to take account of events likely to affect the composition of cash-generating units, such as acquisitions, disposals and major reorganisations.

Testing cash-generating units for impairment

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

Recoverable amount of a cash-generating unit

The recoverable amount of a cash-generating unit is the higher of the fair value of the unit and its value in use.

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

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

1.c FINANCIAL ASSETS AND FINANCIAL LIABILITIES

1.c.1 Loans and receivables

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

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

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) As defined by IAS 36.

1.c.2 Regulated savings and loan contracts

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

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

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

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

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

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

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

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

1.c.3 Securities

Categories of securities

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

Financial assets at fair value through profit or loss

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

- financial assets held for trading purposes;
- financial assets that the Group has designed, on initial recognition, at fair value through profit or loss using the fair value option available under IAS 39. The conditions for applying the fair value option are set out in Section 1.c.10.

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

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

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

Loans and receivables

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

Held-to-maturity financial assets

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

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

Available-for-sale financial assets

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

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

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

Repurchase agreements and securities lending/ borrowing

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

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

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

Date of recognition for securities transactions

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

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

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

1.c.4 Foreign currency transactions

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

Monetary assets and liabilities [1] expressed in foreign currencies

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

Non-monetary assets and liabilities expressed in foreign currencies

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

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

1.c.5 Impairment of financial assets

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

An impairment loss is recognised against loans and held-to-maturity financial assets where 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; the event affects the amount or timing of future cash flows; and the consequences of the event can be reliably measured. Loans are initially assessed for evidence of impairment on an individual basis, and subsequently on a portfolio basis. Similar principles are applied to financing and guarantee commitments given by the Group, with the probability of drawdown taken into account in any assessment of financing commitments.

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

- the existence of accounts that are more than three months past due (six months past due for real estate loans and loans to local authorities);
- 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.

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

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

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

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

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

Impairment of available-for-sale financial assets

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

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

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

A similar method is applied for unlisted variable-income securities.

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

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

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

1.c.6 Reclassification of financial assets

The only authorised reclassifications of financial assets are the following:

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

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

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

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

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

1.c.7 Issues of debt securities

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

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

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

1.c.8 Own equity instruments and own equity instrument derivatives

The term "own equity instruments" refers to shares issued by the parent company (BNP Paribas SA) or by its fully consolidated subsidiaries.

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

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

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

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

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

1.c.9 Derivative instruments and hedge accounting

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

Derivatives held for trading purposes

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

Derivatives and hedge accounting

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

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

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

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

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

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

- the risk designated as being hedged is the interest rate risk associated with the interbank rate component of interest rates on commercial banking transactions (loans to customers, savings accounts and demand deposits);
- the instruments designated as being hedged correspond, for each maturity band, to a portion of the interest rate gap associated with the hedged underlyings;
- the hedging instruments used consist exclusively of "plain vanilla" swaps;

- prospective hedge effectiveness is established by the fact that all derivatives must, on inception, have the effect of reducing interest rate risk in the portfolio of hedged underlyings. Retrospectively, a hedge will be disqualified from hedge accounting once a shortfall arises in the underlyings specifically associated with that hedge for each maturity band (due to prepayment of loans or withdrawals of deposits).

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

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

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

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

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

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

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

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

Embedded derivatives

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

1.c.10 Determination of fair value

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

Fair value is determined:

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

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

Use of quoted prices in an active market

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

Use of models to value unquoted financial instruments

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

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

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

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

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

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

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

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

The margin generated when these complex financial instruments are traded (day one profit) is deferred and taken to the profit and loss account over the period during which the valuation parameters are expected to remain non-observable. When parameters that were originally non-observable become observable, or when the valuation can be substantiated in comparison with recent similar transactions in an active market, the unrecognised portion of the day one profit is released to the profit and loss account.

Lastly, the fair value of unlisted equity securities is measured in comparison with recent transactions in the equity of the company in question carried out with an independent third party on an arm's length basis. If no such points of reference are available, the valuation is determined either on the basis of generally accepted practices (EBIT or EBITDA multiples) or of the Group's share of net assets calculated using the most recent information available.

1.c.11 Financial assets and liabilities designated at fair value through profit or loss (fair value option)

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

This option allows entities to designate any financial asset or financial liability on initial recognition measured at fair value, with changes in fair value recognised in profit or loss, in the following cases:

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

1.c.12 Income and expenses arising from financial assets and financial liabilities

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

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

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

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

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

1.c.13 Cost of risk

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

1.c.14 Derecognition of financial assets and financial liabilities

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

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

1.c.15 Offsetting financial assets and financial liabilities

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

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

1.d ACCOUNTING STANDARDS SPECIFIC TO INSURANCE BUSINESS

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

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

1.d.1 Assets

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

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

1.d.2 Liabilities

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

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

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

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

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

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

The adequacy of technical reserves is tested at the balance sheet date by comparing them with the average value of future cash flows as derived from stochastic analyses. Any adjustments to technical reserves are taken to the profit and loss account for the period. A capitalisation reserve is set up in individual statutory accounts on the sale of amortisable securities in order to defer part of the net realised gain and hence maintain the yield to maturity on the portfolio of admissible assets. In the consolidated financial statements, the bulk of this reserve is reclassified to "Policyholders' surplus" on the liabilities side of the consolidated balance sheet; a deferred tax liability is recognised on the portion taken to shareholders' equity.

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

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

1.d.3 Profit and loss account

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

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

1.e PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets shown in the consolidated balance sheet comprise on assets used in operations and investment property.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.f LEASES

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

1.f.1 Lessor accounting

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

Finance leases

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

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

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

Operating leases

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

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

1.f.2 Lessee accounting

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

Finance leases

A finance lease is treated as an acquisition of an asset by the lessee, financed by a loan. The leased asset is recognised in the balance sheet of the lessee at the lower of its fair value or the present value of the minimum lease payments calculated at the interest rate implicit in the lease. A matching liability, equal to the fair value of the leased asset or the present value of the minimum lease payments, is also recognised in the balance sheet of the lessee. The asset is depreciated using the same method as that applied to owned assets, after deducting the residual value from the amount initially recognised, over the useful life of the asset. The lease obligation is accounted for at amortised cost.

Operating leases

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

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

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

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

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

Where a group of assets and liabilities held for sale represents a major business line, it is categorised as a "discontinued operation". Discontinued operations include operations that are held for sale, operations that have been shut down, and subsidiaries acquired exclusively with a view to resale.

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

1.h EMPLOYEE BENEFITS

Employee benefits are classified in one of four categories:

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

Short-term benefits

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

Long-term benefits

These are benefits, other than post-employment benefits and termination benefits, which are not settled fully within 12 months after the employees render the related service. This relates, in particular, to compensation deferred for more than 12 months and not linked to the BNP Paribas share price, which is accrued in the financial statements for the period in which it is earned.

The actuarial techniques used are similar to those used for defined-benefit post-employment benefits, except that actuarial gains and losses are recognised immediately as is the effect of any plan amendments.

Termination benefits

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

Post-employment benefits

The Group draws a distinction between defined-contribution plans and defined-benefit plans.

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

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

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

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

The amount of the obligation recognised as a liability is measured on the basis of the actuarial assumptions applied by the Group, using the projected unit credit method. This method takes into account various parameters, such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate. The value of any plan assets is deducted from the amount of the obligation.

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

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

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

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

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

1.i SHARE-BASED PAYMENT

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

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

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

Stock option and share award plans

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

Stock options and share award expenses are recorded under salaries and employee benefits' account, with the credit entry is posted to shareholders' equity. They are calculated on the basis of the overall plan value, determined at the date of grant by the Board of Directors.

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

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

Share price-linked cash-settled deferred compensation plans

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

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

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

Share subscriptions or purchases offered to employees under the Company Savings Plan

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

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

1.j PROVISIONS RECORDED UNDER LIABILITIES

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

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

1.k CURRENT AND DEFERRED TAXES

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

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

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

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

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

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

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

Current and deferred taxes are recognised as tax income or expenses in the profit and loss account, excepted for deferred taxes relating to unrealised gains or losses on available-for-sale assets or to changes in the fair value of instruments designated as cash flow hedges, which are taken to shareholders' equity.

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

1.l CASH FLOWS STATEMENT

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

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

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

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

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

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

This applies in particular to:

- impairment losses recognised to cover credit risks inherent in banking intermediation activities;
- the use of internally-developed models to measure positions in financial instruments that are not quoted in organised markets;

- calculations of the fair value of unquoted financial instruments classified in "Available-for-sale financial assets", "Financial assets at fair value through profit or loss" or "Financial liabilities at fair value through profit or loss", and more generally calculations of the fair value of financial instruments subject to a fair value disclosure requirement;
- whether a market is active or inactive for the purposes of using a valuation technique;
- impairment losses on variable-income financial assets classified as "available-for-sale";
- impairment tests performed on intangible assets;
- the appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness;
- estimates of the residual value of assets leased under finance leases or operating leases, and more generally of assets on which depreciation is charged net of their estimated residual value;
- the measurement of provisions for contingencies and charges.

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

Note 2 NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

2.a NET INTEREST INCOME

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

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

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

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

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

2.b COMMISSION INCOME AND EXPENSE

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

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

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

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

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

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

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

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

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

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

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

2.e NET INCOME FROM OTHER ACTIVITIES

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

NET INCOME FROM INSURANCE ACTIVITIES

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

"Claims and benefits expense" includes expenses arising from surrenders, maturities and claims relating to insurance contracts. "Movement in technical reserves" reflects changes in the value of financial contracts, in particular unit-linked contracts. Interest paid on such contracts is recognised in "Interest expense".

2.f COST OF RISK

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

Cost of risk for the period

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Net additions to impairment provisions	(4,594)	(8,161)
Recoveries on loans and receivables previously written off	393	420
Irrecoverable loans and receivables not covered by impairment provisions	(601)	(628)
TOTAL COST OF RISK FOR THE PERIOD	**(4,802)**	**(8,369)**

Cost of risk for the period by asset type

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Loans and receivables due from credit institutions	105	12
Loans and receivables due from customers	(4,921)	(7,818)
Available-for-sale financial assets	131	(200)
Financial instruments on trading activities	(167)	(130)
Other assets	70	(7)
Off-balance sheet commitments and other items	(20)	(226)
TOTAL COST OF RISK FOR THE PERIOD	**(4,802)**	**(8,369)**

PROVISIONS FOR IMPAIRMENT: CREDIT RISKS

Movement in impairment provisions during the period

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
TOTAL IMPAIRMENT PROVISIONS AT START OF PERIOD	**28,800**	**17,216**
Net additions to impairment provisions	4,594	8,161
Impact of the consolidation of Fortis	-	6,715
Utilisation of impairment provisions	(3,254)	(3,256)
Effect of exchange rate movements and other items	(357)	(36)
TOTAL IMPAIRMENT PROVISIONS AT END OF PERIOD	**29,783**	**28,800**

Impairment provision by asset type

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

2.g CORPORATE INCOME TAX

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

(1) Including 3.3% social security contribution tax calculated on French corporate tax at 33.33% lifting it to 34.43%.
(2) Restated for the share of income from companies accounted for under the equity method and goodwill amortisation.

Note 3 SEGMENT INFORMATION

The Group is composed of three core businesses:

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

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

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

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

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

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

INFORMATION BY BUSINESS SEGMENT

INCOME BY BUSINESS SEGMENT

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

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

ASSETS AND LIABILITIES BY BUSINESS SEGMENT

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

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

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

INFORMATION BY GEOGRAPHIC AREA

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

REVENUES BY GEOGRAPHIC AREA

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

ASSETS AND LIABILITIES BY GEOGRAPHIC AREA

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

Note 4 RISK MANAGEMENT AND CAPITAL ADEQUACY

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

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

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

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

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

4.a RISK MANAGEMENT ORGANISATION

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

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

GRM covers risks resulting from the Group's business operations. It intervenes at all levels in the risk taking and monitoring process. Its remit includes formulating recommendations concerning risk policies, analysing the loan portfolio on a forward-looking basis, approving corporate loans and trading limits, guaranteeing the quality and effectiveness of monitoring procedures, defining and/or validating risk measurement methods, and producing comprehensive and reliable risk reporting data for Group management. GRM is also responsible for ensuring that all the risk implications of new businesses or products have been adequately evaluated. These evaluations are performed jointly by the sponsoring business line and all the functions concerned (Group Tax Department, Group Legal Department, Group Development and Finance Department, Group Compliance Department and Information Technology and Processes Department). The quality of the validation process is overseen by GRM which reviews identified risks and the resources deployed to mitigate them, as well as defining the minimum criteria to be met to ensure that growth is based on sound business practices. GC has identical responsibilities as regards operational and reputation risk. It plays an important oversight and reporting role in the process of validating new products, new business activities and exceptional transactions.

4.b RISKS CATEGORIES

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

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

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

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

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

Credit and counterparty risk

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

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

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

Market risk

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

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

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

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

Operational risk

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

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

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

Compliance and reputation risk

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

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

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

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

Additional information about risk definitions

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

- **Market risk and credit/counterparty risk**

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

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

- **Operational risk, credit risk and market risk**

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

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

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

Asset-liability management risk

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

Liquidity and refinancing risk

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

Insurance subscription risk

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

Breakeven risk

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

Strategy risk

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

Concentration risk

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

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

Summary of risks

➤ RISKS MONITORED BY THE BNP PARIBAS GROUP

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

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

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

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

Internal Capital Adequacy Assessment Process (ICAAP)

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

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

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

Risk factors

Risks Related to the Bank and its Industry

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Bank's hedging strategies may not prevent losses.

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

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

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

Integrating acquired businesses is a long and complex process. Successful integration and the realization of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realization. Moreover, the integration of the Bank's existing operations with those of the acquired operations could interfere with the respective businesses and divert management's attention from other aspects of the Bank's business, which could have a negative impact on the business and results of the Bank. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

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

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

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

4.c RISK MANAGEMENT AND CAPITAL ADEQUACY

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

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

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

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

Regulatory capital

Breakdown of regulatory capital

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

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

TABLE 1: AMOUNT OF REGULATORY CAPITAL

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

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

Capital ratio

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

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

Capital management and planning

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

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

4.d CREDIT AND COUNTERPARTY RISK

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

➤ TABLE 2: EXPOSURE TO CREDIT RISK BY BASEL ASSET CLASS

In millions of euros	31 December 2010				31 December 2009			
	IRBA	Standardised Approach	Total	Average exposure	IRBA	Standardised Approach	Total	Average exposure (3)
Central governments and central banks	174,362	19,618	193,980	203,515	181,691	31,359	213,050	156,019
Corporates	446,141	154,683	600,824	584,582	419,000	149,341	568,341	507,994
Institutions (1)	100,104	27,217	127,321	132,842	109,701	28,661	138,362	134,093
Retail	198,304	176,009	374,313	363,328	184,382	167,960	352,342	308,891
Securitisation positions	53,332	3,784	57,116	57,498	52,621	5,260	57,881	44,396
Other non credit-obligation assets (2)		89,455	89,455	84,805	261	79,894	80,155	78,461
TOTAL EXPOSURE	**972,243**	**470,766**	**1,443,009**	**1,426,570**	**947,656**	**462,475**	**1,410,131**	**1,229,854**

(1) The Basel II Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities.

(2) Other non credit-obligation assets include tangible assets and accrued income and other assets.

(3) For the record, BNP Paribas Fortis and BGL BNP Paribas have been consolidated only since 30 June 2009.

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

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

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

➤ **TABLE 3: EXPOSURE AT DEFAULT TO COUNTERPARTY RISK BY BASEL ASSET CLASS OF DERIVATIVES AND SECURITIES LENDING/BORROWING INSTRUMENTS**

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

(1) The Basel II Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities.

(2) For the record, BNP Paribas Fortis and BGL BNP Paribas have been consolidated only since 30 June 2009.

Credit risk

Management of credit risk - lending activities

General credit policy and control and provisioning procedures

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

Decision-making procedures

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

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

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

Monitoring procedures

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

Impairment procedures

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

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

Internal rating system

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

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

For corporate loans, the system is based on three parameters: the counterparty's probability of default expressed via a rating, Global Recovery Rate (or Loss Given Default), which depends on the structure of the transaction, and the Credit Conversion Factor (CCF), which estimates the portion of off-balance sheet exposure at risk.

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

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

Where external ratings exist, they are taken into account by credit risk analysts, relying on an indicative mapping of the internal rating scale against the external ratings based on the one-year default probability for each rating. The Bank's internal rating for an exposure is not necessarily the same as the external rating, and there is no strict correspondence between an external "investment grade" rating [(1)] and an internal rating equal to or higher than 5. Counterparties with a BBB- external rating may be rated 6 internally, even though an external BBB- theoretically equates to an internal 5. Annual benchmarking studies are carried out to compare internal and external ratings.

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

Loss Given Default is determined either using statistical models for books with the highest degree of granularity or using expert judgment based on comparative values, in line with a process similar to the one used to determine the counterparty rating for corporate books. [(2)] Basel II defines loss given default as the loss that the Bank would suffer in the event of the counterparty's default in times of economic crisis.

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

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

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

(1) Defined as an external rating from AAA to BBB-.

(2) Within the Group, the Corporate book includes institutions, corporates, specialised financing and sovereign states.

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

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

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

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

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

Prior to its acquisition, the Fortis group had obtained approval from its supervisor, the Commission Bancaire, Financière et des Assurances (CBFA) in Belgium, to use the advanced IRB approach to calculate its capital requirements under Basel II, pillar 1. The ratings policies and systems of BNP Paribas Fortis and BGL BNP Paribas are due to converge with those of BNP Paribas, leading to a consistent methodology being used across the entire Group. The review being conducted for this purpose has shown the compatibility of the concepts developed in each of the two scopes and facilitated harmonisation of the ratings of the key counterparties, but has not been completed yet. A hybrid approach has therefore been used at 31 December 2010, depending on the relevant businesses, based on the methods approved by the supervisors in France, Belgium and Luxembourg.

Portfolio policy

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

Scope and nature of risk reporting and measurement systems

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

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

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

Diversification of exposure to credit risk

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

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

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

Diversification by counterparty

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

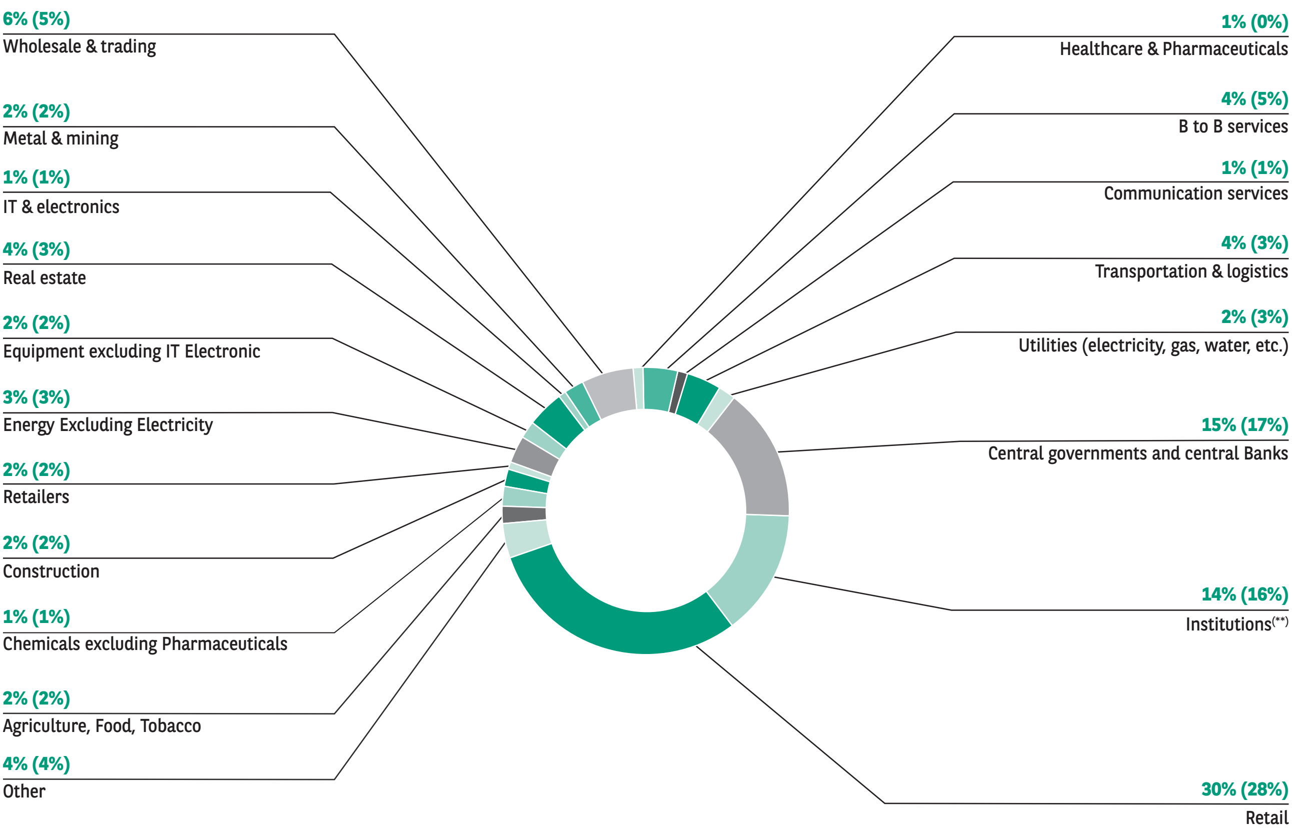
Diversification of the portfolio by counterparty is monitored on a regular basis, notably under the Group's individual risk concentration policy. The risk concentration ratio also ensures that the aggregate risk on each beneficiary [(1)] does not exceed 25% of the Group's net consolidated shareholders' equity. BNP Paribas remains well below the concentration limits set out in the European Directive on Large Exposures.

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

Industry diversification

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

➤ TABLE 4: BREAKDOWN OF CREDIT RISK BY BASEL II ASSET CLASS AND BY CORPORATE INDUSTRY AT 31 DECEMBER 2010 (*)



Total exposure: EUR 1,296 billion at 31 December 2010
EUR 1,272 billion at 31 December 2009

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

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

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

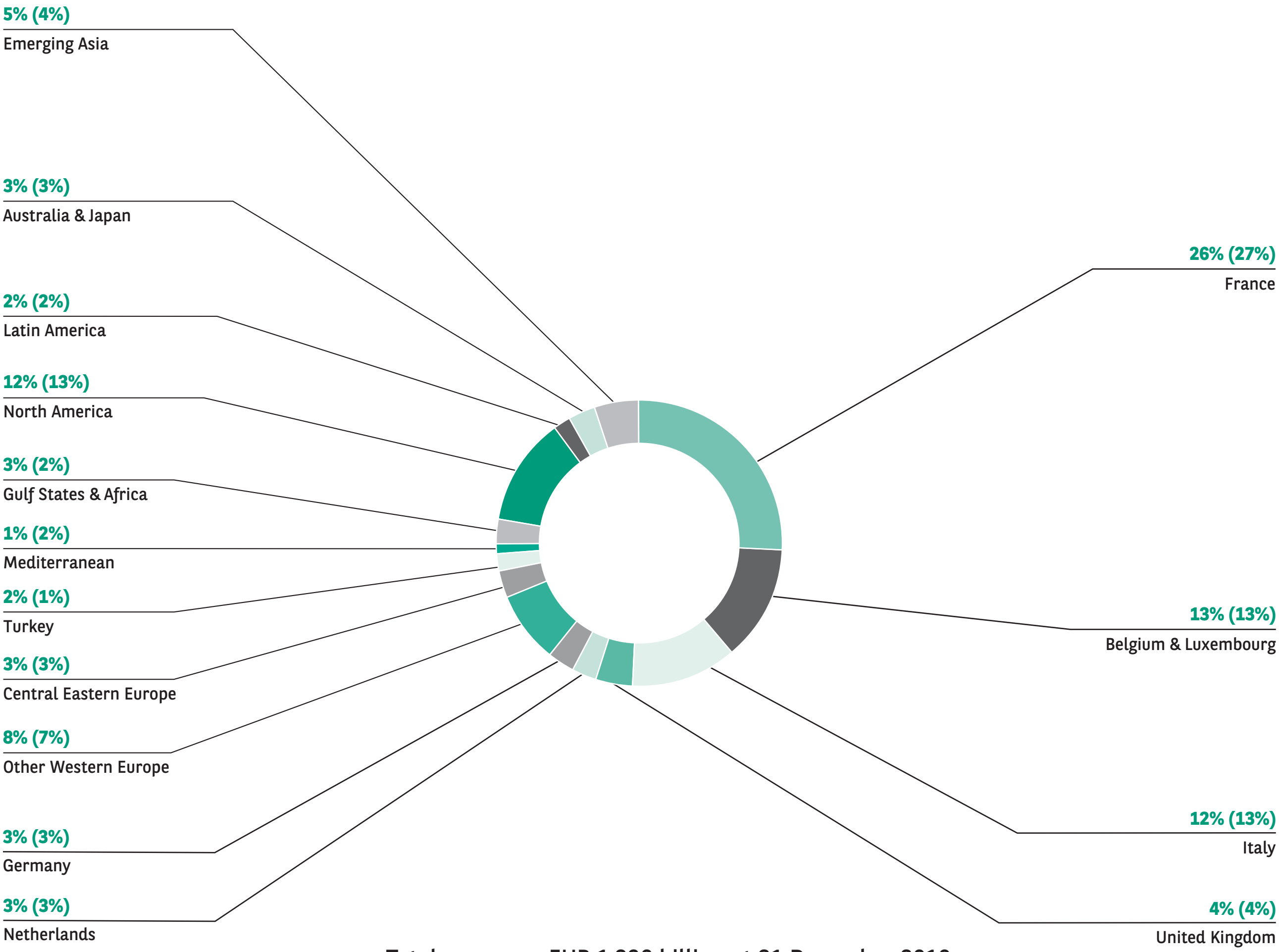
(1) Beneficiaries whose individual risks each exceed 10% of shareholders' equity, with a disclosure threshold set by the ACP at EUR 300 million in exposure, are considered as Large Exposures.

Geographic diversification

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

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

➤ TABLE 5: GEOGRAPHIC BREAKDOWN OF CREDIT RISK BY COUNTERPARTY'S COUNTRY OF BUSINESS AT 31 DECEMBER 2010 (*)



Total exposure: EUR 1,296 billion at 31 December 2010
EUR 1,272 billion at 31 December 2009

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

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

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

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

Quality of the portfolio exposed to credit risk

Advanced Internal Ratings Based Approach (IRBA)

The internal rating system developed by the Group covers the entire Bank. The IRBA, validated in December 2007, covers the Corporate and Investment Banking (CIB) portfolio, the French Retail Banking (FRB) portfolio, as well as BP2S and part of Personal Finance. Convergence projects are continuing with a view to harmonise methods, processes and systems, particularly in the scope resulting from the acquisition of BNP Paribas Fortis and BGL BNP Paribas. Common methods have already been rolled out for institutions and sovereigns. Proposals for most of the other portfolios will be made to the relevant banking supervisors during 2011.

Corporate model

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

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

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

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

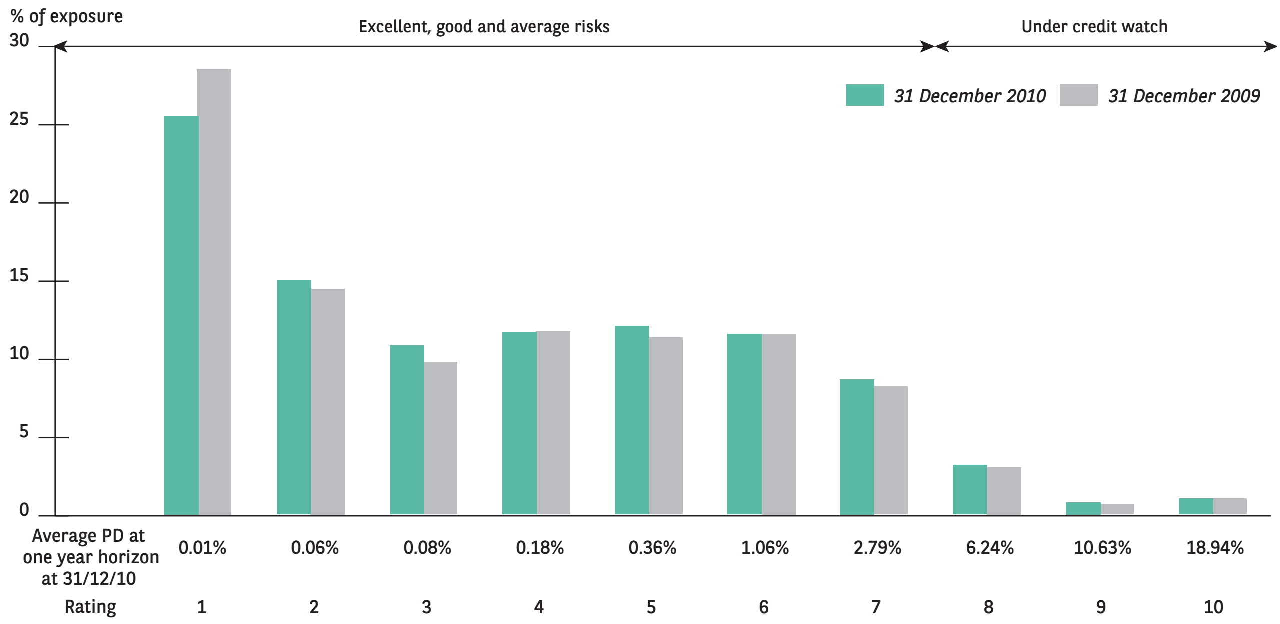
The same definition of default is used consistently throughout the Group.

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

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

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

TABLE 6: BREAKDOWN OF IRBA CORPORATE (*) EXPOSURES BY CREDIT RATING



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

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

Retail banking operations

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

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

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

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

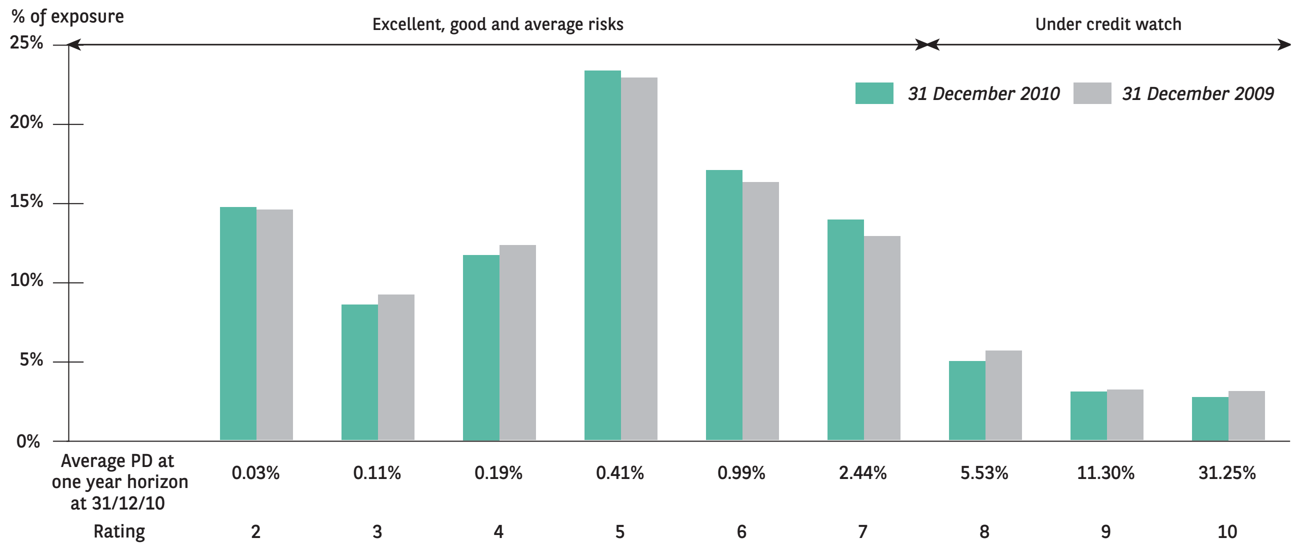
For the portion of the Personal Finance book eligible for the IRBA, the risk parameters are determined by the Risk Management Department on a statistical basis according to customer type and relationship history.

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

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

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

TABLE 7: BREAKDOWN OF IRBA RETAIL EXPOSURES BY CREDIT RATING



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

Standardised approach

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

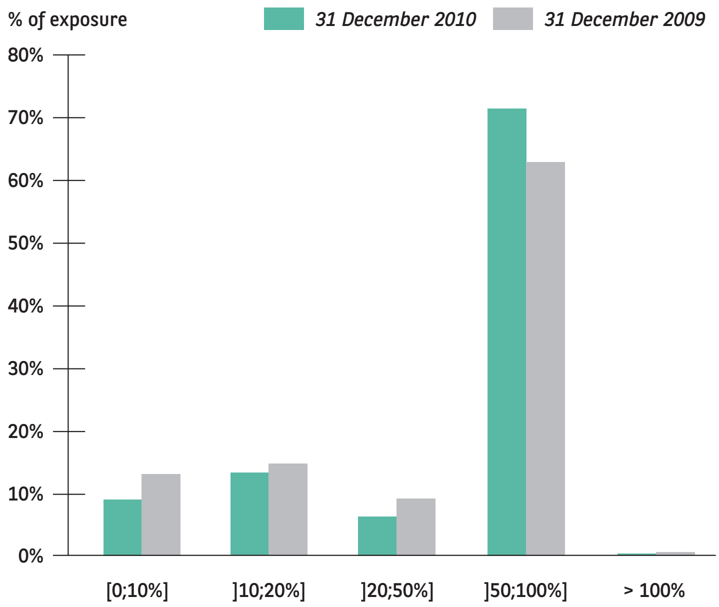
When there is no directly applicable external rating, the issuer's senior unsecured rating may, if available, be obtained from external databases and used for risk-weighting purposes in some cases.

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

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

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

➤ TABLE 8: BREAKDOWN OF CORPORATE (*) EXPOSURE BY WEIGHTING IN THE STANDARDISED APPROACH



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

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

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

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

➤ TABLE 9: LOANS WITH PAST-DUE INSTALMENTS, WHETHER IMPAIRED OR NOT, AND RELATED COLLATERAL OR OTHER SECURITY

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

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

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

Counterparty risk

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

Netting agreements

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

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

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

Measurement of exposure

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

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

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

Monitoring and control of counterparty risk

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

Credit adjustments to over-the-counter financial instruments

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

Dynamic counterparty risk management

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

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

Securitisation

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

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

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

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

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

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

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

TABLE 10: SECURITISED EXPOSURES AND SECURITISATION POSITIONS (HELD OR ACQUIRED) BY ROLE

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

(1) Securitised exposures originated by the Group correspond to the underlying exposures recognised on the Group's balance sheet which have been securitised.

(2) Securitisation positions correspond to tranches retained in securitisation transactions originated or arranged by the Group, tranches acquired by the Group in securitisation transactions arranged by other parties, and facilities granted to securitisation transactions originated by other parties.

Proprietary securitisation (originator under Basel II)

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

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

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

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

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

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

Securitisation as sponsor on behalf of clients

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

Short-term refinancing

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

Medium/long-term refinancing

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

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

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

Securitisation as investor

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

CIB Fixed Income is responsible for monitoring and managing an ABS portfolio (Asset Backed Securities), which represented a total of EUR 4.4 billion of ABS [(1)] at 31 December 2010 compared with EUR 4.8 billion at 31 December 2009. Fixed Income also manages liquidity facilities granted by banking syndicates to ABCP (Asset Backed Commercial Paper) conduits managed by a number of major international industrial groups that are BNP Paribas clients representing a total of EUR 0.5 billion at 31 December 2010, unchanged compared with at 31 December 2009.

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

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

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

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

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

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

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

Securitisation risk management

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

- independent analysis and monitoring by dedicated teams within the Risk Department;
- specific processes (with specific committees, approval procedures, credit and rating policies) to ensure a consistent, tailored approach.

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

- a crisis reporting procedure (at least quarterly through Capital Market Risk Committees, Internal Control, Risk and Compliance Committee (CCIRC) and Corporate Communication via reports recommended by the Financial Stability Forum);
- creation of a dedicated ABS unit in the Risk Department to coordinate the independent review and monitoring of ABS related risks;
- centralisation of ABS valuation issues in a specialised Fixed Income unit on behalf of all businesses;
- a dedicated Debtors Committee to review trends in ABS related provisions on a quarterly basis.

(1) Exposure At Default (EAD).

4.e MARKET RISK

Market risk related to financial instruments

Definitions

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

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

Governance

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

The system is structured around several committees:

- the Capital Markets Risk Committee (CMRC) is the main committee governing the risks related to capital markets. It is responsible for addressing, in a coherent manner, the issues related to market and counterparty risk. The CMRC sets the aggregate trading limits, outlines risk approval procedures, and reviews loss statements and hypothetical losses estimated on the basis of stress tests. It meets twice a year and is chaired by the Group CEO or by one of the Bank's two COOs;
- the Product and Financial Control Committee (PFCC) meets quarterly to review valuation issues and take any requisite decisions, such as validating master procedures. It is chaired by the Bank's CFO and other members include the Chief Risk Officer (CRO), head of CIB as well as other representatives of Group Development and Finance and of the Risk Department;
- at business unit level, the Valuation Review Committee (VRC) meets monthly to examine and approve the results of MAP Reviews and any changes in reserves. The Valuation Review Committee also acts as the referee in any disagreements between trading and control functions. The committee is chaired by the Senior Trader and other members include representatives from trading, GRM, Group Product Control, and Group Development and Finance;
- created in 2010, the Valuation Methodology Committee (VMC) meets quarterly to monitor approvals and review models.

Limit setting and tracking

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

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

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

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

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

Valuation control processes

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

The team's main areas of involvement are:

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

The procedures for these controls are discussed below.

Transaction accounting controls

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

Market Parameter (MAP) Review

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

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

Models review

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

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

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

Reserve calculations

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

Reserves mainly cover:

- liquidity risk and bid/offer spreads;
- uncertainty and modelling risk.

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

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

Day-one-profit or loss

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

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

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

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

Risk reports and information for Executive Management

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

The following risk reports are generated on a regular basis:

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

Measurement of market risk

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

Analysis of sensitivities to market parameters

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

Measurement of market risk under normal market conditions: VaR

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

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

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

Measurement of market risk under extreme market conditions

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

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

Historical VaR (10 days, 99%) in 2010

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

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

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TABLE 11: VALUE AT RISK (10 DAYS - 99%): BREAKDOWN BY RISK TYPE FOR THE BNP PARIBAS SCOPE EXCLUDING BNP PARIBAS FORTIS

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

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

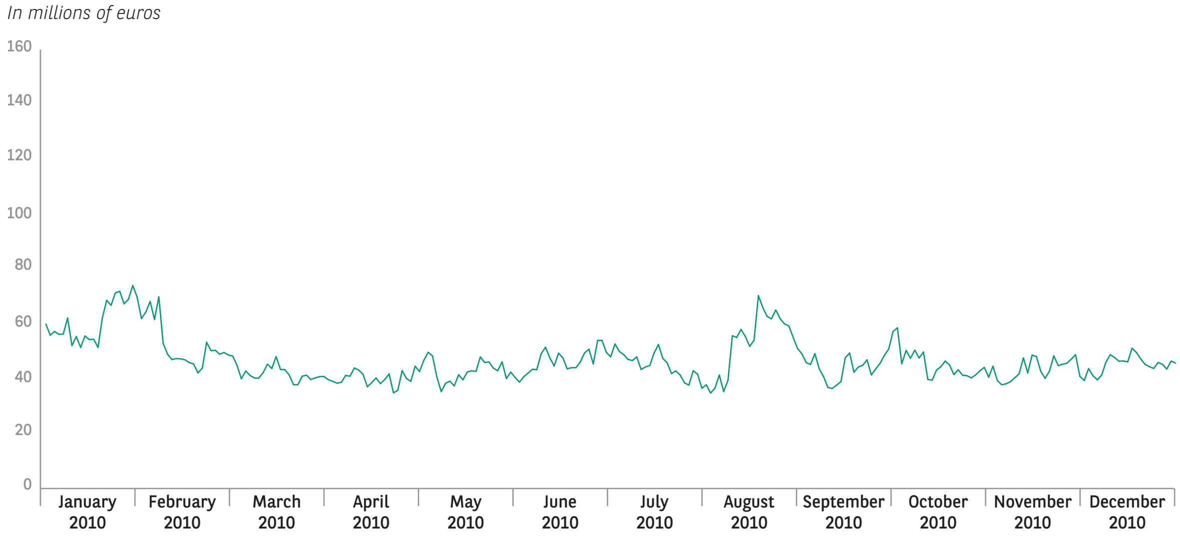
In 2010, total average VaR for the BNP Paribas Fortis scope, which was significantly lower than in 2009, was EUR 32 million (with a minimum of EUR 15 million and a maximum of EUR 62 million), after taking into account the EUR 12 million netting effect between different types of risk. The breakdown is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

VALUE AT RISK (10 DAYS - 99%): BREAKDOWN BY RISK TYPE FOR THE BNP PARIBAS FORTIS SCOPE

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

Risk exposure in 2010

➤ CHANGE IN VaR (1 DAY-99%) IN MILLIONS OF EUROS FOR THE BNP PARIBAS SCOPE EXCLUDING FORTIS

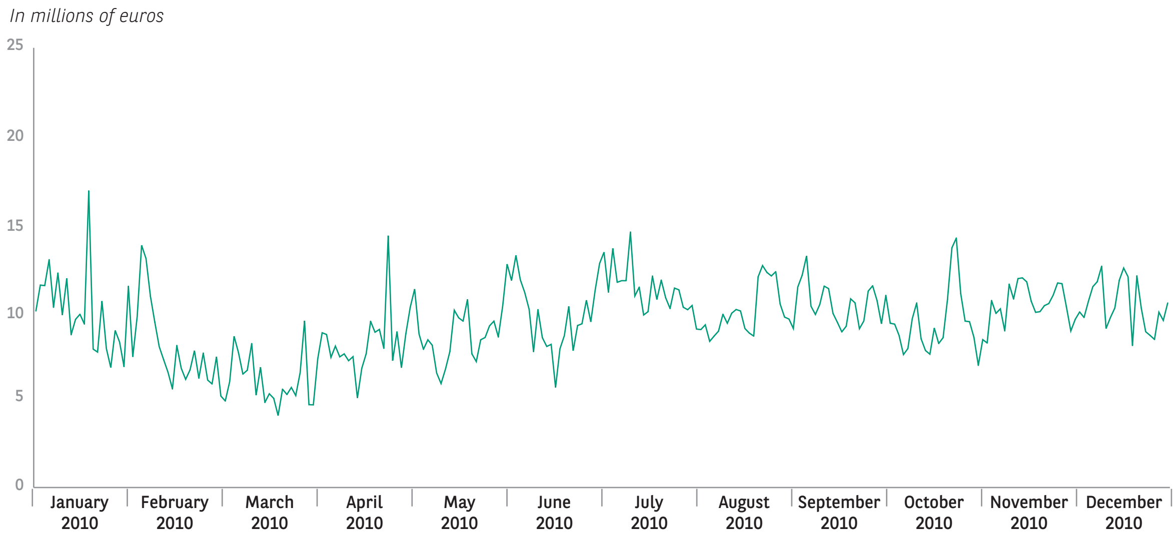


GRM continuously tests the accuracy of its internal model through a variety of techniques, including a regular comparison over a long-term horizon between actual daily losses on capital market transactions and 1-day VaR.

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

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

➤ CHANGE IN VaR (1 DAY-99%) IN MILLIONS OF EUROS FOR THE BNP PARIBAS FORTIS SCOPE



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

Market risk related to banking activities

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

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

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

Equity risk

Scope

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

- listed and unlisted equities and units in investment funds;
- options embedded in convertible and mandatory convertible bonds;
- equity options;
- super subordinated notes;
- commitments given and hedges related to equity interests; and
- interests in companies accounted for by the equity method.

Modelling equity risk

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

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

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

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

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

Accounting principles and valuation methods

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

TABLE 12: EXPOSURE (*) TO EQUITY RISK

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

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

Total gains and losses

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

Foreign exchange risk (Pillar 1)

Calculation of risk-weighted assets

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

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

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

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

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

Foreign exchange risk and hedging of earnings generated in foreign currencies

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

Foreign exchange risk and hedging of net investments in foreign operations

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

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

Interest rate risk (Pillar 2)

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

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

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

Measurement of interest rate risk

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

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

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

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

Risk limits

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

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

Sensitivity of revenues to general interest-rate risk

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

The indicator is presented in the table below. Over this one-year horizon, the banking intermediation book's exposure to interest-rate risk is limited: an increase of 100 basis points in interest rates right across the yield curve would lead to a decrease of less than 0.1% in the Group's revenues, all currencies combined.

➤ TABLE 13: SENSITIVITY OF REVENUES TO GENERAL INTEREST-RATE RISK BASED ON A 100 BASIS POINT INCREASE IN INTEREST RATES:

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

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

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

Hedging of interest rate and foreign exchange risks

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

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

Interest rate risk in the banking book

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

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

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

- in France, the stability of the loan-to-deposit ratio is the result of the net effect of the strong levels of production of fixed-rate home loans owing to the low level of long-term rates on the one hand and growth in non-interest bearing deposits and savings accounts on the other hand, as these show more correlation with the direction of short-term rates and inflation. The net hedging requirement for fixed-rate loans was accentuated by the impact of financing for subsidiaries specialised in loans to consumers and businesses;
- in Italy, commercial activity did not generate any significant shift in the interest-rate position, given the larger proportion of loan production accounted for by floating-rate mortgage loans;
- in Belgium and Luxembourg, the year was marked by further strong inflows of customer deposits, notably into savings accounts. At the same time, a higher proportion of mortgage loan production was generated by floating-rate products, giving rise to a net hedging requirement for customer deposits that show only moderate correlation with market rates.

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

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

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

Structural foreign exchange risk

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

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

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

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

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

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

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

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

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

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

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

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

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

Cash Flow Hedge

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

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

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

➤ TABLE 14: CASH FLOWS HEDGED

In millions of euros	31 December 2010				31 December 2009			
Period to realisation	**Less than 1 year**	**1 to 5 year**	**More than 5 years**	**Total**	**Less than 1 year**	**1 to 5 year**	**More than 5 years**	**Total**
Cash flows hedged	186	556	607	1,350	115	244	332	691

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

4.f OPERATIONAL RISK

Risk management framework

Regulatory framework

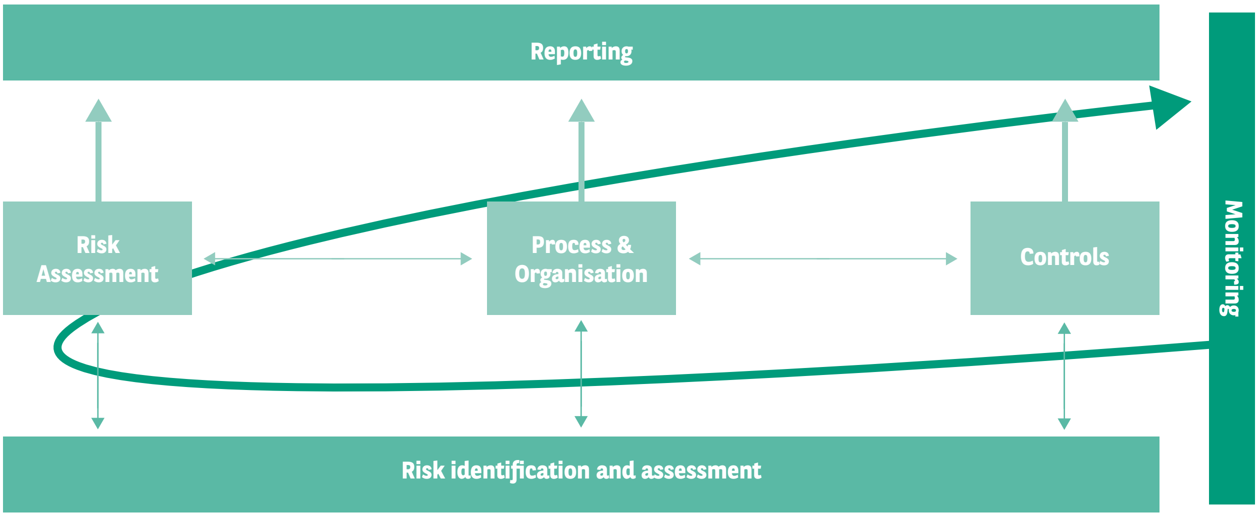
Operational risk management is governed by a strict regulatory framework:

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

Objectives and principles

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

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



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

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

Key players and governance

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

- Heads of operational entities, who are on the front line of risk management and implementation of systems to manage these risks.
- Specialised teams, who are present at every level of the Group (core businesses, retail operational entities, functions, business lines) and coordinated centrally by the 2OPC team (Oversight of Operational Permanent Control), which is part of Group Compliance and a participant in the Group's risk management process. 2010 saw an evolution in the role of these teams, with their missions being refocused on two areas:
  - coordinating throughout the areas within their remit the definition and implementation of the permanent control and operational risk management system, its standards and methodologies, reporting and related tools;
  - acting as a second pair of eyes that is independent of the operational managers to scrutinise operational risk factors and the functioning of the operational risk and permanent control system, and issuing warnings, where appropriate.

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

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

Scope and nature of risk reporting and measurement

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

Operational risk management has developed a system of data collection of actual or potential incidents using an approach structured by operational process and entity (activities in a country and a single legal entity) focusing on the cause-and-effect chain behind events. This information is used as the basis for risk mitigation and prevention measures.

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

Merger of BNP Paribas with the BNP Paribas and BGL BNP Paribas entities

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

Components of operational risk related to legal, tax and information security risks

Legal risk

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

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

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

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

Tax risk

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

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

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

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

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

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

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

Information security

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

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

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

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

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

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

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

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

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

Insurance policies

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

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

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

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

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

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

4.g COMPLIANCE AND REPUTATION RISKS

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

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

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

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

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

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

4.h LIQUIDITY AND REFINANCING RISK

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

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

Liquidity risk management policy

Policy objectives

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

Roles and responsibilities in liquidity risk management

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

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

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

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

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

Centralised liquidity risk management

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

Liquidity risk management and supervision

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

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

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

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

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

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

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

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

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

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

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

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

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

Risk exposure in 2010

Consolidated balance sheet evolution

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

The loan-to-deposit ratio (1) stood at 121% at 31 December 2010 (unchanged compared with 31 December 2009).

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

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

Internal medium and long-term liquidity ratios

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

Regulatory liquidity ratios

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

Risk mitigation techniques

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

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

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

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

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

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

(1) Repos not distributed via the networks have been excluded in the calculation of this ratio.

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

Proprietary securitisations

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

4.i INSURANCE RISKS

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

Financial risks

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

There are three types of financial risk:

Interest rate risk

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

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

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

Surrender risk

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

The surrender risk is limited, however, as:

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

Unit-linked contracts with a capital guarantee

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

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

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

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

Insurance underwriting risks

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

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

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

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

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

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

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

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

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

Note 5 NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2010

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

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

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

Financial instruments designated as at fair value through profit or loss

Financial assets designated as at fair value through profit or loss

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

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

Financial liabilities designated as at fair value through profit or loss

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

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

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

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

The CASHES are perpetual securities but may be exchanged for Fortis SA/NV (renamed Ageas) shares at the holder's sole discretion at a price of EUR 23.94. However, as of 19 December 2014, the CASHES will be automatically exchanged into Fortis SA/NV shares if the price is equal to or higher than EUR 35.91 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the 125,313,283 Fortis SA/NV shares that Fortis Bank acquired on the date of issuance of the CASHES and pledged to them: they are recognised as financial assets and measured at fair value through profit or loss, which amounted to EUR 214 million at 31 December 2010 (EUR 328 million at 31 December 2009). Fortis SA/NV and Fortis Bank have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on Fortis Bank of the relative difference between changes in the value of the CASHES and changes in the value of the Fortis SA/NV shares. At 31 December 2010, the value of the RPN was EUR 635 million (EUR 641 million at 31 December 2009) recognised on the balance sheet under "Derivative instruments held for trading" (Financial assets at fair value through profit or loss). On the basis of this RPN value, the debtor pays the creditor interest at 3-month Euribor plus 20 basis points, for which BNP Paribas has a guarantee from the Belgian government.

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

Derivative financial instruments held for trading

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

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

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

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

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

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

5.b DERIVATIVES USED FOR HEDGING PURPOSES

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

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

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

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

5.c AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

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

5.d MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

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

- level 1 – Financial instruments with quoted market prices:

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

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

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

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

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

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

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

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

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

Breakdown by measurement method applied to financial instruments recognised at fair value presented in line with the latest recommendations of IFRS 7

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

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

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

In millions of euros in 2010	Financial Assets				Financial Liabilities		
	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	Available-for-sale financial assets	TOTAL	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	TOTAL
BEGINNING OF THE PERIOD	**25,618**	**1,830**	**7,293**	**34,741**	**(28,331)**	**(10,573)**	**(38,904)**
■ purchases	5,091	463	1,511	**7,065**	-		**-**
■ issues	-	-	-	**-**	(9,206)	(3,957)	**(13,163)**
■ sales	(979)	(139)	(1,066)	**(2,184)**	-	-	**-**
■ settlements (2)	819	(240)	30	**609**	2,106	5,555	**7,661**
Transfers to level 3	2,436	39	1,688	**4,163**	(312)	(56)	**(368)**
Transfers from level 3	(5,716)	(361)	(1,866)	**(7,943)**	5,553	787	**6,340**
Gains (or losses) recognised in income	(5,027)	111	(97)	**(5,013)**	5,484	(493)	**4,991**
Changes in fair value of assets and liabilities recognised directly in equity							
■ Items related to exchange rate movements	639	-	55	**694**	(702)	-	**(702)**
■ Changes in fair value of assets and liabilities recognised in equity	-	-	606	**606**	-	-	**-**
END OF THE PERIOD	**22,881**	**1,703**	**8,154**	**32,738**	**(25,408)**	**(8,737)**	**(34,145)**
TOTAL GAINS (OR LOSSES) IN THE PERIOD RECOGNISED IN INCOME FOR INSTRUMENTS OUTSTANDING AT THE END OF THE PERIOD	**3,469**	**88**	**(86)**	**3,471**	**(3,461)**	**(531)**	**(3,992)**

In millions of euros in 2009	Financial Assets				Financial Liabilities		
	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	Available-for-sale financial assets	TOTAL	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	TOTAL
BEGINNING OF THE PERIOD	**36,327**	**2,813**	**12,117**	**51,257**	**(20,333)**	**(10,090)**	**(30,423)**
■ purchases (1)	6,840	405	1,556	**8,801**	(1,952)	(368)	**(2,320)**
■ issues	-	-	-	**-**	(5,922)	(3,842)	**(9,764)**
■ sales	(4,115)	(1,102)	(4,291)	**(9,508)**	-	-	**-**
■ settlements (2)	(1,569)	(118)	(800)	**(2,487)**	(3,304)	3,651	**347**
Reclassifications (3)	(2,760)	-	(1,158)	**(3,918)**	-	-	**-**
Transfers to level 3	893		36	**929**	(64)	-	**(64)**
Transfers from level 3	(1,868)	(278)	(4)	**(2,150)**	51	-	**51**
Gains (or losses) recognised in income	(10,163)	108	142	**(9,913)**	4,409	76	**4,485**
Changes in fair value of assets and liabilities recognised directly in equity							
■ Items related to exchange rate movements	2,033	2	79	**2,114**	(1,216)	-	**(1,216)**
■ Changes in fair value of assets and liabilities recognised in equity	-	-	(384)	**(384)**	-	-	**-**
END OF THE PERIOD	**25,618**	**1,830**	**7,293**	**34,741**	**(28,331)**	**(10,573)**	**(38,904)**
TOTAL GAINS (OR LOSSES) IN THE PERIOD RECOGNISED IN INCOME FOR INSTRUMENTS OUTSTANDING AT THE END OF THE PERIOD	**(3,367)**	**94**	**235**	**(3,038)**	**3,387**	**365**	**3,752**

(1) Includes instruments resulting from the consolidation of Fortis Banque by the BNP Paribas Group.

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

(3) These are financial instruments initially recognised at fair value and reclassified as loans and receivables.

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The Level 3 financial instruments may be hedged by other Level 1 and/or Level 2 instruments, the gains and losses on which are not shown in this table. Consequently, the gains and losses shown in this table are not representative of the gains and losses arising from management of the net risk on all these instruments. More particularly, losses and gains on financial assets and liabilities at fair value through profit or loss held for trading purposes, amounting respectively to EUR 5,027 million and EUR 5,484 million at 31 December 2010 (compared with EUR 10,163 million and EUR 4,409 million at 31 December 2009), primarily correspond to changes in the value of CDO positions classified in Level 3 hedged by CDS positions classified in Level 2.

Sensitivity of model values to reasonably likely changes in level 3 assumptions

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

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

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

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

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

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

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

Deferred margin on financial instruments measured using techniques developed internally and based on inputs partly non-observable in active markets

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

The day one profit is calculated after setting aside reserves for uncertainties as described previously and taken back to profit or loss over the expected period for which the inputs will be non-observable. The yet to be unamortised amount is included under "Financial instruments held for trading purposes at fair value through profit or loss" as a reduction in the fair value of the relevant complex transactions.

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

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

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

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

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

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

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

➤ ON THE BALANCE SHEET

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

IN PROFIT AND LOSS AND AS A DIRECT CHANGE IN EQUITY

In millions of euros	Year to 31 December 2010		Year to 31 December 2009		
			Realised		
	Realised	Pro forma (1)	after reclassification(2)	before reclassification(2)	Pro forma (1)
In profit or loss	387	346	92	(218)	564
In interest and related income	*373*	*235*	*452*	*-*	*298*
in gains or losses on financial instruments at fair value through profit or loss	*40*	*138*	*147*	*(75)*	*425*
in gains or losses on available-for-sale assets and L&R	*(4)*	*3*	*(88)*	*-*	*(28)*
in cost of risk	*(22)*	*(30)*	*(419)*	*(143)*	*(131)*
In direct change in equity (before tax)	79	65	156	(255)	133
TOTAL PROFIT OR LOSS AND EQUITY ITEMS RECLASSIFIED	**466**	**411**	**248**	**(473)**	**697**

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

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

5.f INTERBANK AND MONEY-MARKET ITEMS

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

In millions of euros	31 December 2010	31 December 2009
Demand accounts	11,273	16,379
Loans	45,353	45,045
Repurchase agreements	7,086	28,524
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS, BEFORE IMPAIRMENT PROVISIONS	**63,712**	**89,948**
of which doubtful loans	*1,466*	*1,659*
Provisions for impairment of loans and receivables due from credit institutions (note 2.f)	(994)	(1,028)
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS, NET OF IMPAIRMENT PROVISIONS	**62,718**	**88,920**

DUE TO CREDIT INSTITUTIONS

In millions of euros	31 December 2010	31 December 2009
Demand accounts	17,464	12,380
Borrowings	131,947	158,908
Repurchase agreements	18,574	49,408
TOTAL DUE TO CREDIT INSTITUTIONS	**167,985**	**220,696**

5.g CUSTOMER ITEMS

LOANS AND RECEIVABLES DUE FROM CUSTOMERS

In millions of euros	31 December 2010	31 December 2009
Demand accounts	28,188	26,474
Loans to customers	633,583	616,908
Repurchase agreements	16,523	25,866
Finance leases	33,063	34,887
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS, BEFORE IMPAIRMENT PROVISIONS	**711,357**	**704,135**
of which doubtful loans	*42,100*	*38,380*
Impairment of loans and receivables due from customers (note 2.f)	(26,671)	(25,369)
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS, NET OF IMPAIRMENT PROVISIONS	**684,686**	**678,766**

BREAKDOWN OF FINANCE LEASES

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

DUE TO CUSTOMERS

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

5.h DEBT SECURITIES AND SUBORDINATED DEBT

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

Debt securities measured at amortised cost

In millions of euros	31 December 2010	31 December 2009
Negotiable certificates of deposit	186,672	191,421
Bond issues	21,997	19,608
TOTAL DEBT SECURITIES AT AMORTISED COST	**208,669**	**211,029**

➤ MATURITY SCHEDULE OF MEDIUM- AND LONG-TERM DEBT SECURITIES CARRIED AT AMORTISED COST AND DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

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

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

Subordinated debt measured at amortised cost

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

Redeemable subordinated debt

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

After agreement from the banking supervisory authority and at the issuer's initiative, these debt issues may contain a call provision authorising the Group to redeem the securities prior to maturity by repurchasing them in the stock market, via public tender offers, or in the case of private placements over the counter.

Debt issued by BNP Paribas SA or foreign subsidiaries of the Group via placements in the international markets may be subject to early redemption of the capital and early payment of interest due at maturity at the issuer's discretion on or after a date stipulated in the issue particulars (call option), or in the event that changes in the then applicable tax rules oblige the BNP Paribas Group issuer to compensate debt-holders for the consequences of such changes. Redemption may be subject to a notice period of between 15 and 60 days, and is in all cases subject to approval by the banking supervisory authorities.

MATURITY SCHEDULE OF REDEEMABLE SUBORDINATED DEBT CARRIED AT AMORTISED COST AND DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

Undated subordinated debt

Undated floating-rate subordinated notes

The various TSDI issues are as follows:

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

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

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

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

Other undated subordinated notes

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

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

(1) Eligible as Tier 1 regulatory capital.

Undated subordinated debt

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

Undated participating subordinated notes

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

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

5.i HELD-TO-MATURITY FINANCIAL ASSETS

In millions of euros	31 December 2010	31 December 2009
Negotiable certificates of deposit	**2,952**	**3,103**
Treasury bills and other bills eligible for central bank refinancing	2,892	3,044
Other negotiable certificates of deposit	60	59
Bonds	**10,821**	**10,920**
Government bonds	10,664	10,692
Other bonds	157	228
TOTAL HELD-TO-MATURITY FINANCIAL ASSETS	**13,773**	**14,023**

5.j CURRENT AND DEFERRED TAXES

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

➤ *Change in deferred taxes over the period:*

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

➤ *Breakdown of deferred taxes by origin:*

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

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

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

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

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

In millions of euros	31 December 2010	31 December 2009
REINSURERS' SHARE OF TECHNICAL RESERVES AT START OF PERIOD	**2,403**	**2,226**
Increase in technical reserves borne by reinsurers	1,151	824
Amounts received in respect of claims and benefits passed on to reinsurers	(1,073)	(652)
Effect of changes in exchange rates and scope of consolidation	14	5
REINSURERS' SHARE OF TECHNICAL RESERVES AT END OF PERIOD	**2,495**	**2,403**

5.l INVESTMENTS IN ASSOCIATES

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

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

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

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

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

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

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

Investment property

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

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

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

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

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

Intangible assets

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

Depreciation, amortisation and impairment

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

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

5.n GOODWILL

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

Goodwill by core business is as follows:

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

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

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

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

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

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

5.o TECHNICAL RESERVES OF INSURANCE COMPANIES

In millions of euros	31 December 2010	31 December 2009
Liabilities related to insurance contracts	**103,056**	**89,986**
Gross technical reserves		
Unit-linked contracts	33,058	29,357
Other insurance contracts	69,998	60,629
Liabilities related to financial contracts with discretionary participation feature	**10,029**	**9,513**
Policyholders' surplus	**1,833**	**2,056**
TOTAL TECHNICAL RESERVES OF INSURANCE COMPANIES	**114,918**	**101,555**
Liabilities related to unit-linked financial contracts (1)	1,437	2,257
Liabilities related to general fund financial contracts	54	179
TOTAL LIABILITIES RELATED TO CONTRACTS WRITTEN BY INSURANCE COMPANIES	**116,409**	**103,991**

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

The policyholders' surplus reserve arises from the application of shadow accounting. It represents the interest of policyholders, mainly within French life insurance subsidiaries, in unrealised gains and losses on assets where the benefit paid under the policy is linked to the return on those assets. This interest, set at 90% for France (identical to 2009), is an average derived from stochastic analyses of unrealised gains and losses attributable to policyholders in various scenarios.

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

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

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

5.p PROVISIONS FOR CONTINGENCIES AND CHARGES

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
TOTAL PROVISIONS AT START OF PERIOD	**10,464**	**4,388**
Additions to provisions	1,527	1,491
Reversals of provisions	(964)	(611)
Provisions used	(1,050)	(1,001)
Impact of the first consolidation of Fortis	-	6,183
Effect of movements in exchange rates and other movements	334	14
TOTAL PROVISIONS AT END OF PERIOD	**10,311**	**10,464**

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

PROVISIONS FOR REGULATED SAVINGS PRODUCT RISKS

Deposits, loans and savings

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

Change in provisions

	Year to 31 Dec. 2010		Year to 31 Dec. 2009	
In millions of euros	Provisions recognised - home savings plans	Provisions recognised - home savings accounts	Provisions recognised - home savings plans	Provisions recognised - home savings accounts
TOTAL PROVISIONS AT START OF PERIOD	**166**	**36**	**91**	**37**
Additions to provisions during the period	37	-	75	8
Provision reversals during the period	-	(13)	-	(9)
TOTAL PROVISIONS AT END OF PERIOD	**203**	**23**	**166**	**36**

Note 6 FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS

6.a FINANCING COMMITMENTS GIVEN OR RECEIVED

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

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

6.b GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

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

6.c OTHER GUARANTEE COMMITMENTS

➤ FINANCIAL INSTRUMENTS GIVEN AS COLLATERAL

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

(1) Notably including "Société de Financement de l'Économie Française" and "Caisse de Refinancement de l'Habitat" financing.

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

FINANCIAL INSTRUMENTS RECEIVED AS COLLATERAL

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

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

Note 7 SALARIES AND EMPLOYEE BENEFITS

7.a SALARY AND EMPLOYEE BENEFIT EXPENSES

In millions of euros	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Fixed and variable remuneration, incentive bonuses and profit-sharing	11,406	9,795
Retirement bonuses, pension costs and social security taxes	3,234	3,529
Payroll taxes	470	674
TOTAL SALARY AND EMPLOYEE BENEFIT EXPENSES	**15,110**	**13,998**

7.b POST-EMPLOYMENT BENEFITS

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

Pension plans and other post-employment benefits

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

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

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

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

Defined-benefit pension plans for Group entities

In France, BNP Paribas pays a top-up banking industry pension arising from rights acquired to 31 December 1993 by retired employees at that date and active employees in service at that date. The residual pension obligations are covered by a provision in the consolidated financial statements or are transferred to an insurance company outside the Group. The defined-benefit plans previously granted to Group executives formerly employed by BNP, Paribas or Compagnie Bancaire have all been closed and converted into top-up type schemes. The amounts allocated to the beneficiaries, subject to their presence within the Group at retirement, were fixed when the previous schemes were closed. These pension plans have been funded through insurance companies. The fair value of the related plan assets in these companies' balance sheets breaks down as 82.4% bonds, 8.5% equities and 9.1% property assets.

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

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

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

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

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

Other post-employment benefits

Group employees also receive various other contractual post-employment benefits, such as indemnities payable on retirement. BNP Paribas' obligations for these benefits in France are funded through a contract held with a third-party insurer. In other countries, the Group obligations are mainly concentrated in Italy (77%), where pension reforms changed Italian termination indemnity schemes (TFR) into defined-contribution plans effective from 1 January 2007. Rights vested up to 31 December 2006 continue to be qualified as defined-benefit obligations.

Post-employment healthcare plans

In France, BNP Paribas no longer has any obligations in relation to healthcare benefits for its retired employees. Several healthcare benefit plans for retired employees exist in other countries, mainly in the United States and Belgium.

Obligations under defined-benefit plans

➤ ASSETS AND LIABILITIES RECOGNISED ON THE BALANCE SHEET

	Post-employment benefits		Post-employment healthcare benefits	
In millions of euros	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Present Value of Defined Benefit Obligation	**8,052**	**8,009**	**114**	**99**
Defined benefit obligation arising from wholly or partially funded plans	7,328	7,166	-	-
Defined Benefit Obligation arising from wholly unfunded plans	724	843	114	99
Fair value of plan assets	**(3,889)**	**(3,474)**	**-**	**-**
Fair value of reimbursement rights (1)	**(2,366)**	**(2,566)**	**-**	**-**
Cost not yet recognised in accordance with IAS 19	**(219)**	**(325)**	**(1)**	**6**
Prior Service Costs	(178)	(185)	(3)	3
Net actuarial Gains/(Losses)	(41)	(140)	2	3
Effect of asset ceiling	**209**	**162**	**-**	**-**
NET OBLIGATION RECOGNISED IN THE BALANCE SHEET FOR DEFINED-BENEFIT PLANS	**1,787**	**1,806**	**113**	**105**
Asset recognised in the balance sheet for defined-benefit plans	(2,473)	(2,636)	-	-
of which net assets of defined-benefit plans	*(107)*	*(70)*	-	-
of which fair value of reimbursement rights	*(2,366)*	*(2,566)*	-	-
Obligation recognised in the balance sheet for defined-benefit plans	4,260	4,442	113	105

(1) The reimbursement rights are principally found on the balance sheet of the Group's insurance subsidiaries – notably AG Insurance with respect to BNP Paribas Fortis' defined-benefit plan – to hedge its commitments to other Group entities that were transferred to them to cover the post-employment benefits of certain employee categories.

➤ CHANGE IN THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION

In millions of euros	Post-employment benefits		Post-employment healthcare benefits	
	Year to 31 Dec. 2010	Year to 31 Dec. 2009	Year to 31 Dec. 2010	Year to 31 Dec. 2009
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT START OF PERIOD	**8,009**	**4,113**	**99**	**48**
Current Service Cost	308	280	2	2
Interest Cost	335	289	5	4
Plan amendments	5	1	2	1
Curtailments or settlements	(319)	(53)	-	-
Actuarial (Gains)/Losses on obligation	(95)	(206)	6	(4)
Actual Employee Contributions	30	23	-	-
Benefits paid directly by employer	(120)	(392)	(4)	(4)
Benefits paid from assets/reimbursement rights	(327)	(205)	-	-
Exchange rate (Gains)/Losses on obligation	212	47	3	-
Consolidation variation (Gains)/Losses on obligation	16	4,088	-	52
Others	(2)	24	1	-
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT END OF PERIOD	**8,052**	**8,009**	**114**	**99**

➤ CHANGE IN THE FAIR VALUE OF PLAN ASSETS

In millions of euros	Post-employment benefits	
	Year to 31 Dec. 2010	Year to 31 Dec. 2009
FAIR VALUE OF PLAN ASSETS AT START OF PERIOD	**3,474**	**2,129**
Expected return on plan assets	197	151
Settlements	(6)	(40)
Actuarial Gains/(Losses) on plan assets	61	108
Actual Employee contributions	22	18
Employer contributions	123	527
Benefits paid from plan assets	(171)	(205)
Exchange rate Gains/(Losses) on plan assets	185	30
Consolidation variation Gains/(Losses) on plan assets	4	756
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**3,889**	**3,474**

Healthcare benefit plans are not funded plans.

CHANGE IN THE FAIR VALUE OF REIMBURSEMENT RIGHTS

In millions of euros	Post-employment benefits	
	Year to 31 Dec. 2010	Year to 31 Dec. 2009
FAIR VALUE OF REIMBURSEMENT RIGHTS AT START OF PERIOD	**2,566**	**15**
Expected return on reimbursement rights	96	72
Settlements	(199)	-
Actuarial Gains/(Losses) on reimbursement rights	(58)	93
Actual Employee contributions	8	5
Employer contributions	108	88
Benefits paid from reimbursement rights	(156)	(258)
Consolidation variation Gains/(Losses) on reimbursement rights	-	2,550
Others	1	1
FAIR VALUE OF REIMBURSEMENT RIGHTS AT END OF PERIOD	**2,366**	**2,566**

Healthcare benefit plans are not funded plans.

COMPONENTS OF THE COST OF DEFINED-BENEFIT PLANS

In millions of euros	Post-employment benefits		Post-employment healthcare benefits	
	Year to 31 Dec. 2010	Year to 31 Dec. 2009	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Current Service Cost	308	280	2	2
Interest Cost	335	289	5	4
Expected return on plan assets	(197)	(152)	-	-
Expected return on reimbursement rights	(96)	(72)	-	-
Amortization of actuarial (Gains)/Losses	4	28	-	-
Amortization of Prior Service Costs	13	10	1	-
(Gains)/Losses on curtailments or settlements	(104)	(13)	-	-
Effect of asset ceiling	41	15	-	-
Others	(2)	-	-	-
TOTAL EXPENSE RECORDED IN "SALARY AND EMPLOYEE BENEFIT EXPENSES"	**302**	**386**	**8**	**6**

Method used to measure obligations

Defined-benefit plans are valued by independent firms using actuarial techniques, applying the projected unit credit method, in order to determine the expense arising from rights vested by employees and benefits payable to retired employees. The demographic and financial assumptions used to estimate the present value of these obligations and of plan assets take into account economic conditions specific to each country and Group company.

Obligations under post-employment healthcare benefit plans are measured using the specific mortality tables applicable in each country and healthcare cost trend assumptions. These assumptions, which are derived from historical data, take into account expectations about healthcare benefit costs, including expected trend in the cost of healthcare benefits and expected inflation.

PRINCIPAL ACTUARIAL ASSUMPTIONS USED TO CALCULATE POST-EMPLOYMENT BENEFIT OBLIGATIONS (EXCLUDING POST-EMPLOYMENT HEALTHCARE BENEFITS)

The Group discounts its obligations at the government bond yield in the eurozone and the yield on high quality corporate bonds in other currency areas, the term of the corporate or government bonds being consistent with the duration of the estimated obligations. When the market for such bonds is not sufficiently deep, the obligation is discounted at the government bond yield.

The rates used are as follows:

In %	31 December 2010				31 December 2009			
	France	Euro zone excl. France	UK	USA	France	Euro zone excl. France	UK	USA
Discount rate	3.26%-4.40%	3.15%-4.50%	4.70%	5.25%	3.06%-4.25%	3.06%-4.50%	4.5%-4.95%	5.75%
Rate of compensation increase (*)	3.00%-4.50%	1.80%-5.80%	2.00%-5.20%	4.00%	3.00%-4.50%	2.00%-4.00%	3.50%-5.15%	4.00%

(*) Including price increases (inflation).

➤ ACTUAL RATE OF RETURN ON PLAN ASSETS AND REIMBURSEMENT RIGHTS OVER THE PERIOD

The expected return on plan assets is determined by weighting the expected return on each asset class by its respective contribution to the fair value of total plan assets.

In %	Year to 31 Dec. 2010				Year to 31 Dec. 2009			
	France	Euro zone excl. France	UK	USA	France	Euro zone excl. France	UK	USA
Expected return on plan assets and reimbursement rights (1)	3.90%	3.25%-4.70%	4.40%-6.80%	5.00%-6.00%	4.00%	3.25%-5.75%	4.85%-6.40%	5.00%-6.00%
Actual return on plan assets and reimbursement rights (1)	3.89%	3.00%-13.00%	3.30%-13.60%	9.70%-11.30%	3.95%	(4.00)%-22.00%	10.00%-21.00%	14.00%-30.00%

(1) Range of values, reflecting the existence of several plans within a single country or geographical or monetary zone.

➤ ACTUARIAL GAINS AND LOSSES

Actuarial gains and losses reflect increases or decreases in the present value of a defined-benefit obligation or in the fair value of the corresponding plan assets. Actuarial gains and losses resulting from the change in the present value of a defined-benefit plan obligation are the cumulative effect of experience adjustments (differences between previous actuarial assumptions and actual occurrences) and the effects of changing actuarial assumptions.

BNP Paribas applies the "corridor" approach permitted in IAS 19, which specifies that recognition of actuarial gains and losses is deferred when they do not exceed 10% of the greater of the i) obligation and ii) value of the plan assets. The "corridor" is calculated separately for each defined-benefit plan. Where this limit is breached, the exceeding portion of cumulative actuarial gains and losses is amortised in the profit and loss account over the remaining working lives of employees participating to the plan.

The following table shows the actuarial gains and losses:

In millions of euros	Post-employment benefits	
	31 December 2010	31 December 2009
CUMULATIVE UNRECOGNISED ACTUARIAL LOSSES	**(41)**	**(140)**
NET ACTUARIAL GAINS GENERATED OVER THE PERIOD	**98**	**407**
of which Actuarial Gains on plan assets or reimbursement rights	3	
of which Actuarial Gains from changes in actuarial assumptions on obligation	137	
of which Experience Losses on obligation	(42)	

7.c OTHER LONG-TERM BENEFITS

BNP Paribas offers its employees various long-term benefits, mainly long-service awards, the ability to save up paid annual leave in time savings accounts, and certain guarantees protecting them in the event they become incapacitated.

As part of the Group's variable compensation policy, annual deferred compensation plans are set up for certain high-performing employees or pursuant to special regulatory frameworks.

Under these plans, payment is deferred over time and is subject to the performance achieved by the business lines, divisions and Group.

In millions of euros	31 December 2010	31 December 2009
Net provisions for other long-term benefits	821	622

7.d TERMINATION BENEFITS

BNP Paribas has implemented a number of voluntary redundancy plans for employees who meet certain eligibility criteria. The obligations to eligible active employees under such plans are provided for where the plan is the subject of a bilateral agreement or a draft bilateral agreement.

Such plans chiefly exist in Italy and Belgium. In France, all the voluntary early retirement plans are currently closed; the residual obligation related to these plans is not material.

In millions of euros	31 December 2010	31 December 2009
Provisions for voluntary departure and early retirement plans	389	232

7.e SHARE-BASED PAYMENTS

Share-based loyalty, compensation and incentive schemes

BNP Paribas has set up share-based payment systems for certain employees, including stock option and share award plans put in place in connection with deferred compensation plans and a Global Share-Based Incentive Plan. In addition, some cash-settled long-term compensation plans are linked to the share price.

Global Share-Based Incentive Plan

Until 2005, various stock option plans were granted to Group employees by BNP Paribas and BNL, under successive authorisations given by Extraordinary Shareholders' Meetings.

Since 2005, the Group has set up stock option plans on an annual basis with a view to actively involving various categories of managers in creating value for the Group, and thereby encouraging the convergence of their interests with those of the Group's shareholders. The managers selected for these plans represent the Group's best talent, including the next generation of leaders: senior managers, managers in key positions, line managers and technical experts, high-potential managers, high-performing young managers with good career development prospects, and major contributors to the Group's results.

The option exercise price under these plans is determined at the time of issuance in accordance with the terms of the authorisation given by the corresponding Extraordinary Shareholders' Meeting. No discount is offered. Since the 2005 plan, the life of the options granted has been reduced to 8 years.

The plans are subject to vesting conditions under which a portion of the options granted over and above a minimum threshold is conditional upon the performance of the BNP Paribas share relative to the Dow Jones Euro Stoxx Bank index. This relative performance is measured at the end of the first, second, third and fourth years of the compulsory holding period and, at each measurement date, applies to one quarter of the options subject to the performance condition.

The conditional portion granted in 2010 differs according to employee category and is set at 100% of the total award for members of the BNP Paribas Group Executive Committee and senior managers and 20% for other beneficiaries (respectively 60%, 40% and 20% in 2009).

The performance of the BNP Paribas share relative to the index is determined by comparing the percentage ratio between the average opening price of the BNP Paribas share in each compulsory holding year and its average opening price in the previous year, with the percentage ratio between the average of the opening prices of the index in the same periods.

If the BNP Paribas share outperforms the index, the exercise price of the corresponding portion of the options remains unchanged. If it underperforms the index by 20 points or more, the options subject to the performance condition will lapse and may no longer be exercised.

If the BNP Paribas share underperforms the index by less than 5 points, by 5 to less than 10 points, or by 10 to less than 20 points, the initial exercise price of the relevant portion of the options will be increased by 5%, 10% or 20% respectively.

Under stock option plans set up since 2003, the performance condition was not fully met on six of seventeen occasions and the adjustments described above were therefore implemented.

In 2006, BNP Paribas used the authorisations granted by the Extraordinary Shareholders' Meeting of 18 May 2005 to set up a Global Share-Based Incentive Plan for the above-mentioned employee categories, which consists of stock options and share awards.

Employees' rights under share awards made in 2010 vest after a period of 3 or 4 years, depending on the case and provided the employee is still a member of the Group. The compulsory holding period for the shares granted free of consideration is two years for French employees. Up until 2009, the vesting period was either two years or four years, depending on the exact circumstances. Share awards were made to Group employees outside France from 2009 onwards. Since 2009, a performance condition has been introduced for share awards.

The conditional portion differs according to the employee category and was set at 100% of the total award for members of the BNP Paribas Group Executive Committee and senior managers and 20% for other beneficiaries.

This performance condition can be met either on an annual basis, if the Group's earnings per share increase by 5% or more compared with the previous year, or on an aggregate basis over the first three years of the vesting period.

If this condition is not met, the relevant portion of the share awards will lapse.

All unexpired plans settle in subscription or purchase of BNP Paribas shares.

Deferred share price-linked, cash-settled compensation plans

As part of the Group's variable remuneration policy, deferred annual compensation plans offered to certain high-performing employees or set up pursuant to special regulatory frameworks may entitle beneficiaries to variable compensation settled in cash but linked to the share price, payable over several years.

Variable compensation, with respect to 2009 and 2010, for employees, subject to special regulatory frameworks

In 2009, the relevant Group employees were primarily trading staff. The variable compensation plan was established in accordance with the rules set out in the Decree of 3 November 2009 on compensation for employees whose activities are likely to have an impact on the risk exposure of credit institutions and investment firms, and with the industry guidelines for variable compensation paid to trading staff issued on 5 November 2009.

The 2010 variable compensation plan applies to Group employees performing activities that may have a material impact on the Group's risk profile and takes into account the regulatory changes that occurred upon publication of the Decree by the French ministry of finance on 13 December 2010.

Under these plans, payment is deferred over time and is contingent on the performance achieved by the business lines, divisions and Group.

Sums are paid mostly in cash and are linked to the negative or positive change in the BNP Paribas share price. In addition, in accordance with the Decree of 13 December 2010, some of the variable compensation awarded in 2011 in respect of 2010 performance will also be indexed to the BNP Paribas share price and paid to beneficiaries during 2011.

Deferred variable compensation for other Group employees

Sums due under the annual deferred compensation plans for high-performing employees are paid all or part in cash and are linked to the negative or positive change in the BNP Paribas share price.

4

Expense of share-based payment

	2010				2009
Expense in millions of euros	Stock option plans	Share award plans	Variable deferred compensation plans	Total expense	Total expense
Prior deferred compensation plans	-	-	9	9	435
Deferred compensation plan for the year	-	-	566	566	710
Global Share-Based Incentive Plan	46	25	-	71	88
TOTAL	**46**	**25**	**575**	**646**	**1,233**

Valuation of stock options and share awards

As required under IFRS 2, BNP Paribas attributes a value to stock options and share awards granted to employees and recognises an expense, determined at the date of grant, calculated respectively on the basis of the fair value of the options and shares concerned. This initial fair value may not subsequently be adjusted for changes in the quoted market price of BNP Paribas shares. The only assumptions that may result in a revision to fair value during the vesting period, and hence an adjustment in the expense, are those related to the population of grantees (loss of rights) and internal performance conditions. The Group's share-based payment plans are valued by an independent specialist firm.

Measurement of stock subscription options

Binomial or trinomial tree algorithms are used to build in the possibility of non-optimal exercise of options from the vesting date. The Monte Carlo method is also used to price in the characteristics of certain secondary grants linking options to the performance of the BNP Paribas share relative to a sector index.

The implied volatility used in measuring stock option plans is estimated on the basis of a range of ratings prepared by various dealing rooms. The level of volatility used by the Group takes account of historical volatility trends for the benchmark index and BNP Paribas shares over a 10-year period.

Stock subscription options granted in 2010 were valued at between EUR 13.28 and EUR 14.98 depending on whether or not they are subject to performance conditions according to the various secondary award tranches (compared with EUR 11.70 and EUR 13.57, respectively in 2009).

	Year to 31 Dec. 2010	Year to 31 Dec. 2009
	Plan granted on 5 March 2010	Plan granted on 6 April 2009
BNP Paribas share price on the grant date (in euros)	54.97	36.00
Option exercise price (in euros)	51.20	35.11
Implied volatility of BNP Paribas shares	27.6%	39.9%
Expected option holding period	8 years	8 years
Expected dividend on BNP Paribas shares (1)	3.0%	2.5%
Risk-free interest rate	3.2%	3.2%
Expected proportion of options that will be forfeited	1.5%	1.5%

(1) The dividend yield indicated above is the average of a series of estimated annual dividends.

Measurement of share awards

The unit value used to measure shares awarded free of consideration is the value at the end of the compulsory holding period plus dividends paid since the vesting date, discounted at the grant date.

	Year to 31 Dec. 2010 Plan granted on 5 March 2010		Year to 31 Dec. 2009 Plan granted on 6 April 2009	
	Vested on 5 March 2013	Vested on 5 March 2014	Vested on 10 April 2012	Vested on 8 April 2013
BNP Paribas share price on the grant date (in euros)	54.97	54.97	36.00	36.00
Date of availability	6 March 2015	5 March 2014	10 April 2014	8 April 2013
Expected dividend on BNP Paribas shares (1)	3.01%	3.01%	2.50%	2.50%
Risk-free interest rate	2.50%	2.21%	2.65%	2.39%
Expected proportion of options that will be forfeited	2.00%	2.00%	2.00%	2.00%
THEORETICAL UNIT VALUE	**€50.00**	**€48.57**	**€33.20**	**€32.55**

(1) The dividend yield indicated above is the average of a series of estimated annual dividends.

History of plans granted under the Global Share-Based Incentive Plan

The tables below give details of the characteristics and terms of all unexpired plans at 31 December 2010:

STOCK SUBSCRIPTION OPTION PLANS

Characteristics of the plan							Options outstanding at end of period	
Originating company	Date of grant	Number of grantees	Number of options granted (1)	Start date of exercise period	Option expiry date	Adjusted exercise price *(in euros)* (1)	Number of options (1)	Remaining period until expiry of options *(years)*
BNL (4)	13/09/1999	137	614,763	13/09/2001	13/09/2011	82.05	410,557	1
BNL (4)	20/10/2000	161	504,926	20/10/2003	20/10/2013	103.55	424,518	3
BNP Paribas SA (1) (2)	15/05/2001	932	6,069,000	15/05/2005	14/05/2011	47.37	2,434,358	1
BNL (4)	26/10/2001	223	573,250	26/10/2004	26/10/2014	63.45	4,739	4
BNL (4)	26/10/2001	153	479,685	26/10/2004	26/10/2012	63.45	2,073	2
BNP Paribas SA (2)	31/05/2002	1,384	2,158,570	31/05/2006	30/05/2012	58.02	1,033,565	2
BNP Paribas SA (3)	21/03/2003	1,302	6,693,000	21/03/2007	20/03/2013	35.87	2,982,978	3
BNP Paribas SA (3)	24/03/2004	1,458	1,779,850	24/03/2009	21/03/2014	48.15	1,304,926	4
BNP Paribas SA (3)	25/03/2005	2,380	4,332,550	25/03/2010	22/03/2013	53.28	4,062,017	3
BNP Paribas SA (3)	05/04/2006	2,583	3,894,770	06/04/2010	04/04/2014	73.40	3,627,375	4
BNP Paribas SA (3)	08/03/2007	2,023	3,630,165	08/03/2011	06/03/2015	80.66	3,457,593	5
BNP Paribas SA (3)	06/04/2007	219	405,680	06/04/2011	03/04/2015	76.57	378,573	5
BNP Paribas SA (3)	18/04/2008	2,402	3,985,590	18/04/2012	15/04/2016	64.47	3,870,367	6
BNP Paribas SA (3)	06/04/2009	1,397	2,376,600	08/04/2013	05/04/2017	35.11	2,355,161	7
BNP Paribas SA (3)	05/03/2010	1,820	2,423,700	05/03/2014	02/03/2018	51.20	2,403,800	8
TOTAL OPTIONS OUTSTANDING AT END OF PERIOD							**28,752,600**	

(1) The number of options and the exercise price have been adjusted, where appropriate, for the two-for-one BNP Paribas share split that took place on 20 February 2002, and the pre-emptive subscription rights allotted on 7 March 2006 and 30 September 2009, in accordance with the regulations in force.

(2) These options were subject to vesting conditions related to the financial performance of the Group as measured by the ratio of net income (attributable to equity holders) to average shareholders' equity for the year in question. The minimum requirement is an average ratio of 16% over four years starting in the year of grant, or alternatively over three rolling years starting in the second year after the year of grant.
This condition has been met for the plans concerned.

(3) The plan is subject to vesting conditions under which a proportion of the options granted to employees is conditional upon the performance of the BNP Paribas share relative to the Dow Jones Euro Stoxx Bank index during the applicable holding period.
Based on this relative performance condition, the adjusted exercise price for these options has been set at:
- EUR 37.67 for 391,950 options under the 21 March 2003 plan, outstanding at the year-end
- EUR 50.55 for 3,080 options under the 24 March 2004 plan, outstanding at the year-end
- EUR 55.99 for 175,139 options under the 25 March 2005 plan, outstanding at the year-end
- EUR 77.06 for 164,346 options under the 5 April 2006 plan, outstanding at the year-end

(4) Following the merger between BNL and BNP Paribas on 1 October 2007, stock option plans granted by BNL between 1999 and 2001 entitle beneficiaries to subscribe to BNP Paribas shares as of the date of the merger. Beneficiaries may subscribe to the shares based on a ratio of 1 BNP Paribas share for 27 BNL shares. The exercise price has been adjusted in line with this ratio.

SHARE AWARD PLANS

Characteristics of the plan						
Originating company	Date of grant	Number of grantees	Number of shares granted	Vesting date of share granted (1)	Expiry date of holding period for shares granted	Number of shares outstanding at end of period (2)
BNP Paribas SA	2006-2008	-	-	-	-	2,009
BNP Paribas SA	06/04/2009	2,247	359,930	10/04/2012	10/04/2014	366,337
BNP Paribas SA	06/04/2009	1,686	278,325	08/04/2013	08/04/2013	276,891
BNP Paribas SA	05/03/2010	2,536	510,445	05/03/2013	05/03/2015	507,670
BNP Paribas SA	05/03/2010	2,661	487,570	05/03/2014	05/03/2014	484,960
TOTAL SHARES OUTSTANDING AT END OF PERIOD						**1,637,867**

(1) The vesting date for certain shares has been deferred due to the beneficiaries' absence on the date initially scheduled.
(2) The number of shares has been adjusted for the pre-emptive subscription rights allotted on 30 September 2009.

Movements over the past two years

STOCK SUBSCRIPTION OPTION PLANS

	2010		2009	
	Number of options	Weighted average exercise price *(in euros)*	Number of options	Weighted average exercise price *(in euros)*
OPTIONS OUTSTANDING AT 1 JANUARY	**28,041,693**	**58.15**	**27,302,391**	**59.60**
Options granted during the period	2,423,700	51.20	2,376,600	35.11
Options arising from September 2009 capital increase			705,521	
Options exercised during the period	(1,117,744)	42.91	(1,898,604)	54.01
Options expired during the period	(595,049)		(444,215)	
OPTIONS OUTSTANDING AT 31 DECEMBER	**28,752,600**	**58.05**	**28,041,693**	**58.15**
OPTIONS EXERCISABLE AT 31 DECEMBER	**16,287,106**	**55.62**	**13,935,548**	**49.95**

The average quoted stock market price for the option exercise period in 2010 was EUR 55.56 (EUR 43.22 in 2009).

SHARE AWARD PLANS

	2010	2009
	Number of shares	Number of shares
SHARES OUTSTANDING AT 1 JANUARY	**1,525,322**	**1,773,186**
Shares granted during the period	998,015	638,255
Shares vested during the period	(865,543)	(873,826)
Shares expired during the period	(19,927)	(52,662)
Adjustment linked to the increase in capital through the subscription of preferential subscription rights		40,369
SHARES OUTSTANDING AT 31 DECEMBER	**1,637,867**	**1,525,322**

SHARES SUBSCRIBED OR PURCHASED BY EMPLOYEES UNDER THE COMPANY SAVINGS PLAN

	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Date plan announced	12 May 2010	5 May 2009
Quoted price of BNP Paribas shares at date plan announced (in euros)	51.32	41.85
Number of shares issued or transfered	3,700,076	8,999,999
Purchase or subscription price (in euros)	42.00	29.40
Five-year risk-free interest rate	1.90%	2.69%
Five-year borrowing cost	7.13%	8.50%
Borrowing cost during the holding period	22.12%	24.06%

The Group did not recognise an expense in relation to the Company Savings Plan as the discount granted to employees subscribing shares under this plan represented a negligible financial expense for BNP Paribas when valued taking into account the five-year compulsory holding period applicable to the shares purchased.

Of the total number of BNP Paribas Group employees who were offered the opportunity of buying shares under the Plan in 2010, 31% accepted the offer and 69% turned it down.

Note 8 ADDITIONAL INFORMATION

8.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

Resolutions of the Shareholders' General Meeting valid for 2010

The following authorisations to increase or reduce the share capital have been granted to the Board of Directors under resolutions voted in Shareholders' General Meetings and were valid during 2010:

Resolutions adopted at Shareholders' General Meetings		Use of authorisation in 2010
Shareholders' General Meeting of 21 May 2008 (21st resolution)	Authorisation to award shares for no consideration to employees and corporate officers of BNP Paribas and related companies *The shares awarded may be existing shares or new shares to be issued and may not exceed 1.5% of BNP Paribas' share capital, i.e. less than 0.5% a year. This authorisation was granted for a period of 38 months.*	998,015 free shares awarded at the Board meeting of 5 March 2010
Shareholders' General Meeting of 21 May 2008 (22nd resolution)	Authorisation to grant stock subscription or purchase options to corporate officers and certain employees *The number of options granted may not exceed 3% of BNP Paribas' share capital, i.e. less than 1% a year. This is a blanket limit covering both the 21st and 22nd resolutions of the Shareholders' General Meeting of 21 May 2008. This authorisation was granted for a period of 38 months.*	2,423,700 stock subscription options granted at the Board meeting of 5 March 2010

Resolutions adopted at Shareholders' General Meetings		Use of authorisation in 2010
Shareholders' General Meeting of 13 May 2009 (5th resolution)	Authorisation given to the Board of Directors to set up an ordinary share buyback programme for the Company until it holds at most 10% of the share capital. *These acquisitions may be used for several purposes, notably:* ■ *the award or sale of shares to employees in connection with the employee profit-sharing scheme, employee share ownership plans or corporate savings plans, stock option programmes and the award of free shares to members of staff;* ■ *the cancellation of shares following authorisation by the Shareholders' General Meeting (15th resolution of the Shareholders' General Meeting of 13 May 2009);* ■ *remittance in exchange or payment for external growth transactions;* ■ *implementation of a liquidity agreement.* *This authorisation was granted for a period of 18 months and was nullified by the 5th resolution of the Shareholders' General Meeting of 12 May 2010.*	Excluding the market-making agreement 800,000 shares with a par value of EUR 2 were purchased in March 2010. Under the market-making agreement, 1,809,576 shares with a par value of EUR 2 were acquired and 1,806,987 shares with a par value of EUR 2 were sold during 2010.
Shareholders' General Meeting of 13 May 2009 (15th resolution)	Authorisation to reduce the share capital by cancelling shares. *Authorisation was given to cancel on one or more occasions through a reduction in the share capital all or some of the shares that BNP Paribas holds and that it may come to hold, provided that the number of shares cancelled in any 24-month period does not exceed 10% of the total number of shares at the operation date.* *Full powers were delegated to complete the capital reduction and deduct the difference between the purchase cost of the cancelled shares and their par value from additional paid-in capital and reserves available for distribution, including from the legal reserve in respect of up to 10% of the capital cancelled.* *This authorisation was granted for a period of 18 months and was nullified by the 20th resolution of the Shareholders' General Meeting of 12 May 2010.*	600,000 shares with a par value of EUR 2 were cancelled on 30 March 2010
Shareholders' General Meeting of 12 May 2010 (3rd resolution)	Resolution to propose a dividend payable in cash or in new shares. Payment of the dividend in new shares had the effect of increasing the share capital by EUR 18,320,436, or 9,160,218 shares, generating additional paid-in capital of EUR 401,858,763.66.	9,160,218 new shares with a par value of EUR 2 were issued on 15 June 2010
Shareholders' General Meeting of 12 May 2010 (5th resolution)	Authorisation given to the Board of Directors to set up an ordinary share buyback programme for the Company until it holds at most 10% of the share capital. *These acquisitions may be used for several purposes, notably:* ■ *the award or sale of shares to employees in connection with the employee profit-sharing scheme, employee share ownership plans or corporate savings plans, stock option programmes and the award of free shares to members of staff;* ■ *the cancellation of shares following authorisation by the Shareholders' General Meeting (20th resolution of the Shareholders' General Meeting of 12 May 2010);* ■ *remittance in exchange or payment for external growth transactions;* ■ *implementation of a liquidity agreement.* *This authorisation was granted for a period of 18 months and supersedes that given by the 5th resolution of the Shareholders' General Meeting of 13 May 2009.*	This authorisation was not used during the period.

Resolutions adopted at Shareholders' General Meetings		Use of authorisation in 2010
Shareholders' General Meeting of 12 May 2010 (12th resolution)	Authorisation to issue ordinary shares and share equivalents with pre-emptive rights for existing shareholders maintained. *The par value of the capital increases that may be carried out immediately and/or in the future by virtue of this authorisation may not exceed EUR 1 billion (representing 500 million shares). The par value of any debt instruments giving access to the capital of BNP Paribas that may be issued by virtue of this authorisation may not exceed EUR 10 billion. This authorisation was granted for a period of 26 months and supersedes that given by the 13th resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (13th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, and a priority subscription period granted. *The par value of the capital increases that may be carried out immediately and/or in the future by virtue of this authorisation may not exceed EUR 350 million (representing 175 million shares). The par value of any debt instruments giving access to the capital of BNP Paribas that may be issued by virtue of this authorisation may not exceed EUR 7 billion. This authorisation was granted for a period of 26 months and supersedes that given by the 14th resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (14th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, in consideration for securities tendered to public exchange offer. *The par value of the capital increases that may be carried out on one or more occasions by virtue of this authorisation may not exceed EUR 350 million. This authorisation was granted for a period of 26 months and supersedes that given by the 15th resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (15th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, in consideration for securities tendered to contributions of unlisted shares (up to a maximum of 10% of the capital) *The par value of the capital increases that may be carried out on one or more occasions by virtue of this authorisation may not exceed 10% of the number of shares comprising the issued capital of BNP Paribas. This authorisation was granted for a period of 26 months and supersedes that given by the 13th resolution of the Shareholders' General Meeting of 13 May 2009.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (16th resolution)	Blanket limit on authorisations to issue shares with pre-emptive rights for existing shareholders waived. *The maximum par value of all issues made with pre-emptive rights for existing shareholders waived by virtue of the authorisations granted under the 13th to 15th resolutions of the Shareholders' General Meeting of 12 May 2010 may not exceed EUR 350 million for shares immediately and/or in the future and EUR 7 billion for debt instruments.*	Not applicable

Resolutions adopted at Shareholders' General Meetings		Use of authorisation in 2010
Shareholders' General Meeting of 12 May 2010 (17th resolution)	Issue of shares to be paid up by capitalising income, retained earnings or additional paid-in capital. *Authorisation was given to increase the issued capital within the limit of a maximum par value of EUR 1 billion on one or more occasions, by capitalising all or part of the retained earnings, profits or additional paid-in capital, successively or simultaneously, through the issuance and award of free ordinary shares, through an increase in the par value of existing shares, or through a combination of these two methods.* *This authorisation was granted for a period of 26 months and supersedes that given by the 4th resolution of the Extraordinary Shareholders' Meeting of 27 March 2009.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (18th resolution)	Blanket limit on authorisations to issue shares with or without pre-emptive rights for existing shareholders. The maximum par value of all issues made with or without pre-emptive rights for existing shareholders by virtue of the authorisations granted under the 12th to 15th resolutions of the Shareholders' General Meeting of 12 May 2010 may not exceed EUR 1 billion for shares immediately and/or in the future and EUR 10 billion for debt instruments.	Not applicable
Shareholders' General Meeting of 12 May 2010 (19th resolution)	Authorisation granted to the Board of Directors to carry out transactions reserved for members of the BNP Paribas Group's Corporate Savings Plan in the form of new share issues and/or sales of reserved shares. *Authorisation was given to increase the share capital within the limit of a maximum par value of EUR 46 million on one or more occasions by issuing ordinary shares, with pre-emptive rights for existing shareholders waived, reserved for members of the BNP Paribas Group's Corporate Savings Plan.* *The transactions authorised by this resolution may also take the form of sales of shares to members of the BNP Paribas Group's Corporate Savings Plan.* *This authorisation was granted for a period of 26 months and supersedes that given by the 3rd resolution of the Extraordinary Shareholders' Meeting of 27 March 2009.*	Issue of 3,700,076 new ordinary shares with a par value of EUR 2 recorded on 16 July 2010
Shareholders' General Meeting of 12 May 2010 (20th resolution)	Authorisation to reduce the share capital by cancelling shares. *Authorisation was given to cancel on one or more occasions through a reduction in the share capital all or some of the shares that BNP Paribas holds and that it may come to hold, provided that the number of shares cancelled in any 24-month period does not exceed 10% of the total number of shares in issue on the transaction date.* *Full powers were delegated to complete the capital reduction and deduct the difference between the purchase cost of the cancelled shares and their par value from additional paid-in capital and reserves available for distribution, including from the legal reserve in respect of up to 10% of the capital cancelled.* *This authorisation was granted for a period of 18 months and supersedes that given by the 15th resolution of the Shareholders' General Meeting of 13 May 2009.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (21st resolution)	Approval of the merger-absorption of Fortis Banque France by BNP Paribas and corresponding increase in the share capital. *Issue of 354 new ordinary shares with a par value of EUR 2 pursuant to the merger-absorption of Fortis Banque France duly placed on record on 12 May 2010.*	354 new shares with a par value of EUR 2 on 12 May 2010

Share capital transactions

Operations affecting share capital	Number of shares	Par value *(in euros)*	in euros	Date of authorisation by Shareholders' Meeting	Date of decision by Board of Directors	Date from which shares carry dividend rights
Number of shares outstanding at 31 December 2008	**912,096,107**	**2**	**1,824,192,214**			
Increase in share capital by exercise of stock subscription options	74,024	2	148,048	(1)	(1)	01 January 08
Increase in share capital by exercise of stock subscription options	1,824,582	2	3,649,164	(1)	(1)	01 January 09
Capital increase arising on the acquisition of Fortis	133,435,603	2	266,871,206	(2)	(2)	01 January 09
Capital increase arising on the issuance of non-voting shares	187,224,669	2	374,449,338	27 March 09	27 March 09	-
Capital increase reserved for members of the Company Savings Plan	9,000,000	2	18,000,000	27 March 09	05 May 09	01 January 09
Capital increase arising on the payment of a stock dividend	21,420,254	2	42,840,508	13 May 09	13 May 09	01 January 09
Capital decrease	(219,294)	2	(438,588)	13 May 09	03 August 09	-
Capital increase	107,650,488	2	215,300,976	21 May 08	25 September 09	01 January 09
Capital decrease arising on the cancellation of non-voting shares	(187,224,669)	2	(374,449,338)	-	04 November 09	-
Number of shares outstanding at 31 December 2009	**1,185,281,764**	**2**	**2,370,563,528**			
Increase in share capital by exercise of stock subscription options	595,215	2	1,190,430	(1)	(1)	01 Januay 09
Increase in share capital by exercise of stock subscription options	522,529	2	1,045,058	(1)	(1)	01 Januay 10
Capital decrease	(600,000)	2	(1,200,000)	13 May 09	05 March 10	-
Capital increase arising on the merger of Fortis Bank France	354	2	708	12 May 10	12 May 10	01 Januay 10
Capital increase arising on the payment of a stock dividend	9,160,218	2	18,320,436	12 May 10	12 May 10	01 Januay 10
Capital increase reserved for members of the Company Savings Plan	3,700,076	2	7,400,152	12 May 10	12 May 10	01 Januay 10
Number of shares outstanding at 31 December 2010	**1,198,660,156**	**2**	**2,397,320,312**			

(1) Various resolutions voted in the Shareholders' General Meetings and decisions of the Board of Directors authorising the granting of stock subscription options that were exercised during the period.

(2) Various resolutions adopted by the Shareholders' General Meeting and decisions made by the Board of Directors authorising the issues of shares related to the acquisition of Fortis.

Issues of new shares pursuant to the acquisition of Fortis Bank SA/NV and BGL SA

BNP Paribas signed an agreement with the Belgian government and Luxembourg government related to the acquisition by BNP Paribas of certain Fortis group companies from the Belgian government acting via the SFPI and the Luxembourg government (hereinafter the "transaction").

The transaction comprised four asset contributions, with an issue of shares carried out in consideration for each one:

- 88,235,294 ordinary BNP Paribas shares each with a par value of EUR 2 for the First Contribution, which consisted in the transfer by SFPI of 263,586,083 Fortis Bank SA/NV shares, representing around 54.55% of the latter's share capital and voting rights. The Board of Directors approved the First Contribution on 12 May 2009 using the authorisation granted under the 16th resolution passed at the Shareholders' General Meeting of 21 May 2008. The shares issued in consideration for this contribution were covered by a lock-up commitment that runs until 10 October 2010;
- 32,982,760 ordinary BNP Paribas shares each with a par value of EUR 2 for the Second Contribution, which consists in the transfer by SFPI of 98,529,695 additional Fortis Bank SA/NV shares, representing around 20.39% of the latter's share capital and voting rights. The Shareholders' General Meeting on 13 May 2009 approved this Second Contribution, formally recorded its definitive completion and that of the corresponding issue of shares under its 11th resolution;
- 11,717,549 ordinary BNP Paribas shares each with a par value of EUR 2 for the Third Contribution, which consists in the transfer by the Luxembourg government of 4,540,798 BGL SA shares, representing around 16.57% of the latter's share capital and voting rights. The Shareholders' General Meeting on 13 May 2009 approved this Third Contribution, formally recorded its definitive completion and that of the corresponding issue of shares under its 12th resolution. The Luxembourg government undertook to hold the 5,858,774 shares received in consideration for its asset contribution until 23 October 2009;
- 500,000 ordinary BNP Paribas shares each with a par value of EUR 2 for the Fourth Contribution, consisting of in the transfer by the Luxembourg government of 193,760 BGL SA shares, representing around 0.69% of the latter's share capital and voting rights. The Board of Directors approved this Fourth Contribution, formally recorded its definitive completion and that of the corresponding issue of shares on 13 May 2009, using the authorisation granted to it by the Shareholders' General Meeting of 13 May 2009 under its 13th resolution. The Grand Duchy of Luxembourg undertook to hold the 250,000 shares received in consideration for its asset contribution until 23 October 2009.

As a result of these four asset contributions, BNP Paribas' share capital increased by 133,435,603 ordinary shares, each with a par value of EUR 2.

Non-voting shares issued by BNP Paribas

Following the authorisation granted by the Shareholders' General Meeting on 27 March 2009, BNP Paribas issued 187,224,669 non-voting shares on 31 March 2009 at a unit price of EUR 27.24, representing a total amount of EUR 5.1 billion, to Société de Prise de Participation de l'Etat (SPPE) in connection with the French government's economic stimulus plan. These shares do not carry any voting rights, are not convertible into ordinary shares and entitle their holders to receive a dividend only if a dividend is paid to holders of the ordinary shares. The dividend amounts to 105% pro rata temporis of the dividend paid on ordinary shares in respect to 2009 and is subject to a cap and floor stated as a percentage of the issue price. The floor is a fixed rate of 7.65% for 2009 pro rata temporis.

These non-voting shares were bought back on 28 October 2009 and were subsequently cancelled on 26 November 2009.

Own equity instruments (shares issued by BNP Paribas and held by the Group)

In accordance with the fifth resolution of the Shareholders' General Meeting of 12 May 2010 replacing and superseding the fifth resolution of the Shareholders' General Meeting of 13 May 2009, BNP Paribas was authorised to buy back shares representing up to 10% of the BNP Paribas' issued capital at a maximum purchase price of EUR 75 per share (compared with EUR 68 previously). The shares may be acquired for the following purposes: for subsequent cancellation under the terms set by the Shareholders' General Meeting, to fulfil its obligations relative to the issue of shares or share equivalents, stock option plans, the award of free shares, the award or sale of shares to employees in connection with the employee profit-sharing scheme, employee share ownership plans or corporate savings plans and to cover any allocation of shares to the employees of BNP Paribas and companies exclusively controlled by BNP Paribas within the meaning of Article L.233-16 of the French Commercial Code; to be held in treasury stock for subsequent remittance in exchange or as payment for external growth, merger, spin-off or asset contribution transactions; within the scope of a liquidity agreement complying with the Code of Ethics recognised by the AMF; or for asset and financial management purposes.

This latter authorisation was granted for a period of 18 months.

In addition, one of the Group's subsidiaries involved in trading and arbitrage transactions on equity indices sells shares issued by BNP Paribas short in connection with its activities.

Shares issued by BNP Paribas and held by the Group

	Proprietary transactions		Trading account transactions		Total	
	Number of shares	Carrying amount *(in millions of euros)*	Number of shares	Carrying amount *(in millions of euros)*	Number of shares	Carrying amount *(in millions of euros)*
Shares held at 31 December 2008	**5,448,848**	**345**	**(1,450,832)**	**(44)**	**3,998,016**	**301**
Acquisitions	127,087	5			127,087	5
Shares delivered to employees	(1,079,980)	(78)			(1,079,980)	(78)
Other movements	(847,639)	(61)	(2,953,477)	(202)	(3,801,116)	(263)
Shares held at 31 December 2009	**3,648,316**	**211**	**(4,404,309)**	**(246)**	**(755,993)**	**(35)**
Acquisitions	2,609,576	140			2,609,576	140
Shares delivered to employees	(921,772)	(55)			(921,772)	(55)
Capital decrease	(600,000)	(40)			(600,000)	(40)
Other movements	(1,821,942)	(94)	(95,485)	32	(1,917,427)	(62)
Shares held at 31 December 2010	**2,914,178**	**162**	**(4,499,794)**	**(214)**	**(1,585,616)**	**(52)**

During 2010, pursuant to the aforementioned authorisations, BNP Paribas SA bought back 800,000 shares in the market at an average price of EUR 58.63 per share each with a par value of EUR 2, with a view to honouring the obligations under the employee share ownership and incentive plans.

Under the Bank's market-making agreement with Exane BNP Paribas, and in line with the Code of Ethics recognised by the AMF, BNP Paribas SA bought back 1,809,576 shares during 2010 at an average share price of EUR 51.41, and sold 1,806,987 treasury shares at an average share price of EUR 51.63. At 31 December 2010, 149,596 shares worth EUR 7.6 million were held by BNP Paribas under this agreement.

From 1 January to 31 December 2010, 865,220 BNP Paribas shares were delivered following the definitive award of free shares to their beneficiaries.

Preferred shares and Undated Super Subordinated Notes (TSSDI) eligible as Tier 1 regulatory capital

Preferred shares issued by the Group's foreign subsidiaries

In October 2000, BNP Paribas Capital Trust, a subsidiary under the exclusive control of the Group, made a USD 500 million issue of undated non-cumulative preferred shares governed by the laws of the United States, which did not dilute BNP Paribas ordinary shares. The shares pay a fixed rate dividend for a period of ten years. Thereafter, they are redeemable at par at the issuer's discretion at the end of each calendar quarter, with unredeemed shares paying a Libor-indexed dividend. The issuer has the option of not paying dividends on these preferred shares if no dividends are paid on BNP Paribas SA ordinary shares and no coupons are paid on preferred share equivalents (Undated Super Subordinated Notes) in the previous year. Unpaid dividends are not carried forward. This issue was repaid during 2010.

In October 2001, BNP Paribas Capital Trust III, a subsidiary under the exclusive control of the Group, made a EUR 500 million issue of undated non-cumulative preferred shares. The shares pay a fixed rate dividend for a period of ten years. They are redeemable at the issuer's discretion after a ten-year period, and thereafter at each coupon date, with unredeemed shares paying a Euribor-indexed dividend.

In January 2002, BNP Paribas Capital Trust IV, a subsidiary under the exclusive control of the Group, made a EUR 660 million issue of undated non-cumulative preferred shares. The shares pay a fixed rate annual dividend over ten years. They are redeemable at the issuer's discretion after a ten-year period, and thereafter at each coupon date, with unredeemed shares paying a Euribor-indexed dividend.

In January 2003, BNP Paribas Capital Trust VI, a subsidiary under the exclusive control of the Group, made a EUR 700 million issue of undated non-cumulative preferred shares. The shares pay an annual fixed rate dividend. They are redeemable at the end of a 10-year period and thereafter at each coupon date. Shares not redeemed in 2013 will pay a Euribor-indexed quarterly dividend.

In 2003 and 2004, the LaSer-Cofinoga sub-group – which is proportionately consolidated by BNP Paribas – made three issues of undated non-voting preferred shares through special purpose entities governed by UK law and exclusively controlled by the LaSer-Cofinoga sub-group. These shares pay a non-cumulative preferred dividend for a ten-year period, at a fixed rate for those issued in 2003 and an indexed rate for the 2004 issue. After this ten-year period, they will be redeemable at par at the issuer's discretion at the end of each quarter on the coupon date, and the dividend payable on the 2003 issue will become Euribor-indexed.

PREFERRED SHARES ISSUED BY THE GROUP'S SUBSIDIARIES

Issuer	Date of issue	Currency	Amount (in million of euros)	Rate and term before 1st call date		Rate after 1st call date
BNPP Capital Trust III	October 2001	EUR	500	6.625%	10 years	3-month Euribor +2.6%
BNPP Capital Trust IV	January 2002	EUR	660	6.342%	10 years	3-month Euribor +2.33%
BNPP Capital Trust VI	January 2003	EUR	700	5.868%	10 years	3-month Euribor +2.48%
Cofinoga Funding I LP	March 2003	EUR	100 (1)	6.820%	10 years	3-month Euribor +3.75%
Cofinoga Funding II LP	January and May 2004	EUR	80 (1)	TEC 10 (2) +1.35%	10 years	TEC 10 (2) +1.35%
TOTAL			**1,892(3)**			

(1) Before application of the proportionate consolidation rate.
(2) TEC 10 is the daily long-term government bond index, corresponding to the yield-to-maturity of a fictitious 10-year Treasury note.
(3) net of shares held in treasury by Group entities.

The proceeds of these issues are recorded under "Minority interests" in the balance sheet, and the dividends are reported under "Minority interests" in the profit and loss account.

At 31 December 2010, the BNP Paribas Group held EUR 58 million in preferred shares (EUR 60 million at 31 December 2009), deducted from minority interests.

Undated Super Subordinated Notes issued by BNP Paribas SA

Since 2005, BNP Paribas SA has carried out nineteen issues of Undated Super Subordinated Notes representing a total amount of EUR 10,612 million. The notes pay a fixed or floating rate coupon and are redeemable at the end of a fixed period and thereafter at each coupon date. Some of these issues will pay a coupon indexed to Euribor or Libor if the notes are not redeemed at the end of this period.

The EUR 2,550 million issue subscribed in December 2008 by Société de Prise de Participation de l'Etat was redeemed upon the issue of the non-voting shares in March 2009.

Fortis Banque France, company absorbed by BNP Paribas SA on 12 May 2010, carried out a EUR 60 million issue during December 2007 of Undated Super Subordinated Notes. This issue offers investors a floating rate of interest and may be repaid after 10 years and thereafter at each coupon date.

The table below summarises the characteristics of these various issues:

UNDATED SUPER SUBORDINATED NOTES

Date of issue	Currency	Amount (in million)	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
June 2005	USD	1,350	semi-annual	5.186%	10 years	USD 3-month Libor +1.680%
October 2005	EUR	1,000	annual	4.875%	6 years	4.875%
October 2005	USD	400	annual	6.250%	6 years	6.250%
April 2006	EUR	750	annual	4.730%	10 years	3-month Euribor +1.690%
April 2006	GBP	450	annual	5.945%	10 years	GBP 3-month Libor +1.130%
July 2006	EUR	150	annual	5.450%	20 years	3-month Euribor +1.920%
July 2006	GBP	325	annual	5.945%	10 years	GBP 3-month Libor +1.810%
April 2007	EUR	750	annual	5.019%	10 years	3-month Euribor +1.720%
June 2007	USD	600	quarterly	6.500%	5 years	6.50%
June 2007	USD	1,100	semi-annual	7.195%	30 years	USD 3-month Libor +1.290%
October 2007	GBP	200	annual	7.436%	10 years	GBP 3-month Libor +1.850%
December 2007	EUR	60 (1)	quarterly	3-month Euribor +2,880%	10 years	3-month Euribor +3.880%
June 2008	EUR	500	annual	7.781%	10 years	3-month Euribor +3.750%
September 2008	EUR	650	annual	8.667%	5 years	3-month Euribor +4.050%
September 2008	EUR	100	annual	7.570%	10 years	3-month Euribor +3.925%
December 2009	EUR	2	quarterly	3-month Euribor +3.750%	10 years	3-month Euribor +4.750%
December 2009	EUR	17	annual	7.028%	10 years	3-month Euribor +4.750%
December 2009	USD	70	quarterly	USD 3-month Libor +3.750%	10 years	USD 3-month Libor +4.750%
December 2009	USD	0.5	annual	7.384%	10 years	USD 3-month Libor +4.750%
TOTAL EURO-EQUIVALENT VALUE		**8,029 (2)**				

(1) Through the merger by absorption of Fortis Banque France on 12 May 2010.
(2) Net of shares held in treasury by Group entities.

BNP Paribas has the option of not paying interest due on these Undated Super Subordinated Notes if no dividends were paid on BNP Paribas SA ordinary shares or on Undated Super Subordinated Note equivalents in the previous year. Unpaid interest is not carried forward.

The contracts relating to these Undated Super Subordinated Notes contain a loss absorption clause. Under the terms of this clause, in the event of insufficient regulatory capital–which is not fully offset by a capital increase or any other equivalent measure–the nominal value of the notes may be reduced in order to serve as a new basis for the calculation of the related coupons until the capital deficiency is made up and the nominal value of the notes is increased to its original amount. However, in the event of the liquidation of BNP Paribas SA, the amount due to the holders of these notes will represent their original nominal value irrespective of whether or not their nominal value has been reduced.

The proceeds from these issues are recorded in equity under "Retained earnings". In accordance with IAS 21, issues denominated in foreign currencies are recognised at their historical value based on their translation into euros at the issue date. Interest on the instruments is treated in the same way as dividends.

At 31 December 2010, the BNP Paribas Group held EUR 93 million of Undated Super Subordinated Notes which were deducted from shareholders' equity.

Basic earnings per share

Basic earnings per share is calculated by dividing the net income for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The net income attributable to ordinary shareholders is determined by deducting the net income attributable to holders of preferred shares.

Diluted earnings per share corresponds to net income for the year divided by the weighted average number of shares outstanding as adjusted for the maximum effect of the conversion of dilutive equity instruments into ordinary shares. In-the-money stock subscription options are taken into account in the diluted earnings per share calculation, as are share awards made under the Global Share-based Incentive Plan. Conversion of these instruments would have no effect on the net income figure used in this calculation.

	Year to 31 Dec. 2010	Year to 31 Dec. 2009
Net income used to calculate basic and diluted earnings per ordinary share *(in millions of euros)* (1)	**7,531**	**5,504**
Weighted average number of ordinary shares outstanding during the year	**1,188,848,011**	**1,057,526,241**
Effect of potentially dilutive ordinary shares		
■ Stock subscription plan (2)	1,668,736	641,601
■ Share award plan (2)	773,515	999,589
■ Stock purchase plan	39,191	69,725
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,191,329,452**	**1,059,237,156**
Basic earnings per share *(in euros)*	**6.33**	**5.20**
Diluted earnings per share *(in euros)*	**6.32**	**5.20**

(1) Net income used to calculate basic and diluted earnings per share is net income per the profit and loss account, adjusted for the remuneration on the preferred shares and the Undated Super Subordinated Notes issued by BNP Paribas SA (treated as preferred share equivalents), which for accounting purposes is handled as dividends.

(2) See note 7.c Share-base payment.

The dividend per share paid in 2010 out of 2009 net income amounted to EUR 1.5 compared with EUR 1 per share paid in 2009 out of 2008 net income.

8.b SCOPE OF CONSOLIDATION

Name		Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Consolidating company							
BNP Paribas SA		France			Full	100.00%	100.00%
Retail Banking - France							
Banque de Bretagne(*)		France			Full	100.00%	100.00%
BNP Paribas Développement SA		France			Full	100.00%	100.00%
BNP Paribas Factor(*)		France			Full	100.00%	100.00%
BNP Paribas Factor Portugal		Portugal			Full	100.00%	100.00%
Compagnie pour le Financement des Loisirs - Cofiloisirs		France	31/12/2010	Additional purchase	Equity	44.62%	44.62%
			31/12/2009		Equity	33.33%	33.33%
Fimagen Holding SA	1	France	31/12/2010	Additional purchase &Merger			
			31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Banque France SA	1	France	31/12/2010	Additional purchase &Merger			
			31/12/2009	Purchase	Full	99.98%	74.92%
Fortis Gestion Privée	1	France	31/12/2010	Additional purchase &Merger			
			31/12/2009	Purchase	Full	99.99%	74.91%
Fortis Mediacom Finance	1	France	31/12/2010	Additional purchase	Full	100.00%	100.00%
			31/12/2009	Purchase	Full	99.99%	74.91%
GIE Services Groupe Fortis France	1	France	31/12/2010	< thresholds			
			31/12/2009	Purchase	Full	80.33%	59.51%
GIE Immobilier Groupe Fortis France	1	France	31/12/2010	< thresholds			
			31/12/2009	Purchase	Full	92.48%	68.10%
BeLux Retail Banking							
Alpha Card SCRL	1	Belgium	31/12/2010		Equity	50.00%	37.47%
			31/12/2009	Purchase	Equity	50.00%	37.47%
Alsabail	1	France	31/12/2010		Equity	40.68%	21.73%
			31/12/2009	Purchase	Equity	40.68%	21.74%
Banking Funding Company SA	1	Belgium	31/12/2010	< thresholds			
			31/12/2009	Purchase	Equity	33.47%	25.08%
Banque de La Poste SA	1	Belgium	31/12/2010		Prop.	50.00%	37.47%
			31/12/2009	Purchase	Prop.	50.00%	37.47%
BCC Corporate	1	Belgium	31/12/2010		Equity	49.99%	37.47%
			31/12/2009	Purchase	Equity	49.99%	37.46%

(*) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
1 Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 Simplified consolidation by the equity method (non-material entities).
3 Entities excluded from prudential scope of consolidation.
4 Entities consolidated under the equity method for prudential purposes.

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Belgolaise SA	1	Belgium	31/12/2010		Equity	2	100.00%	74.93%
			31/12/2009	Purchase	Equity	2	100.00%	74.93%
BNP Paribas Fortis Factor	1	Belgium	31/12/2010		Full		100.00%	74.94%
			31/12/2009	Incorporation	Full		100.00%	74.91%
Brand & Licence Company SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		20.00%	14.99%
Certifimmo V SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Comptoir Agricole de Wallonie	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity	2	100.00%	74.93%
Credissimo	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity	2	100.00%	74.93%
Credissimo Hainaut SA (ex- La Maison Sociale de Tournai-Ath SA)	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity	2	99.72%	74.72%
Crédit pour Habitations Sociales	1	Belgium	31/12/2010		Equity	2	81.66%	61.19%
			31/12/2009	Purchase	Equity	2	77.56%	61.19%
Demetris NV	1	Belgium	31/12/2010		Equity	2	100.00%	74.93%
			31/12/2009	Purchase	Equity	2	100.00%	74.93%
Dikodi BV	1	Netherlands	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Europay Belgium	1	Belgium	31/12/2010		Equity		40.02%	29.88%
			31/12/2009	Purchase	Equity		39.80%	29.88%
Fortis Banque SA (BNP Paribas Fortis)	1	Belgium	31/12/2010		Full		74.93%	74.93%
			31/12/2009	Purchase	Full		74.93%	74.93%
Fortis Finance Belgium S.C.R.L.	1	Belgium	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
FV Holding N.V.	1	Belgium	31/12/2010		Equity		40.00%	29.97%
			31/12/2009	Purchase	Equity		40.00%	29.97%
Het Werkmanshuis NV	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		41.04%	30.75%
Immobilière Sauvenière SA	1	Belgium	31/12/2010		Equity	2	100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Isabel SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		25.33%	18.98%
La Propriété Sociale de Binche-Morlanwelz SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		20.81%	16.10%
Landbouwkantoor van Vlaanderen NV	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity	2	100.00%	74.93%
Nieuwe Maatschappij Rond Den Heerd NV	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		23.26%	17.43%
Société Alsacienne de développement et d'expansion	1	France	31/12/2010		Full		100.00%	53.43%
			31/12/2009	Purchase	Full		100.00%	53.43%
Sowo Investment SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		87.50%	65.57%
Visa Belgium SRCL	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		24.86%	18.84%
Special Purpose Entities								
BASS Master Issuer NV	1	Belgium	31/12/2010		Full			
			31/12/2009	Purchase	Full			
Esmée Master Issuer	1	Belgium	31/12/2010		Full			
			31/12/2009	Incorporation	Full			
Park Mountain SME 2007-I BV	1	Netherlands	31/12/2010	Liquidation				
			31/12/2009	Purchase	Full			
Retail Banking - Italy (BNL Banca Commerciale)								
Artigiancassa SPA		Italy			Full		73.86%	73.86%
Artigiansoa - Org. Di Attestazione SPA		Italy			Equity	2	80.00%	59.08%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Banca Nazionale del Lavoro SPA	Italy			Full	100.00%	100.00%
BNL Broker Assicurazioni SPA	Italy	31/12/2009	Disposal			
BNL Edizioni SRL	Italy	31/12/2009	Merger			
BNL Finance SPA	Italy			Full	100.00%	100.00%
BNL Partecipazioni SPA	Italy	31/12/2009	Merger			
BNL Positivity SRL	Italy			Full	51.00%	51.00%
BNP Paribas Personal Finance SPA	Italy			Full	100.00%	100.00%
Creaimpresa SPA (Groupe)	Italy	31/12/2009	Disposal			
International Factors Italia SPA - Ifitalia	Italy			Full	99.64%	99.64%
Serfactoring SPA	Italy			Equity	27.00%	26.94%
Special Purpose Entities						
EMF IT-2008-1 SRL	Italy			Full		
UCB Service SRL	Italy			Full		
Vela ABS	Italy			Full		
Vela Home SRL	Italy			Full		
Vela Mortgages SRL	Italy			Full		
Vela Public Sector SRL	Italy			Full		
Retail Banking in the United States of America						
1897 Services Corporation	USA			Full	100.00%	100.00%
521 South Seventh Street LLC	USA	31/12/2010	Incorporation	Full	69.23%	69.23%
AmerUS Leasing, Inc.	USA	31/12/2009	Dissolution			
BancWest Corporation	USA			Full	100.00%	100.00%
Bancwest Investment Services, Inc.	USA			Full	100.00%	100.00%
Bank of the West Business Park Association LLC	USA			Full	38.00%	38.00%
Bank of the West	USA			Full	100.00%	100.00%
Bishop Street Capital Management Corporation	USA			Full	100.00%	100.00%
BW Insurance Agency, Inc.	USA			Full	100.00%	100.00%
BW Leasing, Inc.	USA			Full	100.00%	100.00%
Center Club, Inc.	USA			Full	100.00%	100.00%
CFB Community Development Corporation	USA			Full	100.00%	100.00%
Claas Financial Services LLC	USA	31/12/2010	Partial disposal	Full	75.90%	63.64%
		31/12/2009		Full	100.00%	80.45%
Commercial Federal Affordable Housing, Inc.	USA			Full	100.00%	100.00%
Commercial Federal Community Development Corporation	USA			Full	100.00%	100.00%
Commercial Federal Insurance Corporation	USA			Full	100.00%	100.00%
Commercial Federal Investments Services, Inc.	USA			Full	100.00%	100.00%
Commercial Federal Realty Investors Corporation	USA			Full	100.00%	100.00%
Commercial Federal Service Corporation	USA			Full	100.00%	100.00%
Community First Insurance, Inc.	USA	31/12/2010	Dissolution			
		31/12/2009		Full	100.00%	100.00%
Community Service, Inc.	USA			Full	100.00%	100.00%
Equity Lending Inc.	USA			Full	100.00%	100.00%
Essex Credit Corporation	USA			Full	100.00%	100.00%
FHL Lease Holding Company Inc.	USA			Full	100.00%	100.00%
FHL SPC One, Inc.	USA			Full	100.00%	100.00%
First Bancorp	USA			Full	100.00%	100.00%
First Hawaïan Bank	USA			Full	100.00%	100.00%
First Hawaiian Leasing, Inc.	USA			Full	100.00%	100.00%
First National Bancorporation	USA			Full	100.00%	100.00%
First Santa Clara Corporation	USA			Full	100.00%	100.00%
FTS Acquisition LLC	USA	31/12/2010	Incorporation	Full	100.00%	100.00%
Glendale Corporate Center Acquisition LLC	USA	31/12/2010	Incorporation	Full	50.00%	50.00%

Name		Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
KIC Technology1,Inc.		USA	31/12/2010	Dissolution			
			31/12/2009		Full	100.00%	100.00%
KIC Technology2,Inc.		USA	31/12/2010	Dissolution			
			31/12/2009		Full	100.00%	100.00%
KIC Technology3,Inc.		USA	31/12/2010	Dissolution			
			31/12/2009		Full	100.00%	100.00%
Laveen Village Center Acquisition LLC		USA	31/12/2010	Incorporation	Full	58.33%	58.33%
Liberty Leasing Company		USA			Full	100.00%	100.00%
Mountain Falls Acquisition Corporation		USA			Full	100.00%	100.00%
Real Estate Delivery 2 Inc.		USA	31/12/2010		Full	100.00%	100.00%
			31/12/2009	Incorporation	Full	100.00%	100.00%
Riverwalk Village Three Holdings LLC		USA	31/12/2010	Incorporation	Full	100.00%	100.00%
Roxborough Acquisition Corporation		USA	31/12/2009	Dissolution			
Santa Rita Townhomes Acquisition LLC		USA	31/12/2010	Incorporation	Full	100.00%	100.00%
The Bankers Club,Inc.		USA			Full	100.00%	100.00%
Ursus Real Estate Inc.		USA			Full	100.00%	100.00%
Special Purpose Entities							
Beacon Hill		USA	31/12/2010	Purchase & Disposal			
CFB Capital 3		USA	31/12/2009	Dissolution			
CFB Capital 4		USA	31/12/2009	Dissolution			
Commercial Federal Capital Trust 1		USA	31/12/2009	Dissolution			
Commercial Federal Capital Trust 2		USA			Full		
Commercial Federal Capital Trust 3		USA			Full		
C-One Leasing LLC		USA			Full		
First Hawaiian Capital 1		USA			Full		
BNP Paribas Personal Finance							
Alpha Crédit SA	1	Belgium	31/12/2010		Full	100.00%	74.93%
			31/12/2009	Purchase	Full	100.00%	74.93%
Axa Banque Financement		France			Equity	35.00%	35.00%
Banco BGN SA		Brazil			Full	100.00%	100.00%
Banco BNP Paribas Personal Finance SA (ex- Banco Cetelem Portugal)		Portugal			Full	100.00%	100.00%
Banco Cetelem Argentina		Argentina	31/12/2010		Full	100.00%	100.00%
			31/12/2009	Additional purchase	Full	100.00%	100.00%
			31/12/2008		Full	60.00%	60.00%
Banco Cetelem SA		Spain			Full	100.00%	100.00%
BGN Holding Financeira Limitada		Brazil	31/12/2010	Merger			
			31/12/2009		Full	100.00%	100.00%
Bieffe 5 SPA		Italy	31/12/2010		Full	100.00%	75.00%
			31/12/2009	Additional purchase	Full	100.00%	75.00%
			31/12/2008		Equity	50.00%	50.00%
BNP Paribas Personal Finance		France			Full	100.00%	100.00%
BNP Paribas Personal Finance EAD		Bulgaria			Full	100.00%	100.00%
BNP Paribas Personal Finance Belgium		Belgium	31/12/2010	Disposal			
			31/12/2009		Full	100.00%	100.00%
BNP Paribas Personal Finance BV		Netherlands			Full	100.00%	100.00%
BNP Paribas Personal Finance SA de CV		Mexico			Full	100.00%	100.00%
Cafineo (*)		France	31/12/2010		Full	50.99%	50.78%
			31/12/2009	Passing qualifying thresholds	Full	50.99%	50.78%

Name	Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Carrefour Promotora de Vendas e Participaçoes (CPVP) Limitada (ex-Carrefour Administration Cartos de Creditos - CACC)	Brazil			Equity		40.00%	40.00%
Cetelem Algérie	Algeria			Full		100.00%	100.00%
Cetelem America	Brazil			Full		100.00%	100.00%
Cetelem Asia	Hong Kong	31/12/2010	Disposal				
		31/12/2009		Full		100.00%	100.00%
Cetelem Bank SA (Palier Laser)	Poland	31/12/2010	Merger				
		31/12/2009	Partial disposal	Prop.		50.00%	50.00%
		31/12/2008		Full		100.00%	100.00%
Cetelem Benelux BV	Netherlands			Full		100.00%	100.00%
Cetelem Brésil	Brazil			Full		100.00%	100.00%
Cetelem CR	Czech Republic			Full		100.00%	100.00%
Cetelem Holding Participaçoes Limitada	Brazil	31/12/2010	Merger				
		31/12/2009		Full		100.00%	100.00%
Cetelem IFN SA	Romania			Full		100.00%	100.00%
Cetelem Latin America Holding Participaçoes Ltda	Brazil	31/12/2010		Full		100.00%	100.00%
		31/12/2009	Incorporation	Full		100.00%	100.00%
Cetelem Maroc	Morocco			Full		99.86%	93.27%
Cetelem Polska Expansion SA (Palier LaSer)	Poland	31/12/2009	Partial disposal & Integration in the LaSer Group				
		31/12/2008		Full		100.00%	100.00%
Cetelem Processing Services (Shanghai)Ltd.	China	31/12/2010	Disposal				
		31/12/2009		Full		100.00%	100.00%
Cetelem Serviços Limitada	Brazil			Equity	2	100.00%	100.00%
Cetelem Servicios SA de CV	Mexico	31/12/2010		Full		100.00%	100.00%
		31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
Cetelem Slovensko	Slovakia			Full		100.00%	100.00%
Cetelem Thailande	Thailand			Full		100.00%	100.00%
Cetelem UK	UK	31/12/2009	< thresholds				
CMV Médiforce (*)	France			Full		100.00%	100.00%
Cofica Bail (*)	France			Full		100.00%	100.00%
Cofinoga Portugal SGPS	Portugal	31/12/2010	Merger				
		31/12/2009	Additional purchase	Full		100.00%	100.00%
		31/12/2008		Prop.		50.00%	50.00%
Cofiparc SNC	France			Full		100.00%	100.00%
Cofiplan (*)	France			Full		99.99%	99.99%
Commerz Finanz GmbH (ex- Dresdner-Cetelem Kreditbank)	Germany			Full		50.10%	50.10%
Credial Italie SPA	Italy	31/12/2009	Merger				
Credifin Banco SA	Portugal	31/12/2010	Merger				
		31/12/2009	Additional purchase	Full		100.00%	100.00%
		31/12/2008		Prop.		50.00%	50.00%
Credirama SPA	Italy	31/12/2010		Full		51.00%	38.25%
		31/12/2009	Additional purchase	Full		51.00%	38.25%
		31/12/2008		Prop.		50.00%	25.50%
Credisson Holding Ltd.	Cyprus			Full		100.00%	100.00%
Crédit Moderne Antilles Guyane (*)	France			Full		100.00%	100.00%

(*) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
1 Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 Simplified consolidation by the equity method (non-material entities).
3 Entities excluded from prudential scope of consolidation.
4 Entities consolidated under the equity method for prudential purposes.

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Crédit Moderne Océan Indien(*)		France			Full		97.81%	97.81%
Direct Services		Bulgaria			Full		100.00%	100.00%
Domofinance SA(*)		France	31/12/2010		Full		55.00%	55.00%
			31/12/2009	Change of control	Full		55.00%	55.00%
			31/12/2008		Prop.		55.00%	55.00%
Effico Iberia		Spain			Full		100.00%	100.00%
Effico Portugal		Portugal			Equity	2	100.00%	100.00%
Effico		France			Full		99.96%	99.96%
Eos Aremas Belgium SA	1	Belgium	31/12/2010		Equity		49.97%	37.44%
			31/12/2009	Purchase	Equity		49.97%	37.44%
Eurocredito		Spain			Full		100.00%	100.00%
Facet(*)		France			Full		100.00%	100.00%
Fideicomiso Financiero Cetelem1		Argentina	31/12/2010	Liquidation				
			31/12/2009	Incorporation	Full		100.00%	100.00%
Fidem(*)		France			Full		51.00%	51.00%
Fidexis		Belgium	31/12/2009	Merger				
Fimestic Expansion SA		Spain			Full		100.00%	100.00%
Finalia	1	Belgium	31/12/2010		Full		51.00%	38.22%
			31/12/2009	Purchase	Full		51.00%	38.22%
Findomestic Banca SPA		Italy	31/12/2010		Full		75.00%	75.00%
			31/12/2009	Additional purchase	Full		75.00%	75.00%
			31/12/2008		Prop.		50.00%	50.00%
Findomestic Banka a.d		Serbia	31/12/2010		Full		100.00%	75.00%
			31/12/2009	Additional purchase	Full		100.00%	75.00%
			31/12/2008		Prop.		50.00%	50.00%
Fortis Finanz GmbH	1	Germany	31/12/2009	Purchase &Merger				
Geneve Credit & Leasing SA		Switzerland	31/12/2010	Passing qualifying thresholds	Prop.		51.00%	38.22%
Gesellschaft fur Capital & Vermogensverwaltung GmbH	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Inkasso Kodat GmbH &Co. KG	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
KBC Pinto Systems		Belgium	31/12/2010	Disposal				
			31/12/2009		Equity		39.99%	39.99%
LaSer - Cofinoga (Groupe)		France			Prop.		50.00%	50.00%
Loisirs Finance(*)		France			Full		51.00%	51.00%
Magyar Cetelem Bank Zrt.		Hungary			Full		100.00%	100.00%
Merkur Beteiligungs und Verwaltungsgesellschaft mit Beschränkter Haftung	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Monabanq		France	31/12/2010	Disposal				
			31/12/2009		Equity		34.00%	34.00%
Natixis Financement		France			Equity		33.00%	33.00%
Nissan Finance Belgium NV	1	Belgium	31/12/2010	Additional purchase	Full		100.00%	77.32%
			31/12/2009	Purchase	Full		100.00%	69.55%
Norrsken Finance(*)		France			Full		51.00%	51.00%
Prestacomer SA de CV		Mexico	31/12/2010		Full		100.00%	100.00%
			31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
			31/12/2008		Equity		100.00%	100.00%
Prêts et Services SAS(*)		France			Full		100.00%	100.00%
Projeo(*)		France			Full		51.00%	51.00%
Servicios Financieros Carrefour EFC		Spain			Equity		37.28%	39.94%
Société des Paiement Pass		France			Equity		39.17%	39.17%
Submarino Finance Promotora de Credito Limitada		Brazil			Prop.		50.00%	50.00%

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Sundaram Home Finance Ltd.		India			Prop.		49.90%	49.90%
TEB Tuketici Finansman AS (ex-Palier TEB Mali)		Turkey	31/12/2010	Additional purchase	Full		100.00%	87.49%
			31/12/2009		Prop.		50.00%	50.00%
UCB Ingatlanhitel RT		Hungary			Full		100.00%	100.00%
UCB Suisse		Switzerland			Full		100.00%	100.00%
Union de Creditos Inmobiliarios - UCI (Groupe)		Spain			Prop.		50.00%	50.00%
Von Essen GmbH &Co. KG Bankgesellschaft	1	Germany	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Debt Investment Funds								
FCC Retail ABS Finance - Noria 2005		France	31/12/2010	Dissolution				
			31/12/2009		Full			
FCC Retail ABS Finance - Noria 2008		France			Full			
FCC Retail ABS Finance - Noria 2009		France	31/12/2010		Full			
			31/12/2009	Incorporation	Full			
FCC Domos 2008		France			Full			
FCC Master Domos		France			Full			
FCC Master Domos 5		France			Full			
FCC U.C.I 5 -18		Spain			Prop.			
FCC U.C.I 19		Spain	31/12/2010		Prop.			
			31/12/2009	Incorporation	Prop.			
Fundo de Investimento EM Direitos Creditorios BGN Life		Brazil			Full			
Fundo de Investimento EM Direitos Creditorios BGN Premium		Brazil			Full			
Phedina Hypotheken 2010 BV		Netherlands	31/12/2010	Incorporation	Full			
Viola Finanza SRL		Italy	31/12/2010		Full			
			31/12/2009	Additional purchase	Full			
			31/12/2008		Prop.			
Equipment Solutions								
Ace Equipment Leasing	1	Belgium	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Ace Leasing	1	Belgium	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Ace Leasing BV	1	Netherlands	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
AFL Lease BV	1	Netherlands	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Agrilease BV	1	Netherlands	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Albury Asset Rentals Ltd.		UK	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	100.00%
All In One Vermietungsgesellschaft für Telekommunicationsanlagen mbH.		Germany	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
All In One Vermietung GmbH		Austria	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Allstar Business Solutions Ltd. (ex-Overdrive Business Solutions Ltd.)		UK			Full		100.00%	100.00%
Antin Bail 2 (ex- Antin Bail)(*)		France			Full		100.00%	100.00%
Aprolis Finance		France	31/12/2010	Partial disposal	Full		51.00%	43.08%
			31/12/2009		Full		51.00%	51.00%
Arius SA		France	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Artegy Ltd.		UK	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Artegy SAS		France	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Arval Austria GmbH		Austria			Full		100.00%	100.00%
Arval Belgium SA		Belgium			Full		100.00%	100.00%
Arval Benelux BV		Netherlands			Full		100.00%	100.00%
Arval Brasil Limitada		Brazil	31/12/2010		Full		100.00%	100.00%
			31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
			31/12/2008		Equity	2	100.00%	100.00%
Arval Business Services Ltd.		UK			Full		100.00%	100.00%
Arval BV		Netherlands			Full		100.00%	100.00%
Arval Deutschland GmbH		Germany			Full		100.00%	100.00%
Arval ECL SAS		France			Full		100.00%	100.00%
Arval Hellas Car Rental SA		Greece			Equity	2	100.00%	100.00%
Arval Holding		France	31/12/2010	Merger				
			31/12/2009		Full		100.00%	100.00%
Arval India Private Ltd.		India			Equity	2	100.00%	100.00%
Arval Ltd.		UK			Full		100.00%	100.00%
Arval Luxembourg		Luxembourg			Full		100.00%	100.00%
Arval Maroc		Morocco	31/12/2010		Full		100.00%	88.91%
			31/12/2009	Passing qualifying thresholds	Full		100.00%	88.91%
			31/12/2008		Equity	2	88.73%	88.73%
Arval NV		Belgium			Full		100.00%	100.00%
Arval PHH Holdings Ltd.		UK			Full		100.00%	100.00%
Arval PHH Holdings UK Ltd.		UK			Full		100.00%	100.00%
Arval PHH Service Lease CZ		Czech Republic			Full		100.00%	100.00%
Arval OOO (ex-Arval Russie)		Russia	31/12/2010		Full		100.00%	100.00%
			31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
			31/12/2008		Equity	2	100.00%	100.00%
Arval Schweiz AG		Switzerland			Full		100.00%	100.00%
Arval Service Lease		France			Full		100.00%	100.00%
Arval Service Lease Aluger Operational Automoveis		Portugal			Full		100.00%	100.00%
Arval Service Lease Italia S.p.A.		Italy			Full		100.00%	100.00%
Arval Service Lease Polska sp. z.o.o.		Poland			Full		100.00%	100.00%
Arval Service Lease Romania SRL		Romania			Equity	2	100.00%	100.00%
Arval Service Lease SA		Spain			Full		99.99%	99.99%
Arval Slovakia		Slovakia	31/12/2010		Full		100.00%	100.00%
			31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
			31/12/2008		Equity	2	100.00%	100.00%
Arval Trading		France			Full		100.00%	100.00%
Arval UK Group Ltd.		UK			Full		100.00%	100.00%
Arval UK Ltd.		UK			Full		100.00%	100.00%
Autovalley		France	31/12/2010	Passing qualifying thresholds	Equity	2	100.00%	100.00%
Barloword Heftruck BV		Netherlands	31/12/2010	Partial disposal	Equity		50.00%	42.24%
			31/12/2009		Equity		50.00%	50.00%
BNP Paribas Fleet Holdings Ltd.		UK			Full		100.00%	100.00%
BNP Paribas Lease Group (*)		France	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group (Rentals) Ltd.		UK	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group BV		Netherlands	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group GmbH & Co KG		Austria	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group KFT		Hungary	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group Luxembourg SA (ex- Fortis Lease Luxembourg)	1	Luxembourg	31/12/2010	Additional purchase	Full		100.00%	84.47%
			31/12/2009	Purchase	Full		100.00%	53.43%
BNP Paribas Lease Group Netherlands BV		Netherlands	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group Polska SP z.o.o		Poland	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group RT		Hungary	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group SA Belgium		Belgium	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group SPA		Italy	31/12/2010	Partial disposal	Full		100.00%	95.94%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group PLC		UK	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Leasing Gmbh		Germany	31/12/2009	Merger				
CA Motor Finance Ltd.	1	UK	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Captive Finance Ltd.	1	Hong Kong	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Captive Finance Taiwan Co.Ltd.	1	Taiwan	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Claas Financial Services (*)		France	31/12/2010	Partial disposal	Full		60.11%	50.78%
			31/12/2009		Full		60.11%	60.11%
Claas Financial Services Inc.		USA	31/12/2010	Partial disposal	Full		100.00%	50.78%
			31/12/2009		Full		100.00%	60.11%
Claas Financial Services Ltd.		UK	31/12/2010	Partial disposal	Full		51.00%	43.08%
			31/12/2009		Full		51.00%	51.00%
Claas Leasing Gmbh		Germany	31/12/2009	Merger				
CNH Capital Europe (*)		France	31/12/2010	Partial disposal	Full		50.10%	42.32%
			31/12/2009		Full		50.10%	50.10%
CNH Capital Europe BV		Netherlands	31/12/2010	Passing qualifying thresholds	Full		100.00%	42.32%
			31/12/2009	< thresholds				
			31/12/2008		Full		100.00%	100.00%

(*) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
1 Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 Simplified consolidation by the equity method (non-material entities).
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Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
CNH Capital Europe GmbH		Austria	31/12/2010	Partial disposal	Full		100.00%	42.32%
			31/12/2009	Passing qualifying thresholds	Full		100.00%	50.10%
CNH Capital Europe Ltd.		UK	31/12/2010	Partial disposal	Full		100.00%	42.32%
			31/12/2009		Full		100.00%	50.10%
Commercial Vehicle Finance Ltd.		UK	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Dexia Location Longue Durée		France			Equity	2	51.00%	51.00%
Dialcard Fleet Services Ltd.		UK			Full		100.00%	100.00%
Diamond Finance UK Ltd.		UK	31/12/2010	Partial disposal	Full		60.00%	50.69%
			31/12/2009		Full		60.00%	60.00%
Dreieck One Ltd.	1	Cayman Islands	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100.00%	53.43%
Elfa Auto	1	Luxembourg	31/12/2010	Additional purchase	Full		100.00%	84.16%
			31/12/2009	Purchase	Full		100.00%	53.43%
Equipment Lease BV		Netherlands	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
ES-Finance	1	Belgium	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Euro-Scribe SAS	1	France	31/12/2010	Additional purchase	Prop.		50.00%	42.24%
			31/12/2009	Purchase	Equity		50.00%	26.71%
F.L. Zeebrugge	1	Belgium	31/12/2010	Additional purchase	Full		75.00%	63.36%
			31/12/2009	Purchase	Full		75.00%	40.07%
Folea Grundstucksverwaltungs und Vermietungs GmbH & Co. Objekt Burtenbach KG	1	Germany	31/12/2010	Additional purchase	Full		85.00%	7.64%
			31/12/2009	Purchase	Full		90.00%	3.21%
Folea Grundstucksverwaltungs und Vermietungs GmbH & Co. Objekt Leverkusen KG	1	Germany	31/12/2010	Additional purchase	Equity	2	85.00%	7.64%
			31/12/2009	Purchase	Full		90.00%	3.21%
Folea Grundstucksverwaltungs und Vermietungs GmbH & Co. Objekt Thalfingen	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Folea Verwaltungs GmbH	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Folea II Verwaltungs GmbH	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Folea III Verwaltungs GmbH	1	Germany	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Energy Leasing XI	1	Netherlands	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Energy Leasing X2	1	Netherlands	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Energy Leasing X3 BV	1	Netherlands	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Energy Leasing XIV BV	1	Netherlands	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Finansal Kiralama AS	1	Turkey	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease	1	Belgium	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease (China) Co Ltd.	1	China	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease (France)(*)	1	France	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease (Malaysia) Sdn. Bhd	1	Malaysia	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Car & Truck	1	Belgium	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Czech	1	Czech Republic	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Danmark AS	1	Denmark	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Deutschland AG	1	Germany	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Finland Oy	1	Finland	31/12/2009	Purchase & Dissolution				
Fortis Lease Group SA	1	Luxembourg	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Group Services	1	Belgium	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Holding Norge AS	1	Norway	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Holdings UK Ltd.	1	UK	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Hong Kong Ltd.	1	Hong Kong	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Hungaria Equipment Financing Financial Leasing Company	1	Hungary	31/12/2010	Additional purchase	Equity	2	100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Hungaria Real estate	1	Hungary	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Hungaria Vehicle Financing Financial Leasing Company	1	Hungary	31/12/2010	Additional purchase	Equity	2	100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Iberia	1	Spain	31/12/2010	Additional purchase	Full		100.00%	82.44%
			31/12/2009	Purchase	Full		100.00%	58.01%
Fortis Lease Immobilier Suisse	1	Switzerland	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Nederland NV	1	Netherlands	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Norge AS	1	Norway	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Operativ Lizing Zartkoruen Mukodo Reszvenytarsasag	1	Hungary	31/12/2010	Additional purchase	Equity	2	100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Polska Sp.z.o.o.	1	Poland	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Portugal	1	Portugal	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Romania IFN SA	1	Romania	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease S.p.A.	1	Italy	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Singapore Pte Ltd.	1	Singapore	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Suisse	1	Switzerland	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%

Name		Country		Change in the scope of consolidation	Method		Group voting interest (%)	Group ownership interest (%)
Fortis Lease Sweden AB	1	Sweden	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease UK Ltd.	1	UK	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease UK (1) Ltd.	1	UK	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease UK (2) Ltd.	1	UK	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease UK (3) Ltd.	1	UK	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease UK (4) Ltd.	1	UK	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease UK (5) Ltd.	1	UK	31/12/2010	Additional purchase	Full		90.00%	76.03%
			31/12/2009	Purchase	Full		90.00%	48.09%
Fortis Lease UK Retail Ltd.	1	UK	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Vastgoedlease BV	1	Netherlands	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Friedland Participation et Gestion	1	France	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Gestion et Location Holding		France			Full		100.00%	100.00%
Global Management Services	1	Romania	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Greenval Insurance Company Ltd.		Ireland			Full	4	100.00%	100.00%
H.F.G.L Ltd.		UK	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Harpur UK Ltd.		UK	31/12/2010	Dissolution				
			31/12/2009		Full		100.00%	100.00%
Humberclyde Commercial Investments Ltd.		UK	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Humberclyde Commercial Investments N° 4 Ltd.		UK	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Humberclyde Commercial Investments N°1 Ltd.		UK	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Humberclyde Finance Ltd.		UK	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Humberclyde Industrial Finance Ltd.		UK	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Humberclyde Investments Ltd.		UK	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
JCB Finance (*)		France	31/12/2010	Partial disposal	Full		100.00%	42.32%
			31/12/2009		Full		100.00%	50.10%
JCB Finance Holdings Ltd.		UK	31/12/2010	Partial disposal	Full		50.10%	42.32%
			31/12/2009		Full		50.10%	50.10%

Name		Country		Change in the scope of consolidation	Method		Group voting interest (%)	Group ownership interest (%)
Kota Jaya Ltd.	1	Hong Kong	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Kota Juta Ltd.	1	Hong Kong	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Locatrice Italiana SPA		Italy	31/12/2010	Partial disposal	Full		100.00%	95.94%
			31/12/2009		Full		100.00%	100.00%
Manitou Finance Ltd.		UK	31/12/2010	Partial disposal	Full		51.00%	43.08%
			31/12/2009		Full		51.00%	51.00%
Marie Lease SARL	1	Luxembourg	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		50.00%	26.71%
MFF SAS (*)		France	31/12/2010	Partial disposal	Full		51.00%	43.08%
			31/12/2009		Full		51.00%	51.00%
Natiobail 2		France	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Natiocrédibail(*)		France	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Natiocrédimurs(*)		France	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Natioénergie(*)		France	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Otis Vehicle Rentals Ltd.	1	UK	31/12/2010	Additional purchase	Equity		40.00%	33.79%
			31/12/2009	Purchase	Equity		40.00%	21.37%
Overdrive Credit Card Ltd.		UK	31/12/2009	Dissolution				
Pad Gas Leasing Monroe LLC	1	USA	31/12/2009	Purchase & Dissolution				
Paricomi (*)		France			Full		100.00%	100.00%
PHH Financial services Ltd.		UK			Full		100.00%	100.00%
PHH Holdings Ltd.		UK	31/12/2009	Dissolution				
PHH Investment Services Ltd.		UK			Full		100.00%	100.00%
PHH Leasing (N°9) Ltd.		UK	31/12/2009	Dissolution				
PHH Treasury Services Ltd.		UK			Full		100.00%	100.00%
PHH Truck Management Services Ltd.		UK	31/12/2009	Dissolution				
Pointeuro Ltd.		UK	31/12/2009	Dissolution				
Same Deutz Fahr Finance Ltd.		UK	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Same Deutz-Fahr Finance(*)		France	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
SCI Champvernier	1	France	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
SCI FLIF Azur	1	France	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
SCI FLIF Château Landon	1	France	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
SCI FLIF Evry 2	1	France	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%

(*) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
1 Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 Simplified consolidation by the equity method (non-material entities).
3 Entities excluded from prudential scope of consolidation.
4 Entities consolidated under the equity method for prudential purposes.

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
SCI FLIF Le Gallo	1	France	31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
SCI FLIF Le Port	1	France	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100.00%	53.43%
SCI FLIF Sainte Marie	1	France	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100.00%	53.43%
SREI Equipement Finance Private Ltd.		India	31/12/2010	Partial disposal	Prop.		50.00%	42.24%
			31/12/2009		Prop.		50.00%	50.00%
TEB Arval Arac Filo Kiralama		Turkey	31/12/2010	Partial disposal	Full		75.00%	68.73%
			31/12/2009	Additional purchase	Full		75.00%	75.00%
			31/12/2008		Prop.		50.00%	50.00%
TEB Finansal Kiralama (ex- Palier TEB Mali)		Turkey	31/12/2010	Additional purchase	Full		98.43%	79.19%
			31/12/2009		Prop.		42.10%	50.00%
The Harpur Group UK Ltd.		UK	31/12/2009	Dissolution				
UFB Asset Finance Ltd.		UK	31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
United Care (Cheshire)Ltd.		UK	31/12/2010	Dissolution				
			31/12/2009		Full		100.00%	100.00%
United Care Group Ltd.		UK	31/12/2010	Dissolution				
			31/12/2009		Full		100.00%	100.00%
Special Purpose Entities								
Royale Neuve I Sarl		Luxembourg			Full			
Vela Lease SRL		Italy			Full			
Europe Mediterranean								
3D Güvenlik Sistemleri ve Org Tic. AS	1	Turkey	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		99.00%	69.82%
Banque de Nankin		China			Equity		12.68%	12.68%
Banque de Wallis et Futuna (*)		France			Full		50.98%	50.98%
Banque du Sahara LSC		Libya	31/12/2010	Loss of control	Equity		19.00%	19.00%
			31/12/2009		Full		19.00%	19.00%
Banque Internationale du Commerce et de l'Industrie Burkina Faso		Burkina Faso			Full		51.00%	51.00%
Banque Internationale du Commerce et de l'Industrie Cote d'Ivoire		Ivory Coast			Full		59.79%	59.79%
Banque Internationale du Commerce et de l'Industrie Gabon		Gabon	31/12/2010		Equity		46.67%	46.67%
			31/12/2009	Loss of control	Equity		46.67%	46.67%
			31/12/2008		Full		46.67%	46.67%
Banque Internationale du Commerce et de l'Industrie Guinée		Guinea			Equity		30.83%	30.83%
Banque Internationale du Commerce et de l'Industrie Mali		Mali			Full		85.00%	85.00%
Banque Internationale du Commerce et de l'Industrie Sénégal		Senegal			Full		54.11%	54.11%
Banque Malgache de l'Océan Indien		Madagascar			Full		75.00%	75.00%
Banque Marocaine du Commerce et de l'Industrie		Morocco			Full		66.74%	66.74%
Banque Marocaine du Commerce et de l'Industrie Crédit Conso		Morocco			Full		100.00%	79.74%
Banque Marocaine du Commerce et de l'Industrie Gestion		Morocco			Equity	2	100.00%	66.74%
Banque Marocaine du Commerce et de l'Industrie Leasing		Morocco			Full		72.03%	48.07%
Banque Marocaine du Commerce et de l'Industrie Offshore		Morocco			Full		100.00%	66.74%
BNP Intercontinentale - BNPI (*)		France			Full		100.00%	100.00%
BNP Paribas BDDI Participations		France			Full		100.00%	100.00%
BNP Paribas El Djazair		Algeria			Full		100.00%	100.00%
BNP Paribas Fortis Yatirimlar Holding AS		Turkey	31/12/2010	Incorporation	Full		100.00%	74.93%
BNP Paribas Guadeloupe (*)		France			Full		100.00%	100.00%
BNP Paribas Guyane (*)		France			Full		100.00%	100.00%

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
BNP Paribas Martinique (*)		France			Full		100.00%	100.00%
BNP Paribas Mauritanie		Mauritania	31/12/2010	Disposal				
			31/12/2009		Equity	2	59.99%	59.99%
BNP Paribas Nouvelle Calédonie (*)		France			Full		100.00%	100.00%
BNP Paribas Réunion (*)		France			Full		100.00%	100.00%
BNP Paribas SAE (ex- BNP Paribas Egypt)		Egypt			Full		95.19%	95.19%
BNP Paribas Vostok LLC		Russia			Full		100.00%	100.00%
Dominet Bank Spolka Akcyjna	1	Poland	31/12/2009	Purchase &Merger				
Dominet Finanse SA	1	Poland	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100.00%	74.93%
Dominet SA	1	Poland	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Dominet SPV-II Sp z.o.o.	1	Poland	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Bank Anonim Sirketi	1	Turkey	31/12/2010		Full		94.11%	70.52%
			31/12/2009	Purchase	Full		94.11%	70.52%
Fortis Bank Malta Ltd.	1	Malta	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	70.52%
Fortis Bank Polska SA	1	Poland	31/12/2010		Full		99.87%	74.84%
			31/12/2009	Purchase	Full		99.87%	74.79%
Fortis Holding Malta BV	1	Netherlands	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	70.52%
Fortis Holding Malta Ltd.	1	Malta	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	70.52%
Fortis Private Investment Polska	1	Poland	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.84%
IC Axa Insurance		Ukraine	31/12/2010	Additional purchase	Equity	2	49.67%	49.68%
			31/12/2009	Additional purchase	Equity	2	49.67%	40.44%
			31/12/2008	Purchase	Equity	2	49.63%	25.31%
IC Axa Ukraine		Ukraine	31/12/2010	Additional purchase	Equity	2	50.00%	50.00%
			31/12/2009		Equity	2	50.00%	40.71%
Orient Commercial Bank		Vietnam	31/12/2010		Equity		15.00%	15.00%
			31/12/2009	Passing qualifying thresholds	Equity		15.00%	15.00%
TEB Mali Yatirimlar Anonim Sirketi (Groupe)		Turkey	31/12/2010	Partial disposal	Prop.		50.00%	37.47%
			31/12/2009		Prop.		50.00%	50.00%
Ukrainian Leasing Company		Ukraine	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Passing qualifying thresholds	Full		100.00%	81.42%
			31/12/2008	Purchase	Equity	2	100.00%	51.00%
Ukrsib Asset Management		Ukraine	31/12/2010	Additional purchase	Equity	2	99.94%	99.94%
			31/12/2009	Additional purchase	Equity	2	99.94%	81.37%
			31/12/2008		Equity	2	99.94%	50.97%
Ukrsib Asset Management PI Fund		Ukraine	31/12/2010	Additional purchase	Equity	2	100.00%	99.99%
			31/12/2009	Additional purchase	Equity	2	99.94%	81.37%
			31/12/2008		Equity	2	99.94%	50.97%
UkrSibbank		Ukraine	31/12/2010	Additional purchase	Full		99.99%	99.99%
			31/12/2009	Additional purchase	Full		81.42%	81.42%
			31/12/2008		Full		51.00%	51.00%
Union Bancaire pour le Commerce et l'Industrie		Tunisia			Full		50.00%	50.00%
Union Bancaire pour le Commerce et l'Industrie Leasing		Tunisia	31/12/2010	Merger				
			31/12/2009		Full		75.40%	37.70%

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Investment Solutions								
BGL BNP Paribas (ex- BGL)	1	Luxembourg	31/12/2010		Full		65.96%	53.43%
			31/12/2009	Purchase	Full		65.96%	53.43%
BNP Paribas Luxembourg SA		Luxembourg	31/12/2010	Merger				
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Suisse SA		Switzerland			Full		99.99%	99.99%
Cofhylux SA	1	Luxembourg	31/12/2010		Full		100.00%	53.43%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Intertrust Group Holding (Groupe)	1	Switzerland	31/12/2009	Purchase & Disposal				
Immoparibas Royale-Neuve SA		Luxembourg	31/12/2010	Reconsolidation	Full		100.00%	53.43%
IMS ABS FCP		France	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Passing qualifying thresholds	Full		80.74%	80.74%
Insurance								
6 Square Foch SCI		France			Full	4	100.00%	100.00%
8-10 place du Commerce SCI		France			Full	4	100.00%	100.00%
14 rue Vivienne SCI		France			Full	4	100.00%	100.00%
100 rue Lauriston SCI		France			Full	4	100.00%	100.00%
104-106 rue Cambronne SCI		France			Full	4	100.00%	100.00%
AG Insurance-Groupe	1	Belgium	31/12/2010		Equity		25.00%	18.73%
			31/12/2009	Purchase	Equity		25.00%	18.73%
Alpha Park SCI		France			Prop.	4	50.00%	50.00%
Antin Epargne Pension		France	31/12/2010	Purchase	Full	4	100.00%	100.00%
Asnieres 1 SCI		France			Full	4	100.00%	100.00%
Assu-Vie SA		France			Equity	2	50.00%	50.00%
Beausejour SCI		France			Full	4	100.00%	100.00%
BNL Vita SPA		Italy			Equity		49.00%	49.00%
BNP Paribas Assurance		France			Full	4	100.00%	100.00%
BNP Paribas Assurance BV		Netherlands			Full	4	100.00%	100.00%
BNP Paribas Assurance TCB Life Insurance Company Ltd		Taiwan	31/12/2010	Passing qualifying thresholds	Equity		49.00%	49.00%
BNP Paribas Pierre 2 SCI		France			Full	4	100.00%	100.00%
Bobigny Jean Rostand SCI		France	31/12/2010	Incorporation	Full	4	100.00%	100.00%
Boulevard Malesherbes SCI		France			Full	4	100.00%	100.00%
Boulogne Centre SCI		France			Full	4	100.00%	100.00%
Capital France Hotel SCA		France			Prop.	4	61.04%	60.14%
Cardif Assicurazioni SPA		Italy			Full	4	100.00%	100.00%
Cardif Assurances Risques Divers		France			Full	4	100.00%	100.00%
Cardif Assurance Vie		France			Full	4	100.00%	100.00%
Cardif Biztosito Magyarorszag Zrt		Hungary			Equity	2	100.00%	100.00%
Cardif Colombia Seguros Generales		Colombia	31/12/2010		Equity	2	100.00%	100.00%
			31/12/2009	Passing qualifying thresholds	Equity	2	100.00%	100.00%
Cardif del Peru Sa Compania de Seguros		Perou			Equity	2	100.00%	100.00%
Cardif do Brasil Vida e Previdencia SA		Brazil			Full	4	100.00%	100.00%
Cardif do Brasil Seguros e Garantias		Brazil	31/12/2010	Passing qualifying thresholds	Full	4	100.00%	100.00%
			31/12/2009		Equity	2	100.00%	100.00%
Cardif Forsakring AB		Sweden			Equity	2	100.00%	100.00%

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Cardif Hayat Sigorta Anonim Sirketi (VIE)		Turkey	31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%
Cardif Holdings Inc.		USA			Full	4	99.60%	99.60%
Cardif Insurance Company		Russia			Equity	2	100.00%	100.00%
Cardif Leven		Belgium			Full	4	100.00%	100.00%
Cardif Levensverzekeringen NV		Netherlands			Full	4	100.00%	100.00%
Cardif Life Insurance Company		USA			Full	4	100.00%	99.60%
Cardif Life Insurance Co.Ltd.		South Korea	31/12/2010		Full	4	85.00%	85.00%
			31/12/2009	Additional purchase	Full	4	85.00%	85.00%
			31/12/2008		Prop.	4	50.00%	50.00%
Cardif Lux International		Luxembourg			Full	4	100.00%	100.00%
Cardif Mexico Seguros de Vida SA de CV		Mexico			Equity	2	100.00%	100.00%
Cardif Mexico Seguros Generales SA de CV		Mexico			Equity	2	100.00%	100.00%
Cardif Nordic AB		Sweden			Full	4	100.00%	100.00%
Cardif Pinnacle Insurance Holding Ltd.		South Africa	31/12/2009	Disposal				
Cardif Pinnacle Insurance Holdings PLC		UK			Full	4	100.00%	100.00%
Cardif Pinnacle Insurance Management Services PLC		UK			Full	4	100.00%	100.00%
Cardif Polska Towarzystwo Ubezpieczen na Zycie SA		Poland			Full	4	100.00%	100.00%
Cardif Retraite Assurance Vie		France			Full	4	100.00%	100.00%
Cardif Schadeverzekeringen NV		Netherlands			Full	4	100.00%	100.00%
Cardif Seguros SA		Argentina			Full	4	100.00%	100.00%
Cardivida Correduria de Seguros SRL		Spain			Equity	2	100.00%	100.00%
Carma Grand Horizon SARL		France			Full	4	100.00%	100.00%
CB (UK) Ltd. (Fonds C)		UK			Full	4	100.00%	100.00%
CentroVita Assicurazioni SPA		Italy	31/12/2010	Disposal				
			31/12/2009		Prop.	4	49.00%	49.00%
CJS Insurance Company Cardif		Ukraine			Equity	2	100.00%	100.00%
Compania de Seguros Generales Cardif SA		Chile			Full	4	100.00%	100.00%
Compania de Seguros de Vida Cardif SA		Chile			Full	4	100.00%	100.00%
Corosa SCI		France			Full	4	100.00%	100.00%
Darnell Ltd.		Ireland			Full	4	100.00%	100.00%
Defense Etoile SCI		France	31/12/2009	Disposal				
Defense Vendome SCI		France	31/12/2009	Disposal				
Direct Life & Pensions Services Ltd.		UK			Equity	2	100.00%	100.00%
Etoile SCI		France			Full	4	100.00%	100.00%
European Reinsurance Ltd.		UK			Equity	2	100.00%	100.00%
F & B Insurance Holdings SA (Groupe)		Belgium	31/12/2010		Equity		50.00%	50.00%
			31/12/2009	Incorporation	Equity		50.00%	50.00%
Financial Telemarketing Services Ltd.		UK			Equity	2	100.00%	100.00%
Fonds d'Investissements Immobiliers pour le Commerce et la Distribution - Fondis		France			Prop.	4	25.00%	25.00%
Fortis Emeklilik ve Hayat A.S		Turkey	31/12/2010	Purchase	Full		100.00%	100.00%
Fortis Epargne Retraite	1	France	31/12/2010	Additional purchase &Merger				
			31/12/2009	Purchase	Full		69.99%	51.45%
Fortis Luxembourg - Vie SA	1	Luxembourg	31/12/2010		Equity		50.00%	26.71%
			31/12/2009	Purchase	Equity		50.00%	26.71%
GIE BNP Paribas Assurance		France			Full	4	100.00%	99.00%
Global Euro		France			Full	4	98.75%	98.75%
Hibernia (France)		France			Prop.	4	61.04%	60.14%

(*) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.

1. *Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.*
2. *Simplified consolidation by the equity method (non-material entities).*
3. *Entities excluded from prudential scope of consolidation.*
4. *Entities consolidated under the equity method for prudential purposes.*

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Immeuble Demours SCI		France			Full	4	100.00%	100.00%
Luizaseg		Brazil	31/12/2010	Passing qualifying thresholds	Prop.	4	50.00%	50.00%
			31/12/2009		Equity	2	50.00%	50.00%
Maine 49 SCI (ex- SCI Courbevoie)		France			Full	4	100.00%	100.00%
Maine 50 SCI (ex- SCI Boulogne Nungesser)		France			Full	4	100.00%	100.00%
Malesherbes Courcelles CIMACO SCI		France			Full	4	100.00%	100.00%
Moussorgski SCI		France			Full	4	100.00%	100.00%
Natio Assurance		France			Prop.	4	50.00%	50.00%
Natio Fonds Athenes Investissement 5		France			Full	4	100.00%	100.00%
Natio Fonds Collines Investissement 1		France			Full	4	100.00%	100.00%
Natio Fonds Collines Investissement 3		France			Full	4	100.00%	100.00%
NCVP Participacoes Societarias SA		Brazil			Full	4	100.00%	100.00%
Odysee SCI		France			Full	4	99.90%	99.90%
Opera Rendement SCPI		France			Full	4	99.89%	99.89%
Pantin les Moulins SCI		France	31/12/2010	Passing qualifying thresholds	Full	4	99.90%	99.90%
Paris Cours de Vincennes SCI		France			Full	4	100.00%	100.00%
Patrimoine Management & Associés		France	31/12/2010	Disposal				
			31/12/2009	Dilution	Full	4	58.50%	58.50%
			31/12/2008		Full	4	61.50%	61.50%
Pinnacle Insurance PLC		UK			Full	4	100.00%	100.00%
Pinnafrica Insurance Company Ltd.		South Africa	31/12/2009	Disposal				
Pinnafrica Insurance Life Ltd.		South Africa	31/12/2009	Disposal				
Pocztylion Arka Powszechne Towarzystwo Emerytalne SA		Poland			Equity		33.33%	33.33%
Pojistovna Cardif Pro Vita A.S		Czech Republic			Full	4	100.00%	100.00%
Pojistovna Cardif Slovakia A.S		Slovakia			Equity	2	100.00%	100.00%
Porte d'Asnieres SCI		France	31/12/2010	Passing qualifying thresholds	Full	4	99.90%	99.90%
Reumal Investissements SARL		France			Full	4	100.00%	100.00%
Rubin SARL		Luxembourg			Prop.	4	50.00%	50.00%
Rue de l'Ouest SCI (ex- SCI Levallois 2)		France			Full	4	100.00%	100.00%
Rue Mederic SCI		France			Full	4	100.00%	100.00%
Rueil Ariane SCI		France	31/12/2009	Disposal				
Rueil Caudron SCI		France			Full	4	100.00%	100.00%
State Bank of India Life Insurance Company		India			Equity		26.00%	26.00%
Suresnes 3 SCI		France			Full	4	100.00%	100.00%
Thai Cardif Insurance Life Company Ltd.		Thailand			Equity		25.00%	25.00%
Valtitres		France			Full	4	100.00%	100.00%
Vendome Athenes SCI		France			Prop.	4	50.00%	50.00%
Warranty Direct Ltd		UK	31/12/2010		Equity	2	88.33%	90.29%
			31/12/2009	Passing qualifying thresholds	Equity	2	90.29%	90.29%
Wealth Management								
Bank Insinger de Beaufort NV		Netherlands	31/12/2010	Additional purchase	Full		63.02%	63.02%
			31/12/2009	Purchase	Full		59.08%	59.08%
Bank Insinger de Beaufort Safe Custody NV		Netherlands	31/12/2010	Additional purchase	Full		100.00%	63.02%
			31/12/2009	Purchase	Full		100.00%	59.08%
Bergues Finance Holding		Bahamas			Full		100.00%	99.99%
BNP Paribas Bahamas Ltd.		Bahamas			Full		100.00%	99.99%
BNP Paribas Espana SA		Spain			Full		99.59%	99.59%
BNP Paribas Investment Services LLC		USA			Full		100.00%	100.00%
BNP Paribas Private Investment Management Ltd. (ex-Fortis Private Investment Management Ltd.)	1	UK	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
BNP Paribas Wealth Management (*)		France			Full		100.00%	100.00%
BNP Paribas Wealth Management Monaco (*)		Monaco			Full		100.00%	99.99%
Conseil Investissement		France			Full		100.00%	100.00%
Continuing Care Retirement Community NV	1	Belgium	31/12/2010		Full		99.96%	74.90%
			31/12/2009	Purchase	Full		99.96%	74.90%
Fortis Banque Monaco	1	Monaco	31/12/2009	Purchase & Merger				
Fortis Private Real Estate Holding	1	Luxembourg	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Wealth Management Hong Kong Ltd.	1	Hong Kong	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Wealth Management Taiwan Co.Ltd.	1	Taiwan	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
FPRE Management (Belgium) SA	1	Belgium	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
FPRE Second Résidences SA	1	Belgium	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100.00%	74.93%
FPRE Second Résidences SCA	1	Belgium	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100.00%	74.93%
Frynaco	1	Belgium	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fundamentum Asset Management (FAM)	1	Luxembourg	31/12/2010		Full		100.00%	53.43%
			31/12/2009	Purchase	Full		100.00%	53.43%
Insinger de Beaufort Asset Management AG		Switzerland	31/12/2010	Additional purchase	Full		100.00%	31.51%
			31/12/2009	Purchase	Full		100.00%	29.54%
Insinger de Beaufort Asset Management NV		Netherlands	31/12/2010	Additional purchase	Full		100.00%	63.02%
			31/12/2009	Purchase	Full		100.00%	59.08%
Insinger de Beaufort Associates BV		Netherlands	31/12/2010	Additional purchase	Full		100.00%	63.02%
			31/12/2009	Purchase	Full		100.00%	59.08%
Insinger de Beaufort Consulting BV		Netherlands	31/12/2010	Additional purchase	Full		100.00%	63.02%
			31/12/2009	Purchase	Full		100.00%	59.08%
Klein Haneveld Consulting BV		Netherlands	31/12/2010	Additional purchase	Full		100.00%	63.02%
			31/12/2009	Purchase	Full		100.00%	59.08%
Mees Pierson Private Belgian Offices NV	1	Belgium	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Nachenius, Tjeenk et Co. NV		Netherlands	31/12/2009	Merger				
Sodefi Holding AG		Switzerland	31/12/2010	Additional purchase	Full		50.00%	31.51%
			31/12/2009	Purchase	Full		50.00%	29.54%
Personal Investors								
B*Capital (*)		France			Full		99.96%	99.94%
Cortal Consors (*)		France			Full		100.00%	99.98%
Cortal Consors Select		France			Equity	2	85.00%	84.98%
Geojit BNP Paribas Financial Services Ltd - Groupe		India	31/12/2010		Prop.		33.85%	33.85%
			31/12/2009	Additional purchase	Prop.		34.16%	34.16%
			31/12/2008		Prop.		27.11%	27.11%
Geojit Technologies Private Ltd. (ex-palierGeojit)		India	31/12/2010		Full		57.00%	57.00%
			31/12/2009	Additional purchase	Full		57.20%	57.20%
			31/12/2008		Prop.		27.11%	27.11%
Portzamparc Gestion		France	31/12/2010		Full		100.00%	50.97%
			31/12/2009	Purchase	Full		100.00%	50.98%
Portzamparc société de Bourse (*)		France	31/12/2010		Full		51.00%	50.97%
			31/12/2009	Purchase	Full		51.00%	50.98%

Name		Country		Change in the scope of consolidation	Method		Group voting interest (%)	Group ownership interest (%)
Investment Partners								
ABN AMRO Asset Management Investments (Asia)Ltd.	1	Cayman Islands	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100.00%	71.19%
ABN AMRO Asset Management Real Estate (Asia)	1	Cayman Islands	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	71.19%
ABN AMRO Asset Management Real Estate, Korea (Cayman)	1	Cayman Islands	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	71.19%
ABN AMRO Emerging Europe Private Equity (Curaçao)	1	Dutch West Indies	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	71.19%
ABN Amro Investment Trust Company	1	USA	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
ABN Amro Teda Fund Management Co.Ltd	1	China	31/12/2010	Disposal				
			31/12/2009	Purchase	Equity		49.00%	34.88%
Alfred Berg Administration A/S	1	Denmark	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Asset Management AB	1	Sweden	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Kapitalforvaltning Finland AB	1	Finland	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Asset Management Services	1	Sweden	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Fonder AB	1	Sweden	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Fondsmaeglerselskab A/S	1	Denmark	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Forvaltning AS	1	Norway	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Funds	1	Finland	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Kapitalförvaltning AB	1	Sweden	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Kapitalforvaltning AS	1	Norway	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Antin Infrastructure Partners		France	31/12/2010	Partial disposal	Equity	2	40.00%	36.22%
			31/12/2009		Equity	2	56.50%	56.50%
Aramea Asset Management AG	1	Germany	31/12/2010	Additional purchase	Equity		30.00%	27.16%
			31/12/2009	Purchase	Equity		30.00%	21.36%
Arnhem Investment Management Pty Ltd. (ex- Fortis Investment Partners Pty Ltd.)	1	Australia	31/12/2010	Additional purchase	Equity		40.00%	36.22%
			31/12/2009	Purchase	Equity		40.00%	28.48%
Artemis Asset Management Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100.00%	74.93%
Artemis Fund Managers Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100.00%	74.93%
Artemis Investment Management Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100.00%	74.93%

Name		Country		Change in the scope of consolidation	Method		Group voting interest (%)	Group ownership interest (%)
Artemis Ocean Racing Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100.00%	74.93%
Artemis Ocean Racing 2 Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100.00%	74.93%
Artemis Strategic Asset Management Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100.00%	74.93%
Artemis Unit Trust Managers Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100.00%	74.93%
Athymis Gestion SA	1	France	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		34.00%	24.20%
Banco Estado Administradora General de Fondos		Chile	31/12/2010	Partial disposal	Equity	2	49.99%	45.26%
			31/12/2009	Passing qualifying thresholds	Equity	2	49.99%	49.99%
Bergère 2009		France	31/12/2009	Merger				
BNP Paribas Asset Management		France	31/12/2010	Partial disposal	Full		100.00%	90.55%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Asset Management Uruguay SA		Uruguay	31/12/2010	Partial disposal	Equity	2	100.00%	90.55%
			31/12/2009		Equity	2	100.00%	100.00%
BNP Paribas Asset Management Australia Ltd.		Australia	31/12/2010	< thresholds				
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Asset Management Brasil Ltda		Brazil	31/12/2010	Partial disposal	Full		100.00%	97.57%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Asset Management GmbH		Germany	31/12/2009	< thresholds				
BNP Paribas Asset Management Inc.		USA			Full		100.00%	100.00%
BNP Paribas Asset Management India Private Ltd. (ex- Fortis Investment Management (India)Ltd.)	1	India	31/12/2010	Additional purchase & < thresholds	Equity	2	100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Asset Management SGIIC		Spain			Equity	2	100.00%	99.59%
BNP Paribas Clean Energy Partners Ltd. (ex- Fortis Clean Energy Fund GP Ltd.)	1	UK	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Fin' AMS(*)		France	31/12/2010		Full		100.00%	100.00%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas FIN'AMS Asia (ex- BNP Paribas Asset Management Asia)		Hong Kong	31/12/2010	Partial disposal	Equity	2	100.00%	91.84%
			31/12/2009		Equity	2	100.00%	100.00%
BNP Paribas Investment Partners		France	31/12/2010	Partial disposal	Full		100.00%	90.55%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Investment Partners Asia Ltd. (ex- ABN AMRO Asset Management (Asia) Ltd.)	1	Hong Kong	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners (Australia) Ltd. (ex- Fortis Investment Management Australia Ltd.)	1	Australia	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners (Australia) Pty Ltd. (ex- Fortis Investment Management Australia Holdings Pty Ltd.)	1	Australia	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners BE Holding (ex- Fortis Investment Management SA)	1	Belgium	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners Belgium (ex- Fortis Investment Management Belgium)	1	Belgium	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%

(*) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
1 Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 Simplified consolidation by the equity method (non-material entities).
3 Entities excluded from prudential scope of consolidation.
4 Entities consolidated under the equity method for prudential purposes.

Name		Country		Change in the scope of consolidation	Method		Group voting interest (%)	Group ownership interest (%)
BNP Paribas Investment Partners BSC (ex- BNP Paribas Asset Management BSC)		Bahrain	31/12/2010	Partial disposal	Equity	2	100.00%	90.59%
			31/12/2009	Passing qualifying thresholds	Equity	2	99.58%	99.58%
BNP Paribas Investment Partners Canada Ltd. (ex- Fortis Investment Management Canada Ltd.)	1	Canada	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners Funds (Nederland) NV (ex- Fortis Funds (Nederland) NV)	1	Netherlands	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners Japan Ltd. (ex- BNP Paribas Asset Management Japan Ltd.)		Japan	31/12/2010	Partial disposal	Full		100.00%	90.55%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Investment Partners Luxembourg SA (ex- BNP Paribas Asset Management Luxembourg)		Luxembourg	31/12/2010	Partial disposal	Full		99.66%	90.24%
			31/12/2009		Full		99.66%	99.66%
BNP Paribas Investment Partners Netherlands NV (ex- Fortis Investment Management Netherlands NV)	1	Netherlands	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners NL Holding NV (ex- Fortis Investment NL Holding NV)	1	Netherlands	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners (Suisse) SA (ex- Fortis Investment Management (Schweiz) A.G.)	1	Switzerland	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners Singapore Ltd. (ex- BNP Paribas Asset Management Singapore Ltd.)		Singapore	31/12/2010	Partial disposal	Equity	2	100.00%	90.55%
			31/12/2009		Equity	2	100.00%	100.00%
BNP Paribas Investment Partners Societa di Gestione del Risparmio SPA (ex- BNP Paribas Asset Management SGR Milan)		Italy	31/12/2010	Partial disposal	Full		100.00%	98.42%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Investment Partners Taiwan Co.Ltd. (ex- Fortis Sec Investment Consultant Co. Ltd.)	1	Taiwan	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners UK Holdings Ltd. (ex- Fortis Investment Management Holdings UK Ltd.)	1	UK	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners UK Ltd. (ex- BNP Paribas Asset Management UK Ltd.)		UK	31/12/2010	Partial disposal	Full		100.00%	90.55%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Private Equity		France	31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%
			31/12/2009		Equity	2	100.00%	100.00%
Cadogan Associates LLC	1	USA	31/12/2009	Purchase & Disposal				
Cadogan Management (UK) Ltd.	1	UK	31/12/2009	Purchase & Disposal				
Cadogan Management LLC	1	USA	31/12/2009	Purchase & Disposal				
CamGestion		France	31/12/2010	Partial disposal	Full		100.00%	90.55%
			31/12/2009		Full		100.00%	100.00%
Cardif Gestion d'Actifs		France	31/12/2009	Merger				
Charter Atlantic Capital corporation		USA			Full		100.00%	100.00%
Charter Atlantic Corporation		USA			Full		100.00%	100.00%
EISER Infrastructure Capital Management Ltd.	1	UK	31/12/2010	Disposal				
			31/12/2009	Purchase	Full		100.00%	71.19%
Fauchier General Partners Ltd		UK	31/12/2010	Additional purchase	Full		100.00%	79.22%
			31/12/2009	Additional purchase	Prop.		47.61%	75.00%
			31/12/2008		Prop.		42.17%	62.50%
Fauchier Partners Asset Management Ltd (ex- palier Fauchier)		UK	31/12/2010	Additional purchase	Full		100.00%	79.22%
			31/12/2009		Prop.		47.61%	75.00%
Fauchier Partners Corporation (ex-palier Fauchier)		USA	31/12/2010	Additional purchase	Full		100.00%	79.22%
			31/12/2009		Prop.		47.61%	75.00%
Fauchier Partners International Ltd (ex-palier Fauchier)		Bermuda	31/12/2010	Additional purchase	Full		100.00%	79.22%
			31/12/2009		Prop.		47.61%	75.00%

Name		Country		Change in the scope of consolidation	Method		Group voting interest (%)	Group ownership interest (%)
Fauchier Partners Ltd. (ex-palier Fauchier)		UK	31/12/2010	Additional purchase	Full		100.00%	79.22%
			31/12/2009		Prop.		47.61%	75.00%
Fauchier Partners LLP (ex-palier Fauchier)		UK	31/12/2010	Additional purchase	Full		83.39%	66.06%
			31/12/2009		Prop.		39.70%	62.54%
Fauchier Partners Management Company Ltd. (ex-palier Fauchier)		UK	31/12/2010	Additional purchase	Full		100.00%	79.22%
			31/12/2009		Prop.		47.61%	75.00%
Fauchier Partners Management Ltd. (ex-palier Fauchier)		UK	31/12/2010	Additional purchase	Full		87.49%	79.22%
			31/12/2009		Prop.		47.61%	75.00%
Fimapierre	1	France	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Fischer Francis Trees & Watts Inc.		USA			Full		100.00%	100.00%
Fischer Francis Trees & Watts Kabushiki Kaisha		Japan	31/12/2010	Dissolution				
			31/12/2009		Full		100.00%	100.00%
Fischer Francis Trees & Watts Ltd.		UK			Full		100.00%	100.00%
Fischer Francis Trees & Watts Pte Ltd.		Singapore	31/12/2010	Merger				
			31/12/2009		Full		100.00%	100.00%
Fischer Francis Trees & Watts Singapore Ltd. (ex- ABN AMRO Asset Management (Singapore) Ltd.)	1	Singapore	31/12/2010	Additional purchase & <thresholds	Equity	2	100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Fischer Francis Trees & Watts UK		UK			Full		100.00%	100.00%
Fischer Francis Trees & Watts UK Ltd. (ex- Fortis Investment Management UK Ltd.)	1	UK	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Flexifund Associates	1	Luxembourg	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Asset Management Japan CO Ltd.	1	Japan	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Bank Suisse SA	1	Switzerland	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Gesbeta SGIIC	1	Spain	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Gestao de Investimentos Brasil Limitada	1	Brazil	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Investment Finance	1	France	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Investments Japan Holding Ltd.	1	Japan	31/12/2009	Purchase & dissolution				
Fortis Investment Management (Cayman) Ltd.	1	Cayman Islands	31/12/2010	Liquidation				
			31/12/2009	Purchase	Full		99.99%	71.19%
Fortis Investment Management Chile SA	1	Chile	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Investment Management Argentina Soc. Gerente de FCI SA	1	Argentina	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Investment Management France	1	France	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Investment Management Hong Kong Ltd.	1	Hong Kong	31/12/2010	Liquidation				
			31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Investment Management Luxembourg SA	1	Luxembourg	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Investment Management USA Inc.	1	USA	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Liquidity High Grade USD	1	Luxembourg	31/12/2009	Purchase & Disposal				
Fortis Portfoy Yonetimi AS	1	Turkey	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%

Name		Country		Change in the scope of consolidation	Method		Group voting interest (%)	Group ownership interest (%)
Fund Channel SA		Luxembourg	31/12/2010	Passing qualifying thresholds	Equity	2	49.96%	45.24%
FundQuest		France	31/12/2010	Partial disposal	Full		100.00%	90.55%
			31/12/2009		Full		100.00%	100.00%
FundQuest Holdings Ltd.		UK	31/12/2010	Partial disposal	Equity	2	100.00%	90.55%
			31/12/2009	Passing qualifying thresholds	Equity	2	100.00%	100.00%
FundQuest Inc.		USA			Full		100.00%	100.00%
FundQuest MM Ltd.		UK	31/12/2010	Partial disposal	Equity	2	100.00%	90.55%
			31/12/2009	Passing qualifying thresholds	Equity	2	100.00%	100.00%
FundQuest UK Ltd.		UK	31/12/2010	Partial disposal	Equity	2	100.00%	90.55%
			31/12/2009	Passing qualifying thresholds	Equity	2	100.00%	100.00%
Gestion Obligataire Diversifiée		France	31/12/2010	Partial disposal	Full		100.00%	93.26%
			31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
Groeivermogen NV	1	Netherlands	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Haitong - Fortis Private Equity Fund Management Co.Ltd.	1	China	31/12/2010	Additional purchase	Equity		33.00%	29.88%
			31/12/2009	Purchase	Equity		33.00%	23.49%
HFT Investment Management Co. Ltd. (ex- Fortis Haitong Invest Managt Co. Ltd.) - Groupe	1	China	31/12/2010	Additional purchase	Equity		49.00%	44.37%
			31/12/2009	Purchase	Equity		49.00%	34.88%
HFT Investment Management (HK) Ltd.	1	Hong Kong	31/12/2010	Incorporation	Equity		49.00%	44.37%
Impax Asset Management Group PLC (ex- Impax Group PLC)		UK	31/12/2010	Partial disposal	Equity		27.88%	25.24%
			31/12/2009		Equity		27.88%	27.88%
Industrifinans Forskningsparken Eiendom AS	1	Norway	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
KIT Fortis Investment Management	1	Kazakhstan	31/12/2010	Additional purchase	Equity		50.00%	45.27%
			31/12/2009	Purchase	Equity		50.00%	35.60%
Malbec Partners Inc.		USA			Full		100.00%	100.00%
Malbec Partners LLP		UK	31/12/2010	Dissolution				
			31/12/2009		Full		100.00%	100.00%
Malbec UK Ltd.		UK	31/12/2010	Dissolution				
			31/12/2009		Full		100.00%	100.00%
Merconter SA	1	Argentina	31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Ostara Partners Inc.	1	Cayman Islands	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		50.00%	35.82%
Ostara Partners Inc. Korea	1	Cayman Islands	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		50.00%	35.82%
Overlay Asset Management		France	31/12/2010	Partial disposal	Equity	2	100.00%	90.55%
			31/12/2009	< thresholds	Equity	2	100.00%	100.00%
			31/12/2008		Full		100.00%	100.00%
PT ABN AMRO Manajemen Investasi	1	Indonesia	31/12/2010	< thresholds	Equity	2	84.99%	76.96%
			31/12/2009	Purchase	Full		84.99%	60.50%

Name		Country		Change in the scope of consolidation	Method		Group voting interest (%)	Group ownership interest (%)
PT. BNP Paribas Investment Partners (ex- PT Fortis Investments)	1	Indonesia	31/12/2010	Additional purchase	Full		99.00%	89.64%
			31/12/2009	Purchase	Full		99.00%	70.47%
SAIB BNP Paribas Asset Management Cy Ltd.		Saudi Arabia	31/12/2010	Partial disposal	Equity		25.00%	22.64%
			31/12/2009	Passing qualifying thresholds	Equity		25.00%	25.00%
Shenying & Wanguo BNP Paribas Asset Management Company Ltd.		China	31/12/2010	Partial disposal	Equity		33.00%	29.88%
			31/12/2009		Equity		33.00%	33.00%
Shinan BNP Paribas Asset Management Co. Ltd		South Korea	31/12/2010	Partial disposal	Prop.		35.00%	31.69%
			31/12/2009	Dilution	Prop.		35.00%	35.00%
			31/12/2008		Prop.		50.00%	50.00%
Sundaram BNP Paribas Asset Management Company Ltd.		India	31/12/2010	Disposal				
			31/12/2009		Equity		49.90%	49.90%
TFunds Mutual Fund Management Company SA (ex- ASPIS International Mutual Funds Management Co.)	1	Greece	31/12/2010	Additional purchase	Equity		45.00%	40.75%
			31/12/2009	Purchase	Equity		45.00%	32.03%
TKB BNP Paribas Investment Partners Holding BV (ex- KIT Fortis Investment Management Holding BV)	1	Netherlands	31/12/2010	Additional purchase	Equity		50.00%	45.27%
			31/12/2009	Purchase	Equity		50.00%	35.60%
TKB BNP Paribas Investment Partners, Jsc (ex- KIT Fortis Investment Management)	1	Russia	31/12/2010	Additional purchase	Equity		50.00%	45.27%
			31/12/2009	Purchase	Equity		50.00%	35.60%
TKB BNP Paribas Investment Partners LLC (ex- KIT Fortis Investment Management Consulting LLC)	1	Russia	31/12/2010	Additional purchase	Equity		50.00%	45.27%
			31/12/2009	Purchase	Equity		50.00%	35.60%
Versiko AG	1	Germany	31/12/2010	Additional purchase	Equity		25.00%	22.64%
			31/12/2009	Purchase	Equity		25.10%	17.87%
Securities Services								
BNP Paribas Fund Services Australasia Ltd.		Australia			Full		100.00%	100.00%
BNP Paribas Fund Services Dublin Ltd.		Ireland			Full		100.00%	100.00%
BNP Paribas Fund Services France		France			Full		100.00%	100.00%
BNP Paribas Fund Services Holdings		UK	31/12/2009	< thresholds				
BNP Paribas Fund Services UK Ltd.		UK	31/12/2009	< thresholds				
BNP Paribas Securities Services- BP2S (*)		France			Full		100.00%	100.00%
BNP Paribas Securities Services Fund Administration Ltd.		Jersey	31/12/2010	Passing qualifying thresholds	Equity	2	100.00%	100.00%
BNP Paribas Securities Services Custody bank Ltd		Jersey	31/12/2009	< thresholds				
BNP Paribas Securities Services (Holdings) Ltd.		Jersey			Full		100.00%	100.00%
BNP Paribas Trust Company (Guernsey) Ltd.		Guernsey			Equity	2	100.00%	100.00%
F.A.M. Fund Advisory	1	Luxembourg	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100.00%	53.43%
Fastnet Nederland	1	Netherlands	31/12/2010		Equity		47.84%	25.56%
			31/12/2009	Purchase	Equity		47.84%	25.55%
Fund Administration Services & Technology Network Belgium	1	Belgium	31/12/2010		Equity		47.80%	25.54%
			31/12/2009	Purchase	Equity		47.80%	25.53%
Fund Administration Services & Technology Network Luxembourg	1	Luxembourg	31/12/2010	Disposal				
			31/12/2009	Purchase	Equity		47.79%	25.53%
Real Estate Services								
Aberdeen Property Investors Belgium		Belgium	31/12/2009	Purchase &Merger				
Asset Partenaires		France			Full		100.00%	96.77%

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2 Simplified consolidation by the equity method (non-material entities).
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Auguste Thouard Expertise		France	31/12/2010		Full	100.00%	100.00%
			31/12/2009	Incorporation	Full	100.00%	100.00%
BNP Paribas Immobilier Promotion Immobilier d'Entreprise		France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel		France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel Promotion Île de France		France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel Promotion Méditerranée		France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel Promotion Rhône Alpes		France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel Promotion Sud Ouest		France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel Promotion Var		France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel Résidences Services		France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel Résidences Services BSA		France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel Résidences Services Sofiane		France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel Service Clients		France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel Transaction & Conseil		France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel V2i		France			Full	100.00%	100.00%
BNP Paribas Real Estate		France			Full	100.00%	100.00%
BNP Paribas Real Estate Advisory Belgium SA		Belgium			Full	100.00%	100.00%
BNP Paribas Real Estate Advisory Italy SPA		Italy			Full	100.00%	100.00%
BNP PB Real Estate Advisory & Property Management Ireland Ltd.		Ireland			Full	100.00%	100.00%
BNP Paribas Real Estate Advisory & Property Management International		France	31/12/2010	Merger			
			31/12/2009		Full	100.00%	100.00%
BNP Paribas Real Estate Advisory & Property Management LLC		United Arab Emirates	31/12/2010		Full	49.00%	49.00%
			31/12/2009	Incorporation	Full	49.00%	49.00%
BNP Paribas Real Estate Advisory & Property Management Luxembourg SA		Luxembourg			Full	100.00%	100.00%
BNP Paribas Real Estate Advisory & Property Management UK Ltd.		UK			Full	100.00%	100.00%
BNP Paribas Real Estate Advisory Spain SA		Spain			Full	100.00%	100.00%
BNP Paribas Real Estate Advisory USA Inc.		USA	31/12/2010	< thresholds			
			31/12/2009		Full	100.00%	100.00%
BNP Paribas Real Estate Consult France		France			Full	100.00%	100.00%
BNP Paribas Real Estate Consult GmbH		Germany			Full	100.00%	100.00%
BNP Paribas Real Estate Facilities Management Ltd.		UK			Full	100.00%	100.00%
BNP Paribas Real Estate Financial Partner (ex- BNP Paribas Participations Financières Immobilières)		France			Full	100.00%	100.00%
BNP Paribas Real Estate GmbH		Germany			Full	100.00%	100.00%
BNP Paribas Real Estate Holding Benelux SA		Belgium			Full	100.00%	100.00%
BNP Paribas Real Estate Holding GmbH		Germany			Full	100.00%	100.00%
BNP Paribas Real Estate Hotels France		France			Full	96.01%	96.01%
BNP Paribas Real Estate & Infrastructure Advisory Service Private Ltd.		India	31/12/2010		Full	55.00%	55.00%
			31/12/2009	Purchase	Full	55.00%	55.00%
BNP Paribas Real Estate Investment Management		France			Full	96.77%	96.77%
BNP Paribas Real Estate Investment Management Belgium		Belgium	31/12/2010	Incorporation	Full	100.00%	100.00%
BNP Paribas Real Estate Investment Management Italy		Italy			Full	100.00%	100.00%
BNP Paribas Real Estate Investment Management Ltd.		UK			Full	100.00%	100.00%
BNP Paribas Real Estate Investment Management Luxembourg SA		Luxembourg	31/12/2010	Incorporation	Full	100.00%	100.00%
BNP Paribas Real Estate Investment Management UK Ltd.		UK			Full	100.00%	100.00%
BNP Paribas Real Estate Investment Services SAS		France			Full	100.00%	100.00%
BNP Paribas Real Estate Jersey Ltd.		Jersey	31/12/2010		Full	100.00%	100.00%
			31/12/2009	Purchase	Full	100.00%	100.00%

Name		Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
BNP Paribas Real Estate Project Solutions GmbH		Germany			Full	100.00%	100.00%
BNP Paribas Real Estate Property Developpement Italy SPA		Italy			Full	100.00%	100.00%
BNP Paribas Real Estate Property Management Belgium		Belgium			Full	100.00%	100.00%
BNP Paribas Real Estate Property Management France SAS		France			Full	100.00%	100.00%
BNP Paribas Real Estate Property Management GmbH		Germany			Full	100.00%	100.00%
BNP Paribas Real Estate Property Management International		France			Full	100.00%	100.00%
BNP Paribas Real Estate Property Management Italy SrL		Italy			Full	100.00%	100.00%
BNP Paribas Real Estate Property Management Spain SA		Spain			Full	100.00%	100.00%
BNP Paribas Real Estate Services Holding Italy		Italy	31/12/2010	Incorporation	Full	100.00%	100.00%
BNP Paribas Real Estate Transaction France		France			Full	95.91%	95.91%
BNP Paribas Real Estate Valuation France		France			Full	100.00%	100.00%
BRSI SAS		France	31/12/2009	Disposal			
Cabinet Claude Sanchez		France	31/12/2009	Disposal			
Cristolienne de Participations SAS		France			Full	100.00%	100.00%
F G Ingenierie et Promotion Immobilière		France			Full	100.00%	100.00%
Fortis Direct Real Estate Management	1	Luxembourg	31/12/2010	Additional purchase	Full	100.00%	100.00%
			31/12/2009	Purchase	Full	100.00%	74.93%
Gerer SA		France	31/12/2010	Disposal			
			31/12/2009		Full	100.00%	100.00%
Immobilière des Bergues		France			Full	100.00%	100.00%
Euro Fashion Center SA	1	Belgium	31/12/2010	< thresholds			
			31/12/2009	Purchase	Full	100.00%	74.93%
Fortis / KFH Scof Advisor Ltd.	1	Virgin Islands	31/12/2010	< thresholds			
			31/12/2009	Purchase	Equity	50.00%	37.47%
Lot 2 Porte d'Asnières SNC		France	31/12/2010	< thresholds			
			31/12/2009		Full	100.00%	100.00%
Meunier Hispania SA		Spain			Full	100.00%	100.00%
Multi Vest (France) 4 SAS		France	31/12/2010	< thresholds			
			31/12/2009		Full	100.00%	100.00%
Newport Management SAS		France			Full	100.00%	100.00%
Partner's & Services		France			Full	100.00%	100.00%
Pyrotex SARL		Luxembourg	31/12/2010		Full	100.00%	100.00%
			31/12/2009	Passing qualifying thresholds	Full	100.00%	100.00%
S.C BNP Paribas Real Estate Advisory S.A.		Romania	31/12/2010		Full	88.00%	88.00%
			31/12/2009	Purchase	Full	88.00%	88.00%
Sesame Conseil SAS		France	31/12/2010	Purchase	Full	95.25%	95.25%
Tasaciones Hipotecarias SA		Spain			Full	100.00%	100.00%
Via Crespi 26 SRL		Italy	31/12/2010		Full	100.00%	100.00%
			31/12/2009	Passing qualifying thresholds	Full	100.00%	100.00%
Weatheralls Consultancy Services Ltd.		UK			Full	100.00%	100.00%
Corporate and Investment Banking							
France							
BNP Paribas Arbitrage (*)		France			Full	100.00%	100.00%
BNP Paribas Equities France (*)		France			Full	99.96%	99.96%
BNP Paribas Equity Strategies		France			Full	100.00%	100.00%
BNP Paribas Stratégies Actions		France			Full	100.00%	100.00%
Capstar Partners SAS France		France	31/12/2009	Merger			
Esomet SAS		France			Full	100.00%	100.00%
Harewood Asset Management		France			Full	100.00%	100.00%

Name		Country		Change in the scope of consolidation	Method		Group voting interest (%)	Group ownership interest (%)
Laffitte Participation 22		France	31/12/2010		Full		100.00%	100.00%
			31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
Paribas Dérivés Garantis SNC		France			Full	3	100.00%	100.00%
Parifergie (*)		France			Full		100.00%	100.00%
Parilease SAS (*)		France			Full		100.00%	100.00%
Taitbout Participation 3 SNC		France			Full		100.00%	100.00%
Europe								
Alleray	1	Luxembourg	31/12/2010		Full		100.00%	53.43%
			31/12/2009	Purchase	Full		100.00%	53.43%
Argance	1	Luxembourg	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
BNP Paribas Ireland		Ireland			Full		100.00%	100.00%
BNP Paribas Bank NV		Netherlands			Full		100.00%	100.00%
BNP Paribas Capital Investments Ltd.		UK			Full		100.00%	100.00%
BNP Paribas CMG Ltd.		UK			Full		100.00%	100.00%
BNP Paribas Commodity Futures Ltd.		UK			Full		100.00%	100.00%
BNP Paribas Cyprus Ltd.		Cyprus			Full		100.00%	100.00%
BNP Paribas E & B Ltd.		UK			Full		100.00%	100.00%
BNP Paribas Finance PLC		UK			Full		100.00%	100.00%
BNP Paribas Fortis Funding (ex- Fortis Luxembourg Finance SA)	1	Luxembourg	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
BNP Paribas Net Ltd.		UK			Full		100.00%	100.00%
BNP Paribas UK Holdings Ltd.		UK			Full		100.00%	100.00%
BNP Paribas UK Ltd.		UK			Full		100.00%	100.00%
BNP PUK Holding Ltd.		UK			Full		100.00%	100.00%
BNP Paribas ZAO		Russia			Full		100.00%	100.00%
Calilux SARL		Luxembourg	31/12/2010	< thresholds				
			31/12/2009		Full		60.00%	60.00%
Camomile Asset Finance (N°5) Partnership	1	UK	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Camomile Investments UK Ltd.	1	UK	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
Capstar Partners Ltd.		UK			Full		100.00%	100.00%
Dalgarno	1	Luxembourg	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Delvino	1	Luxembourg	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Eris Investissements	1	Luxembourg	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Euraussie Finance SARL		Luxembourg			Full		100.00%	100.00%
FB Energy Trading S.à R.L.	1	Luxembourg	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fidex Holdings Ltd.		UK	31/12/2010		Full		100.00%	100.00%
			31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
Fortis Film Fund SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis International Finance (Dublin)	1	Ireland	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis International Finance Luxembourg SARL	1	Luxembourg	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Park Lane Ireland Ltd.	1	Ireland	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis PF Investments (UK)Ltd.	1	UK	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Proprietary Investment Ireland Ltd.	1	Ireland	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Yatirim Menkul Degerler AS	1	Turkey	31/12/2010	< thresholds	Equity	2	100.00%	70.52%
			31/12/2009	Purchase	Full		100.00%	70.52%
G I Finance	1	Ireland	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Harewood Holdings Ltd.		UK			Full		100.00%	100.00%
Landspire Ltd.		UK			Full		100.00%	100.00%
Mermoz Jet Finance	1	Spain	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Money Alpha	1	France	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Money Beta	1	France	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Paribas Trust Luxembourg SA		Luxembourg	31/12/2010	Partial disposal	Full		100.00%	53.43%
			31/12/2009		Full		100.00%	100.00%
Pattison	1	Luxembourg	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Prestibel Left Village	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity	2	70.06%	52.50%
Quainton Funding SARL.	1	Luxembourg	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Tabor Funding	1	Luxembourg	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	53.43%
Upper Hatch Securities Ltd.	1	Ireland	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Utexam Ltd.		Ireland			Full		100.00%	100.00%
Utexam Logistics Ltd.		Ireland	31/12/2010		Full		100.00%	100.00%
			31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
Vartry Reinsurance Ltd.		Ireland			Full	4	100.00%	100.00%
Americas								
ACG Capital Partners LLC	1	USA	31/12/2010	Additional purchase	Equity		50.00%	50.00%
			31/12/2009	Purchase	Equity		50.00%	37.47%
ACG Capital Partners II LLC		USA	31/12/2010	Incorporation	Equity		50.00%	50.00%
ACG Investment Capital Partners LLC	1	USA	31/12/2010	Additional purchase & <thresholds				
			31/12/2009	Purchase	Equity		50.00%	37.47%
Banco BNP Paribas Brasil SA		Brazil			Full		100.00%	100.00%
Banexi Holding Corporation		USA	31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%
BNP Paribas Canada		Canada			Full		100.00%	100.00%
BNP Paribas Capital Services Inc.		Canada	31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%

(*) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.

1 *Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.*

2 *Simplified consolidation by the equity method (non-material entities).*

3 *Entities excluded from prudential scope of consolidation.*

4 *Entities consolidated under the equity method for prudential purposes.*

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
BNP Paribas Capstar Partners Inc.		USA			Full		100.00%	100.00%
BNP Paribas Commodity Futures Inc.		USA			Full		100.00%	100.00%
BNP Paribas Energy Trading Canada Corp (ex- FB Energy Canada Corp)	1	Canada	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
BNP Paribas Energy Trading GP (ex- Fortis Energy Marketing & Trading GP)	1	USA	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
BNP Paribas Energy Trading Holdings,Inc.		USA	31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%
BNP Paribas Energy Trading LLC		USA	31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%
BNP Paribas Leasing Corporation		USA			Full		100.00%	100.00%
BNP Paribas Mortgage Corporation		USA			Full		100.00%	100.00%
BNP Paribas North America Inc.		USA			Full		100.00%	100.00%
BNP Paribas Prime Brokerage Inc.		USA			Full		100.00%	100.00%
BNP Paribas Prime Brokerage International Ltd.		Cayman Islands			Full		100.00%	100.00%
BNP Paribas Principal Inc.		USA	31/12/2009	< thresholds				
BNP Paribas RCC Inc.		USA			Full		100.00%	100.00%
BNP Paribas Securities Corporation		USA			Full		100.00%	100.00%
Camomile Alzette Investments (UK) Ltd.	1	Cayman Islands	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Camomile Canopia Trading (UK) Ltd.	1	Cayman Islands	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
Camomile Pearl (UK) Ltd.	1	Cayman Islands	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
Camomile Ulster Investments (UK) Ltd.	1	Cayman Islands	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
Capstar Partners LLC		USA			Full		100.00%	100.00%
CF Leasing Ltd.	1	Bermuda	31/12/2010	Partial disposal & Integration in the Cronos Group				
			31/12/2009	Purchase	Equity	2	50.00%	51.93%
CooperNeff Group Inc.		USA			Full		100.00%	100.00%
Cronos Holding Company Ltd. (Groupe)		Bermuda	31/12/2010	Purchase	Equity		30.00%	22.40%
FB Energy Holdings LLC	1	USA	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
FB Funding Company	1	Canada	31/12/2009	Purchase & Disposal				
FB Holdings Canada Corp	1	Canada	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
FB Transportation Capital LLC	1	USA	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
FBC Ltd.	1	Bermuda	31/12/2010	Liquidation				
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis (USA) Financial Markets LLC	1	USA	31/12/2009	Purchase & Dissolution				
Fortis Capital Corporation	1	USA	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Capital (Canada) Ltd.	1	Canada	31/12/2010	Merger				
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Clearing Americas LLC	1	USA	31/12/2009	Purchase & Disposal				
Fortis Financial Services LLC	1	USA	31/12/2009	Purchase &Merger				
Fortis Funding LLC	1	USA	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Ifico	1	Cayman Islands	31/12/2009	Purchase & Dissolution				

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Fortis Prime Fund Solutions (USA) LLC	1	USA	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Proprietary Capital Inc.	1	USA	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Securities LLC	1	USA	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
French American Banking Corporation - F.A.B.C		USA			Full		100.00%	100.00%
FSI Holdings Inc.	1	USA	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
Harewood Asset Management (US)Inc.		USA			Full		100.00%	100.00%
Innocap Investment Management Inc.		Canada			Equity		25.00%	25.00%
Paribas North America Inc.		USA			Full		100.00%	100.00%
Petits Champs Participaçoes e Serviços SA		Brazil			Full		100.00%	100.00%
RFH Ltd.	1	Bermuda	31/12/2010	Additional purchase	Equity		100.00%	74.68%
			31/12/2009	Purchase	Equity		50.00%	49.57%
TCG Fund I, L.P	1	Cayman Islands	31/12/2010		Full		99.66%	74.68%
			31/12/2009	Incorporation	Full		100.00%	74.68%
Textainer Marine Containers Ltd.	1	Bermuda	31/12/2010		Equity		25.00%	18.67%
			31/12/2009	Purchase	Equity		25.00%	18.73%
Trip Rail Holdings LLC		USA	31/12/2010	Passing qualifying thresholds	Equity		16.33%	12.19%
Via North America,Inc.		USA	31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%
Asia - Oceania								
ACG Capital Partners Singapore Pte. Ltd		Singapore	31/12/2010	Incorporation	Equity		50.00%	50.00%
BNP Equities Asia Ltd.		Malaysia			Full		100.00%	100.00%
BNP Pacific (Australia) Ltd.		Australia			Full		100.00%	100.00%
BNP Paribas (China) Ltd.		China			Full		100.00%	100.00%
BNP Paribas Arbitrage (Hong-Kong) Ltd.		Hong Kong			Full		100.00%	100.00%
BNP Paribas Capital (Asia Pacific) Ltd.		Hong Kong			Full		100.00%	100.00%
BNP Paribas Capital (Singapore) Ltd.		Singapore			Full		100.00%	100.00%
BNP Paribas Finance (Hong-Kong) Ltd.		Hong Kong			Full		100.00%	100.00%
BNP Paribas Futures (Hong-Kong) Ltd.		Hong Kong			Full		100.00%	100.00%
BNP Paribas India Solutions Private Ltd.		India			Full		100.00%	100.00%
BNP Paribas Japan Ltd.		Japan			Full		100.00%	100.00%
BNP Paribas Principal Investments Japan Ltd.		Japan			Full		100.00%	100.00%
BNP Paribas Securities (Asia) Ltd.		Hong Kong			Full		100.00%	100.00%
BNP Paribas Securities India Private Ltd.		India	31/12/2010		Full		100.00%	66.93%
			31/12/2009	Incorporation	Full		100.00%	67.08%
BNP Paribas Securities (Japan) Ltd.		Hong Kong			Full		100.00%	100.00%
BNP Paribas Securities (Taiwan) Co Ltd.		Taiwan			Full		100.00%	100.00%
BNP Paribas Securities Korea Company Ltd.		South Korea			Full		100.00%	100.00%
BNP Paribas Securities (Singapore) Pte Ltd.		Singapore			Full		100.00%	100.00%
BNP Paribas Services (Hong Kong) Ltd.		Hong Kong			Full		100.00%	100.00%
BPP Holdings Pte Ltd.		Singapore	31/12/2010		Full		100.00%	100.00%
			31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
Celestial Hong Kong Ltd. (ex- BNP Paribas SCM Asia (Hong Kong) Ltd.)		Hong Kong	31/12/2010	< thresholds				
			31/12/2009		Full		100.00%	100.00%
Generale Belgian Finance Cy Ltd.	1	Hong Kong	31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
Paribas Asia Equity Ltd.		Hong Kong			Full		100.00%	100.00%
PT Bank BNP Paribas Indonésia		Indonesia			Full		100.00%	99.99%

Name		Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
PT BNP Paribas Securities Indonesia		Indonesia			Full	99.00%	99.00%
Wa Pei Finance Company Ltd.	1	Hong Kong	31/12/2010	Additional purchase	Full	100.00%	100.00%
			31/12/2009	Purchase	Full	100.00%	74.93%
Wa Pei Properties Ltd.	1	Hong Kong	31/12/2010	Additional purchase	Full	100.00%	100.00%
			31/12/2009	Purchase	Full	100.00%	74.93%
Special Purpose Entities							
54 Lombard Street Investments Ltd.		UK			Full		
2007 Panda Finance 2 SAS		France			Full		
2008 Marie Finance SAS		France			Full		
2008 Newine Finance 5 SAS		France			Full		
2008 Panda Finance 6 SAS		France			Full		
2008 Panda Finance 7 SAS		France			Full		
2008 Panda Finance 11 SAS		France			Full		
2009 Koala Finance - MSN 36742		France	31/12/2010		Full		
			31/12/2009	Incorporation	Full		
Alandes BV	1	Netherlands	31/12/2010		Full 3		
			31/12/2009	Purchase	Full 3		
Alectra Finance PLC		Ireland			Full		
APAC Finance Ltd.		New Zealand	31/12/2010	Liquidation			
			31/12/2009		Full		
APAC Investments Ltd.		New Zealand	31/12/2010	Liquidation			
			31/12/2009		Full		
APAC NZ Holdings Ltd.		New Zealand			Full		
Aquarius Capital Investments Ltd.		Ireland			Full		
ARV International Ltd.		Cayman Islands			Full		
Astir BV	1	Netherlands	31/12/2010		Full		
			31/12/2009	Purchase	Full		
Atargatis SNC		France			Full		
Aura Capital Investment SA		Luxembourg	31/12/2010	Incorporation	Full		
Austin Finance		France			Full		
Betul 1 à 4		France	31/12/2010	Incorporation	Full		
Black Kite Investment Ltd.		Ireland	31/12/2010		Full		
			31/12/2009	Incorporation	Full		
BNP Paribas Arbitrage Issuance BV		Netherlands			Full		
BNP Paribas Complex Fundo de Investimento Multimercado		Brazil	31/12/2010		Full		
			31/12/2009	Passing qualifying thresholds	Full		
BNP Paribas EQD Brazil Fund Fundo Invest Multimercado		Brazil	31/12/2010	Passing qualifying thresholds	Full		
BNP Paribas Emission-und Handel. GmbH		Germany			Full		
BNP Paribas Finance Inc.		USA			Full		
BNP Paribas Islamic Issuance BV		Netherlands			Full		
BNP Paribas Proprietario Fundo de Investimento Multimercado		Brazil	31/12/2010		Full		
			31/12/2009	Passing qualifying thresholds	Full		
BNP Paribas Singapore Funding Partnership		Singapore	31/12/2009	< thresholds			
BNP Paribas VPG Brookline Cre,LLC		USA	31/12/2010	Incorporation	Full		
BNP Paribas VPG Master LLC		USA	31/12/2010	Incorporation	Full		
BNP Paribas VPG SDI Media LLC		USA	31/12/2010	Incorporation	Full		
BNP Paribas VPG Semgroup LLC		USA	31/12/2010	Incorporation	Full		

Name		Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Boug BV		Netherlands			Full		
China Jenna Finance 1 à 3 SAS		France			Full		
China Lucie Finance 1 à 3 SAS		France			Full		
China Marie Finance 1 et 2 SAS		France			Full		
China Newine Finance 1 à 4 SAS		France			Full		
China Samantha Finance 1 à 10 SAS		France			Full		
Compagnie Financière de la Porte Neuve SA		Luxembourg			Full		
Compagnie Investissement Italiens SNC		France			Full		
Compagnie Investissement Opéra SNC		France			Full		
Crisps Ltd.		Cayman Islands	31/12/2010	Dissolution			
			31/12/2009		Full		
CSACL Tiger Finance		France	31/12/2010	Incorporation	Full		
Delphinus Titri 2010 SA		Luxembourg	31/12/2010	Incorporation	Full		
Epping Funding Ltd.		Cayman Islands	31/12/2009	Dissolution			
Epsom Funding Ltd.		Cayman Islands			Full		
Esra 1 à 3 SAS		France			Full		
Fidex Ltd.		UK			Full		
Financière des Italiens SAS		France			Full		
Financière Paris Haussmann		France			Full		
Financière Taitbout		France			Full		
Fintrack Bayamo		France	31/12/2009	Merger			
Fintrack Foehn		France	31/12/2009	Merger			
Fintrack Sirocco		France	31/12/2010	Merger			
			31/12/2009	Purchase	Full		
Global Liberté		Ireland	31/12/2010	< thresholds			
			31/12/2009		Full		
Grenache et Cie SNC		Luxembourg			Full		
Harewood Investments N°2 à4 Ltd.		UK			Full		
Harewood Investments N°5 Ltd.		Cayman Islands			Full		
Harewood Investments N°7 Ltd.		Cayman Islands	31/12/2010	Incorporation	Full		
Henaross Pty Ltd.		Australia	31/12/2010	< thresholds			
			31/12/2009		Full		
Highbridge Ltd.		Cayman Islands	31/12/2009	< thresholds			
Iliad Investments PLC		Ireland			Full		
Laffitte Participation 2		France	31/12/2009	Merger			
Laffitte Participation 10		France	31/12/2009	Merger			
Laffitte Participation 12		France	31/12/2009	Merger			
Leveraged Finance Europe Capital V BV		Netherlands			Full		
Liquidity Ltd.		Cayman Islands	31/12/2010	Passing qualifying thresholds	Full		
Lisia I Ltd.	1	Jersey	31/12/2010	Dissolution			
			31/12/2009	Purchase	Full		
Lock-In Global Equity Ltd.		Cayman Islands	31/12/2009	Dissolution			
Marc Finance Ltd.		Cayman Islands			Full		
Méditerranéa SNC		France			Full		
Muscat Investments Ltd.		Jersey	31/12/2009	< thresholds			
Omega Capital Investments Plc		Ireland			Full		
Omega Capital Europe PLC		Ireland			Full		

(*) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
1 Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 Simplified consolidation by the equity method (non-material entities).
3 Entities excluded from prudential scope of consolidation.
4 Entities consolidated under the equity method for prudential purposes.

Name		Country		Change in the scope of consolidation	Method		Group voting interest (%)	Group ownership interest (%)
Omega Capital Funding Ltd.		Ireland			Full			
Optichamps		France			Full			
Parritaye Pty Ltd.		Australia	31/12/2010	< thresholds				
			31/12/2009		Full			
Participations Opéra		France			Full			
Reconfiguration BV		Netherlands	31/12/2010	Incorporation	Full			
Renaissance Fund III		Japan	31/12/2010		Full			
			31/12/2009	Passing qualifying thresholds	Full			
Renaissance Fund IV		Japan	31/12/2010		Full			
			31/12/2009	Passing qualifying thresholds	Full			
Ribera del Loira Arbitrage SL		Spain			Full			
Robin Flight Ltd.		Ireland			Full			
Royale Neuve II Sarl		Luxembourg			Full			
Royale Neuve V Sarl		Luxembourg			Full			
Royale Neuve VI Sarl		Luxembourg			Full			
Royale Neuve Finance SARL		Luxembourg			Full			
Royale Neuve Investments Sarl		Luxembourg	31/12/2010		Full			
			31/12/2009	Incorporation	Full			
Scaldis Capital (Ireland) Ltd.	1	Ireland	31/12/2010		Full			
			31/12/2009	Purchase	Full			
Scaldis Capital Ltd.	1	Jersey	31/12/2010		Full	3		
			31/12/2009	Purchase	Full	3		
Scaldis Capital LLC	1	USA	31/12/2010	Passing qualifying thresholds	Full			
Singapore Emma Finance 1 & 2 SAS		France			Full			
Stradios FCP FIS		Luxembourg	31/12/2010	Incorporation	Full			
Sunny Funding Ltd.		Cayman Islands			Full			
Swallow Flight Ltd.		Ireland			Full			
Swan 1 à 3 SAS		France			Full			
Tender Option Bond Municipal program		USA			Full			
Thunderbird Investments PLC		Ireland			Full			
Other Business Units								
Private Equity (BNP Paribas Capital)								
Cobema		Belgium			Full		100.00%	100.00%
Compagnie Financière Ottomane SA		Luxembourg			Full		96.86%	96.86%
Erbe		Belgium			Equity		47.01%	47.01%
FCM Private Equity II SL	1	Spain	31/12/2009	Purchase & Disposal				
FCM Private Equity SL	1	Spain	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Fondo Nazca I FCR	1	Spain	31/12/2010	Dissolution				
			31/12/2009	Purchase	Full		100.00%	74.93%
Fondo Nazca II FCR	1	Spain	31/12/2009	Purchase & Disposal				
Fortis Private Equity Asia Fund SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Private Equity Belgium NV	1	Belgium	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Private Equity Expansion Belgium NV	1	Belgium	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Private Equity France Fund	1	France	31/12/2010		Full		99.90%	74.86%
			31/12/2009	Purchase	Full		99.91%	74.87%
Fortis Private Equity France SAS	1	France	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Private Equity Management NV	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Private Equity Venture Belgium SA	1	Belgium	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Gepeco		Belgium			Full		100.00%	100.00%
Nazca Capital S.G.E.C.R. SA	1	Spain	31/12/2009	Purchase & Disposal				
Nazca Directorships I, S.L.	1	Spain	31/12/2009	Purchase & Disposal				
Nazca Directorships II, S.L.	1	Spain	31/12/2009	Purchase & Disposal				
Nazca Directorships III, S.L.	1	Spain	31/12/2009	Purchase & Disposal				
Nazca Inversiones SA	1	Spain	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.92%
Paribas Participations Limitée		Canada			Full		100.00%	100.00%
Property companies (property used in operations)								
Antin Participation 5		France			Full		100.00%	100.00%
Ejesur		Spain			Full		100.00%	100.00%
Foncière de la Compagnie Bancaire SAS		France			Full		100.00%	100.00%
Noria SAS		France			Full		100.00%	100.00%
Société Immobilière Marché Saint-Honoré		France			Full		100.00%	100.00%
Société d'Etudes Immobilières de Constructions - Setic		France			Full		100.00%	100.00%
Investment companies and other subsidiaries								
Ardi Immo		Luxembourg	31/12/2010		Full	4	100.00%	100.00%
			31/12/2009		Full	4	100.00%	100.00%
BNL International Investment SA		Luxembourg			Full		100.00%	100.00%
BNL Multiservizi SRL		Italy			Equity	2	100.00%	100.00%
BNP Paribas Home Loan Covered Bonds (*)		France			Full		100.00%	100.00%
BNP Paribas International BV		Netherlands			Full		100.00%	100.00%
BNP Paribas Méditerranée Innovation & Technologies		Morocco			Full		100.00%	96.67%
BNP Paribas Partners for Innovation (Groupe)		France			Equity		50.00%	50.00%
BNP Paribas Public Sector (*)		France	31/12/2010		Full		100.00%	100.00%
			31/12/2009	Incorporation	Full		100.00%	100.00%
BNP Paribas SB Re		Luxembourg	31/12/2010		Full	4	100.00%	100.00%
			31/12/2009	Incorporation	Full	4	100.00%	100.00%
BNP Paribas UK Treasury Ltd.		UK			Full		100.00%	100.00%
Compagnie d'Investissements de Paris - C.I.P		France			Full		100.00%	100.00%
Financière BNP Paribas		France			Full		100.00%	100.00%
Financière du Marché Saint Honoré		France			Full		100.00%	100.00%
Fintrimo SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Equity		50.00%	46.83%
Fortis Bank Reinsurance SA	1	Luxembourg	31/12/2010		Full		100.00%	74.93%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Money Short Term Fund	1	France	31/12/2010	Additional purchase & Liquidation				
			31/12/2009	Purchase	Full		100.00%	73.34%
GeneralCorp 10	1	Luxembourg	31/12/2010		Full	4	100.00%	74.93%
			31/12/2009	Purchase	Full	4	100.00%	74.93%
Generale Bank Pref II NV	1	Netherlands	31/12/2009	Purchase & Dissolution				
Genfinance International SA	1	Belgium	31/12/2010	< thresholds				
			31/12/2009	Purchase	Full		100.00%	74.93%
GIE Groupement Auxiliaire de Moyens		France			Full		100.00%	100.00%
Internaxx Bank	1	Luxembourg	31/12/2010	Disposal				
			31/12/2009	Purchase	Equity		25.00%	13.35%
Le Sphinx Assurances Luxembourg SA		Luxembourg			Equity	2	100.00%	100.00%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Margaret Inc. (ex- Montag & Caldwell Inc.) 1	USA	31/12/2010		Full	100.00%	74.93%
		31/12/2009	Purchase	Full	100.00%	74.93%
Omnium de Gestion et de Developpement Immobilier	France			Full	100.00%	100.00%
Plagefin - Placement, Gestion, Finance Holding SA	Luxembourg	31/12/2010	Partial disposal	Full	100.00%	53.43%
		31/12/2009		Full	100.00%	100.00%
Postbank Ireland Ltd. 1	Ireland	31/12/2010		Equity	50.00%	26.71%
		31/12/2009	Purchase	Equity	50.00%	26.71%
Sagip	Belgium			Full	100.00%	100.00%
Société Auxiliaire de Construction Immobilière - SACI	France			Full	100.00%	100.00%
Société Orbaisienne de Participations	France			Full	100.00%	100.00%
UCB Bail(*)	France			Full	100.00%	100.00%
UCB Entreprises(*)	France			Full	100.00%	100.00%
UCB Locabail immobilier(*)	France			Equity 2	100.00%	100.00%
Verner Investissements (Groupe)	France			Equity	40.00%	50.00%
WDI Reinsurance SA (ex-BNP Paribas de Réassurance au Luxembourg)	Luxembourg	31/12/2010	Disposal			
Special Purpose Entities						
BNP Paribas Capital Trust LLC 3 -4 - 6	USA			Full		
BNP Paribas US Medium Term Notes Program	USA			Full		
BNP Paribas US Structured Medium Term Notes LLC	USA			Full		
Park Mountain Lease 2008-I BV 1	Netherlands	31/12/2009	Purchase & Dissolution	Full		
Klépierre						
Klépierre SA	France			Full	56.74%	51.59%
Acheres 2000 SCI	France			Equity	30.00%	15.48%
Albert 31 SCI	France			Full	100.00%	42.82%
Amanda Storesenter AS	Norway			Full	100.00%	28.94%
Angoumars SNC	France			Full	100.00%	51.59%
Anpartsselskabet AF	Denmark	31/12/2010	Dissolution			
		31/12/2009		Full	100.00%	28.73%
Arcol Group AS	Slovakia			Full	100.00%	51.59%
Arken Drift AS	Norway			Prop.	49.90%	14.45%
Arken Holding AS	Norway	31/12/2009	Merger			
Asane Senter AS	Norway	31/12/2010	Passing qualifying thresholds	Prop.	49.90%	14.44%
Asane Storsenter DA	Norway			Prop.	49.90%	14.45%
Aulnes Developpement SCI	France			Prop.	50.00%	13.15%
Bassin Nord SCI	France			Prop.	50.00%	25.79%
Beau Sevran Invest SCI	France			Full	100.00%	42.82%
Begles Arcins SCS	France	31/12/2010		Full	52.00%	26.83%
		31/12/2009	Additional purchase	Full	52.00%	26.92%
		31/12/2008		Prop.	50.00%	26.55%
Bègles Papin SCI	France			Full	100.00%	51.59%
Belvedere Invest SARL	France			Full	75.00%	38.69%
Besançon Chalezeule SCI	France			Full	100.00%	51.59%
Bestes	Czech Republic			Full	100.00%	51.59%
Bois des Fenêtres SARL	France			Equity	20.00%	10.32%
BPSA 10	Portugal	31/12/2009	Purchase &Merger			
Bruun's Galleri AS	Denmark			Full	100.00%	28.94%
Bryggen Vejle AS	Denmark			Full	100.00%	28.94%
Camato AS	Norway	31/12/2009	Merger			
Capucine BV	Netherlands			Full	100.00%	51.59%
Carré Jaude 2	France			Full	100.00%	51.59%
CB Pierre SAS	France			Full	100.00%	51.59%
Cecobil SAS	France			Prop.	50.00%	25.79%
Cecoville SAS	France			Full	100.00%	51.59%
Centre Bourse SC	France			Full	100.00%	51.59%
Centre Jaude Clermont SAS	France			Full	100.00%	51.59%
Clivia SPA	Italy			Prop.	50.00%	25.79%
Combault SCI	France			Full	100.00%	51.59%
Compagnie Immobilière du Brabant Wallon - Coimbra SA	Belgium			Full	100.00%	51.59%
Corvin Retail	Hungary			Full	100.00%	51.59%
Cspl 2002	Hungary			Full	100.00%	51.59%
Debrecen 2002	Hungary			Full	100.00%	51.59%
Des Dunes SCI	France			Prop.	50.00%	25.79%
Des Salines SCI	France			Prop.	50.00%	25.79%
Down Town Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100.00%	28.73%
Du Plateau SCI	France			Equity	30.00%	12.52%
Duna Plaza	Hungary			Full	100.00%	51.59%
Duna Plaza Irodahaz	Hungary			Full	100.00%	51.59%
Edamarzy SCI	France	31/12/2009	Merger			
Effe Kappa SARL	Italy	31/12/2009	Merger			
Ejendomsselskabet Klampenborgvej I/S	Denmark	31/12/2010	Dissolution			
		31/12/2009		Prop.	50.00%	14.36%
Entertainment Plaza	Czech Republic			Full	100.00%	51.59%
Entreprenorselskapet AF	Denmark			Full	100.00%	28.94%
Fastighets AB Allum	Sweden			Full	100.00%	28.94%
Fastighets AB Borlange Kopcentrum	Sweden			Full	100.00%	28.94%
Fastighets AB Centrum Vasterort	Sweden			Full	100.00%	28.94%
Fastighets AB CentrumInvest	Sweden			Full	100.00%	28.94%
Fastighets AB Emporia	Sweden			Full	100.00%	28.94%
Fastighets AB Hageby Centrum	Sweden			Full	100.00%	28.94%
Fastighets AB Lackeraren Borlange	Sweden	31/12/2010	Purchase	Full	100.00%	28.94%
Fastighets AB Lantmateribacken	Sweden			Full	100.00%	28.94%
Fastighets AB Marieberg Centrum	Sweden			Full	100.00%	28.94%
Fastighets AB Molndal Centrum	Sweden			Full	100.00%	28.94%
Fastighets AB Overby Kopcentrum	Sweden			Full	100.00%	28.94%
Fastighets AB P Akanten	Sweden			Full	100.00%	28.94%
Fastighets AB P Brodalen	Sweden			Full	100.00%	28.94%
Fastighets AB P Porthalla	Sweden			Full	100.00%	28.94%
Fastighets AB Sollentuna Centrum	Sweden			Full	100.00%	28.94%
Fastighets AB Uddevallatorp	Sweden			Full	100.00%	28.94%
Fastighets AB Viskaholm	Sweden			Full	100.00%	28.94%
Farmandstredet ANS	Norway			Full	100.00%	28.94%
Farmandstredet Eiendom AS	Norway			Full	100.00%	28.94%
Farmanstredet Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	29.04%

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1 Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 Simplified consolidation by the equity method (non-material entities).
3 Entities excluded from prudential scope of consolidation.
4 Entities consolidated under the equity method for prudential purposes.

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Fayesgate 7 Eiendom AS	Norway	31/12/2009	Merger			
Field's Copenhagen IS	Denmark			Full	100.00%	28.94%
Field's Ejer I AS	Denmark			Full	100.00%	28.94%
Field's Ejer II AS	Denmark			Full	100.00%	28.94%
Finascente SA	Portugal	31/12/2009	Dissolution			
Foncière de Louvain la Neuve SA	Belgium			Full	100.00%	51.59%
Foncière Saint Germain SNC	France			Full	100.00%	51.59%
Forving SARL	France			Full	90.00%	46.43%
Fritzoe Brygge Drift AS	Norway	31/12/2010	Dissolution			
		31/12/2009		Full	100.00%	28.73%
Galae SNC	France			Full	100.00%	51.59%
Galeria Parque Nascente - Exploracao de espaços comerciais SA	Portugal			Full	100.00%	51.59%
Galeries Drancéennes	France			Full	100.00%	51.59%
Galleria Commerciale Assago SRL	Italy			Full	100.00%	51.59%
Galleria Commerciale Cavallino SRL	Italy			Full	100.00%	51.59%
Galleria Commerciale Collegno SRL	Italy			Full	100.00%	51.59%
Galleria Commerciale Il Destriero SRL	Italy	31/12/2010		Prop.	50.00%	25.79%
		31/12/2009	Purchase	Prop.	50.00%	25.60%
Galleria Commerciale Klépierre SRL	Italy			Full	100.00%	51.59%
Galleria Commerciale Serravalle SPA	Italy			Full	100.00%	51.59%
Galleria Commerciale Solbiate SRL	Italy			Full	100.00%	51.59%
Général Leclerc 11-11bis Levallois SNC	France	31/12/2010	Merger			
		31/12/2009		Full	100.00%	51.21%
Girardin SCI	France			Prop.	33.40%	17.23%
Gondobrico - Comercio de produtos e artigos de bricolage SA	Portugal			Full	100.00%	51.59%
Grytingen Nya AB	Sweden			Full	64.79%	18.76%
Gulskogen Prosjekt & Eiendom AS	Norway			Full	100.00%	28.94%
Gulskogen Senter ANS	Norway			Full	100.00%	28.94%
Györ 2002	Hungary			Full	100.00%	51.59%
Hamar Panorama AS	Norway	31/12/2009	Merger			
Hamar Storsenter AS	Norway			Full	100.00%	28.94%
Hamar Storsenterdrift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Holding Gondomar 1 SAS	France			Full	100.00%	51.59%
Holding Gondomar 3 SAS	France			Full	100.00%	51.59%
Holding Gondomar 4 SAS	France			Full	100.00%	51.59%
Holding Klege SARL	Luxembourg			Prop.	50.00%	25.79%
Holmen Senterdrift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100.00%	28.73%
Hovlandbanen AS	Norway			Full	100.00%	28.94%
ICD SPA	Luxembourg	31/12/2009	Merger			
Immo Dauland	France			Full	100.00%	43.40%
Immobiliare Gallerie Commerciali S.p.A.	Italy	31/12/2010		Full	71.30%	36.78%
		31/12/2009	Additional purchase	Full	71.30%	36.51%
		31/12/2008		Prop.	50.00%	26.55%
Immobiliare Magnolia SARL	Luxembourg	31/12/2009	Merger			
Immobilière de la Pommeraie SCI	France			Prop.	50.00%	25.79%
K2 Fund	Italy			Full	85.00%	43.85%
Kanizsa 2002	Hungary			Full	100.00%	51.59%
Kaposvar 2002	Hungary			Full	100.00%	51.59%
Karl Johansgate 16 AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100.00%	28.73%
KC 1 à 12 SNC	France			Full	100.00%	42.82%
KC20 SNC	France			Full	100.00%	42.82%
KLE 1 SAS	France			Full	100.00%	51.59%
Kle Projet 1 SAS	France			Full	100.00%	51.59%
Kle Projet 2 SAS	France	31/12/2009	Merger			
Kleaveiro Immobiliaria SA	Portugal	31/12/2010	< thresholds			
		31/12/2009		Full	100.00%	51.21%
Kleber la Perouse SNC	France			Full	100.00%	51.59%
Klecapnor SAS	France			Full	100.00%	43.39%
Klecar Europe Sud SCS	France			Full	83.00%	42.82%
Klecar Foncier Espana SA	Spain			Full	100.00%	42.82%
Klecar Foncier Iberica SA	Spain			Full	100.00%	42.82%
Klecar France SNC	France			Full	83.00%	42.82%
Klecar Italia SPA	Italy			Full	100.00%	42.82%
Klecar Participations Italie SAS	France			Full	83.00%	42.82%
Klefin Italia SPA	Italy			Full	100.00%	51.59%
Klege Portugal SA	Portugal			Prop.	50.00%	25.79%
Klelou Imobiliaria SA	Portugal			Full	100.00%	51.59%
Klementine BV	Netherlands	31/12/2010		Full	100.00%	51.59%
		31/12/2009	Incorporation	Full	100.00%	51.21%
Kleminho Imobiliaria SA	Portugal			Full	100.00%	51.59%
Klemurs SAS	France			Full	84.11%	43.39%
Klenord Imobiliaria SA	Portugal			Full	100.00%	51.59%
Klepierre Athinon Foncière	Greece			Full	100.00%	42.82%
Klépierre Conseil SNC	France			Full	100.00%	51.59%
Klepierre Corvin	Hungary			Full	100.00%	51.59%
Klépierre Créteil SCI	France			Full	100.00%	51.59%
Klepierre CZ SRO	Czech Republic			Full	100.00%	51.59%
Klépierre Finance SAS	France			Full	100.00%	51.59%
Klepierre Galeria Krakow SP z.o.o	Poland			Full	100.00%	51.59%
Klepierre Galeria Poznan SP z.o.o	Poland			Full	100.00%	51.59%
Klepierre Krakow SP z.o.o	Poland			Full	100.00%	51.59%
Klepierre Larissa Ltd.	Greece			Full	100.00%	51.59%
Klepierre Lublin SP z.o.o	Poland			Full	100.00%	51.59%
Klépierre Luxembourg SA	Luxembourg			Full	100.00%	51.59%
Klepierre Makedonia Foncière	Greece			Full	100.00%	42.82%
Klepierre Matera SRL	Italy			Full	100.00%	51.59%
Klepierre Meteores	Luxembourg	31/12/2010	Merger			
		31/12/2009		Full	100.00%	51.21%
Klepierre NEA Efkarpia Foncière	Greece			Full	100.00%	42.82%
Klepierre Nordica BV	Netherlands			Full	100.00%	51.59%
Klépierre Participations et Financements SAS	France			Full	100.00%	51.59%
Klepierre Perivola of Patra Foncière	Greece			Full	100.00%	42.82%
Klepierre Plzen AS	Czech Republic			Full	100.00%	51.59%
Klepierre Pologne SP z.o.o	Poland			Full	100.00%	51.59%
Klepierre Portugal SGPS SA	Portugal			Full	100.00%	51.59%
Klepierre Poznan SP z.o.o	Poland			Full	100.00%	51.59%
Klepierre Rybnik SP z.o.o	Poland			Full	100.00%	51.59%
Klepierre Sadyba SP z.o.o	Poland			Full	100.00%	51.59%
Klepierre Sosnowiec SP z.o.o	Poland			Full	100.00%	51.59%
Klépierre Tourville	France			Full	100.00%	51.59%
Klepierre Trading Energia Kereskedelmi es Szolgaltato KFT	Hungary			Full	100.00%	51.59%
Klepierre Vallecas SA	Spain			Full	100.00%	51.59%
Klepierre Vinaza SA	Spain			Full	100.00%	51.59%
Klepierre Warsaw Sp z.o.o	Poland			Full	100.00%	51.59%
Kletel Imobiliaria SA	Portugal			Full	100.00%	51.59%
Kletransactions SNC	France			Full	100.00%	51.59%
Krakow Plaza SP z.o.o	Poland			Full	100.00%	51.59%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Krokstadelva Senterdrift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100.00%	28.73%
KS Down Town Senter	Norway	31/12/2010	Dissolution			
		31/12/2009		Full	100.00%	28.73%
KS Down Town Senter II	Norway	31/12/2010	Dissolution			
		31/12/2009		Full	100.00%	28.73%
KS Markedet	Norway			Full	100.00%	28.94%
Kvadrat Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100.00%	28.73%
L'Emperi SCI	France	31/12/2010	Disposal			
		31/12/2009		Equity	15.00%	7.68%
La Française SCI	France			Prop.	50.00%	25.79%
La Marquayssonne	France	31/12/2009	Merger			
La Plaine du Moulin à vent SCI	France			Prop.	50.00%	25.79%
La Rive SCI	France	31/12/2010	Additional purchase	Full	51.50%	26.57%
		31/12/2009		Full	47.30%	24.22%
La Rocade SCI	France			Equity	38.00%	19.61%
La Rocade Ouest SCI	France			Equity	36.73%	18.95%
La Roche Invest SCI	France			Full	100.00%	51.59%
Le Champs de Mais SCI	France			Equity	40.00%	20.64%
Le Champs des Haies SCI	France			Full	60.00%	30.95%
LC SCI	France	31/12/2010	Additional purchase	Full	100.00%	45.40%
		31/12/2009		Full	60.00%	18.43%
Le Barjac Victor SNC	France			Full	100.00%	51.59%
Le Grand Pré SCI	France			Full	60.00%	30.95%
Le Havre Lafayette SNC	France			Prop.	50.00%	25.79%
Le Havre Vauban SNC	France			Prop.	50.00%	25.79%
Le Mais SCI	France	31/12/2010	Additional purchase	Full	80.00%	41.27%
		31/12/2009		Full	60.00%	30.72%
Le Plateau des Haies SCI	France			Full	90.00%	46.43%
Les Bas Champs SCI	France			Prop.	50.00%	25.79%
Les Boutiques de Saint Maximin	France			Equity	42.50%	21.92%
Les Boutiques d'Osny SCI	France			Full	67.00%	19.74%
Les Cinémas de l'Esplanade SA	Belgium			Full	100.00%	51.59%
Les Haies de la Haute Pommeraie SCI	France			Full	53.00%	27.34%
Les Jardins des Princes à Boulogne Billancourt SNC	France			Full	100.00%	51.59%
Lille Eiendom AS	Norway			Full	66.00%	19.11%
Lokketangen Torv AS	Norway	31/12/2009	Merger			
LP7 SAS	France			Full	100.00%	51.59%
Mass Center Torp AB	Sweden			Full	100.00%	28.94%
Maximeuble SCI	France			Full	100.00%	51.59%
Metro Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Metro Senter ANS	Norway			Prop.	50.00%	14.48%
Miskolc 2002	Hungary			Full	100.00%	51.59%
MittiCity i Karlstad FAB	Sweden			Full	100.00%	28.94%
Molndal Centrum Byggnads FAB	Sweden			Full	100.00%	28.94%
Molndal Centrum Koljan 1FAB	Sweden	31/12/2010	Purchase	Full	100.00%	28.94%
Molndal Centrum Karpen 12 FAB	Sweden	31/12/2010	Purchase	Full	100.00%	28.94%
Mosseporten Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100.00%	28.73%
Movement Poland SA	Poland			Full	100.00%	51.59%
Nancy Bonsecours SCI	France	31/12/2010		Full	100.00%	51.59%
		31/12/2009	Passing qualifying thresholds	Full	100.00%	51.21%
Nerstranda AS	Norway			Full	100.00%	28.94%
Nerstranda Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Noblespecialiste	France	31/12/2009	Merger			
Nordal ANS	Norway			Prop.	50.00%	14.48%
Nordbyen Senterforening AS	Norway			Full	69.20%	20.04%
Nordica Holdco AB	Sweden			Full	56.10%	28.94%
Norsk Automatdrift AS	Norway	31/12/2009	Merger			
Norsk Kjopesenterforvaltning AS	Norway			Full	100.00%	28.94%
North Man Sverige AB	Sweden			Full	100.00%	28.94%
Novak Eiendom AS	Norway	31/12/2009	Merger			
Novate SARL	Luxembourg	31/12/2009	Merger			
Nyiregyhaza Plaza	Hungary			Full	100.00%	51.59%
Odysseum Place de France SAS	France			Prop.	50.00%	25.79%
Okern Eiendom ANS	Norway			Prop.	50.00%	14.48%
Okern Holding AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Okern Sentrum ANS	Norway			Prop.	50.00%	14.48%
Okern Sentrum AS	Norway			Prop.	50.00%	14.48%
Okern Sentrum Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Os Alle 3 AS	Norway			Full	100.00%	28.94%
Os Alle Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Osny Invest SCI	France			Full	57.12%	29.47%
Ostfoldhallen Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100.00%	28.73%
Parc de Coquelles SNC	France			Prop.	50.00%	25.79%
Partille Lexby AB	Sweden			Full	100.00%	28.94%
Pasteur SNC	France			Full	100.00%	51.59%
Pilsen Plaza SRO	Czech Republic			Full	100.00%	51.59%
Place de l'accueil SA	Belgium			Full	100.00%	51.59%
Pommeraie Parc SC	France			Full	60.00%	30.95%
Poznan Plaza SP z.o.o	Poland			Full	100.00%	51.59%
Progest	France			Full	100.00%	51.59%
Proreal SARL	France			Full	51.00%	26.31%
Prosjektselskabet af 10.04.2001 APS	Denmark			Full	100.00%	28.94%
Rebecca SCI	France			Full	70.00%	36.11%
Restorens	France	31/12/2009	Merger			
Reze Sud SA	France	31/12/2010	Disposal			
		31/12/2009		Equity	15.00%	7.68%
Ruda Slaska Plaza SP z.o.o	Poland			Full	100.00%	51.59%
Rybnik Plaza SP z.o.o	Poland	31/12/2010	Liquidation			
		31/12/2009		Full	100.00%	51.21%

(*) French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.
1 Allocation of BNP Paribas Fortis and BGL BNP Paribas activities to BNP Paribas Group businesses.
2 Simplified consolidation by the equity method (non-material entities).
3 Entities excluded from prudential scope of consolidation.
4 Entities consolidated under the equity method for prudential purposes.

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Sadyba Center SA	Poland			Full	100.00%	51.59%
Saint Maximin Construction SCI	France			Full	55.00%	28.37%
Sandens Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100.00%	28.73%
Sandri-Rome SCI	France	31/12/2010	Disposal			
		31/12/2009		Equity	15.00%	7.68%
Seco valde SCI	France			Full	55.00%	28.37%
Ségécé	France			Full	100.00%	51.59%
Ségécé Ceska Republika SRO	Czech Republic			Full	100.00%	51.59%
Ségécé Espana SLU	Spain			Full	100.00%	51.59%
Ségécé Hellas Réal Estate Management SA	Greece			Full	100.00%	51.59%
Ségécé India Private Ltd.	India			Full	100.00%	51.59%
Ségécé Italia SRL	Italy			Full	100.00%	51.59%
Ségécé Magyarorszag	Hungary			Full	100.00%	51.59%
Ségécé Polska SP z.o.o	Poland			Full	100.00%	51.59%
Ségécé Portugal SA	Portugal			Full	100.00%	51.59%
Ségécé Slovensko SRO	Slovakia			Full	100.00%	51.59%
Senterdrift Asane Senter AS	Norway	31/12/2010	Merger			
		31/12/2009		Prop.	49.90%	14.33%
Sjosiden AS	Norway			Full	100.00%	28.94%
Sjosiden Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Skarer Stormarked AS	Norway		Merger			
Soaval - Société d'aménagement et de valorisation de la Gare Saint-Lazare SAS	France			Full	100.00%	51.59%
Soccendre SNC	France	31/12/2010	Liquidation			
		31/12/2009		Full	100.00%	51.21%
Société des Centres d'Oc et d'Oil - SCOO SC	France			Full	100.00%	74.03%
Société des Centres Toulousains	France	31/12/2009	Merger			
Société civile pour la location du centre commercial régional de Créteil SOLOREC	France			Full	80.00%	41.27%
Sodevac SNC	France			Full	100.00%	51.59%
Sodirev SNC	France	31/12/2009	Merger			
Sogegamar SCI	France	31/12/2010	Partial disposal			
		31/12/2009		Equity	33.12%	16.96%
Sosnowiec Plaza z.o.o	Poland	31/12/2010	Liquidation			
		31/12/2009		Full	100.00%	51.21%
Stavanger Storsenter AS	Norway			Full	100.00%	28.94%
Steen & Strom AS	Norway			Full	100.00%	28.94%
Steen & Strom CenterDrift AS	Denmark			Full	100.00%	28.94%
Steen & Strom Centerudvikling IV AS	Denmark			Full	100.00%	28.94%
Steen & Strom Centerudvikling V AS	Denmark			Full	100.00%	28.94%
Steen & Strom CenterUdvikling VI AS	Denmark			Full	100.00%	28.94%
Steen & Strom Centerservice AS (ex-Steen & Strom CenterUdvikling VII AS)	Denmark			Full	100.00%	28.94%
Steen & Strom Danmark AS	Denmark			Full	100.00%	28.89%
Steen & Strom Drammen AS	Norway	31/12/2009	Merger			
Steen & Strom Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100.00%	28.73%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Steen & Strom Eiendomsforvaltning AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Steen & Strom Holding AB	Sweden			Full	100.00%	28.94%
Steen & Strom Holding AS	Denmark			Full	100.00%	28.94%
Steen & Strom Invest Amanda Senterdrift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Steen & Strom Invest AS	Norway	31/12/2009	Merger			
Steen & Strom Invest Gulskogen Senterdrift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Steen & Strom Invest Lillestrom Senterdrift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Steen & Strom Invest Lillestrom Torv AS	Norway			Full	100.00%	28.94%
Steen & Strom Invest Markedet Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Steen & Strom Narvik AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100.00%	28.73%
Steen & Strom Norge AS	Norway			Full	100.00%	28.94%
Steen & Strom Norges Storste Senterkjede AS	Norway	31/12/2009	Merger			
Steen & Strom Senterservice AS	Norway			Full	100.00%	28.94%
Steen & Strom Stavanger Drift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Steen & Strom Sverige AB	Sweden			Full	100.00%	28.94%
Storm Holding Norway AS	Norway			Full	100.00%	28.94%
Stovner Senter AS	Norway			Full	100.00%	28.94%
Stovner Senter Holding AS	Norway	31/12/2009	Merger			
Stovner Senterdrift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Svenor AS	Norway			Full	100.00%	28.94%
Szeged Plaza	Hungary			Full	100.00%	51.59%
Szolnok Plaza	Hungary			Full	100.00%	51.59%
Tillertorget Drift AS	Norway	31/12/2010	Disposal			
		31/12/2009		Full	100.00%	28.73%
Torvbyen Drift AS	Norway			Full	38.00%	11.00%
Torvbyen Senter AS	Norway			Full	100.00%	28.94%
Torvbyen Utvikling AS	Norway			Full	100.00%	28.94%
Torvhjornet Lillestrom ANS	Norway			Full	100.00%	28.94%
Uj Alba 2002	Hungary			Full	100.00%	51.59%
Valdebac SCI	France	31/12/2010	Incorporation	Full	55.00%	28.37%
Vannes Coutume SAS	France			Full	100.00%	51.59%
Vastra Torp Mark AB	Sweden			Full	100.00%	28.94%
Vintebro Senter DA	Norway			Full	100.00%	28.94%
Vinterbro Eiendomsdrift AS	Norway	31/12/2010	Merger			
		31/12/2009		Full	100.00%	28.73%
Zalaegerszeg Plaza	Hungary			Full	100.00%	51.59%

8.c CHANGE IN THE GROUP'S INTEREST AND MINORITY INTERESTS IN THE EQUITY OF SUBSIDIARIES

During 2010, the BNP Paribas Group conducted various internal restructuring transactions in connection with the activities of BNP Paribas Fortis and BGL BNP Paribas.

These transactions led to changes in the Group's interest and that held by minority shareholders in the Group's equity in respect to the relevant subsidiaries. The same applied as a result of the acquisition by BNP Paribas of the minority shareholders' holding in UkrSibBank.

Internal restructuring that led to a change in minority shareholders' interest in the equity of subsidiaries

In millions of euros	31 December 2010		31 December 2009	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Partial disposal of BNP Paribas Investment Partners to BNP Paribas Fortis & to BGL BNP Paribas	292	(292)	-	-
Total disposal of BNP Paribas Investment Partners BE Holding (previously FIM) to BNP Paribas Investment Partners	(269)	269	-	-
Full disposal of BNP Paribas Luxembourg to BGL BNP Paribas	224	(224)	-	-
Total disposal of Fortis Capital Corporation and its subsidiaries to Banexi holding Corp.	(63)	63	-	-
Disposal of Fortis Bank Branches' assets to BNP Paribas branches at same location	(203)	203	-	-
Other	(4)	4	(17)	17
TOTAL	**(23)**	**23**	**(17)**	**17**

Acquisitions of additional interests and partial sales of interests leading to changes in minority interests in the equity of subsidiaries

In millions of euros	31 December 2010		31 December 2009	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Ukrsibbank	(14)	(130)	(37)	(51)
During 2009, following the acquisition of successive additional interests, BNP Paribas's percentage interest in Ukrsibbank went up from 51% to 81.41%				
On 1rst October 2010, BNP Paribas subscribed to the full amount of UkrSibbank's capital increase then bought out minority shareholders interests, lifting its percentage interest in the subsidiary to 100%.				
Fauchier	(16)	5		
During the first quarter of 2010, BNP Paribas Investment Partners bought out minority shareholders interests representing 12.5% of the capital, lifting its percentage interest to 87.5%				
Findomestic Banca			(73)	297
BNP Paribas Personal Finance bought out minority shareholders interests representing 25% of the capital, lifting its percentage interest to 75%				
SCS Bègles Arcin			24	93
The Klépierre group purchased 2% of SCS Bègles Arcin, lifting its percentage interest to 52%				
CGI			23	62
The Klépierre group acquired 21.3% of CGI, lifting its percentage interest to 71.3%				
Klépierre			26	43
Various Group companies carried out partial disposals of Klépierre shares				
Other	(23)	(12)	(3)	62
TOTAL	**(53)**	**(137)**	**(40)**	**506**

In connection with the acquisition of certain entities, the Group has granted minority shareholders put options on their holdings at a predetermined price.

The total value of these obligations, which are recorded as a reduction in shareholders' equity, amounted to EUR 161 million at 31 December 2010, down from EUR 308 million at 31 December 2009.

8.d BUSINESS COMBINATIONS

Business combinations realised in 2010

Antin Epargne Pension

On 30 April 2010, BNP Paribas Assurance finalised the acquisition of Dexia Epargne Pension, a Dexia Group subsidiary specialising in high-end insurance. The company's products and services, aimed at banking partners and independent wealth management advisers, will be sold under the "Antin Epargne Pension" brand instead of "Dexia Epargne Pension". The Antin Epargne Pension Group has been fully consolidated since 30 June 2010 and its contribution to the Group's full-year results is not material.

				In millions of euros		
Acquired subsidiary	Segment	Country	Acquired percentage	Acquisition price	Net cash inflow	Total balance sheet at the acquisition date (1)
Antin Epargne Pension						
	Investment Solution	France	100%	-	72	4,475

(1) Provisional data at market value or equivalent.

Business combinations realised in 2009

Acquisition of Fortis Bank SA (BNP Paribas Fortis) and BGL SA (BGL BNP Paribas)

Under the Protocol Agreements entered into on 10 October 2008 and 8 March 2009, BNP Paribas acquired Fortis Bank SA and BGL SA via four contributions, two from the Belgian government and two from the Luxembourg government.

The contributions were completed on 12 and 13 May 2009, following which:

- BNP Paribas owns 74.93% of the share capital and voting rights of Fortis Bank SA (which itself has a 50% interest in the share capital plus one share of BGL SA) and a direct 15.96% interest in the share capital and voting rights of BGL SA;
- the Belgian government (through Société Fédérale de Participations et d'Investissement (SFPI), a Belgian-law public interest société anonyme acting on behalf of the Belgian government) owns a blocking minority interest of 25% plus one share of Fortis Bank SA and the Luxembourg government owns a blocking minority interest of 34% of BGL SA;
- the Belgian government (through SFPI) owns 9.83% of the share capital and 11.59% of the voting rights of BNP Paribas and the Luxembourg government owns 0.99% of the share capital and 1.17% of the voting rights of BNP Paribas. The Belgian government has undertaken to hold the 88,235,294 BNP Paribas shares received in consideration for the first of its two contributions until 10 October 2010 and the Luxembourg government has undertaken to hold 50% of the BNP Paribas shares received in consideration for its two contributions (*i.e.* 6,108,774 BNP Paribas shares) until 23 October 2009.

The acquisition cost of the Fortis Bank SA and BGL SA shares amounted to EUR 5,703 million and EUR 562 million respectively, including transaction costs, and was determined on the basis of the BNP Paribas share price on the date of the contributions, *i.e.* EUR 46.69 for the share issued on 12 May 2009 and EUR 45.98 for the shares issued on 13 May 2009. A description of the new share issues made to pay for each of the contributions is provided in note 8.a "Changes in share capital and earnings per share".

The operation also included three transactions completed on the same date as the first contribution:

- the acquisition by Fortis Bank SA from Fortis Insurance N.V. of 25% of the share capital plus one share of AG Insurance at a price of EUR 1,375 million;
- the acquisition by BNP Paribas of 11.76% of the share capital (*i.e.* EUR 200 million) of Royal Park Investments SA/NV (RPI), a defeasance vehicle that had purchased certain structured loans from Fortis Bank SA at a total price of EUR 11.8 billion. The rest of RPI's share capital is 43.53%-owned by the Belgian government and 44.71% by Fortis SA/NV and Fortis N.V. BNP Paribas also provided EUR 519 million of the acquisition debt (*i.e.* 10% of the senior debt) and the balance was provided by Fortis Bank SA, comprising EUR 4,891 million in super senior debt and EUR 4,668 million in senior debt, the latter being guaranteed by the Belgian government;
- a loan of EUR 1,000 million made by Fortis Bank to Fortis SA/NV, guaranteed by the Belgian government, principally to finance the acquisition of its interest in RPI.

The acquisition of Fortis Bank SA and BGL SA enables BNP Paribas to further expand its integrated banking model in Europe, adding two new domestic markets – Belgium and Luxembourg – to its existing domestic markets in France and Italy.

Fortis Bank SA and BGL SA both have activities in retail banking, private banking, asset management, and corporate and investment banking:

- the retail banking business provides financial services to individuals, the self-employed, the professions and small businesses. It has a network of 1,064 branches and three million customers in Belgium, 37 branches and about 280,000 customers in Luxembourg, and branch networks in Poland, Turkey and France. In addition Fortis Bank SA and its subsidiaries have a postal bank business in Belgium (Banque de La Poste) and Ireland (Postbank), enabling them to provide a broader range of products through these respective postal networks. Fortis Bank SA and its subsidiaries have more than 2,000 outlets in Europe;
- private banking offers integrated, international wealth management solutions to high-net-worth individuals, their companies and advisers. Assets under management amounted to EUR 43 billion at 31 December 2008. Fortis Bank SA and BGL SA are first-class players in private banking in both Belgium and Luxembourg and have a well-established position in Switzerland;
- in asset management, Fortis Bank SA operates mainly through its subsidiary Fortis Investments. Its activities range from institutional asset management to the development and management of mutual funds. Assets under management amounted to EUR 170 billion at 31 December 2008. Fortis Investments is the fifth largest European asset manager, excluding money market funds;
- corporate and investment banking provides a broad range of financial products and services tailored to the needs of European-based mid-sized companies, as well as large corporates and institutional clients, with a strong focus on Europe and some areas of North America and Asia. Fortis Bank SA has a high-quality franchise and attractive niche positions in these markets. It will round out BNP Paribas' current franchise in these business activities. The risk management policies currently in place at BNP Paribas will be rolled out to Fortis Bank SA's corporate and investment banking activities.

The consolidated balance sheets of Fortis Bank SA and BGL were restated on the date of acquisition to comply with the accounting methods used by the BNP Paribas Group. The acquisition was accounted for using the purchase method as required by IFRS (see note 1.b.4 "Business combinations and measurement of goodwill").

The restatements amounted to EUR (6,765) million after the tax effect and on a 100% basis. They mainly concerned:

- specific and collective loan impairment provisions, related mainly to valuation methods, and provisions for disputes and contingent liabilities, totalling EUR (2,715) million;
- measurement of loans, securities and other assets, as well as financial and other liabilities, at market value or its equivalent (EUR (3,293) million) at the acquisition date;
- amortisation of existing goodwill and impairment of some other intangible assets (EUR (2,526) million), as well as recognition of the Fortis and BGL brands as intangible assets (EUR 50 million and EUR 10 million respectively), making a total of EUR (2,466) million;
- measurement of market transactions and investments in variable-income securities in accordance with the methods used by the BNP Paribas Group (EUR (767) million);
- employee benefits (EUR (1,595) million), mainly to take into account the impact of actuarial inputs on the acquisition date on the measurement of post-employment benefits and retirement-related contingent liabilities;
- certain other assets, mainly real estate (EUR 193 million);
- recognition of tax assets, mainly related to tax loss carryforwards and temporary differences, net of contingent liabilities (EUR 1,217 million), as well as the tax effects of the restatements made (EUR 2,661 million), making a total of EUR 3,878 million.

The Fortis and BGL brands were recognised as intangible assets upon allocation of the cost of the acquisition. The brand value was determined in line with market practices for this type of asset in the banking sector and by comparison with listed banks of comparable size, taking account of recent developments in the Fortis brand's reputation and particularly the circumstances that led to the BNP Paribas Group acquiring control.

BNP Paribas did not recognise an intangible asset for customer relationships corresponding to account and deposit agreements entered into with customers. Fortis does not possess any legal or contractual rights giving it control over deposited funds. The level of these funds depends solely on the behaviour of Fortis' customers, with a major round of fund withdrawals being seen in the period of crisis preceding the acquisition of Fortis by BNP Paribas. In addition, the conditions laid down by the standard for the recognition of such assets were not satisfied. In European banks' business model, the advantage deriving from these deposits is embedded in a set of products and services that contribute towards the financial equilibrium of the range offered to customers, such as registrar services that are not billed and property loans that carry low charges. As a result, these advantages are not separable. In addition, no isolated transaction was identified in similar assets. Given the absence of a reference price in a comparable market, this intangible asset cannot be measured reliably.

These restatements led the Group to reduce the shareholders' equity of Fortis Bank SA, BGL SA and their subsidiaries by EUR 5,041 million on the acquisition date, thereby generating negative goodwill of EUR 770 million.

The table below shows the consolidated IFRS balance sheet for Fortis Bank SA, BGL SA and their subsidiaries at 30 April 2009 before and after the restatements made by the Group in accordance with the provisions of IFRS on business combinations and with the accounting policies applied by the BNP Paribas Group:

In millions of euros	30 April 2009 After restatements	30 April 2009 Before restatements
ASSETS		
Financial assets at fair value through profit or loss	107,125	109,366
Available-for-sale assets	69,692	96,526
Loans and receivables due from credit institutions	50,763	39,793
Loans and receivables due from customers	231,786	213,990
Held-to-maturity financial assets	-	3,553
Property, plant and equipment and intangible assets	3,889	3,657
Goodwill	-	1,931
Other assets	55,767	51,420
TOTAL ASSETS	**519,022**	**520,236**
LIABILITIES AND EQUITY		
Financial liabilities at fair value through profit or loss	110,868	111,779
Due to credit institutions	110,550	110,720
Due to customers	203,214	202,616
Debt securities	39,384	39,177
Subordinated debt	18,090	18,246
Other liabilities	25,481	19,904
TOTAL LIABILITIES	**507,587**	**502,442**
TOTAL CONSOLIDATED EQUITY	**11,435**	**17,794**
TOTAL LIABILITIES AND EQUITY	**519,022**	**520,236**

Fortis Bank SA, BGL SA and their subsidiaries have been fully consolidated since their acquisition date. Their contribution to the BNP Paribas Group's net income in 2009 since their acquisition date was EUR 945 million before minority interests and EUR 682 million after minority interests.

The acquisition had the effect of increasing the BNP Paribas Group's net cash by EUR 3,470 million in 2009.

The table below shows the contribution which Fortis Bank SA, BGL SA and their subsidiaries would have made in the first half of 2009 had the acquisition taken place on 1 January 2009. These items reflect an estimate of the impacts that the acquisition restatements to the balance sheet of these two sub-groups would have had on the period from 1st January to the effective date of acquisition had they been made on 1st January 2009.

In millions of euros	Year to 31 Dec. 2009
Interest income	13,131
Interest expense	(7,935)
Commission income	3,120
Commission expense	(1,084)
Net gain/loss on financial instruments at fair value through profit or loss	483
Net gain/loss on available-for-sale financial assets	71
Income from other activities	338
Expense on other activities	(95)
REVENUES	**8,029**
Operating expense	(4,755)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(333)
GROSS OPERATING INCOME	**2,941**
Cost of risk	(1,560)
OPERATING INCOME	**1,381**
Share of earnings of associates	84
Net gain on non-current assets	34
Goodwill	(4)
PRE-TAX INCOME	**1,495**
Corporate income tax	(418)
NET INCOME	**1,077**
Minority interests	328
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS	**749**

This table, published with the consolidated financial statements at 30 June 2009, has been revised to take into account the adjustments made since then to the initial measurement of the identifiable assets, liabilities, contingent assets and liabilities of the companies acquired.

The restatements made to the income statement of Fortis Bank SA, BGL SA and their subsidiaries for the period preceding the date of effective acquisition of control were as follows:

- alignment of the income statement of the sub-groups with the presentation format adopted by the BNP Paribas Group;
- identification within the contributions made by the sub-groups of one-off items that would not have been recognised had the acquisition taken place on 1st January 2009; The results generated by the structured loan portfolio transferred to the Royal Park Investments SA/NV defeasance vehicle until the date of their transfer, as well as any gains or losses on the disposal of this portfolio, were not included in the pro forma income statement;
- simulation of the reversal effects of the adjustments in the sub-groups' opening balance sheet in accordance with the purchase accounting method required by IFRS 3. These adjustments predominantly include the measurement at fair value at the acquisition date of the portfolios in the banking intermediation book. Since the task of measuring the opening balance sheet had not been completed at 1st January 2009, the pro forma figures were restated to simulate the effects of these reversals based on the opening balance sheet adjustments at the effective acquisition date over the period from 1st January until the effective acquisition date.

In the preparation of the pro forma income statement, the impact of these restatements on the current income tax charge and on the portion attributable to minority interests was also taken into account.

By convention, it was deemed that the income statement of Fortis Bank SA and BGL SA and their subsidiaries reflects the changes in market conditions over the period preceding the acquisition of control. Accordingly, the effects of convergence in the accounting methods of these entities with the BNP Paribas Group's accounting policies concerning adjustments linked to market activities did not lead to a specific restatement in the determination of pro forma data.

Lastly, no restatements were made in respect to reciprocal transactions. This restatement did not have an impact on net income or on the key income statement items, but may affect the individual presentation of income and expense items together determining revenues.

➤ OTHER BUSINESS COMBINATIONS IN 2009

Acquired subsidiaries	Segment	Country	Acquired percentage	*In millions of euros* Acquisition price	Goodwill [1]	Net cash inflow	Balance sheet key figure at the acquisition date: Assets		Liabilities	
Group Bank Insinger de Beaufort										
	Investment Solution	Netherlands	58%	158	103	5	Loans and receivables due from credit institutions	176	Amounts due to customers	352
							Loans and receivables due from customers	111		
Credifin Banco SA										
	Retail Banking	Portugal	50%	148 [3]	93 [3]	(146) [3]	Loans and receivables due from customers	597	Due to credit institutions [2]	526
Findomestic										
	Retail Banking	Italia	25%	517 [3]	348 [3]	(404) [3]	Loans and receivables due from customers	10,421	Due to credit institutions	8,502
									Debt securities	961
									Subordinated Debt	152

(1) In euro equivalent value at the year-end.
(2) Debt mostly subscribed by BNP Paribas SA.
(3) Data corresponding to the additional interest acquired.

Bank Insinger de Beaufort Group

In April 2009, BNP Paribas Wealth Management International Paris acquired 58% of the Insinger de Beaufort Group, which comprises companies specialized in wealth management in the Netherlands, United Kingdom and Switzerland, with EUR 6.4 billion of assets under management for high-net-worth individuals.

The Insinger de Beaufort Group, which comprises nine consolidated entities, has been fully consolidated as of its acquisition date. Its contribution to the BNP Paribas Group's net income in 2009 was not material.

Following the acquisition, Bank Insinger de Beaufort N.V. absorbed Nachenius Tjeenk & Co N.V., an entity already owned by BNP Paribas Wealth Management International Paris with a similar business in the Netherlands to that of Bank Insinger de Beaufort.

Credifin Banco SA

At end of May 2009, Banco Cetelem Portugal acquired 100% of Credifin Banco SA from the LaSer group, giving the BNP Paribas Group control. Credifin Banco S.A. has been fully consolidated as of that date. Its contribution to the BNP Paribas Group's net income in 2009 was not material.

Findomestic

On 10 December 2009, following the authorisation granted by the Bank of Italy, BNP Paribas Personal Finance, a BNP Paribas subsidiary, acquired control of Findomestic by acquiring an additional 25% interest on top of the 50% stake it already held. Findomestic has been fully consolidated as of that date. The impact of this additional acquisition on the BNP Paribas Group's net income was not material in 2009.

8.e COMPENSATION AND BENEFITS AWARDED TO THE GROUP'S CORPORATE OFFICERS

Compensation and benefits policy relating to the Group's corporate officers

Compensation paid to the Group's corporate officers

The compensation paid to the Group's corporate officers is determined by the method recommended by the Compensation Committee and approved by the Board of Directors.

This compensation comprises both a fixed and a variable component, the levels of which are determined using market benchmarks established by firms specialised in surveys of executive remuneration.

Michel Pébereau, Baudouin Prot and Georges Chodron de Courcel do not receive any compensation from Group companies other than BNP Paribas SA.

On 3 August 2009, the Board of Directors stated the opinion that a special allowance could be paid to Jean-Laurent Bonnafé by BNP Paribas Fortis for his responsibilities as Chief Executive Officer. On 11 May 2010, the Board of Directors of BNP Paribas Fortis granted Jean-Laurent Bonnafé a fixed salary of EUR 200,000, with effect from 1 January 2010.

The variable portion of corporate officers' compensation is determined based on a target bonus calculated as a proportion of their fixed salary. It fluctuates depending on criteria linked to the Group's performance, from the managerial performance of corporate officers and the Board of Directors' assessment of BNP Paribas' risk and liquidity policy. The variable portion is intended to reflect the effective contribution made by corporate officers to the success of BNP Paribas, in relation to the Chairman, notably in respect of the duties he performs pursuant to the Internal Rules that do not relate exclusively to the organisation and functioning of the Board, and in relation to the Chief Executive Officer and Chief Operating Officers, notably in respect to their respective duties as executives of an international financial services group.

Group performance criteria account for 75% of the target variable compensation and is used to calculate the corresponding portion of the variable remuneration based on the change in the relevant indicators. The variable portion of compensation linked to personal criteria is limited to 25% of the target variable compensation.

- Chairman and Chief Executive Officer
  - Change in earnings per share (37.5% of target variable compensation).
  - Achievement of the Group's budgeted gross operating income (37.5% of target variable compensation).
- Chief Operating Officers
  - Change in earnings per share (18.75% of target variable compensation).
  - Achievement of the Group's budgeted gross operating income (18.75% of target variable compensation).
  - Change in net income before tax of businesses for which they are responsible (18.75% of target variable compensation).
  - Achievement of budgeted gross operating income of businesses for which they are responsible (18.75% of target variable compensation).

Personal objective-based criteria concern managerial performance as assessed by the Board of Directors in terms of foresight, decision-making and leadership skills:

- *foresight*: define a vision, prepare for the future, foster a spirit of innovation, carry out succession planning for and open up the international horizons of senior executives;
- *decision-making*: determine, with the relevant managers, and take the requisite measures for the Group's development, its internal efficiency and the adequacy of its risk management, internal control and capital management policy;
- *leadership*: recognise behaviour consistent with the Group's values (commitment, ambition, creativity, responsiveness). Promote initiative-taking and internal cooperation. Instil a culture of change and performance.

The criteria related to the risk and liquidity policy relate solely to the Chief Executive Officer and Chief Operating Officers. The proportion of variable compensation corresponding to these criteria depends on the achievement of several measurable and predetermined objectives. It may be granted only where the variable compensation linked to Group performance indicators is at least equal to the corresponding proportion of the target compensation.

The Board of Directors of BNP Paribas Fortis may grant variable compensation to Jean-Laurent Bonnafé in consideration for his performance and achievements. The Board of Directors of BNP Paribas ensures that Jean-Laurent Bonnafé's overall compensation is consistent with the performance of the businesses for which he is responsible based on the criteria applicable to all corporate officers.

Each of the individual components of corporate officers' compensation is capped at a percentage of their fixed salary. The Board of Directors ensures that changes in the compensation granted to corporate officers are consistent with each of the criteria stated above and, first and foremost, the trend in the Group's earnings. It reports on this matter to the Shareholders' General Meeting.

Part of the variable portion of corporate officers' compensation is deferred, indexed to the share price and subject to conditions in line with the arrangements laid down by the Board of Directors.

Post-employment benefits

Termination benefits

Corporate officers are not entitled to any contractual compensation on termination of office.

Retirement bonuses

Michel Pébereau is not entitled to a retirement bonus. Baudouin Prot (Chief Executive Officer), Georges Chodron de Courcel and Jean-Laurent Bonnafé (Chief Operating Officers) are entitled under their employment contracts [(1)] to the standard retirement bonus benefits awarded to all BNP Paribas SA employees. Under this standard scheme, employees receive a bonus on retirement from the Group of up to 11.66 months' basic salary depending on their initial contractual position and length of service at their retirement date. The bonus is capped at EUR 14,112, excluding the provisions of the relevant collective bargaining agreement, which may apply above this amount.

Supplementary pension plans [(2)]

The defined-benefit plans previously granted to Group executives formerly employed by BNP, Paribas or Compagnie Bancaire have all been converted into top-up type schemes. The amounts allocated to the beneficiaries were fixed when the previous schemes were closed to new entrants.

A similar procedure was applied to Michel Pébereau (Chairman of the Board of Directors), Baudouin Prot (Chief Executive Officer) and Georges Chodron de Courcel (Chief Operating Officer). Pursuant to Articles L. 137.11 and R. 137.16 of the French Social Security Code, Michel Pébereau, Baudouin Prot and Georges Chodron de Courcel now belong to a contingent collective top-up pension plan. Under this plan, their pensions will be calculated (subject to their still being part of the Group on retirement) on the basis of the fixed and variable remuneration received in 1999 and 2000, with no possibility of acquiring any subsequent rights.

(1) Baudouin Prot's employment contract: see Chairman's report on corporate governance (Section 4.c).

(2) AFEP-MEDEF Corporate Governance Code (point 20-2-5).

The amount of retirement benefits, including the pensions paid out by the general French Social Security scheme and the ARRCO and AGIRC top-up schemes, plus any additional banking industry pension arising from the industry-wide agreement that took effect on 1 January 1994 and pension rights acquired as a result of payments by the employer into top-up funded schemes, is capped at 50% of the above-mentioned remuneration amounts.

These retirement benefits will be revalued from 1 January 2002 until their actual payment date, based on the average annual rate of increase in pension benefits paid by the French Social Security, ARRCO and AGIRC schemes. The increase in potential pension rights for 2010 will be limited to the effects of this revaluation. On payment of the benefits, the top-up pensions will be equal to the differential between these revalued amounts and the pension benefits provided by the above-mentioned general and top-up schemes. Once the amount of these top-up benefits has been finally determined, the benefit will then be indexed to the growth rate in the benefit value per point under the AGIRC scheme.

These obligations were covered by provisions recorded by Banque Nationale de Paris. The amount of these provisions was adjusted when these legacy plans were closed and the obligations transferred to an external insurance company.

The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officers belong to the defined-contribution pension plan set up for all BNP Paribas SA employees, in accordance with Article 83 of the French General Tax Code.

The benefits deriving from the pension schemes described above have always been taken into account by the Board of Directors when determining the overall compensation of corporate officers. During 2009, the Board of Directors formally recorded that this plan was compliant with the provisions of the AFEP-MEDEF Corporate Governance Code.

Welfare benefit plans

The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officers are entitled to the same flexible welfare benefits (death and disability cover, as well as the common healthcare benefit scheme) as all BNP Paribas SA employees and corporate officers.

They are also entitled to the same benefits under the Garantie Vie Professionnelle Accidents death/disability cover plan as all BNP Paribas SA employees, and to the supplementary plan set up for members of the Group's Executive Committee, which pays out additional capital of EUR 1.10 million in the event of work-related death or total and permanent disability.

If Baudouin Prot dies before the age of 60, his heirs will receive compensation under an insurance policy. The premium applicable under this policy is paid by the Group and treated in accordance with the social security rules applicable to employers' contributions to top-up welfare schemes in France.

	Employment contract		Top-up pension plan		Benefits or payments due or likely to fall due owing to the cessation or change in duties		Payment under a no-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
M. Michel PEBEREAU		✓	✓			✓		✓
M. Baudouin PROT	✓ (1)		✓		✓ (3)			✓
M. Jean-Laurent BONNAFE	✓		✓ (2)		✓ (3)			✓
M. Georges CHODRON de COURCEL	✓		✓		✓ (3)			✓

(1) See the Chairman's report on the manner of the preparation and organisation of the work of the Board. Section 4.c.
(2) Pension scheme under Article 83 of the French General Tax Code for the benefit of all BNP Paribas SA's employees.
(3) See above Post-employment benefits. Retirement bonuses.

The table below shows gross compensation payable for the year to 31 December 2010, including benefits in kind and Directors' fees for 2010.

Compensation payable for 2010		Compensation		Directors' fees (4)	Benefits in kind (5)	TOTAL Compensation
In euros	Fixed (1)	Variable (2)	Deferred (3)			
Michel PEBEREAU Chairman of the Board of Directors						
2010	700,000	(6)	(6)	37,160	4,124	741,284
(2009)	*(700,000)*	*(280,000)*	*(280,000)*	*(29,728)*	*(3,598)*	*(1,293,326)*
Baudouin PROT Chief Executive Officer						
2010	950,000	(6)	(6)	84,907	4,055	1,038,962
(2009)	*(950,000)*	*(712,500)*	*(712,500)*	*(90,318)*	*(5,212)*	*(2,470,530)*
Georges CHODRON de COURCEL Chief Operating Officer						
2010	600,000	(6)	(6)	115,225	3,840	719,065
(2009)	*(600,000)*	*(450,000)*	*(450,000)*	*(112,302)*	*(4,273)*	*(1,616,575)*
Jean-Laurent BONNAFE Chief Operating Officer						
2010 (by BNP Paribas SA)	600,000	(6)	(6)	52,839	3,333	656,172
2010 (by BNP Paribas Fortis)	200,000	(6)	(6)	24,031	-	224,031
(2009)	*(563,172)*	*(633,926)*	*(211,309)*	*(51,638)*	*(3,329)*	*(1,463,374)*
Total compensation payable to the Group's corporate officers for 2010						3,379,514
(for 2009)						*(6,843,805)*

(1) Compensation actually paid in 2010.
(2) & (3) Variable compensation payable for 2009 and 2010 respectively.
(3) Variable compensation granted in 2009 to corporate officers is deferred over the 2011, 2012 and 2013 financial years at a rate of 50% for Michel Pébereau, Baudouin Prot and Georges Chodron de Courcel and 25% for Jean-Laurent Bonnafé. The deferred amounts are indexed to the value of the share. Payment of these amounts is subject to satisfaction of a condition based on return on equity for each year under consideration.
(4) Michel Pébereau does not receive any Directors' fees from any Group companies other than from BNP Paribas SA.
Baudouin Prot does not receive any Directors' fees from any Group companies other than from BNP Paribas SA and Erbé. Directors' fees received by the Chief Executive Officer from Erbé are deducted from his variable compensation.
Jean-Laurent Bonnafé does not receive any Directors' fees from any Group companies other than from BNP Paribas SA, BNP Paribas Fortis, BNL and Personal Finance. The Directors' fees received by Jean-Laurent Bonnafé in respect of BNL and Personal Finance are deducted from his variable compensation.
Georges Chodron de Courcel does not receive any Directors' fees from any Group companies other than from BNP Paribas Suisse, Erbé and BNP Paribas Fortis. The Directors' fees received by Georges Chodron de Courcel from these companies are deducted from his variable compensation.
(5) The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officers each have a company car and a mobile telephone.
(6) At the date of this document:
- *BNP Paribas' Board of Directors has not defined the variable portion of corporate officers' compensation in respect of 2010.*
- *BNP Paribas Fortis' Board of Directors has not defined the variable portion of Mr Bonnafé's compensation in respect of 2010.*

The Board of Directors' decisions will be published in an update of the Registration document and this report in due course.

The table below shows gross compensation paid for the year to 31 December 2010, including benefits in kind and Directors' fees. The variable compensation paid in 2010 relates to 2009.

Compensation paid in 2010		Compensation				
In euros	Fixed	Variable (1)	Deferred	Directors' fees	Benefits in kind	TOTAL Compensation (2)
Michel PEBEREAU Chairman of the Board of Directors						
2010	700,000	280,000	-	37,160	4,124	1,021,284
(2009)	*(700,000)*	-	-	*(29,728)*	*(3,598)*	*(733,326)*
Baudouin PROT Chief Executive Officer						
2010	950,000	651,910	-	84,907	4,055	1,690,872
(2009)	*(950,000)*	-	-	*(90,318)*	*(5,212)*	*(1,045,530)*
Georges CHODRON de COURCEL Chief Operating Officer						
2010	600,000	337,698	-	115,225	3,840	1,056,763
(2009)	*(600,000)*	-	-	*(112,302)*	*(4,273)*	*(716,575)*
Jean-Laurent BONNAFE Chief Operating Officer						
2010 (by BNP Paribas SA)	600,000	593,432	36,251 (3)	52,839	3,333	1,285,855
2010 (by BNP Paribas Fortis)	200,000	-	-	24,031	-	224,031
(2009)	*(563,172)*	*(602,876)*	*(39,896)* (3)	*(51,638)*	*(3,329)*	*(1,260,911)*
Total compensation paid to the Group's corporate officers for 2010						5,278,805
(for 2009)						*(3,756,342)*

(1) Baudouin Prot's variable compensation paid in 2010 in respect of 2009 was reduced by EUR 60,590, representing the recovery of Directors' fees received in 2009.
Georges Chodron de Courcel's variable compensation paid in 2010 in respect of 2009 was reduced by EUR 112,302, representing the recovery of Directors' fees received in 2009.
Jean-Laurent Bonnafé's variable compensation paid in 2010 in respect of 2009 was reduced by EUR 40,494, representing the recovery of Directors' fees received in 2009.
(2) The average payroll tax rate on this compensation in 2010 was 33.8% (34.9% in 2009).
(3) Variable compensation received for the duties performed by Jean-Laurent Bonnafé prior to his appointment as a corporate officer on 1 September 2008.

BENEFITS AWARDED TO THE CORPORATE OFFICERS

Benefits awarded to the Group's corporate officers	2010	2009
Post-employment benefits		
Retirement bonuses		
Present value of the benefit obligation	*516,531 €*	*496,031 €*
Contingent collective defined-benefit top-up pension plan		
Total present value of the benefit obligation	*30.7 M€ (1)*	*29.5 M€ (1)*
Defined contribution pension plan		
Contributions paid by the Company during the year	*1,524 €*	*1,510 €*
Welfare benefits		
Flexible personal risk plan		
Premiums paid by the Company during the year	*10,401 €*	*10,992 €*
Garantie Vie Professionnelle Accidents death/disability cover plan		
Premiums paid by the Company during the year	*7,763 €*	*8,095 €*
Supplementary personal risk plan		
Premiums paid by the Company during the year	*115,553 €*	*84,212 €*

(1) Excluding the additional contribution of 30%.

The amount of supplementary pension rights is fixed. The change in the total present value of obligations between 2009 and 2010 reflects the discounting charge for the year, as well as the update of the assumptions underpinning the calculations.

DIRECTORS' FEES PAID TO MEMBERS OF THE BOARD OF DIRECTORS

In euros	Director's fees paid in 2010	Director's fees paid in 2009
M. PEBEREAU	37,160	29,728
P. AUGUSTE	46,503	34,117
C. BEBEAR	35,568	31,746
J.L. BEFFA	28,914	33,055
S. BERGER	44,592	32,913
J.L. BONNAFE	12,918	
J.M. GIANNO	45,442	35,178
F. GRAPPOTTE	71,696	55,312
A. JOLY		27,781
D. KESSLER	59,669	35,951
M. KUNEVA	9,202	
J.F. LEPETIT	44,380	34,117
L. PARISOT	39,071	28,383
H. PLOIX	46,503	35,178
B. PROT	37,160	29,728
L. SCHWEITZER	60,654	47,915
M. TILMANT	42,469	2,654
E. VAN BROEKHOVEN	44,592	2,654
D. WEBER-REY	47,034	36,098
TOTAL	**753,527**	**532,509**

Stock subscription option plans

Under the authorisations granted by the Shareholders' General Meetings, BNP Paribas has set up a Global Share-based Incentive Plan, the characteristics of which are described in the note on salaries and employee benefits (share-based payment).

The provisions of the plan were approved by the Board of Directors and apply in full to the corporate officers.

During 2008, the Board of Directors stated its intention of applying all the provisions of the AFEP-MEDEF Corporate Governance Code concerning options awarded to corporate officers. On 27 March 2009, Michel Pébereau told the shareholders of BNP Paribas at an Extraordinary General Meeting that corporate officers would not receive any stock subscription options in 2009. Upon the redemption of the preferred shares subscribed by Société de Prise de Participation de l'Etat, BNP Paribas maintained the commitments given to the French authorities, in connection with the French economic stimulus plan, with regard to the grant of stock options to corporate officers. Accordingly, the corporate officers did not receive any stock subscription options in 2010.

➤ OPTIONS GRANTED AND EXERCISED IN 2010

Stock subscription options granted to and/or exercised by the Group's corporate officers	Number of options	Exercise price *(in euros)*	Grant date	Plan expiry date	Individual allocation valuation		Individual allocation as a percentage of share capital
					in euros	as a percentage of the recognised expense [(2)]	
OPTIONS GRANTED IN 2010	[(1)]	-	-	-	-	-	-
OPTIONS EXERCISED IN 2010							
Michel PEBEREAU	80,000	47.37	15/05/2001	14/05/2011			
Baudouin PROT	50,000	47.37	15/05/2001	14/05/2011			
OPTIONS GRANTED IN 2009	[(1)]	-	-	-	-	-	-
OPTIONS EXERCISED IN 2009							
Michel PEBEREAU	223,855	43.67	22/12/1999	22/12/2009			
Baudouin PROT	132,296	43.67	22/12/1999	22/12/2009			

(1) No option was granted in respect of the 2009 and 2010 financial years.
(2) Percentage of the expense recognised for the Global Share-based Incentive Plan, which combines stock options with share awards.

SUMMARY OF COMPENSATION AND STOCK OPTIONS PAID TO INDIVIDUAL CORPORATE OFFICERS

In euros	2010	2009
Michel PEBEREAU		
Chairman of the Board of Directors		
Compensation for the year	741,284 (1)	1,293,326
Value of stock options granted during the year	Nil	Nil
TOTAL	**741,284**	**1,293,326**
Baudouin PROT		
Chief Executive Officer		
Compensation for the year	1,038,962 (1)	2,470,530
Value of stock options granted during the year	Nil	Nil
TOTAL	**1,038,962**	**2,470,530**
Georges CHODRON de COURCEL		
Chief Operating Officer		
Compensation for the year	719,065 (1)	1,616,575
Value of stock options granted during the year	Nil	Nil
TOTAL	**719,065**	**1,616,575**
Jean-Laurent BONNAFE		
Chief Operating Officer		
Compensation for the year	880,203 (1)	1,463,374
Value of stock options granted during the year	Nil	Nil
TOTAL	**880,203**	**1,463,374**

(1) At the date of this document:
- *BNP Paribas' Board of Directors has not defined the variable portion of corporate officers' compensation in respect of 2010;*
- *BNP Paribas Fortis' Board of Directors has not defined the variable portion of Mr Bonnafé's compensation in respect of 2010.*

The Board of Directors' decisions will be published in an update of the Registration document and this report in due course.

The table shows the number of outstanding options held by the Group's corporate officers at 31 December 2010.

Originating company	BNP	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas
Date of grant	15/05/2001	21/03/2003	25/03/2005	05/04/2006	08/03/2007	18/04/2008	08/04/2009	05/03/2010
Michel PEBEREAU	147,571	232,717	103,418	102,521	51,265	51,265	Nil	Nil
Baudouin PROT	94,018	201,688	155,125	184,537	174,300	174,299	Nil	Nil
Georges CHODRON de COURCEL	-	4,675	62,052	92,269	92,277	102,529	Nil	Nil
Jean-Laurent BONNAFE	-	-	41,368	51,261	61,518	61,517	Nil	Nil
NUMBER OF OPTIONS OUTSTANDING AT END-2010 (1)	**241,589**	**439,080**	**361,963**	**430,588**	**379,360**	**389,610**	**NIL**	**NIL**

(1) The increase in capital through the subscription of preferential rights in October 2009 in accordance with the regulations in force and in order to take into account the detachment of a pre-emptive right led to the adjustment of the number and exercise prices of options not yet exercised.

Compulsory share ownership - Holding period for shares received on exercise of stock options

From 1 January 2008, Michel Pébereau, Baudouin Prot and Georges Chodron de Courcel are required to own a minimum number of shares for the duration of their term of office, calculated based on both the opening BNP Paribas share price and their fixed remuneration at 2 January 2007. The number of shares held must be equal to 7 years' fixed salary for Michel Pébereau (58,700 shares) and Baudouin Prot (80,000 shares).

The Board has set a compulsory share holding of 30,000 shares for Jean-Laurent Bonnafé, which is identical to the amount set for Georges Chodron de Courcel, the other Chief Operating Officer. Jean-Laurent Bonnafé must comply with this obligation, through the mandatory ownership of shares or units in the Company Savings Plan fully invested in BNP Paribas shares, no later than by 1 September 2013, that is five years after his appointment as a corporate officer.

The Chairman of the Board of Directors, Chief Executive Officer and Chief Operating Officers are also required to hold a number of shares issued following the exercise of stock options for the duration of their term of office. This holding requirement represents 50% of the net gain realised on the purchase of shares under options granted as from 1 January 2008 for Michel Pébereau, Baudouin Prot and Georges Chodron de Courcel and as from 1 September 2008 for Jean-Laurent Bonnafé. It will be considered as satisfied once the threshold defined for compulsory share ownership has been reached based on shares resulting from the exercise of options as of said dates.

Compensation and benefits awarded to employee-elected Directors

Total compensation paid in 2010 to employee-elected Directors calculated based on their actual attendance amounted to EUR 99,785 (EUR 96,512 in 2009), excluding Directors' fees. The total amount of Directors' fees paid in 2010 to employee-elected Directors was EUR 91,945 (EUR 69,295 in 2009). These sums were paid directly to the trade union bodies of the Directors concerned.

Employee-elected Directors are entitled to the same death/disability cover and the same Garantie Vie Professionnelle Accidents benefits as all BNP Paribas SA employees, as well as healthcare expense coverage. The total amount of premiums paid into these schemes by BNP Paribas in 2010 on behalf of the employee-elected Directors was EUR 1,619 (EUR 1,340 in 2009).

The employee-elected Directors belong to the defined-contribution plan set up for all BNP Paribas SA employees, in accordance with Article 83 of the French General Tax Code. The total amount of contributions paid into this plan by BNP Paribas in 2010 on behalf of these corporate officers was EUR 706 (EUR 660 in 2009). They are also entitled to top-up banking industry pensions under the industry-wide agreement that took effect on 1 January 1994.

Loans, advances and guarantees granted to the Group's corporate officers

At 31 December 2010, total outstanding loans granted directly or indirectly to the Group's corporate officers amounted to EUR 3,286,908 (EUR 3,771,634 at 31 December 2009). It represents the total amount of loans granted to BNP Paribas' corporate officers and their spouses. These loans representing normal transactions were carried out on an arm's length basis.

8.f RELATED PARTIES

Other related parties of the BNP Paribas Group comprise consolidated companies (including entities consolidated under the equity method) and entities managing post-employment benefit plans offered to Group employees (except for multi-employer and multi-industry schemes).

Transactions between the BNP Paribas Group and related parties are carried out on an arm's length basis.

Relations between consolidated companies

A list of companies consolidated by the BNP Paribas Group is provided in note 8.b "Scope of consolidation". As transactions and period-end balances between fully-consolidated entities are eliminated in full on consolidation, the tables below only show figures relating to transactions and balances with companies over which BNP Paribas exercises joint control (accounted for by the proportionate consolidation method), showing only the proportion not eliminated on consolidation, and companies over which BNP Paribas exercises significant influence (accounted for by the equity method).

RELATED-PARTY BALANCE SHEET ITEMS

In millions of euros	31 December 2010		31 December 2009	
	Consolidated entities under the proportionate method	Consolidated entities under the equity method	Consolidated entities under the proportionate method	Consolidated entities under the equity method
ASSETS				
Loans, advances and securities				
Demand accounts	91	456	193	2
Loans	4,111	1,240	3,975	2,128
Securities	195	77	209	1,416
Finance leases	5		-	-
Non-trading securities held in the portfolio	550	850	-	-
Other assets	**3**	**67**	**23**	**66**
TOTAL	**4,955**	**2,690**	**4,400**	**3,612**
LIABILITIES				
Deposits				
Demand accounts	102	1,811	146	1,924
Other borrowings	69	44	35	330
Debt securities	**65**	**177**	**132**	**57**
Other liabilities	**17**	**28**	**49**	**76**
TOTAL	**253**	**2,060**	**362**	**2,387**
FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS				
Financing commitments given	**777**	**568**	**44**	**275**
Guarantee commitments given	**120**	**185**	**4**	**1,702**
TOTAL	**897**	**753**	**48**	**1,977**

Within the scope of its International Retail Banking and Financial Services business, the Group also carries out trading transactions with related parties involving derivatives (swaps, options and forwards etc.) and financial instruments (equities, bonds, etc.).

RELATED-PARTY PROFIT AND LOSS ITEMS

In millions of euros	Year to 31 Dec. 2010		Year to 31 Dec. 2009	
	Consolidated entities under the proportionate method	Consolidated entities under the equity method	Consolidated entities under the proportionate method	Consolidated entities under the equity method
Interest income	**122**	**115**	**174**	**106**
Interest expense	*(5)*	*-*	*(10)*	*(23)*
Commission income	**20**	**120**	**49**	**207**
Commission expense	*(65)*	*(46)*	*(70)*	*(67)*
Services provided	**5**	**54**	**4**	**46**
Services received	*-*	*(344)*	*-*	*(277)*
Lease income	**2**	**28**	**-**	**2**
TOTAL	**79**	**(73)**	**147**	**(6)**

Entities managing post-employment benefit plans offered to group employees

The main post-employment benefits of the BNP Paribas Group are retirement bonus plans, and top-up defined-benefit and defined-contribution pension plans.

In Belgium, BNP Paribas Fortis funds a number of pension schemes managed by AG Insurance in which the BNP Paribas Group has an 18.73% equity interest.

In other countries, post-employment benefit plans are generally managed by independent fund managers or independent insurance companies, and occasionally by Group companies (in particular BNP Paribas Asset Management, BNP Paribas Assurance, Bank of the West and First Hawaiian Bank). In Switzerland, a dedicated foundation manages pension plans for BNP Paribas Switzerland's employees.

At 31 December 2010, the value of plan assets managed by Group companies or by companies over which the Group exercises significant influence was EUR 3,111 million (EUR 3,173 million at 31 December 2009).

Amounts received relating to services provided by Group companies in the year to 31 December 2010 totalled EUR 4.3 million, and mainly comprised management and custody fees (EUR 3.5 million at 31 December 2009).

8.g BALANCE SHEET BY MATURITY

The table below gives a breakdown of the balance sheet by contractual maturity. The maturity of financial assets and liabilities at fair value through profit or loss within the trading portfolio is deemed to be "undetermined" insofar as these instruments are intended to be sold or redeemed before their contractual maturity dates. The maturities of variable-income financial assets classified as available for sale, derivative hedging instruments, remeasurement adjustments on interest-rate risk hedged portfolios and undated subordinated debt are also deemed to be "undetermined". Since the majority of technical reserves of insurance companies are considered as demand deposits, they are not presented in this table.

At 31 December 2010 *In millions of euros*	Not determined	Overnight or demand	Up to 1 month (excl. overnight)	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Cash and amounts due from central banks and post office banks		33,568						33,568
Financial assets at fair value through profit or loss	832,945							832,945
Derivatives used for hedging purposes	5,440							5,440
Available-for-sale financial assets	17,397		6,734	10,629	29,947	56,659	98,592	219,958
Loans and receivables due from credit institutions	-	12,949	14,577	7,714	7,381	8,591	11,506	62,718
Loans and receivables due from customers	12	56,314	62,104	56,170	75,625	209,000	225,461	684,686
Remeasurement adjustment on interest-rate risk hedged portfolios	2,317							2,317
Held-to-maturity financial assets			-	281	54	5,729	7,709	13,773
FINANCIAL ASSETS BY MATURITY	**858,111**	**102,831**	**83,415**	**74,794**	**113,007**	**279,979**	**343,268**	**1,855,405**
Due to central banks and post office banks		2,123						2,123
Financial liabilities at fair value through profit or loss	674,280		539	2,491	9,917	25,800	12,078	725,105
Derivatives used for hedging purposes	8,480							8,480
Due to credit institutions		28,248	86,138	20,586	11,357	13,238	8,418	167,985
Due to customers		337,186	139,416	38,018	21,202	26,575	18,517	580,913
Debt securities			39,224	54,288	50,891	48,228	16,037	208,669
Subordinated debt	3,316		-	41	471	8,610	12,312	24,750
Remeasurement adjustment on interest-rate risk hedged portfolios	301							301
FINANCIAL LIABILITIES BY MATURITY	**686,377**	**367,557**	**265,317**	**115,424**	**93,838**	**122,451**	**67,362**	**1,718,326**

At 31 December 2009 *In millions of euros*	Not determined	Overnight or demand	Up to 1 month (excl. overnight)	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Cash and amounts due from central banks and post office banks		56,076						56,076
Financial assets at fair value through profit or loss	828,784							828,784
Derivatives used for hedging purposes	4,952							4,952
Available-for-sale financial assets	19,709		8,139	14,853	33,831	58,063	86,830	221,425
Loans and receivables due from credit institutions	-	35,049	25,354	10,573	7,534	6,154	4,256	88,920
Loans and receivables due from customers	16	51,624	68,682	61,451	77,398	175,381	244,214	678,766
Remeasurement adjustment on interest-rate risk hedged portfolios	2,407							2,407
Held-to-maturity financial assets			-	409	130	4,421	9,063	14,023
FINANCIAL ASSETS BY MATURITY	**855,868**	**142,749**	**102,175**	**87,286**	**118,893**	**244,019**	**344,363**	**1,895,353**
Due to central banks and post office banks		5,510						5,510
Financial liabilities at fair value through profit or loss	655,330		615	3,935	8,348	27,264	13,845	709,337
Derivatives used for hedging purposes	8,108							8,108
Due to credit institutions		20,372	102,613	23,303	47,281	16,624	10,503	220,696
Due to customers		334,942	175,397	40,147	22,109	13,936	18,372	604,903
Debt securities			57,856	55,989	36,582	49,929	10,673	211,029
Subordinated debt	3,088		29	483	1,058	5,915	17,636	28,209
Remeasurement adjustment on interest-rate risk hedged portfolios	356							356
FINANCIAL LIABILITIES BY MATURITY	**666,882**	**360,824**	**336,510**	**123,857**	**115,378**	**113,668**	**71,029**	**1,788,148**

The majority of the financing and guarantee commitments given, which amounted to EUR 314,731 million and EUR 102,563 million respectively at 31 December 2010 (EUR 273,764 million and EUR 104,650 million respectively at 31 December 2009), can be drawn at sight.

8.h FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

The information supplied in this note must be used and interpreted with the greatest caution for the following reasons:

- These fair values are an estimate of the value of the relevant instruments as of 31 December 2010. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instrument to BNP Paribas as a going concern;
- Most of these fair values are not meaningful, and hence are not taken into account in the management of the commercial banking activities which use these instruments;
- Estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank. This means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful;
- The fair values shown below do not include the fair values of non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of the BNP Paribas Group.

In millions of euros	31 December 2010		31 December 2009	
	Carrying value [1]	Estimated fair value	Carrying value [1]	Estimated fair value
FINANCIAL ASSETS				
Loans and receivables due from credit institutions	62,718	63,868	88,920	89,770
Loans and receivables due from customers	684,686	702,077	678,766	693,126
Held-to-maturity financial assets	13,773	14,487	14,023	15,033
FINANCIAL LIABILITIES				
Due to credit institutions	167,985	168,360	220,696	222,000
Due to customers	580,913	581,894	604,903	606,661
Debt securities	208,669	208,921	211,029	210,987
Subordinated debt	24,750	23,649	28,209	27,752

(1) The carrying amount does not include the remeasurement of portfolios of financial instruments in fair value hedging relationships. At 31 December 2010, this is included within "Remeasurement adjustment on interest-rate risk hedged portfolios" as EUR 2,317 million under assets, and EUR 301 million under liabilities (EUR 2,407 million and EUR 356 million, respectively, at 31 December 2009).

The fair value of a financial instrument is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The valuation techniques and assumptions used by BNP Paribas ensure that the fair value of financial assets and liabilities is measured on a consistent basis throughout the Group. Fair value is based on prices quoted in an active market when these are available. In other cases, fair value is determined using valuation techniques such as discounting of estimated future cash flows for loans, liabilities and held-to-maturity financial assets, or specific valuation models for other financial instruments as described in note 1, "Principal accounting policies applied by the BNP Paribas Group". In the case of loans, liabilities and held-to-maturity financial assets that have an initial maturity of less than one year (including demand deposits) or are granted on floating-rate terms, fair value equates to carrying amount. The same applies to most regulated savings products.

8.i CONTINGENT LIABILITIES: LEGAL PROCEEDING AND ARBITRATION

Legal action has been taken against several Algerian and international banks, including BNP Paribas El Djazair, a BNP Paribas SA subsidiary, for administrative errors in processing international trade financing applications. BNP Paribas El Djazair has been accused of non-compliance with foreign exchange regulations in seven cases before Algerian courts. BNP Paribas El Djazair was ordered by a lower court to pay fines of approximately EUR 200 million. Three of these cases were subsequently overturned on appeal, including the case involving the most significant amount (EUR 150 million). Two other appeals rulings have upheld fines totalling EUR 52 million. All of these rulings have been appealed before the Cassation Court, and execution has been suspended pending the outcome of these appeals pursuant to Algerian law. BNP Paribas El Djazair will continue to vigorously defend itself before the Algerian courts with a view to obtaining recognition of its good faith towards the authorities, which suffered no actual damage.

On 27 June 2008, the Republic of Iraq lodged a lawsuit in New York against 92 international companies having participated in the oil-for-food ("OFF") programme, among them BNP Paribas. The complaint alleges, notably, that the defendants conspired to defraud the OFF programme, thereby depriving the Iraqi people of more than USD 10 billion in food, medicine and other humanitarian goods. The complaint also contends that BNP Paribas breached purported fiduciary duties and contractual obligations created by the banking agreement binding BNP Paribas and the United Nations Organisation. The complaint is pleaded under the US Racketeer Influenced and Corrupt Organisations Act ("RICO") which allows triple damages for successful plaintiffs if damages are awarded. The proceedings are currently in a jurisdictional phase. The court is expected to rule on its jurisdiction in 2011.

There is no basis to sustain any accusation or allegation concerning any purported breach by the Bank in relation to any payments made by other persons in connection with the export of humanitarian goods to Iraq under the OFF programme. The Bank intends to vigorously defend itself against this complaint.

There is no other government, legal or arbitration proceeding, of which the Company is aware, that is likely to have or has had within the last 12 months a significant impact on the financial position or profitability of the Company and/or Group.

8.j FEES PAID TO THE STATUTORY AUDITORS

In 2010 *Excluding tax, in thousand of euros*	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
	Total	%	Total	%	Total	%	Total	%
Audit								
Statutory audits and contractual audits, including:								
Issuer	4,162	17%	4,438	22%	1,187	11%	9,787	18%
Consolidated subsidiaries	10,641	45%	10,157	51%	8,654	84%	29,452	55%
Other reviews and services directly related to the statutory audit engagement, including:								
Issuer	253	1%	451	2%	202	2%	906	2%
Consolidated subsidiaries	2,229	10%	3,836	19%	190	2%	6,255	11%
SUB-TOTAL	**17,285**	**73%**	**18,882**	**94%**	**10,233**	**99%**	**46,400**	**86%**
Other services provided by the networks to fully-or proportionally-consolidated subsidiaries								
Tax and legal	106	0%	191	1%	-	0%	297	0%
Others	6,363	27%	924	5%	99	1%	7,386	14%
SUB-TOTAL	**6,469**	**27%**	**1,115**	**6%**	**99**	**1%**	**7,683**	**14%**
TOTAL	**23,754**	**100%**	**19,997**	**100%**	**10,332**	**100%**	**54,083**	**100%**

In 2009 *Excluding tax, in thousand of euros*	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
	Total	%	Total	%	Total	%	Total	%
Audit								
Statutory audits and contractual audits, including:								
Issuer	3,261	19%	5,686	27%	1,134	12%	10,081	21%
Consolidated subsidiaries	8,996	52%	12,660	59%	7,803	85%	29,459	61%
Other reviews and services directly related to the statutory audit engagement, including:								
Issuer	15	0%	63	0%	41	0%	119	0%
Consolidated subsidiaries	224	1%	1,296	6%	166	2%	1,686	4%
SUB-TOTAL	**12,496**	**72%**	**19,705**	**92%**	**9,144**	**99%**	**41,345**	**86%**
Other services provided by the networks to fully-or proportionally-consolidated subsidiaries								
Tax and legal	1,330	8%	504	2%	17	0.2%	1,851	4%
Others	3,567	20%	1,158	6%	62	1%	4,787	10%
SUB-TOTAL	**4,897**	**28%**	**1,662**	**8%**	**79**	**1%**	**6,638**	**14%**
TOTAL	**17,393**	**100%**	**21,367**	**100%**	**9,223**	**100%**	**47,983**	**100%**

The audit fees paid to auditors which are not member of the network of one of the auditors certifying the consolidated financial statements and the non-consolidated financial statements of BNP Paribas SA, mentioned in the table above, amount to EUR 2,325 thousand for the year 2010 (EUR 4,825 thousand in 2009).

4.7 BNP Paribas Statutory Auditors' report on the consolidated financial statements

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
185, avenue Charles de Gaulle	63, rue de Villiers	61, rue Henri Regnault
92524 Neuilly-sur-Seine Cedex	92208 Neuilly-sur-Seine Cedex	92400 Courbevoie

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BNP Paribas

16, boulevard des Italiens

75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2010, on:

- the audit of the accompanying consolidated financial statements of BNP Paribas;
- the justification of our assessments; and
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - Justification of our assessments

In accordance with the provisions of article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Impairment provisions for credit and counterparty risk

BNP Paribas records impairment provisions to cover the credit and counterparty risk inherent to its business as described in notes 1.c.5, 2.f, 4.a, 4.b, 4.d, 5.f and 5.g to the consolidated financial statements. We examined the control procedures applicable to monitoring credit and counterparty risk, impairment testing methods and determining individual and portfolio-based impairment losses.

Measurement of financial instruments

BNP Paribas uses internal models and methodologies to value its positions on financial instruments which are not traded on active markets, as well as to determine certain provisions and assess whether hedging designations are appropriate. We examined the control procedures applicable to identifying inactive markets, verifying these models and determining the inputs used.

Impairment of available-for-sale assets

BNP Paribas recognises impairment losses on available-for-sale assets where there is objective evidence of a prolonged or significant decline in value, as described in notes 1.c.5, 2.d and 5.c to the consolidated financial statements. We examined the control procedures relating to the identification of such evidence, the valuations of the most significant captions, and the estimates used, where applicable, to record impairment losses.

Impairment related to goodwill

BNP Paribas carried out impairment tests on goodwill which led to the recording of impairment losses in 2010, as described in notes 1.b.4 and 5.n to the consolidated financial statements. We examined the methods used to implement these tests as well as the main assumptions, inputs and estimates used, where applicable, to record impairment losses.

Business combinations

In 2009, BNP Paribas acquired Fortis Banque SA and BGL SA, and finalised the purchase price allocation during the year using the purchase method in accordance with IFRS 3, as described in notes 1.b.4, and 8.d to the consolidated financial statements. In this context, we examined the methods used to identify and measure the assets, liabilities and contingent liabilities at the acquisition date, as well as the methods used to determine final negative goodwill.

Deferred tax assets

BNP Paribas recognised deferred tax assets during the year, notably in respect of tax loss carryforwards, as described in notes 1.k, 2.g and 5.j to the consolidated financial statements. We examined the main estimates and assumptions used to record those deferred tax assets.

Provisions for employee benefits

BNP Paribas raises provisions to cover its employee benefit obligations, as described in notes 1.h and 7.b to the consolidated financial statements. We examined the method adopted to measure these obligations, as well as the main assumptions and inputs used.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 7 March 2011

The Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
Pascal Colin	Patrice Morot	Guillaume Potel

5 PILLAR 3

The purpose of Pillar 3 - market discipline, is to complement the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2) with a set of disclosures completing the usual financial disclosures. It is designed to allow market participants to evaluate key items of information such as scope of application, capital, exposure to different types of risk, risk assessment procedures, and, consequently, capital adequacy with respect to the institution's risk profile.

A significant part of the information about BNP Paribas required under Pillar 3 is reported in note 4 to the Financial Statements, "Risk management and capital adequacy". References to the corresponding sections are provided throughout this chapter.

This chapter meets the obligations set forth in Title IX of the French Decree of 20 February 2007 [1] on capital requirements for credit institutions and investment firms, and applies to the consolidated BNP Paribas Group (see Article 1).

5.1 Scope of application

The prudential scope of application defined in the French Decree of 20 February 2007 on capital requirements is not the same as the accounting scope of consolidation. The following sections discuss the differences between the two scopes, in accordance with the regulation.

PRUDENTIAL SCOPE

In accordance with French banking regulation [2], BNP Paribas Group has defined a prudential scope to monitor capital adequacy ratios calculated on consolidated data.

The prudential scope is generally the same as the scope of consolidation outlined in note 8.b to the Financial Statements, with the following exceptions:

- insurance companies are not included in the prudential scope, in accordance with Article 1 of French Regulation 90-20 of 23 February 1990; insurance companies are subject to a deduction from Tier 1 capital according to Article 6-II of French regulation CRBF 90-02 modified by the Decree of 20 February 2007;
- asset disposals and risk transfers are assessed with regard to the nature of the risk transfer that results; thus, securitisation vehicles are excluded from the prudential scope if the securitisation transaction is deemed effective under Basel II criteria, that is, providing a significant risk transfer;
- lastly, BNP Paribas Dérivés Garantis is excluded from the prudential scope as it is monitored individually by the French banking supervisor (Autorité de Contrôle Prudentiel).

The consolidation principles and the scope of consolidation are described respectively in notes 1.b and 8.b to the Financial Statements.

(1) Issued by the French Ministry of the Economy, Finance and Industry.

(2) CRBF Regulation 2000-03 of 6 September 2000.

The Group holds a share greater than 10% in the following credit and financial institutions:

Accea Finance
Agricultural Finance Corporation Limited
AMP Partners SA
Associatie Cassa BV
Athymis Gestion S.A.
Atlanticomnium SA
Baiduri Bank Berhad
BAII Recouvrement
Banca Impresa Lazio Spa
Banco Cofidis SA
Banco de Servicios Financieros SA
Banexi (U.K.) Limited (In members voluntary liquidation)
Banking Funding Company S.A.
Banque Franco Yougoslave
Banque Internationale pour le Commerce et l'Industrie (BICI)
Banque pour l'Industrie et le Commerce Comores
Bewaarbedrijf Ameuro N.V.
BGN Leasing
BIAO Recouvrement
BICI Bourse
BMCI Bourse
BNP Capital Markets Limited (In members voluntary liquidation)
BNP Equities Mauritius
BNP Nominees Limited
BNP PAM Malaysia SDN BHD
BNP Paribas (Canada) Valeurs Mobilières Inc.
BNP Paribas (Montevideo) S.A. – Oficina de Representacion de BNP Paribas
BNP Paribas Andes
BNP Paribas Asset Management (Part II) (Luxembourg) S.A.
BNP Paribas Asset Management GmbH
BNP Paribas Asset Management Monaco
BNP Paribas Bank & Trust Cayman
BNP Paribas Fund Services (Guernesey) Limited
BNP Paribas Fund Services UK Limited
BNP Paribas Futures Singapore Pte Ltd
BNP Paribas Investment Company KSA
BNP Paribas Investment Management CI Limited
BNP Paribas Investment Partners (Suisse) SA
BNP Paribas Investment Partners Argentina S.A. Sociedad Gerente de Fondos Comunes de Inversion
BNP Paribas Investment Partners Canada Ltd.
BNP Paribas Lease Group IFN SA
BNP Paribas Leasing Egypt
BNP Paribas Panama S.A
BNP Paribas Securities (Japan) Preparatory Company Limited
BNP Paribas Securities Services AM Limited
BNP Paribas Securities Services Trust Company (Jersey) Limited

BNP Paribas Trust Company (IOM) Limited
BNP Paribas Trust Corporation UK Limited
BNP Paribas Trust Services Singapore Limited
BNP Paribas Uruguay SA
BNP Representative Office (Nigeria) Ltd
BPI
Caceis Fastnet
Captive Finance Limited
CD-PME (Soc Lux de Capital Développement pour PME)
Cetelem (UK) Limited
Cetelem Expansion Société en Nom Collectif
Cetelem Renting
Comptoir Agricole de Wallonie
Credifarma Spa
Credissimo
Credissimo Hainaut S.A.
Crédit Logement
Crédit Social de la Province du Brabant Wallon
CTN Promotora De Negocios Ltda
Ecommerce Holding GmbH
Elimmo
Emirates Lebanon Bank
Euromezzanine Conseil
Europay Luxembourg SC
F P Consult Guernesey Limited
Fimaser
Findomestic Network Spa
Finest S.A.
Fortis Lease Danmark A/S
Fortis Lease Holdings UK Limited
Fortis Private Equity France S.A.S.
France Titrisation
GIM Vastgoed Management BV
Het Werkmanshuis N.V.
Insinger de Beaufort (SA) Pty Ltd
Insinger de Beaufort UK Holding BV
Integro Finance BV
Integro Property BV
Integro Securities BV
Investment Fund Services Limited
Istituto per il Credito Sportivo
La Propriété Sociale de Binche-Morlanwelz S.A.
Landbouwkantoor Van Vlaanderen NV
Le Crédit Social de Tubize SA
Le Crédit Social et Les Petits Propriétaires Réunis

Le Petit Propriétaire SA
Leval 3
Liquiditats- Und Konsortialbank GmbH
Marie Lease Sarl
Massilia Bail 2
Nachenius Tjeenk & Co Global Custody NV
Neuilly Contentieux
Oney Magyarorszag ZRT
Orange – Bnp Paribas Services
Par Trois
Parcadia Asset Management SA
Paribas Petroleum Participations BV
Personal Finance Solutions SA
Premier Bank ZRT
Primera Fund – Fortinbras Global Bond Trend Institutional Privilege (D)
Primonial Fundquest
Rothesay
Select Manager Ltd
Sicovam Holding
Sint-Jozefskredietmaatschappij NV
SNC Gestimur
Societa Regionale per La Promozione Dello Sviluppo Economico Dell'umbria Spa
Société Belge d'investissement International SBI – Belgische Maatschappij Voor Internationale Investeringen BMI
Société Financière de Beyrouth BNP Paribas
Sofracem
Soservi Société en Nom Collectif
Tous Propriétaires SA
Tradegate Ag Wertpapierhandelsbank
Tuileries Financement 2
Tuileries Financement 3
UEB Investment Management Inc.
Union Méditerranéenne de Finance
Visalux
Watamar & Partners SA
WMI Limited

Due to the classification of these entities as credit and financial institutions, those shares were deducted from the prudential equity as of 31 December 2010.

SIGNIFICANT SUBSIDIARIES

The capital requirements of BNP Paribas' significant subgroups and subsidiaries are given in Appendix 5.7, in accordance with the regulation. The capital requirements listed in the Appendix correspond to each entity's contribution to the Group's capital requirement after intragroup risk transfers, where applicable.

The following subgroups are considered significant, based on the criterion that their risk-weighted assets amount to more than 3% of the Group's total risk-weighted assets at 31 December 2010:

- BNP Paribas Fortis;
- Banca Nazionale del Lavoro (BNL);
- BancWest;
- Personal Finance.

The risk-weighted assets reported for BNP Paribas Fortis, BNL, BancWest and Personal Finance correspond to the sub-consolidation scope of each group.

Information related to the concerned perimeters are described in note 8.b to the Financial Statements under the following headings: Belux Retail Banking, Retail Banking in Italy (BNL banca commerciale), Retail Banking in the United States and BNP Paribas Personal Finance.

The differences mentioned at the beginning of section 5.1 between consolidation and prudential perimeters apply to the significant subsidiaries.

INDIVIDUAL MONITORING BY THE FRENCH SUPERVISOR

Two entities, BNP Personal Finance and BNP Paribas Dérivés Garantis, are monitored individually by the French supervisor (Autorité de Contrôle Prudentiel), according to the supervisor's guidelines and pursuant to discussions between the supervisor and BNP Paribas.

5.2 Risk management

The strategies and processes for managing risks in each risk category are described in note 4 to the Financial Statements, in its different parts *(4.a - Risk management organisation, 4.d - Credit and counterparty risk, 4.e - Market risk and 4.f - Operational risk).*

5.3 Capital management and capital adequacy

REGULATORY CAPITAL

Details about the composition of the Group's capital are given in note 4.c to the Financial Statements - Risk management and capital adequacy.

CAPITAL ADEQUACY

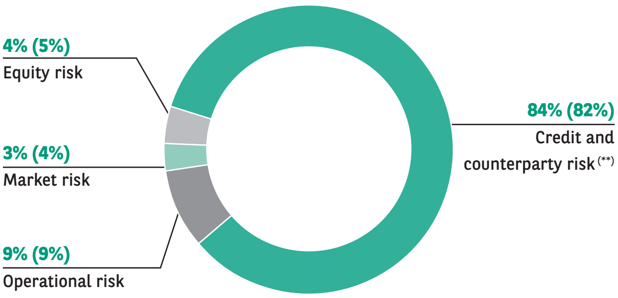
The Group's capital requirement is calculated in accordance with the transposition into French law of the EU Directive on capital adequacy for investment firms and credit institutions (Decree of 20 February 2007 amended by the Decree of 25 August 2010).

PILLAR 1 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS AT 31 DECEMBER 2010

At 31 December 2010, the total amount of Basel II Pillar 1 risk-weighted assets was EUR 600 billion, versus EUR 621 billion at 31 December 2009, broken down as follows by type of risk, calculation approach, and asset class:

In millions of euros	31 December 2010		31 December 2009	
	Risk-weighted assets	Capital Requirement	Risk-weighted assets	Capital Requirement
CREDIT AND COUNTERPARTY RISK	**503,872**	**40,310**	**510,379**	**40,830**
Credit risk	481,103	38,488	482,944	38,636
Credit risk - IRBA	**230,703**	**18,456**	**233,300**	**18,664**
Central governments and central banks	4,628	370	3,250	260
Corporates	144,459	11,557	151,589	12,127
Institutions	18,253	1,460	18,280	1,462
Retail	40,244	3,220	37,167	2,974
Mortgages	*10,777*	*862*	*9,257*	*741*
Revolving exposures	*7,114*	*569*	*7,451*	*596*
Other exposures	*22,353*	*1,788*	*20,459*	*1,637*
Securitisation positions	22,915	1,833	22,753	1,820
Other non credit-obligation assets	204	16	261	21
Credit risk - Standardised approach	**250,400**	**20,032**	**249,644**	**19,972**
Central governments and central banks	5,181	415	6,599	528
Corporates	111,453	8,916	108,247	8,660
Institutions	7,237	579	7,535	603
Retail	81,826	6,546	79,132	6,330
Mortgages	*27,121*	*2,170*	*25,638*	*2,051*
Revolving exposures	*4,118*	*329*	*2,803*	*224*
Other exposures	*50,588*	*4,047*	*50,691*	*4,055*
Securitisation positions	2,288	183	7,483	599
Other non credit-obligation assets	42,415	3,393	40,648	3,252
Counterparty risk	22,769	1,822	27,435	2,194
Counterparty risk - IRBA	**20,092**	**1,608**	**23,377**	**1,870**
Central governments and central banks	153	13	253	20
Corporates	14,463	1,157	16,844	1,348
Institutions	5,476	438	6,280	502
Counterparty risk - Standardised approach	**2,677**	**214**	**4,058**	**324**
Central governments and central banks	6	0	0	0
Corporates	2,477	198	3,745	299
Institutions	185	15	302	24
Retail	9	1	11	1
Other exposures	*9*	*1*	*11*	*1*
EQUITY RISK	**22,475**	**1,798**	**29,447**	**2,356**
Internal model	18,995	1,519	23,102	1,848
Private equity exposures in diversified portfolios	*4,802*	*384*	*6,575*	*526*
Listed equities	*8,677*	*694*	*11,112*	*889*
Other equity exposures	*5,516*	*441*	*5,415*	*433*
Simple weighting method	1,406	113	3,446	276
Private equity exposures in diversified portfolios	*1,085*	*87*	*1,099*	*88*
Listed equities	*15*	*1*	*807*	*65*
Other equity exposures	*307*	*25*	*1,540*	*123*
Standardised approach	2,074	166	2,899	232
MARKET RISK	**17,187**	**1,375**	**23,665**	**1,893**
Internal model	9,532	763	13,577	1,086
Standardised approach	7,655	612	10,088	807
OPERATIONAL RISK	**56,890**	**4,551**	**57,223**	**4,578**
Advanced Measurement Approach (AMA)	35,619	2,849	36,563	2,925
Standardised approach	13,624	1,090	13,015	1,041
Basic indicator approach	7,647	612	7,645	612
TOTAL	**600,424**	**48,034**	**620,714**	**49,657**

➤ RISK-WEIGHTED ASSETS BY TYPE OF RISK AT 31 DECEMBER 2010 (*)



Total: EUR 600 billion at 31 December 2010
EUR 621 billion at 31 December 2009

(*)The percentages between brackets correspond to the breakdown as of 31 December 2009.

(**) Including other non credit-obligation assets.

Credit and counterparty risk

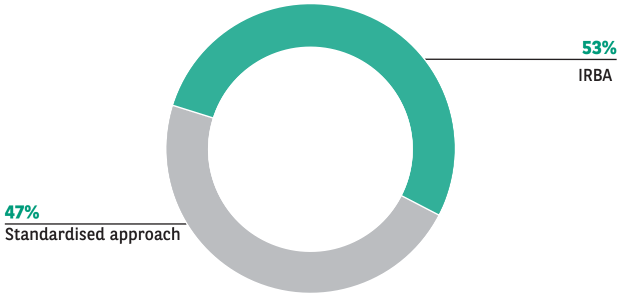
BNP Paribas has opted for the most advanced approaches allowed under Basel II. In accordance with the EU Directive and its transposition into French law, in 2007 the French banking supervisor (Autorité de Contrôle Prudentiel) allowed the Group to use internal models to calculate capital requirements starting on 1 January 2008. The use of these methods is subject to conditions regarding progress and deployment. The Group committed itself to comply with those conditions under the supervision of the French supervisor. Prior to its acquisition, the Fortis Group had been authorised by Belgian banking and insurance supervisor (CBFA) to use the most advanced approach to assess its regulatory capital requirement. The internal rating policies and systems of the BNP Paribas Fortis and BGL BNP Paribas subgroups on the one hand and BNP Paribas on the other are set to converge to a single methodology used uniformly across the entire Group. The review being conducted for this purpose has shown the compatibility of the concepts developed in each of the two perimeters and allowed a harmonisation of the ratings of the key counterparties, but has not been completed yet. Therefore a hybrid approach has been adopted at 31 December 2010, based respectively on methods that have been approved by the French and Belgian supervisors for each of the concerned perimeters.

Credit and counterparty risk accounts for 84% of the Group's Basel II risk-weighted assets, of which 80% for credit risk alone.

For credit risk alone (excluding other non-credit obligation assets), the share of risk-weighted assets under the IRB approach was 53% at 31 December 2010, unchanged compared with 31 December 2009. This significant scope includes in particular Corporate and Investment Banking (CIB), French Retail Banking (FRB), a part of the Personal Finance business (Cetelem), BNP Paribas Securities Services (BP2S), and, since 30 June 2009, the entities of the subgroup BNP Paribas Fortis and BGL BNP Paribas for which efforts to achieve convergence with the methods, processes and software tools of the BNP Paribas Group are ongoing. However, some entities, such as BNL and BancWest, are temporarily excluded from the scope of consolidation. Other smaller entities, such as the subsidiaries in emerging countries, will use the Group's advanced methods only at a later stage. The standardised approach accounts for 47% of the Basel II risk-weighted assets but only 28% of the risk exposure, because the standardised approach applies less favourable weights to the corresponding assets.

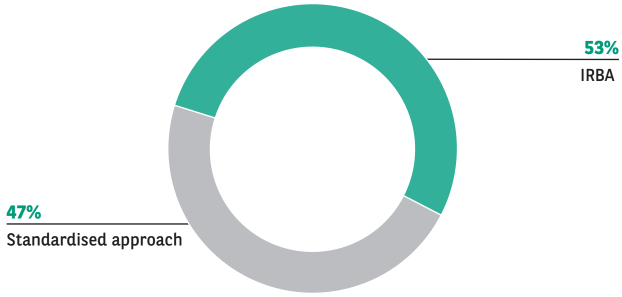
➤ CREDIT RISK-WEIGHTED ASSETS AND EXPOSURE BY APPROACH (1)

Credit risk- Risk-weighted assets on 31 December 2010



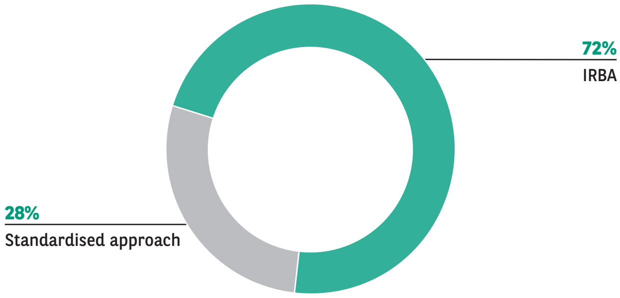
Total: EUR 438 billion

Credit risk- Risk-weighted assets on 31 December 2009



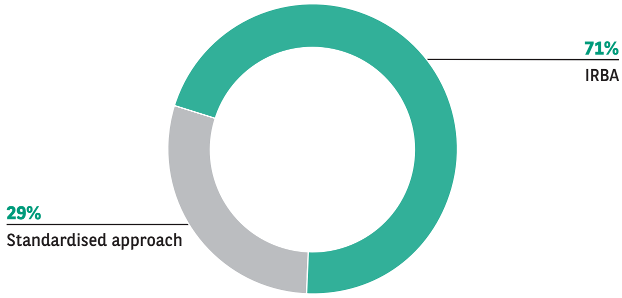
Total: EUR 442 billion

Exposure to credit risk on 31 December 2010



Total: EUR 1,354 billion

Exposure to credit risk on 31 December 2009

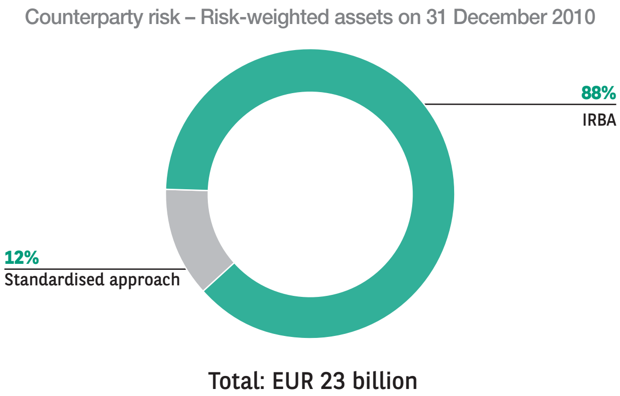


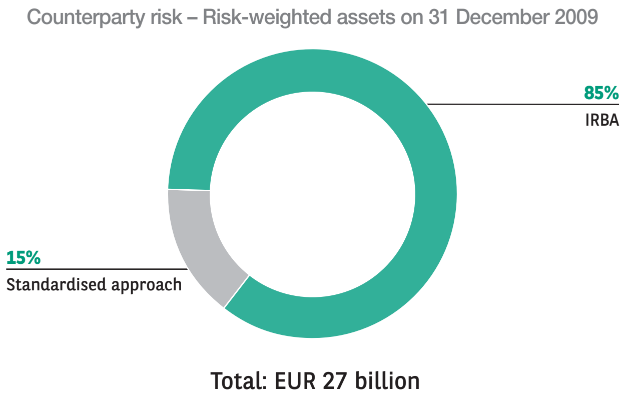
Total: EUR 1,330 billion

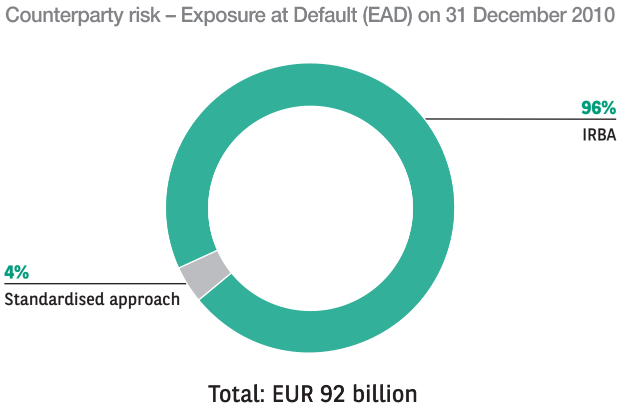
(1) Excluding other non-credit obligation assets.

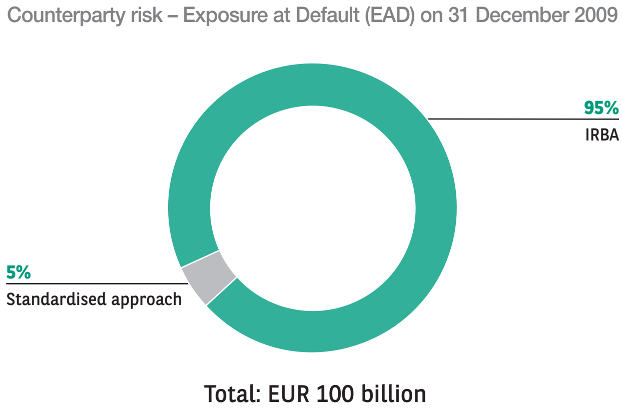
Looking at counterparty risk, the share of risk-weighted assets using the IRBA accounted for 88% as of 31 December 2010, compared with 85% at 31 December 2009. However, Exposure at Default (EAD), weighted using the IRB approach accounted for mostly all of the total exposure: 96% at 31 December 2010 compared with 95% at 31 December 2009.

➤ COUNTERPARTY RISK-WEIGHTED ASSETS AND EXPOSURE BY APPROACH









Equity risk

The share of equity risk in the Group's risk-weighted assets in 2010 declined from 5% at 31 December 2009 to 4% at 31 December 2010.

Market risk

Market risk accounted for 3% of the Group's Basel II risk-weighted assets at 31 December 2010, down from 4% at 31 December 2009.

Operational risk

The share of operational risk in the Group's total risk-weighted assets was 9% at 31 December 2010, as it was at 31 December 2009.

Details about each type of risk are given in sections 5.4. to 5.6.

➤ SOLVENCY RATIO

In millions of euros	31 Decembre 2010	31 Decembre 2009
TIER 1 CAPITAL	**68,536**	**62,910**
Tier 2 capital	20,109	25,298
Tier 2 regulatory deductions	(1,303)	(1,146)
Allocated Tier 3 capital	982	1,352
REGULATORY CAPITAL	**88,324**	**88,414**
Credit risk	481,103	482,944
Counterparty risk	22,769	27,435
Equity risk	22,475	29,446
Market risk	17,187	23,666
Operational risk	56,890	57,223
Basel II Risk-weighted assets (ex floor)	600,424	620,714
Effect of Basel I floor on Tier 1 risk-weighted assets	*847*	
CRD risk-weighted assets for Tier 1 ratio (*)	601,271	
Effect of Basel I floor on total risk-weighted assets	*6,872*	
CRD RISK-WEIGHTED ASSETS FOR TOTAL CAPITAL RATIO (**)	**607,296**	
TIER 1 RATIO	**11.4%**	**10.1%**
TOTAL CAPITAL RATIO	**14.5%**	**14.2%**

(*) *80% of Basel I risk-weighted assets.*
(**) *80% of Basel I risk-weighted assets including the positive difference between provisions and expected losses.*

Until 31 December 2011, the transitional regulatory Decree sets the floor for Basel II risk-weighted assets at 80% of the Basel I risk weighted assets. As of 31 December 2010, this floor was above the level of the Basel II risk-weighted assets and is therefore used in calculating the solvency ratio, i.e., EUR 601.3 billion for the Tier 1 ratio.

5.4 Credit and counterparty risk

(See note 4.d to the Financial Statements - Credit and counterparty risk.)

CREDIT RISK

This section does not include counterparty risk, securitisation positions and other non credit-obligation assets.

CREDIT RISK MANAGEMENT POLICY

(See note 4.d to the Financial Statements - Credit and counterparty risk: Management of credit risk on lending activities)

CREDIT RISK DIVERSIFICATION

INDUSTRY DIVERSIFICATION

(See note 4.d to the Financial Statement - Credit and counterparty risk: Industry diversification)

GEOGRAPHIC DIVERSIFICATION

(See note 4.d to the Financial Statements - Credit and counterparty risk: Geographic diversification)

CREDIT RISK: INTERNAL RATINGS BASED APPROACH (IRBA)

INTERNAL RATING SYSTEM

(See note 4.d to the Financial Statements - Credit and counterparty risk: Internal rating system)

The tables below present the breakdown by internal rating of loans and commitments for all the Group's business lines using the advanced IRB approach. The tables also give the weighted averages of the main risk parameters in the Basel framework:

- weighted average of Credit Conversion Factor (CCF) for off-balance sheet items: average CCF (1) ;
- average Loss Given Default weighted by Exposure At Default: average LGD (2);

as well as the average risk weight: average RW (3) defined as the ratio between risk-weighted assets and Exposure At Default (EAD).

The last column presents the expected loss at a one-year horizon.

CREDIT RISK EXPOSURE BY CLASS AND INTERNAL RATING

Corporate portfolio

The following table provides the breakdown by internal rating of the corporate loans and commitments (asset classes: corporates, central governments and central banks, and institutions) for all the Group's business lines using the advanced IRBA. This exposure represented EUR 721 billion of the gross credit risk at 31 December 2010, compared with EUR 710 billion at 31 December 2009, and concerns CIB, FRB, BeLux Retail Banking as well as BNP Paribas Securities Services (BP2S) within the Investment Solutions division.

(1) Average CCF: average of Credit Conversion Factor weighted by off-balance sheet exposure

(2) Average LGD: average Loss Given Default weighted by Exposure At Default

(3) Average RW: average risk weight.

In millions of euros	Internal rating	Total exposure	Balance sheet exposure	Off-balance sheet exposure	Average off-balance sheet CCF	Exposure at Default (EAD)	Average LGD	Average RW	Expected loss
									31 December 2010
Central governments and central banks	1	144,682	143,188	1,494	99%	144,232	6%	0%	0
	2	13,682	13,142	540	65%	13,455	9%	4%	0
	3	1,450	1,299	151	74%	1,421	9%	5%	0
	4	5,923	5,735	188	60%	5,837	21%	27%	2
	5	4,218	2,031	2,187	55%	3,256	14%	20%	1
	6	1,580	1,080	500	55%	1,369	9%	24%	2
	7	1,850	840	1,010	66%	1,510	4%	13%	2
	8	574	401	173	70%	526	3%	19%	2
	9	169	102	67	55%	131	22%	116%	4
	10	203	188	15	50%	194	68%	358%	25
	11	31	31	0		30		0%	20
TOTAL		**174,362**	**168,037**	**6,325**	**69%**	**171,961**	**7%**	**3%**	**58**
Institutions	1	25,259	20,543	4,716	67%	23,884	14%	4%	1
	2	29,934	24,051	5,883	70%	28,475	10%	5%	2
	3	18,890	14,994	3,896	69%	17,673	26%	13%	4
	4	7,037	5,035	2,002	61%	6,349	30%	26%	3
	5	7,442	6,018	1,424	64%	6,914	33%	41%	8
	6	3,337	2,204	1,133	57%	2,910	40%	78%	12
	7	3,460	2,606	854	58%	3,087	25%	74%	22
	8	1,804	1,214	590	57%	1,586	23%	87%	25
	9	946	586	360	58%	805	26%	226%	45
	10	863	168	695	78%	726	26%	155%	40
	11	919	864	55	99%	933		5%	234
	12	213	207	6	100%	216		2%	143
TOTAL		**100,104**	**78,490**	**21,614**	**67%**	**93,558**	**19%**	**20%**	**539**
Corporates	1	10,280	2,829	7,451	53%	6,787	23%	8%	1
	2	62,360	17,414	44,946	57%	42,998	36%	11%	5
	3	55,959	18,842	37,117	53%	38,402	37%	20%	12
	4	69,439	28,766	40,673	58%	51,632	33%	27%	28
	5	73,445	37,659	35,786	64%	58,489	31%	40%	67
	6	76,646	45,447	31,199	69%	64,687	24%	50%	173
	7	55,747	34,261	21,486	73%	48,459	23%	71%	331
	8	19,894	13,808	6,086	76%	18,217	22%	83%	260
	9	4,307	3,220	1,087	59%	3,858	23%	111%	104
	10	6,037	4,146	1,891	66%	5,253	23%	125%	229
	11	9,072	7,849	1,223	81%	8,695		14%	3,628
	12	2,955	2,784	171	87%	2,949		1%	2,371
TOTAL		**446,141**	**217,025**	**229,116**	**62%**	**350,426**	**29%**	**41%**	**7,209**
TOTAL		**720,607**	**463,552**	**257,055**	**62%**	**615,945**	**21%**	**27%**	**7,806**

In millions of euros	Internal rating	Total exposure	Balance sheet exposure	Off-balance sheet exposure	Average off-balance sheet CCF	Exposure at Default (EAD)	Average LGD	Average RW	Expected loss
									31 December 2009
Central governments and central banks	1	161,739	159,338	2,401	91%	162,581	9%	0%	0
	2	8,508	7,539	969	88%	8,354	4%	1%	0
	3	2,961	2,794	167	76%	2,904	19%	16%	0
	4	1,490	1,356	134	96%	1,492	15%	14%	0
	5	3,372	1,651	1,721	56%	2,608	17%	22%	2
	6	1,400	998	402	60%	1,241	12%	31%	2
	7	1,175	742	433	55%	981	9%	24%	2
	8	571	395	176	54%	491	10%	35%	3
	9	18	18	0	50%	18	6%	32%	0
	10	355	159	196	79%	306	35%	190%	20
	11	102	26	76	94%	97		0%	25
TOTAL		**181,691**	**175,016**	**6,675**	**76%**	**181,073**	**9%**	**2%**	**54**
Institutions	1	26,106	20,089	6,017	68%	24,380	12%	4%	1
	2	41,112	34,377	6,735	68%	38,733	22%	6%	3
	3	13,647	9,759	3,888	71%	12,545	31%	16%	3
	4	9,861	7,204	2,657	63%	8,870	38%	27%	6
	5	7,548	6,030	1,518	68%	7,101	34%	40%	8
	6	3,840	2,316	1,524	67%	3,382	34%	68%	11
	7	2,257	1,523	734	68%	2,019	38%	115%	20
	8	2,295	1,458	837	55%	1,948	18%	68%	23
	9	626	298	328	59%	501	34%	155%	19
	10	878	474	404	59%	718	26%	141%	32
	11	1,236	957	279	84%	1,184		7%	250
	12	295	288	7	96%	287		1%	58
TOTAL		**109,701**	**84,773**	**24,928**	**67%**	**101,668**	**24%**	**18%**	**434**
Corporates	1	10,268	3,160	7,108	58%	7,271	33%	8%	1
	2	50,784	15,527	35,257	61%	36,841	35%	11%	5
	3	51,140	16,827	34,313	57%	36,253	37%	21%	11
	4	69,990	30,450	39,540	62%	54,038	35%	31%	33
	5	67,796	38,195	29,601	67%	56,708	32%	44%	70
	6	75,122	45,345	29,777	73%	64,349	26%	53%	168
	7	53,606	35,069	18,537	76%	47,737	26%	75%	349
	8	18,121	12,221	5,900	80%	16,790	23%	86%	251
	9	3,934	2,777	1,157	63%	3,500	27%	126%	108
	10	5,859	4,266	1,593	78%	5,481	23%	122%	249
	11	9,831	8,334	1,497	81%	9,395		23%	4,191
	12	2,549	2,333	216	85%	2,545		4%	2,587
TOTAL		**419,000**	**214,504**	**204,496**	**66%**	**340,908**	**31%**	**44%**	**8,023**
TOTAL		**710,392**	**474,293**	**236,099**	**66%**	**623,649**	**24%**	**28%**	**8,511**

Most of the Group's central governments and central banks and institutions counterparties are of very high credit quality and based in developed countries, meaning that they have excellent internal ratings and very low average Loss Given Default. However, the public deficits increase following the crisis has led the Group to downgrade some sovereign counterparties, contributing to the outstandings variations by ratings between the end of 2009 and the end of 2010, in particular the decrease of the outstandings rated 1 and 3 and the increase of the outstandings rated 2 and 4.

The majority of the Group's corporate commitments concerns counterparties of excellent or good quality, reflecting the large part of multinationals in BNP Paribas' customer base. Others exposures are mainly structured transactions or transactions secured by high-quality assets, reflected in their average LGD levels.

Retail portfolio

The following table gives the breakdown by internal rating of the retail loans and commitments for all of the Group's business lines using the advanced IRB approach. This exposure represented EUR 198 billion at 31 December 2010, compared with EUR 184 billion at 31 December 2009, and primarily concerns French Retail Banking (FRB), BeLux Retail Banking and consumer loan subsidiaries of Personal Finance in Western Europe.

In millions of euros	31 December 2010								
	Internal rating	Total exposure	Balance sheet exposure	Off-balance sheet exposure	Average off-balance sheet CCF	Exposure at Default (EAD)	Average LGD	Average RW	Expected loss
Mortgages	2	23,388	22,314	1,074	100%	23,406	14%	1%	1
	3	10,679	10,077	602	100%	10,725	14%	3%	2
	4	11,460	10,955	505	100%	11,489	14%	5%	3
	5	24,094	23,165	929	100%	24,087	13%	9%	13
	6	13,298	12,980	318	100%	13,174	11%	20%	16
	7	7,548	6,984	564	100%	7,510	11%	31%	24
	8	640	603	37	100%	650	9%	50%	10
	9	1,324	1,301	23	100%	1,327	16%	84%	26
	10	708	696	12	100%	707	14%	79%	29
	11	146	146	0	100%	146		200%	16
	12	924	921	3	100%	920		0%	118
TOTAL		**94,209**	**90,142**	**4,067**	**100%**	**94,141**	**13%**	**11%**	**258**
Revolving exposures	2	900	203	697	52%	1,778	50%	1%	0
	3	1,698	365	1,333	22%	1,764	49%	2%	0
	4	4,632	277	4,355	45%	2,746	56%	5%	3
	5	5,129	369	4,760	41%	2,800	50%	9%	5
	6	5,114	677	4,437	33%	2,508	48%	20%	13
	7	5,055	2,193	2,862	49%	3,757	42%	38%	47
	8	1,716	1,172	544	49%	1,501	44%	65%	41
	9	1,070	845	225	49%	1,032	47%	100%	56
	10	1,438	1,187	251	44%	1,338	48%	138%	200
	11	1,446	1,017	429	4%	1,038		86%	546
	12	458	458	0	101%	458		0%	274
TOTAL		**28,656**	**8,763**	**19,893**	**40%**	**20,720**	**48%**	**34%**	**1,185**
Other exposures	1	2	2	0		2	32%	18%	0
	2	3,774	2,955	819	100%	3,660	34%	4%	0
	3	3,906	3,127	779	93%	3,862	35%	8%	1
	4	6,193	5,184	1,009	88%	6,169	35%	13%	3
	5	15,252	12,738	2,514	94%	14,843	28%	22%	19
	6	14,075	12,743	1,332	87%	13,633	22%	28%	35
	7	13,898	12,679	1,219	90%	13,693	21%	35%	83
	8	7,115	6,626	489	85%	7,082	19%	38%	93
	9	3,440	3,308	132	86%	3,500	30%	58%	123
	10	3,031	2,972	59	90%	3,033	27%	67%	289
	11	2,847	2,804	43	83%	2,827		88%	1,356
	12	1,906	1,894	12	100%	1,966		0%	1,071
TOTAL		**75,439**	**67,032**	**8,407**	**91%**	**74,270**	**26%**	**30%**	**3,074**
TOTAL		**198,304**	**165,937**	**32,367**	**61%**	**189,131**	**22%**	**21%**	**4,516**

In millions of euros	Internal rating	Total exposure	Balance sheet exposure	Off-balance sheet exposure	Average off-balance sheet CCF	Exposure at Default (EAD)	Average LGD	Average RW	Expected loss
	31 December 2009								
Mortgages	2	20,751	19,957	794	100%	20,750	15%	1%	1
	3	9,589	9,274	315	100%	9,588	15%	3%	1
	4	11,055	10,656	399	100%	11,045	14%	5%	3
	5	22,036	21,308	728	100%	22,009	13%	9%	12
	6	11,165	10,805	360	100%	11,136	11%	20%	20
	7	6,230	5,874	356	100%	6,216	12%	31%	22
	8	441	430	11	100%	440	12%	48%	4
	9	1,169	1,150	19	100%	1,169	17%	87%	23
	10	592	584	8	100%	591	15%	84%	22
	11	457	457	0	100%	457		44%	102
	12	454	451	3	100%	450		0%	40
TOTAL		**83,939**	**80,946**	**2,993**	**100%**	**83,851**	**14%**	**11%**	**250**
Revolving exposures	2	1,333	346	987	48%	1,962	47%	1%	0
	3	2,179	477	1,702	58%	2,549	57%	3%	1
	4	3,164	302	2,862	44%	2,011	52%	5%	2
	5	5,887	449	5,438	50%	3,598	46%	8%	6
	6	5,390	958	4,432	54%	3,685	45%	20%	18
	7	4,171	1,945	2,226	60%	3,421	43%	39%	44
	8	1,997	1,304	693	65%	1,808	46%	68%	52
	9	1,045	840	205	62%	1,035	46%	97%	54
	10	1,588	1,299	289	46%	1,466	48%	138%	204
	11	1,786	1,409	377	6%	1,434		45%	810
TOTAL		**28,540**	**9,329**	**19,211**	**52%**	**22,969**	**47%**	**32%**	**1,191**
Other exposures	1	17	17	0	100%	17	19%	2%	0
	2	3,623	3,030	593	98%	3,472	35%	4%	0
	3	4,463	3,658	805	92%	4,242	35%	8%	1
	4	7,541	6,234	1,307	88%	7,289	34%	12%	4
	5	12,546	10,592	1,954	89%	12,319	33%	23%	18
	6	12,220	10,596	1,624	84%	11,907	28%	31%	36
	7	12,371	11,159	1,212	82%	12,066	23%	34%	74
	8	7,518	6,977	541	78%	7,410	22%	38%	98
	9	3,409	3,259	150	81%	3,451	30%	57%	120
	10	3,256	3,196	60	91%	3,245	24%	57%	269
	11	4,627	4,472	155	93%	4,596		40%	2,657
	12	312	297	15	80%	303		0%	782
TOTAL		**71,903**	**63,487**	**8,416**	**87%**	**70,317**	**29%**	**29%**	**4,059**
TOTAL		**184,382**	**153,762**	**30,620**	**66%**	**177,137**	**24%**	**21%**	**5,500**

Most of the mortgage exposures concern the French Retail Banking business (FRB), BNP Paribas Fortis and BGL BNP Paribas. Mortgages are issued according to strict and well-defined procedures. The low average Loss Given Default level reflects the guarantees put in place when the mortgages were granted.

Most of the revolving exposures and other exposures relate to consumer loans subsidiaries that have a wide range of customers in terms of credit quality and a lower level of guarantees.

For the scope under the IRB approach, the Group believes that publishing a comparison between Expected Losses (EL) at one year and realised cost of risk (as requested by Article 384-4 i. of the Regulation) is not relevant for the following reasons:

- risk parameters used to calculate Expected Loss (EL) at a one-year horizon according to Basel II principles, displayed in the previous tables, are statistical estimates through the cycle.
- realised losses, on the other hand, refer to the past period, therefore at a particular point in time.

5

CREDIT RISK: STANDARDISED APPROACH

(See note 4.d. to the Financial Statements, Credit and counterparty risk: Quality of the portfolio exposed to credit risk)

The following table gives the breakdown by counterparty credit rating of the loans and commitments for all the Group business lines using the standardised approach. This exposure represented EUR 378 billion of the gross credit risk at 31 December 2010, compared with EUR 377 billion at 31 December 2009.

In millions of euros	External rating (*)	31 December 2010 Gross exposure (**)	31 December 2010 Exposure at Default (EAD)	31 December 2010 Risk-weighted exposure (RWA)	31 December 2009 Gross exposure (**)	31 December 2009 Exposure at Default (EAD)	31 December 2009 Risk-weighted exposure (RWA)
Central governments and central banks	AAA to AA-	11,516	11,486	91	18,882	18,814	195
	A+ to A-	1,947	1,903	135	1,808	1,737	108
	BBB+ to BBB-	1,829	1,801	908	7,324	7,291	3,006
	BB+ to BB-	2,299	2,296	2,227	2,140	2,137	2,137
	B+ to B-	990	990	993	350	345	343
	No external rating	1,037	1,036	826	855	803	810
TOTAL		**19,618**	**19,512**	**5,180**	**31,359**	**31,127**	**6,599**
Institutions	AAA to AA-	22,219	20,557	4,166	20,418	19,064	3,737
	A+ to A-	574	475	236	698	619	254
	BBB+ to BBB-	1,124	829	723	662	542	423
	BB+ to BB-	651	517	517	145	63	62
	B+ to B-	245	209	209	40	36	35
	CCC+ to D	0	0	0	7	5	7
	No external rating	2,404	2,184	1,386	6,691	5,969	3,017
TOTAL		**27,217**	**24,771**	**7,237**	**28,661**	**26,298**	**7,535**
Corporates	AAA to AA-	1,516	1,463	546	887	862	167
	A+ to A-	1,072	948	477	1,113	1,078	539
	BBB+ to BBB-	549	435	436	671	582	582
	BB+ to BB-	425	359	360	444	389	388
	B+ to B-	437	398	602	219	167	250
	CCC+ to D	9	7	10	78	77	115
	No external rating	150,675	114,149	109,022	145,929	113,419	106,205
TOTAL		**154,683**	**117,759**	**111,453**	**149,341**	**116,575**	**108,246**
Retail	No external rating	176,009	145,748	81,826	167,960	138,593	79,132
TOTAL		**176,009**	**145,748**	**81,826**	**167,960**	**138,593**	**79,132**
TOTAL		**377,527**	**307,790**	**205,696**	**377,321**	**312,593**	**201,512**

(*) *According to Standard & Poor's.*
(**) *Balance sheet and off-balance sheet.*

The table above excludes counterparty risk, other non-credit-obligation assets and securitisation positions.

At 31 December 2010, 84% of the Group's total exposure to central governments, central banks, and institutions was investment grade, compared with 83% at 31 December 2009.

Group entities that use the standardised approach to calculate their capital requirement typically have a business model focused primarily on individuals or SMEs or are located in a region of the world with an underdeveloped credit rating system (Turkey, Ukraine, Middle East, etc.). As a result, most of corporate counterparties do not have an external rating under the standardised approach.

EXPOSURE IN DEFAULT, PROVISIONS AND COST OF RISK

(See note 4.d to the Financial Statements-Credit and counterparty risk, in particular impairment procedures and loans with past-due instalments, whether impaired or not, and related collateral or other security – Table 9).

➤ EXPOSURE IN DEFAULT BY GEOGRAPHIC BREAKDOWN

	31 December 2010			
		Exposure in default(*)		
In millions of euros	Gross exposure	Standardised approach	IRBA	Fair value adjustment
France	343,764	3,555	8,225	5,523
Belgium & Luxembourg	180,919	156	4,615	2,093
Italy	155,504	10,397	128	5,369
United Kingdom	57,292	179	1,362	1,335
Netherlands	48,400	41	614	175
Germany	37,070	213	567	398
Other West European countries	112,788	1,643	2,485	2,354
Central Eastern Europe	38,970	2,376	863	1,967
Turkey	20,898	348	9	237
Mediterranean	19,121	543	195	474
Gulf States & Africa	33,670	434	1,178	659
North America	165,363	1,265	2,189	954
Latin America	31,383	499	700	776
Japan & Australia	43,523	38	751	343
Emerging Asian countries	64,889	147	231	178
TOTAL	**1,353,554**	**21,834**	**24,112**	**22,835**

(*) *Gross exposure (balance sheet and off-balance sheet) before collateral or other security*

In millions of euros	Gross exposure	Exposure in default (*) Standardised approach	IRBA	Fair value adjustment
				31 December 2009
France	341,622	3,144	7,906	5,534
Belgium & Luxembourg	171,809	215	4,070	2,742
Italy	162,469	7,719	615	4,369
United Kingdom	55,961	183	1,361	1,078
Netherlands	37,592	55	283	323
Germany	35,765	198	755	512
Other West European countries	107,976	1,638	2,183	1,544
Central Eastern Europe	45,881	2,119	1,074	1,277
Turkey	16,946	431	12	225
Mediterranean	27,195	634	200	642
Gulf States & Africa	31,363	437	901	466
North America	175,537	1,537	2,687	1,291
Latin America	27,214	351	719	770
Japan & Australia	41,977	51	811	415
Emerging Asian countries	50,669	102	360	196
TOTAL	**1,329,976**	**18,814**	**23,937**	**21,384**

(*) *Gross exposure (balance sheet and off-balance sheet) before collateral or other security*

➤ EXPOSURES IN DEFAULT, FAIR VALUE ADJUSTMENTS, AND COST OF RISK BY BASEL II ASSET CLASS

The cost of risk in the table below relates to credit risk only and does not include impairments of counterparty risk on market financial instruments. *(See note 2.f to the Financial Statements, Cost of risk.)*

In millions of euros	Gross exposure	Exposure in default (*) Standardised approach	IRBA	Fair value adjustment	Total portfolio provisions	Cost of risk
						31 December 2010
Central governments and central banks	193,980	26	32	65		
Corporates	600,824	9,947	12,027	11,382		
Institutions	127,321	548	1,132	638		
Retail	374,313	10,756	7,726	9,535		
Securitisation positions	57,116	557	3,195	1,215		
TOTAL	**1,353,554**	**21,834**	**24,112**	**22,835**	**5,495**	**(4,635)**

(*) Gross exposure (balance sheet and off-balance sheet) before collateral or other security.

In millions of euros	Gross exposure	Exposure in default (*) Standardised approach	Exposure in default (*) IRBA	Fair value adjustment	Total portfolio provisions	Cost of risk
	31 December 2009					
Central governments and central banks	213,050	92	102	90		
Corporates	568,341	7,782	12,380	9,734		
Institutions	138,362	432	1,531	596		
Retail	352,342	9,501	7,636	9,492		
Securitisation positions	57,881	1,007	2,288	1,472		
TOTAL	**1,329,976**	**18,814**	**23,937**	**21,384**	**5,661**	**(8,239)**

(*) Gross exposure (balance sheet and off-balance sheet) before collateral or other security.

➤ PERFORMING EXPOSURES WITH PAST DUE INSTALMENTS BY BASEL II ASSET CLASS AND CALCULATION APPROACH

In millions of euros	Up to 90 days	Between 90 days and 180 days	Between 180 days and 1 year	More than 1 year	Total
	31 December 2010 – Maturities of unimpaired past-due loans (*)				
Central governments and central banks	80	3	1	0	84
Corporates	4,475	263	23	55	4,816
Institutions	155	0	3	23	181
Retail	4,092	181	11	34	4,318
TOTAL STANDARDISED APPROACH	**8,802**	**447**	**38**	**112**	**9,399**
Central governments and central banks	24			16	40
Corporates	2,539	27	31	101	2,698
Institutions	173	3		1	177
Retail	3,203	45	16	15	3,279
TOTAL IRB APPROACH	**5,939**	**75**	**47**	**133**	**6,194**
TOTAL	**14,741**	**522**	**85**	**245**	**15,593**

(*) *Based on FINREP, gross exposure (balance sheet) before collateral or other security.*

COUNTERPARTY RISK

(See note 4.d to the Financial Statements - Credit and counterparty risk)

The Group's counterparty risk exposures on derivatives cover all derivatives in BNP Paribas portfolios, whatever the underlying assets or divisions. Most of these exposures concern the Fixed Income business line.

The exposure on securities financing transactions and deferred settlement transactions concern the Fixed Income business (primarily bonds), the Equity and Advisory business, primarily equity (stock lending and borrowing) and BNP Paribas Securities Services (BP2S), both bonds and equity.

EXPOSURES AT DEFAULT (EAD) BY CALCULATION APPROACH

In millions of euros	31 December 2010						
	Internal model (EEPE) (*)			NPV (**) + Add-On			TOTAL
	IRBA	Standardised	Sub-total	IRBA	Standardised	Sub-total	
Derivatives	59,491	67	59,558	13,094	3,401	16,495	76,053
Securities financing transactions and deferred settlement transactions	13,715	3	13,718	2,544		2,544	16,262
TOTAL	**73,206**	**70**	**73,276**	**15,638**	**3,401**	**19,040**	**92,315**

In millions of euros	31 December 2009						
	Internal model (EEPE) (*)			NPV (**) + Add-On			
	IRBA	Standardised	Sub-total	IRBA	Standardised	Sub-total	TOTAL
Derivatives	62,028	89	62,117	16,715	4,822	21,537	83,654
Securities financing transactions and deferred settlement transactions	12,898	0	12,898	3,397	12	3,409	16,307
TOTAL	**74,926**	**89**	**75,015**	**20,112**	**4,834**	**24,946**	**99,961**

(*) *Effective Expected Positive Exposure.*
(**) *Net Present Value.*

Most of the Exposures at Default (EAD) on counterparty risk are measured using internal models as described in note 4.d. to the Financial Statements, and collateral on derivatives is taken into account directly in the calculation of Effective Expected Positive Exposure (EEPE).

For the Group's exposure that is not calculated using internal models (about 3% of total exposures of historical scope of BNP Paribas, including Fortis scope since 2009), Exposure at Default is calculated using the market value method (Net Present Value + Add-On).

For the credit derivatives exposures, the internal model incorporates a correlation between market data and probabilities of default. Exposure is therefore conditional on default, and accounts for wrong-way risk. On a case-by-case basis, Exposure at Default on material transactions is re-estimated using special models that take into account the adverse correlation risk. Furthermore, specific additional stress tests are performed as part of the monitoring of transactions exhibiting wrong-way risk.

The collateral guarantees applied as a reduction of EAD under the standardised method amounted to EUR 199 million at 31 December 2010.

The Risk-weighted assets for counterparty risk are then calculated by multiplying EAD by a risk weight that depends on the approach used (standardised or IRB Approach).

When EAD is modelled and weighted using the IRB Approach, LGD is not adjusted for collateral guarantees because the collateral amount is directly taken into account in the calculation of Effective Expected Positive Exposure.

Exposure to counterparty risk declined between 31 December 2009 and 31 December 2010 due to derivatives positions, primarily on NPV + Add-On exposures within BNP Paribas Fortis.

SECURITISATION TRANSACTIONS

BNP PARIBAS SECURITISATION ACTIVITY

(See note 4.d to the Financial Statements - Credit and counterparty risk: securitisation)

ACCOUNTING METHODS

(See note 1.d to the Financial Statements - Summary of significant accounting policies applied by the Group)

SECURITISED EXPOSURES

(See note 4.d to the Financial Statements - Credit and counterparty risk: securitisation)

➤ SECURITISED EXPOSURES ORIGINATED BY BNP PARIBAS BY SECURITISATION TYPE

In millions of euros		Securitised exposures originated by BNP Paribas	
Securitisation type	**Calculation approach**	**31 December 2010**	**31 December 2009**
Traditional	IRBA	13,312	14,066
	Standardised	2,890	4,701
TOTAL		**16,202**	**18,767**

➤ SECURITISED EXPOSURES ORIGINATED BY BNP PARIBAS BY UNDERLYING ASSET CATEGORY

In millions of euros	Securitised exposures originated by BNP Paribas	
Asset category (*)	**31 December 2010**	**31 December 2009**
Residential mortgages	14,277	16,584
Loans to corporates or SMEs	787	909
Re-securitisation	928	956
Other assets	210	318
TOTAL	**16,202**	**18,767**

(*) *This breakdown is based on the predominant underlying asset in the securitisation.*

At 31 December 2010, five securitisation transactions, all on residential mortgages, were efficient from a Basel II perspective: Vela Home 3, originated by BNL; UCI 14, UCI 15, UCI 16 and UCI 17, originated by the Spanish subsidiary UCI, for a total exposure of EUR 2.7 billion.

At the same date, no consumer loan securitisation transaction was efficient from a Basel II perspective.

At 31 December 2010, EUR 0.8 billion of loans to corporates had been securitised within transactions arranged by the Group.

The EUR 0.9 billion of re-securitisation exposures are due to BNP Paribas Fortis integration. Furthermore, the securitisation exposures of the special purpose vehicle Royal Park Investment (RPI), EUR 11.5 billion, are essentially made up of residential mortgages.

SECURITISATION POSITIONS

Securitisation positions held or acquired, by calculation approach

Under the standardised approach, risk-weighted assets are calculated by multiplying Exposure at Default by a risk weight based on an external rating of the securitisation position, as required by Article 222 of the French Decree of 20 February 2007. In a small number of cases, a look-through approach may be applied. Securitisation positions rated B+ or lower or without an external rating are given a risk weighting of 1,250%. The standardised approach is used for securitisation positions originated by BNL or UCI and for securitisation investments made by BancWest and the Investment Solutions division.

Under the IRB Approach, risk-weighted assets are calculated according to one of the following methods:

- If the securitisation position has an external rating, the Group uses an external rating-based method whereby the position's risk weight is determined directly from a correspondence table provided by the banking supervisor that matches risk weights to external ratings;
- If the securitisation position does not have an external rating, and if BNP Paribas is the originator or sponsor, the Group uses the Supervisory Formula Approach. In this approach the risk weight is calculated from a formula provided by the banking supervisor that factors in the internal credit rating of the underlying asset portfolio, as well as the structure of the transaction (most notably the amount of credit enhancement subscribed out by the Group);
- The internal ratings approach is applied for liquidity facilities in the ABCP programmes of the BNP Paribas Fortis and BGL BNP Paribas portfolios for which there are no external ratings. This approach has been approved by the CBFA;
- A look-through approach may be applied to derive the risk weight in a very small number of cases.

At 31 December 2010, the IRB Approach is used for positions held by the CIB division and BNP Paribas Fortis.

For rated securitisation positions, the Group uses external ratings from the Standard & Poor's, Moody's, and Fitch rating agencies. These ratings are mapped to equivalent credit quality levels in accordance with the instructions of the French banking supervisor.

In millions of euros	31 December 2010		31 December 2009	
Calculation approach	Securitisation positions held or acquired (EAD)	Risk-weighted assets	Securitisation positions held or acquired (EAD)	Risk-weighted assets
IRBA	48,147	22,916	46,817	22,753
Standardised	3,784	2,288	5,260	7,483
TOTAL	**51,931**	**25,204**	**52,077**	**30,236**

Risk-weighted assets corresponding to securitisation positions held or acquired by the Group amounted to EUR 25 billion at 31 December 2010 (4% of BNP Paribas total risk-weighted assets), compared with EUR 30.2 billion (4.9%) at 31 December 2009.

The change reflects primarily the amortisation of securitisation portfolio and transfers realised in 2010.

SECURITISATION POSITIONS HELD OR ACQUIRED, BY UNDERLYING ASSET CATEGORY

In millions of euros	Securitisation positions held or acquired (EAD)	
BNP Paribas role	**Asset category (*)**	**31 December 2010**
Originator	Residential mortgages	4,201
	Loans to corporates or SMEs	130
	Re-securitisation positions	16
	Other assets	4
TOTAL ORIGINATOR		**4,351**
Sponsor	Residential mortgages	819
	Consumer loans	2,087
	Credit card receivables	810
	Loans to corporates or SMEs	4,395
	Commercial and industrial loans	3,714
	Commercial real-estate properties	884
	Finance leases	2,713
	Re-securitisation positions	880
	Other assets	1,138
TOTAL SPONSOR		**17,440**
Investor	Residential mortgages	14,639
	Consumer loans	4,054
	Credit card receivables	180
	Loans to corporates or SMEs	6,120
	Commercial and industrial loans	31
	Commercial real-estate properties	3,829
	Finance leases	226
	Re-securitisation positions	423
	Other assets	638
TOTAL INVESTOR		**30,140**
TOTAL		**51,931**

(*) *Based on the predominant asset class in the asset pool of the securitisation in which the position is held.*

SECURITISATION POSITION QUALITY

At 31 December 2010, 89% of the securitisation positions held or acquired by the Group were senior tranches, compared with 87% at 31 December 2009, reflecting the high quality of the Group's portfolio. The corresponding Exposures at Default (EADs) and risk weights are given in the following tables:

In millions of euros	Securitisation positions held or acquired (EAD)	
Tranche quality	**31 December 2010**	**31 December 2009**
Senior tranche	46,091	45,343
Mezzanine tranche	5,162	6,193
First-loss tranche	678	541
TOTAL	**51,931**	**52,077**

SECURITISATION POSITIONS BY APPROACH, CALCULATION METHOD, AND RISK WEIGHT

IRB approach

In millions of euros	Securitisation positions held or acquired (EAD)	
Calculation method	**31 December 2010**	**31 December 2009**
6% - 10%	24,151	20,842
12% - 18%	1,860	1,890
20% - 35%	3,514	2,753
50% - 75%	1,131	870
100%	456	386
250%	290	145
425%	350	155
650%	115	84
External ratings based method	**31,867**	**27,125**
1,250%	**1,600**	**2,065**
Internal Assessment Approach	**1,856**	**2,005**
[0%- 7%]	8,145	10,179
]7% - 100%]	3,986	4,871
]100% - 350%]	164	43
]350% - 1,250%]	529	529
Supervisory Formula Approach	**12,824**	**15,622**
TOTAL	**48,147**	**46,817**

Out of the EUR 32 billion of securitisation positions with an external ratings:

- 76% by EAD are rated above A+ and therefore have a risk weight of less than 10% at 31 December 2010, compared with 77% at 31 December 2009;
- the great majority (93% by EAD, versus 94% at 31 December 2009) are rated above BBB+ at 31 December 2010.

Standardised approach

In millions of euros	Securitisation positions held or acquired (EAD)	
Risk weight	**31 December 2010**	**31 December 2009**
20%	2,808	3,508
50%	355	537
100%	294	246
350%	162	347
External ratings based method	**3,619**	**4,638**
1,250%	**162**	**614**
Look-through approach	**3**	**8**
TOTAL	**3,784**	**5,260**

Of the EUR 3.6 billion of securitisation positions with an external rating, a large majority (78% by EAD at 31 December 2010, compared with 76% at 31 December 2009) are rated above AA- and therefore bear a risk weight of 20%.

Customer securitisation programmes

(See section 3.3, Business activity and accounting items in 2010, Selected exposures based on Financial Stability Board recommendations)

The BNP Paribas Group carries out securitisation programmes involving the creation of special-purpose entities on behalf of its customers. These programmes have liquidity facilities and, where appropriate, guarantee facilities. Special-purpose entities over which the Group does not exercise control are not consolidated.

CREDIT RISK MITIGATION TECHNIQUES

Credit risk mitigants (CRM) are taken into account according to the Basel II rules. In particular, their effect is assessed under conditions characteristic of an economic downturn. The CRM fall into two main categories:

Guarantees on the one hand, and collateral on the other hand.

- A guarantee (surety) is the commitment by a third party to replace the primary obligor in the event of default. By extension, credit insurance and credit derivatives (purchased protection) fall into this category.
- Collateral pledged to the Bank are used to secure timely performance of a borrower's financial obligations.

For the scope under the IRB approach, guarantees and collaterals are taken into account, provided they are eligible, by decreasing the Loss Given Default (LGD) parameter that applies to the transactions of the banking book.

For the scope under the standardised approach, guarantees are taken into account, provided they are eligible, by applying the more favourable risk weight of the guarantor to a portion of the secured exposure adjusted for currency and maturity mismatches. Collateral is taken into account as a decrease in the exposure, after adjustment for any currency and maturity mismatches.

Guarantors are subject to the same rigorous credit risk assessment process as primary obligors.

The assessment of credit risk mitigating effect follows a methodology that is approved centrally for each activity and is used throughout the Group. In the CIB division, risk mitigation effects take account of possible correlation between the guarantor and the borrower (for example, whether they belong to the same industry sector). Credit committees must approve the mitigation effects attributed to each loan at inception and at each subsequent annual review.

Collateral is divided into two categories: financial collateral and other collateral:

- Financial collateral consists of cash amounts (including gold), equities (listed or unlisted) and bonds.
- Other collateral can take the form of real estate mortgage, pledge on vessel or aircraft, pledge on stock, assignment of contracts or any other right with respect to an asset of the obligor.

To be eligible, collaterals must fulfil the following conditions:

- the value of the collateral must not be highly correlated with the risk on the obligor (in particular, shares of the obligor are not eligible);
- the pledge must be documented;
- the Bank must be able to assess the value of the collateral security under economic downturn conditions;
- the Bank must have reasonable comfort in the potential appropriation and realisation of the asset concerned.

In the CIB division, each collateral is evaluated using appropriate techniques, and the mitigating effect is evaluated individually for each case. In the Retail Banking business, the presence or absence of a particular type of collateral may, depending on the coverage ratio, lead to assigning the exposure to particular LGD class on a statistical basis.

Guarantees are granted by the obligor's parent company or by other entities such as financial institutions. Other examples of guarantees are credit derivatives, guarantees from public or private insurers.

A guarantee cannot be eligible to improve the risk parameters of a transaction unless the guarantor is rated better than the counterparty, and the guarantor is subject to same requirements as the primary debtor in terms of prior credit analysis.

In accordance with general rating policy, collateral and guarantees are taken into account at their economic value and are only accepted as the principal source of repayment by exception. In the context of commodities financing, for example, the repayment capacity of the obligor must be assessed on the basis of its operating cash flow.

The economic value of the collateralised assets must be assessed with great objectivity and the Bank has to document it. It may be a market value, a value appraised by an expert, a book value. The economic value is the current value at the date of appraisal and not a worst case value.

Lastly, Group procedures require a re-evaluation of collaterals at least annually.

➤ IRB APPROACH – CORPORATE PORTFOLIO

The following table gives for the Corporate portfolio the breakdown by Basel asset class of the risk mitigation resulting from collateral and guarantees relating to the portfolio of loans and credit commitments for all the Group's business lines using the advanced IRB approach.

	31 December 2010			
		Risk mitigation		
In millions of euros	Total exposure	Guarantees and credit derivatives	Collateral	Total guarantees and collaterals
Central governments and central banks	174,362	5,106	31,523	36,630
Corporates	446,141	80,885	72,338	153,223
Institutions	100,104	4,903	10,228	15,131
TOTAL	**720,607**	**90,894**	**114,089**	**204,983**

Guarantees on securitisation positions amounted to EUR 5.1 billion at 31 December 2010. The Belgian government's guarantee on the RPI senior tranches accounts for EUR 4.8 billion.

➤ STANDARDISED APPROACH – CORPORATE PORTFOLIO

The following table gives for the Corporate portfolio the breakdown by Basel asset class of the risk mitigation resulting from collateral and guarantees relating to the portfolio of loans and credit commitments for all the Group's business lines using the standardised approach.

	31 December 2010			
		Risk mitigation		
In millions of euros	Total exposure	Guarantees and credit derivatives	Collateral	Total guarantees and collaterals
Central governments and central banks	19,618		40	40
Corporates	154,683	761	7,921	8,682
Institutions	27,217	254	143	397
TOTAL	**201,518**	**1,015**	**8,104**	**9,119**

5.5 Market risk

MARKET RISK RELATED TO TRADING IN FINANCIAL INSTRUMENTS

CAPITAL REQUIREMENT FOR MARKET RISK BY CALCULATION APPROACH

Pending convergence, market risk is calculated using the two internal models that apply respectively to BNP Paribas excluding Fortis on the one hand and BNP Paribas Fortis on the other hand.

The market risk calculated using the standardised approach covers on the one hand the issuer risk of the BNP Paribas Fortis scope of consolidation for which the internal model cannot be used, and on the other hand the market risk of certain entities of the Group that are not covered by internal models.

The standardised approach is used to calculate foreign exchange risk for all banking and trading books, with the exception of BNP Paribas Fortis Belgium, whose foreign exchange risk is measured by BNP Paribas Fortis' VaR.

In millions of euros	31 December 2010			31 December 2009		
	Market risk excl. foreign exchange risk	Foreign exchange risk	Total market risk	Market risk excl. foreign exchange risk	Foreign exchange risk	Total market risk
Internal model	756	7	763	1,068	18	1,086
Standardised approach	79	533	612	310	497	807
TOTAL	**835**	**540**	**1,375**	**1,378**	**515**	**1,893**

MARKET RISKS RELATED TO THE TRADING BOOK

(See note 4.e to the Financial Statements - Market Risk related to financial instruments)

RISK MONITORING POLICY

(See note 4.e to the Financial Statements - Market Risk related to financial instruments)

➤ CAPITAL REQUIREMENT BY RISK FACTOR

Type of risk	31 December 2010	31 December 2009
Internal model	763	1,086
Standardised approach	612	807
Commodity risk	*15*	*32*
Interest rate risk	*62*	*278*
Equity position risk	*2*	*1*
Foreign exchange risk	*533*	*496*
TOTAL	**1,375**	**1,893**

INTERNAL MODEL FOR MARKET RISK

(See note 4.e to the Financial Statements - Market risk related to financial instruments)

Market risk under normal market conditions

(See note 4.e to the Financial Statements - Market risk related to trading in financial instruments)

Market risk under extreme market conditions

(See note 4.e to the Financial Statements - Market risk related to trading in financial instruments)

Along with the stress tests that the Group performs to simulate the impact of extreme market conditions on the value of trading portfolios, Group Risk Management has outlined stress test scenarios for each market activity in order to manage its risks, including the most complex ones.

The stress tests results are presented to business lines managers, and, new stress test limits are established if needed. Since the beginning of the subprime crisis, Group Risk Management has been performing daily stress tests in order to obtain an almost real-time assessment of any changes in the risk profile.

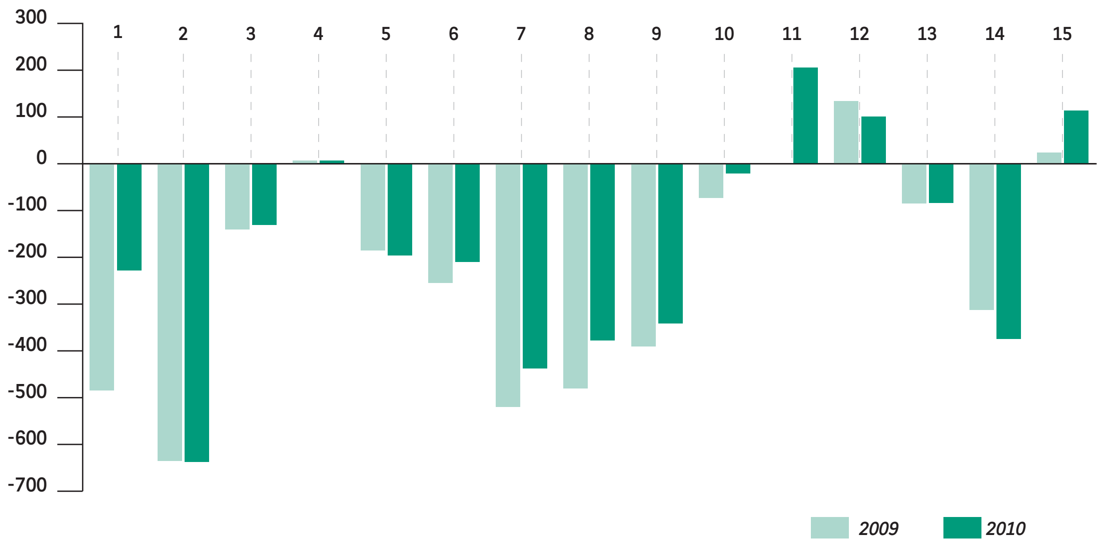
The fifteen stress test scenarios outlined by GRM correspond to crisis situations; i.e., major shocks affecting all market risk factors (interest rate, equity, credit, volatility, currency, etc.). These stress tests have revealed a limited level of potential losses, confirming the Group's strong resilience to market risks; none of these worst-case scenarios taken individually would have a serious adverse impact on the Bank's financial strength. It is nevertheless useful to keep in mind that scenarii 2 and 8 both materialised during the fourth quarter of 2008.

The fifteen scenarios simulate a variety of different stresses as follows:

- Scenario 1: Unexpected rate hike by central banks, driving short-term rates higher with a flattening of the interest rate curve;
- Scenario 2: Stock market crash, coupled with a flight to quality and central bank intervention, leading to a drop and a steepening of the interest rate curve;
- Scenario 3: Major terrorist attack in Western countries;
- Scenario 4: Collapse of US dollar;
- Scenario 5: Emerging market crisis driven from Asia;
- Scenario 6: Emerging markets crisis driven from Latin America;
- Scenario 7: Middle East crisis with severe consequences on energy markets;
- Scenario 8: Hedge Fund systemic crisis, leading to sharp moves in all markets where hedge funds are active (CDO correlation, convertibles, etc.);

- Scenario 9: Credit crunch, leading to a general risk aversion;
- Scenario 10: Euro confidence crisis;
- Scenario 11:Sharp increase in inflation expectations, driving rates higher with a steepening of the interest rate curve;
- Scenario 12: Change in Japanese monetary policy, with surge and flattening of the JPY interest rate curve and a strongly negative impact on the JPY currency;
- Scenario 13: Major earthquake in California with consequences on EUR/USD exchange rate and interest rate differentials;
- Scenario 14: Eruption of flu pandemic leading to a general risk aversion and sharp fall in equity and credit markets;
- Scenario 15: Mild rally in equity and emerging markets, low realised volatility and drop in implied volatility in all markets.

➤ AVERAGE ANNUAL DECREASE IN 2009 AND 2010 REVENUES FROM MARKET ACTIVITIES AS A RESULT OF EACH OF THE 15 STRESS SCENARIOS (IN MILLIONS OF EUROS)



The stress-test scenarios used by BNP Paribas Fortis and BGL BNP Paribas are slightly different from those used by BNP Paribas in its historical scope of consolidation. The work to achieve convergence of the market stress-testing methodologies is currently being finalised.

Trading book measurement method

The trading book is measured at fair value through profit or loss, as required by IAS 39.

MARKET RISK RELATED TO BANKING ACTIVITIES

EQUITY RISK

(See note 4.e to the Financial Statements - Market risk related to banking activities.)

The following table gives a breakdown of the Group's equity risk exposures by investment objective.

➤ BREAKDOWN OF RISK EXPOSURE BY INVESTMENT OBJECTIVE

	Exposure (*)	
In millions of euros	31 December 2010	31 December 2009
Strategic objective	2,254	3,139
Return on investment objective	6,017	5,646
Equity investments related to business	7,312	6,728
TOTAL	**15,883**	**15,513**

(*) *Fair value (balance sheet + off-balance sheet).*

Exposures at 31 December 2010 amounted to EUR 15.9 billion, versus EUR 15.5 billion at 31 December 2009. Off-balance sheet items amounted to EUR 5.1 billion at 31 December 2010, versus EUR 4.2 billion at 31 December 2009 and are guarantees given to UCITS shareholders.

FOREIGN EXCHANGE RISK

(See note 4.e to the Financial Statements - Market risk related to banking activities.)

INTEREST-RATE RISK

(See note 4.e to the Financial Statements - Market risk related to banking activities.)

5.6 Operational risk

RISK REDUCTION AND HEDGING POLICY

(See note 4.f to the Financial Statements - Operational risk : Risk management framework.)

APPROACH AND SCOPE

The Group Compliance department has outlined the Group's operational risk management approach, by delegation from the Risk Management Department. This approach uses an operational risk model scaled to be proportionate to the risk being incurred and aims to ensure that the vast majority of operational risks are covered.

The corresponding capital requirement is calculated for each legal entity in the BNP Paribas Group prudential scope. The amount of risk-weighted assets is calculated by multiplying the capital requirement by 12.5.

BNP Paribas uses a hybrid approach combining the Advanced Measurement Approach (AMA), standardised approach, and basic indicator approach.

For the Group in its pre-Fortis configuration, the AMA methodology has been deployed in the most significant entities of each division or retail banking operational entities. This includes most of FRB, CIB, and Investment Solutions.

Entities that are still in the process of deploying the AMA, such as BNL Spa, currently use the standardised approach. Some small, relatively non material entities in divisions primarily using the AMA also use the standardised approach.

The basic indicator approach is used in only a few situations, such as newly-acquired entities, proportionally consolidated entities (partnerships), or entities in certain emerging countries.

Several entities that were formerly part of Fortis, including BNP Paribas Fortis and BGL BNP Paribas, are also AMA-approved institutions with a similar framework to the one used at BNP Paribas. The capital requirement for the other smaller entities is calculated using the basic indicator approach. These approaches will gradually be melded into the BNP Paribas Group framework as entities are integrated, systems are migrated, and processes are approved by the banking supervisor.

ADVANCED MEASUREMENT APPROACH (AMA)

Under the Advanced Measurement Approach (AMA) for calculating capital requirements as deployed within the historical scope of BNP Paribas (before the acquisition of Fortis), the bank must develop an internal operational risk model based on internal loss data (historical and potential), external loss data, scenario analyses, environmental factors, and internal controls.

BNP Paribas' internal model meets the AMA criteria and includes the following features:

- the model uses an aggregate annual loss distribution, meaning that the frequency and severity of losses from operational risks are modelled using an actuarial approach and according to distributions calibrated with available data;
- it uses historical data as well as forecasts to calculate capital requirements, with a predominance for forecasts because forecast can be shaped to reflect severe risks;
- the model is faithful to its input data, so that its results can be used easily by each of the Group's business lines. Most of the assumptions are therefore included in the data themselves;
- it is prudent in its capital requirement calculations. The input data are thoroughly reviewed, and any supplemental data are added if needed to cover all relevant risks within the Group.

The AMA uses VaR (Value at Risk), or the maximum potential loss over one year, at a 99.9% confidence level to calculate regulatory capital requirements.

Capital requirements are calculated on an aggregate level using data from all Group entities that have adopted the AMA, then allocated to individual legal entities.

(See note 4.f to the Financial Statements - Operational risk)

FIXED-PARAMETER APPROACHES

BNP Paribas uses fixed-parameter approaches (basic or standardised) to calculate the capital requirements for entities in the Group's scope of consolidation that are not integrated in the internal model.

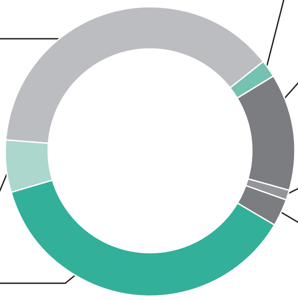
Basic indicator approach: The capital requirement is calculated by multiplying the entity's average net banking income (the exposure indicator) over the past three years by an alpha parameter set by the regulator (15% risk weight).

Standardised approach: The capital requirement is calculated by multiplying the entity's average net banking income over the past three years by a beta factor set by the regulator according to the entity's business category. Therefore in order to use the banking supervisor's beta parameters, the Group has divided all its business lines into the eight Basel II business categories, with each business line assigned to these categories, without exception nor overlap.

BNP PARIBAS GROUP OPERATIONAL RISK EXPOSURE

Basel II divides operational loss events into seven categories: (i) internal fraud, (ii) external fraud, (iii) employment practices and workplace safety (such as an anomaly in the recruitment process), (iv) customers, products and business practices (such as product defects, mis-selling, etc.), (v) damage to physical assets, (vi) business disruption and system failures, (vii) failures in process execution, delivery and management (data entry error, error in documentation, etc.).

OPERATIONAL LOSSES: BREAKDOWN BY EVENT TYPE (AVERAGE 2006 -2010) (*)



(*) Percentages in brackets correspond to average loss by type of event for the 2006-2009 period.

External fraud is the main operational loss event. Fraud of this kind, such as payment and credt fraud, is fairly common in the world of retail banking. In corporate and investment banking, incidents of fraud are rarer but of larger scale.

Just behind fraud comes process failures, typically arising from execution or transaction processing errors.

The third biggest loss event corresponds to events associated with business practices, and the prevalence of these has been trending upwards over time. Internal fraud accounts for about 6% of the groups operational losses, with marked differences in geographic concentration.

The remaining types of incidents account for relatively small amounts of losses.

The BNP Paribas Group pays the utmost attention to analysing its operational risk incidents in order to improve its already well-structured control system.

CAPITAL REQUIREMENT BY CALCULATION APPROACH

(See section 5.3, Capital management and capital adequacy.)

RISK REDUCTION THROUGH INSURANCE POLICIES

(See note 4.f to the Financial Statements – Operationnal Risk : Insurance policies.)

5.7 Appendix: capital requirements of significant subsidiaries

The following tables give the capital requirements of significant subsidiaries (as contribution to the Group's total capital requirement) by type of risk, except for market risk on the trading book.

BNP PARIBAS FORTIS

In millions of euros	31 December 2010 Risk-weighted assets (*)	31 December 2010 Capital Requirement (*)	31 December 2009 Risk-weighted assets (*)	31 December 2009 Capital Requirement (*)
CREDIT AND COUNTERPARTY RISK	**113,008**	**9,041**	**123,713**	**9,897**
Credit risk	108,326	8,666	115,047	9,204
Credit risk - IRBA	**64,074**	**5,126**	**86,442**	**6,916**
Central governments and central banks	1,593	127	1,194	96
Corporates	32,798	2,624	52,127	4,170
Institutions	6,037	483	9,724	778
Retail	12,401	992	10,997	880
Mortgages	*5,263*	*421*	*4,287*	*343*
Revolving exposures	*65*	*5*	*58*	*5*
Other exposures	*7,073*	*566*	*6,652*	*532*
Securitisation positions	11,042	883	12,139	971
Other non credit-obligation assets	203	16	261	21
Credit risk - Standardised approach	**44,252**	**3,540**	**28,605**	**2,288**
Central governments and central banks	2,307	185	1,366	109
Corporates	20,474	1,638	15,538	1,243
Institutions	1,932	155	1,232	99
Retail	12,235	979	5,033	402
Mortgages	*445*	*36*	*893*	*71*
Revolving exposures	*442*	*35*	*318*	*25*
Other exposures	*11,348*	*908*	*3,822*	*306*
Securitisation positions	212	17	0	0
Other non credit-obligation assets	7,092	567	5,436	435
Counterparty risk	4,682	375	8,666	693
Counterparty risk - IRBA	**3,673**	**294**	**6,236**	**499**
Central governments and central banks	5	0	18	1
Corporates	1,481	119	3,022	242
Institutions	2,187	175	3,196	256
Counterparty risk - Standardised approach	**1,009**	**81**	**2,430**	**194**
Central governments and central banks	6	0	0	0
Corporates	982	79	2,291	183
Institutions	12	1	129	10
Retail	9	1	10	1
EQUITY RISK	**4,437**	**355**	**6,234**	**499**
Internal model	978	78	0	0
Listed equities	13	1	0	0
Other equity exposures	965	77	0	0
Simple weighting method (other exposures)	1,407	113	3,446	276
Private equity exposures in diversified portfolios	1,085	87	1,099	88
Listed equities	15	1	807	65
Other equity exposures	307	25	1,540	123
Standardised approach	2,052	164	2,788	223
MARKET RISK	**3,485**	**279**	**5,556**	**445**
Internal model	1,304	104	1,449	116
Standardised approach	2,181	175	4,107	329
OPERATIONAL RISK	**12,042**	**963**	**11,037**	**883**
Advanced Measurement Approach (AMA)	8,256	660	7,963	637
Standardised approach	269	22	0	0
Basic indicator approach	3,517	281	3,074	246
TOTAL	**132,972**	**10,638**	**146,540**	**11,723**

(*) End of period.

The risk-weighted assets evolution between end of 2009 and end of 2010 are essentially due to the perimeter changes, linked to the re-focusing of BNP Paribas Fortis on its core business, in accordance with its integration plan into BNP Paribas Group.

BNL

In millions of euros	31 December 2010		31 December 2009	
	Risk-weighted assets (*)	Capital Requirement (*)	Risk-weighted assets (*)	Capital Requirement (*)
CREDIT AND COUNTERPARTY RISK	**68,524**	**5,482**	**60,912**	**4,873**
Credit risk	67,840	5,427	60,238	4,819
Credit risk - IRBA	**145**	**12**	**151**	**12**
Central governments and central banks	10	1	0	0
Corporates	111	9	151	12
Institutions	24	2	0	0
Credit risk - Standardised approach	**67,695**	**5,416**	**60,086**	**4,807**
Central governments and central banks	56	5	2	0
Corporates	45,761	3,661	40,588	3,247
Institutions	1,554	124	1,442	115
Retail	16,825	1,346	14,749	1,180
Mortgages	*8,960*	*717*	*6,620*	*530*
Other exposures	*7,865*	*629*	*8,129*	*650*
Securitisation positions	212	17	407	33
Other non credit-obligation assets	3,287	263	2,898	232
Counterparty risk	684	55	674	54
Counterparty risk - Standardised approach	**684**	**55**	**674**	**54**
Corporates	600	48	586	47
Institutions	84	7	88	7
EQUITY RISK	**575**	**46**	**704**	**56**
Internal model	575	46	704	56
Private equity exposures in diversified portfolios	*0*	*0*	*67*	*5*
Listed equities	*1*	*0*	*1*	*0*
Other equity exposures	*574*	*46*	*637*	*51*
MARKET RISK	**16**	**1**	**38**	**3**
Standardised approach	16	1	38	3
OPERATIONAL RISK	**4,682**	**375**	**4,491**	**360**
Advanced Measurement Approach (AMA)	39	3	0	0
Standardised approach	4,561	365	4,223	338
Basic indicator approach	82	7	268	22
TOTAL	**73,797**	**5,904**	**66,145**	**5,292**

(*) *End of period.*

BANCWEST

In millions of euros	31 December 2010		31 December 2009	
	Risk-weighted assets (*)	Capital Requirement (*)	Risk-weighted assets (*)	Capital Requirement (*)
CREDIT AND COUNTERPARTY RISK	**39,968**	**3,197**	**40,543**	**3,243**
Credit risk	39,650	3,172	40,265	3,221
Credit risk - Standardised approach	39,650	3,172	40,265	3,221
Corporates	22,787	1,823	20,699	1,656
Institutions	1,246	100	1,210	97
Retail	12,106	969	11,128	890
Mortgages	*5,639*	*451*	*5,394*	*432*
Revolving exposures	*509*	*41*	*460*	*37*
Other exposures	*5,958*	*477*	*5,274*	*422*
Securitisation positions	707	57	4,823	386
Other non credit-obligation assets	2,804	224	2,405	192
Counterparty risk	318	25	278	22
Counterparty risk - Standardised approach	318	25	278	22
Corporates	318	25	278	22
EQUITY RISK	**5**	**0**	**12**	**1**
Internal model	5	0	12	1
Listed equities	*0*	*0*	*7*	*1*
Other equity exposures	*5*	*0*	*5*	*0*
MARKET RISK	**75**	**6**	**36**	**3**
Standardised approach	75	6	36	3
OPERATIONAL RISK	**3,002**	**240**	**2,813**	**225**
Standardised approach	3,002	240	2,813	225
TOTAL	**43,050**	**3,444**	**43,405**	**3,472**

(*) End of period.

PERSONAL FINANCE

In millions of euros	31 December 2010		31 December 2009	
	Risk-weighted assets (*)	Capital Requirement (*)	Risk-weighted assets (*)	Capital Requirement (*)
CREDIT AND COUNTERPARTY RISK	**42,543**	**3,403**	**43,161**	**3,452**
Credit risk	42,527	3,402	43,145	3,451
Credit risk - IRBA	9,305	744	9,485	759
Corporates	18	1	11	1
Institutions	102	8	65	5
Retail	9,185	735	9,409	753
Revolving exposures	*4,929*	*394*	*5,521*	*442*
Other exposures	*4,256*	*341*	*3,889*	*311*
Credit risk - Standardised approach	33,222	2,658	33,660	2,692
Central governments and central banks	77	6	78	6
Corporates	233	19	245	20
Institutions	253	20	138	11
Retail	31,025	2,482	31,948	2,555
Mortgages	*12,495*	*1,000*	*12,455*	*996*
Revolving exposures	*2,076*	*166*	*2,063*	*165*
Other exposures	*16,454*	*1,316*	*17,430*	*1,394*
Securitisation positions	266	21	209	17
Other non credit-obligation assets	1,368	109	1,042	83
Counterparty risk	16	1	16	1
Counterparty risk - Standardised approach	16	1	16	1
Institutions	16	1	16	1
EQUITY RISK	**152**	**12**	**157**	**13**
Internal model	152	12	157	13
Other equity exposures	*152*	*12*	*157*	*13*
MARKET RISK	**124**	**10**	**49**	**4**
Standardised approach	124	10	49	4
OPERATIONAL RISK	**4,462**	**357**	**4,806**	**385**
Advanced Measurement Approach (AMA)	1,738	139	2,555	204
Standardised approach	959	77	770	62
Basic indicator approach	1,765	141	1,481	119
TOTAL	**47,281**	**3,783**	**48,173**	**3,854**

(*) *End of period.*

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BNP PARIBAS SUISSE SA

In millions of euros	31 December 2010		31 December 2009	
	Risk-weighted assets (*)	Capital Requirement (*)	Risk-weighted assets (*)	Capital Requirement (*)
CREDIT AND COUNTERPARTY RISK	**11,408**	**913**	**9,566**	**766**
Credit risk	11,393	911	9,557	765
Credit risk - IRBA	**9,056**	**724**	**8,820**	**705**
Central governments and central banks	7	1	5	0
Corporates	7,873	630	7,943	635
Institutions	1,176	94	872	70
Credit risk - Standardised approach	**2,337**	**187**	**737**	**60**
Corporates	1,116	89	343	27
Retail	819	66	185	15
Other exposures	*819*	*66*	*185*	*15*
Other non credit-obligation assets	402	32	209	18
Counterparty risk	15	1	9	1
Counterparty risk - Standardised approach	**15**	**1**	**9**	**1**
Corporates	15	1	9	1
EQUITY RISK	**1**	**0**	**1**	**0**
Internal model	1	0	1	0
Other equity exposures	*1*	*0*	*1*	*0*
OPERATIONAL RISK	**916**	**73**	**729**	**58**
Advanced Measurement Approach (AMA)	916	73	729	58
TOTAL	**12,325**	**986**	**10,296**	**824**

(*) *End of period.*

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6 INFORMATION ON THE PARENT COMPANY FINANCIAL STATEMENTS

6.1 BNP Paribas SA financial statements

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

In millions of euros, at 31 December	Note	2010	2009
Interest income	2.a	21,516	23,509
Interest expense	2.a	(15,261)	(17,611)
Income on equities and other variable instruments	2.b	1,796	2,257
Commission income	2.c	4,878	4,481
Commission expense	2.c	(1,047)	(1,418)
Gains (losses) on trading account securities		2,533	4,325
Gains (losses) on securities available for sale		(788)	382
Other banking income		180	139
Other banking expenses		(194)	(203)
REVENUES		**13,613**	**15,861**
Salaries and employee benefit expenses	5.a	(5,517)	(5,551)
Other administrative expenses		(3,103)	(2,533)
Depreciation, amortisation, and provisions on tangible and intangible assets		(507)	(471)
GROSS OPERATING INCOME		**4,485**	**7,306**
Cost of risk	2.d	(1,289)	(2,379)
OPERATING INCOME		**3,196**	**4,927**
Net gain (loss) on disposals of long-term investments	2.e	343	(404)
Net addition to regulated provisions		43	26
INCOME BEFORE TAX		**3,583**	**4,549**
Corporate income tax	2.f	(118)	(540)
NET INCOME		**3,465**	**4,009**

BALANCE SHEET AT 31 DECEMBER 2010

In millions of euros, at	Note	31 December 2010	31 December 2009
ASSETS			
Cash and amounts due from central banks and post office banks		23,453	27,845
Treasury bills and money-market instruments	3.c	136,232	115,249
Due from credit institutions	3.a	336,700	355,813
Customer items	3.b	365,772	310,232
Bonds and other fixed-income securities	3.c	95,816	103,687
Equities and other variable-income securities	3.c	8,717	6,243
Investments in subsidiaries and equity securities held for long-term investment	3.c	4,924	5,522
Affiliates	3.c	55,266	51,605
Leasing receivables		94	47
Intangible assets	3.i	6,124	5,438
Tangible assets	3.i	2,185	2,200
Treasury shares	3.d	68	108
Other assets	3.g	189,633	182,349
Accrued income	3.h	73,190	70,915
TOTAL ASSETS		**1,298,176**	**1,237,253**
LIABILITIES			
Due to central banks and post office banks		1,714	5,094
Due to credit institutions	3.a	365,432	385,104
Customer items	3.b	324,378	290,599
Debt securities	3.f	173,946	155,940
Other liabilities	3.g	295,004	267,296
Accrued expenses	3.h	60,779	55,395
Provisions	3.j	3,070	2,891
Subordinated debt	3.k	21,083	24,389
TOTAL LIABILITIES		**1,245,406**	**1,186,708**
SHAREHOLDERS' EQUITY	6.b		
Share capital		2,397	2,371
Additional paid-in capital		21,850	21,331
Retained earnings		25,059	22,834
Net income		3,465	4,009
TOTAL SHAREHOLDERS' EQUITY		**52,770**	**50,545**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,298,176**	**1,237,253**

Off-Balance Sheet Items	Note	31 December 2010	31 December 2009
COMMITMENTS GIVEN			
Financing commitments	4.a	210,259	182,137
Guarantee commitments	4.b	141,933	122,932
Commitments given on securities		370	593
COMMITMENTS RECEIVED			
Financing commitments	4.a	105,266	87,554
Guarantee commitments	4.b	185,441	146,344
Commitments received on securities		135	15

Notes to the parent company financial statements

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY BNP PARIBAS SA

BNP Paribas SA's financial statements have been prepared in accordance with the accounting principles applied to credit institutions in France.

AMOUNTS DUE FROM CREDIT INSTITUTIONS AND CUSTOMERS

Amounts due from credit institutions include all subordinated and unsubordinated loans made in connection with banking transactions with credit institutions, with the exception of debt securities. They also include assets purchased under resale agreements, whatever the type of assets concerned, and receivables corresponding to securities sold under collateralised repurchase agreements. They are broken down between demand loans and deposits and term loans and time deposits.

Amounts due from customers include loans to customers other than credit institutions, with the exception of loans represented by debt securities issued by customers, assets purchased under resale agreements, whatever the type of assets concerned, and receivables corresponding to securities sold under collateralised repurchase agreements. They are broken down between commercial loans, customer accounts in debit, and other loans.

Amounts due from credit institutions and customers are recorded in the balance sheet at nominal value plus accrued interest not yet due.

Outstanding loans and confirmed credit facilities are classified into sound loans - including sound restructured loans - and doubtful loans. The same analysis is performed for credit risks attached to forward financial instruments whose present value represents an asset for the Group.

Credit risks on outstanding loans and confirmed credit facilities are monitored with an internal rating system, that is based on two key parameters: the probability of default by the counterparty, expressed as a rating, and the overall recovery rate determined by reference to the type of transaction. There are 12 counterparty ratings, ten covering sound loans and two covering doubtful loans and loans classified as irrecoverable.

Doubtful loans are defined as loans where the Bank considers that there is a risk that the borrowers will be unable to honour all or part of their commitments. This is the case for all loans on which one or more installments are more than three months overdue (six months in the case of real estate loans or loans to local governments), as well as loans for which legal procedures have been launched. When a loan is classified as doubtful, all other loans and commitments to the debtor are automatically assigned the same classification.

The Bank recognises an impairment for doubtful accounts on these loans, of an amount corresponding to the difference between the total loan value and current value of the future cash flows (from principal, interest, and any realised guarantees) that are deemed recoverable, using a discount rate equal to the original effective interest rate for fixed-rate loans, or the most recent contractual interest rate for floating-rate loans. The guarantees considered here include mortgages and pledges on assets, as well as credit derivatives acquired by the Bank as a protection against credit losses in the loan book.

If a loan is restructured because the borrower is facing financial difficulties, the Bank calculates a discount at the current value of the difference between the old and new repayment terms. These discounts are recognised as a deduction to assets and reversed through income on an actuarial basis over the remaining term of the loan. If any instalments on a restructured loan are not paid, the loan is permanently reclassified as irrecoverable regardless of the terms of the restructuring.

In the case of doubtful loans where the borrower has resumed making regular payments in accordance with the original repayment schedule, the loan is reclassified as sound. Doubtful loans that have been restructured are also reclassified as sound, provided that the restructuring terms are met.

Irrecoverable loans include loans to borrowers whose credit standing is such that after a reasonable time recorded in doubtful loans, no reclassification as a sound loan is foreseeable, loans where an event of default has occurred, almost all restructured loans where the borrower has once again defaulted, and loans classified as doubtful for more than one year that are in default and are not secured by guarantees covering a substantial portion of the amount due.

Impairments for credit risks on assets are deducted from the carrying amount of the assets. Provisions recorded under liabilities include provisions related to off-balance sheet commitments, provisions for losses on interests in real estate development programmes, provisions for claims and litigation, provisions for unidentified contingencies and provisions for unforeseeable industry risks.

Additions to and recoveries of provisions and write-offs, losses on irrecoverable loans, recoveries on loans covered by provisions and discounts calculated on restructured loans are recorded in the profit and loss account under "Cost of risk".

The interest received from the repayment of the carrying amount of loans that have been written-down, as well as the reversals of discounting effects and the discount on restructured loans, are recognised under "Interest income".

REGULATED SAVINGS AND LOAN CONTRACTS

Home savings accounts (*Comptes Épargne Logement*, or CELs) and home savings plans (*Plans d'Épargne Logement*, or PELs) 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: (i) an obligation to pay interest on the savings for an indefinite period, at a rate set by the government on inception of the contract (in the case of home savings plans) or at a rate reset every six months using an indexation formula set by law (in the case of home savings accounts); and (ii) 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 on inception of the contract (in the case of home savings plans) or at a rate contingent upon the savings phase (in the case of home savings accounts).

BNP Paribas SA's future obligations, with respect to each generation of PELs and CELs (in the case of PELs, a generation comprises all products with the same interest rate at inception; for CELs, all such products constitute one single generation) are measured by discounting potential future earnings from at-risk outstandings for those generations.

At-risk outstandings are estimated on the basis of a historical analysis of customer behaviour, and equate to statistically probable loan outstandings and 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 (i) the reinvestment rate and (ii) the fixed savings interest rate on at-risk savings outstandings for the period in question. Earnings for future periods from the loan phase are estimated as the difference between (i) the refinancing rate and (ii) the fixed loan interest rate on at-risk loan outstandings for the period in question.

The reinvestment rate for savings and the refinancing rate for loans are derived from the swap yield curve and from the spreads expected on financial instruments of similar type and maturity. Spreads are determined on the basis of actual spreads on (i) fixed rate home loans in the case of the loan phase and (ii) euro-denominated life insurance products in the case of the savings phase.

In order to reflect the uncertainty of future interest rate trends, and the impact of such trends on customer behaviour models and on at-risk outstandings, the obligations are estimated using the Monte Carlo method.

When the sum of BNP Paribas SA's estimated future obligations with respect to the savings and loan phases of any generation of contracts, indicates a potentially unfavourable situation for BNP Paribas SA, a provision is recognised (with no offset between generations) in the balance sheet under "Provisions". Movements in this provision are recognised as interest income in the profit and loss account.

SECURITIES

The term "securities" covers interbank market securities, Treasury bills and negotiable certificates of deposit, bonds and other Fixed Income securities (whether fixed- or floating-rate) and equities and other variable-income securities.

In application the CRC standard 2005-01, securities are classified as "Trading account securities", "Securities available for sale", "Equity securities available for sale in the medium-term", "Debt securities held to maturity", "Equity securities held for long-term investment", or "Investments in subsidiaries and affiliates".

Investments in companies accounted for under the equity method are recorded on a separate line of the consolidated balance sheet. When a credit risk has occurred, Fixed Income securities held in the "available for sale" or "held to maturity" portfolio are classified as doubtful, based on the same criteria as those applied to doubtful loans and commitments.

When securities exposed to counterparty risk are classified as doubtful and the related provision can be separately identified, the corresponding charge is included in "Cost of risk".

Trading account securities

"Trading account securities" are securities bought or sold with the intention of selling them or repurchasing them in the near-future, as well as those held as a result of market-making activities. These securities are valued individually at market value if they meet the following criteria:

- they can be traded on an active market (i.e., a market where third parties have continuous access to market prices through a securities exchange, brokers, traders, or market-makers);
- the market prices reflect actual, regularly-occurring transactions taking place under normal competition.

"Trading account securities" also include securities bought or sold for specific asset management objectives (especially in terms of sensitivity) for trading books comprised of forward financial instruments, securities, or other financial instruments taken globally.

Changes in the market value of these securities are recognised in income. "Trading account securities" cannot be reclassified into another category, and must follow the valuation rules for this category until they are sold, fully redeemed, or recognised as a loss and consequently removed from the balance sheet.

In the case of exceptional circumstances necessitating a change in investment strategy, "Trading account securities" can be reclassified as "Securities available for sale" or "Debt securities held to maturity" depending on the new strategy.

If fixed-income securities classified as "Trading account securities" can no longer be traded on an active market, and if the Bank has the intention and ability to hold these securities for the foreseeable future or until maturity, they can be reclassified as "Securities available for sale" or "Debt securities held to maturity".

The accounting rules for the new category would apply to reclassified securities as of the reclassification date.

If the market in which securities classified as "Trading account securities" were purchased can no longer be considered active, the securities will be valued using methods that take into account the new market conditions.

Securities available for sale

The "Securities available for sale" category includes securities not classified into one of the other categories.

Bonds and other fixed-income securities are valued at the lower of cost (excluding accrued interest) or probable market value, which is generally determined on the basis of stock market prices. Accrued interest is posted to the profit and loss account under "Interest income on bonds and other fixed-income securities".

The difference between cost and the redemption price of Fixed Income securities purchased on the secondary market is recognised in income using the actuarial method. In the balance sheet, their carrying amount is amortised to their redemption value over their remaining life.

Equities are valued at the lower of cost and probable market value, which is generally determined on the basis of stock market prices, for listed equities, or the BNP Paribas SA's share in net assets calculated on the basis of the most recent financial statements available, for unlisted equities. Dividends received are recognised in income under "Income on equities and other variable income instruments" on a cash basis.

The cost securities available for sale is determined on a first in, first out (FIFO) basis. Disposal gains or losses and additions to and reversals of lower of cost and market provisions are reflected in the profit and loss account under "Gains (losses) on securities available for sale".

In the case of exceptional circumstances necessitating a change in investment strategy, or if the securities can no longer be traded on an active market, securities classified as "Securities available for sale" may be reclassified as "Debt securities held to maturity" and must be identified within this portfolio. These securities would then be recognised according to the method used for "Debt securities held to maturity".

Equity securities available for sale in the medium-term

The "Equity securities available for sale in the medium-term" comprises investments made for portfolio management purposes, with the aim of realising a profit in the medium term without investing on a long-term basis in the development of the issuer's business. This category includes venture capital investments.

"Equity securities available for sale in the medium-term" are recorded individually at the lower of cost and fair value. Fair value takes into account the issuer's general business outlook and the planned holding period. The fair value of listed stocks corresponds primarily to the average stock market price determined over a one-month period.

Debt securities held to maturity

Fixed income securities with a specified maturity (mainly bonds, interbank market securities, Treasury bills and other negotiable debt securities) are recorded under "Debt securities held to maturity" to reflect BNP Paribas SA's intention of holding them to maturity.

Bonds classified under this heading are financed by matching funds or hedged against interest rate exposure to maturity.

The difference between cost and the redemption price of these securities is recognised in income using the actuarial method. In the balance sheet, their carrying amount is amortised to their redemption value over their remaining life.

Interest on debt securities held to maturity is recorded in the profit and loss account under "Interest income on bonds and other fixed-income securities".

An impairment is recognised when a decline in the credit standing of an issuer jeopardises redemption at maturity.

If a significant portion of the "Debt securities held to maturity" is sold or reclassified into a different category, the sold or reclassified securities cannot be returned to the "Debt securities held to maturity" category at any time during the current financial period or the following two financial years. All the securities classified as "Debt securities held to maturity" would then be reclassified as "Equity securities available for sale in the medium-term".

If exceptional market circumstances necessitate a change in investment strategy, and "Trading account securities" and "Securities available for sale" are reclassified as "Debt securities held to maturity", the sale of any "Debt securities held to maturity" prior to the maturity date, if the sale occurred because the securities had once again become tradable on an active market, would not invoke the reclassification clauses in the above paragraph.

Equity securities held for long-term investment, investments in subsidiaries and affiliates

Investments in non-consolidated undertakings include investments in affiliates in which BNP Paribas SA exercises significant influence over management and investments considered strategic to BNP Paribas SA's business development. This influence is deemed to exist when BNP Paribas SA holds an ownership interest of at least 10%.

Equity securities held for long-term investment are shares and related instruments that BNP Paribas SA intends to hold on a long-term basis in order to earn a satisfactory long-term rate of return without taking an active part in the management of the issuing company but with the intention of promoting the development of lasting business relationships by creating special ties with the issuer.

Other participating interests consist of shares and other variable income investments in companies over which BNP Paribas SA has exclusive control (i.e., companies that could be fully incorporated into the Group).

These types of securities are recorded individually at the lower of cost and fair value. Fair value is determined based on available information using a multi-criteria valuation approach, including the discounted future cash flows, sum-of-the-digits and net asset value methods as well as an analysis of ratios commonly used to assess future yields and exit opportunities for each line of securities. The fair value of listed securities is considered to be at least equal to cost if the stock market price at period-end is no more than 20% below cost and the stock market price has not been below cost for the preceding twelve consecutive months.

If these conditions are not met, and if a multi-criteria valuation shows that an impairment should be recognised on the carrying amount, the fair value is considered to be equal to the stock market price. The same holds true if the stock market price is less than cost for sixty consecutive months or if the closing stock market price is less than 50% of cost. For simplicity, listed securities acquired for less than EUR 10 million may be valued based on the average closing stock market price.

Disposal gains and losses and provision movements are recorded in the profit and loss account under "Net gain (loss) on disposals of fixed assets".

Dividends are recorded under "Income from variable income securities" when they have been declared by the issuers' shareholders, or, if the shareholders' decision is not known, when they are received.

Treasury shares

Treasury shares held by BNP Paribas SA are classified and valued as follows:

- treasury shares purchased under a market-making agreement or acquired in connection with index arbitrage transactions are recorded under "Trading account securities" at market price;
- treasury shares held for allocation to employees are recorded at the lower of cost and market price under "Securities available for sale". Where appropriate, an impairment is recognised for the difference between the cost of the shares and the option exercise price for BNP Paribas employees (this difference is zero for share awards). The portion of shares granted to employees of BNP Paribas SA subsidiaries is charged to the subsidiaries over the vesting period.

Pursuant to CRC Regulation 2008-17 dated 30 December 2008, BNP Paribas SA changed this accounting method so that treasury shares held for allocation to employees are valued according to the procedure set forth in CRC Regulation 2008-15 concerning the accounting of stock options and share awards. Under CRC Regulation 2008-15, such treasury shares are not impaired, but a provision is recognised for these shares based on the services provided by the employees who will receive the shares. BNP Paribas SA has not applied CRC Regulations 2008-15 and 2008-17 retroactively;

- treasury shares that are intended to be cancelled or that are not being held for either of the above reasons are included in long-term investments. Treasury shares intended to be cancelled are stated at cost; all others are stated at the lower of cost and fair value.

FIXED ASSETS

Buildings and equipment are stated at acquisition cost or at the adjusted value determined in accordance with France's appropriation laws of 1977 and 1978. Reevaluation differences on non-depreciable assets, recorded at the time of these legal reevaluations, are included in share capital.

Fixed 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 BNP Paribas SA that fulfil 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, fixed assets are measured at cost less accumulated depreciation or amortisation and any impairment losses.

Fixed 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 provisions on tangible and intangible assets".

The portion of recognised depreciation or amortisation that exceeds the accounting depreciation or amortisation calculated on a straight-line basis is recorded in the balance sheet as a liability, under "Regulatory provisions: accelerated depreciation and amortisation". BNP Paribas SA does not calculate the tax effects of accelerated depreciation and amortisation.

When an asset consists of a number of components that may require replacement at regular intervals, or that have different uses or different patterns of consumption of economic benefits, each component is recognised separately and depreciated using a method appropriate to that component. BNP Paribas SA 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.

Depreciable fixed 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 annually.

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 into account in the profit and loss account under "Depreciation, amortisation, and provisions on tangible and intangible assets".

Gains and losses on disposals of property, plant, equipment, and intangible assets used in operations are recognised in the profit and loss account under "Net gain (loss) on disposals of fixed assets".

AMOUNTS DUE TO CREDIT INSTITUTIONS AND CUSTOMERS

Amounts due to credit institutions are classified into demand accounts and time deposits and borrowings. Customer deposits are classified into regulated savings accounts and other customer deposits. These sections include securities and other assets sold under repurchase agreements. Accrued interest is recorded on a separate line.

DEBT SECURITIES

Debt securities are broken down between retail certificates of deposit, interbank market securities, negotiable certificates of deposit, bonds and other debt instruments. This section does not include subordinated notes which are recorded under "Subordinated debt".

Accrued interest on debt securities is recorded on a separate line of the balance sheet and is debited to the profit and loss account.

Bond issue and redemption premiums are amortised using the yield-to-maturity method over the life of the bonds. Bond issuance costs are amortised by the straight-line method over the life of the bonds.

PROVISIONS FOR INTERNATIONAL COMMITMENTS

Provisions for international commitments are based on the evaluation of non-transfer risk related to the future solvency of each of the countries at risk and on the systemic credit risk incurred by debtors in the event of a constant and durable deterioration of the overall situation and economies of these countries. Allocations and reversals of these provisions are reflected in the profit and loss account under "Cost of risk".

PROVISIONS FOR ITEMS NOT RELATED TO BANKING TRANSACTIONS

BNP Paribas SA records provisions for clearly identified contingencies and charges, of uncertain timing or amount. In accordance with current regulations, these provisions for items not related to banking transactions may be recorded only if the Bank has an obligation to a third party at year-end, there is a high probability of an outflow of resources to the third party, and no equivalent economic benefits are expected in return from the third party.

COST OF RISK

The "Cost of risk" line item includes expenses arising from the identification of counterparty risks, litigation, and fraud inherent to banking transactions conducted with third parties. Net movements in provisions that do not fall under the category of such risks are classified in the profit and loss account according to their type.

FORWARD FINANCIAL INSTRUMENTS

Forward financial instruments are purchased on various markets for use as specific or general hedges of assets and liabilities, or for transaction purposes.

The Bank's commitments related to these instruments are recognised off-balance sheet at nominal value. The accounting treatment of these instruments depends on the corresponding investment strategy.

Derivatives held for hedging purposes

Income and expenses related to forward derivatives held for hedging purposes and designated to one instrument or a group of homogeneous instruments are recognised in income symmetrically with the income and expenses on the underlying instrument, and under the same heading.

Income and expenses related to forward financial instruments used to hedge overall interest rate risk are recognised in income on a prorata basis.

Derivatives held for transaction purposes

Derivatives held for transaction purposes can be traded on organised markets or over-the-counter.

Derivates held within a trading book are valued at market value on the balance sheet date. The corresponding gains and losses (realised and unrealised) are recognised in income under "Gains (losses) on trading account securities".

The market value is determined from either:

- the listed price, if one is available;
- or a valuation method using recognised financial models and theories with parameters calculated from transaction prices observed on active markets, or from statistical or other quantitative methods.

In both cases, BNP Paribas SA makes conservative value adjustments to account for modelling, counterparty, and liquidity risks.

Some complex derivatives, which are typically custom-made from combined instruments and highly illiquid, are valued using models where certain parameters are not observable on an active market.

Until 31 December 2004, the Bank recognised gains from trading these complex derivatives immediately in income.

However, on 1 January 2005, the Bank began recognising these gains in income over the period during which the valuation parameters are expected to be unobservable. If, during this period, the parameters do become observable or a justifiable valuation can be obtained by comparison with recent, similar transactions on an active market, the part of the remaining unrecognised gains directly in income.

Other derivatives transactions

Gains and losses on over-the-counter contracts representing isolated open positions are recognised in income when the contracts are settled or on a prorata basis, depending on the nature of the instruments. A provision for unrealised losses is recognised for each group of homogeneous contracts.

CORPORATE INCOME TAX

A charge for corporate income tax is taken in the period in which the related taxable income and expenses are booked, regardless of the period in which the tax is actually paid. BNP Paribas SA recognises deferred tax for all temporary differences between the book value of assets and liabilities and their tax basis according to the liability method. Recognition of deferred tax assets depends on the probability of recovery.

EMPLOYEE PROFIT-SHARING

As required by French law, BNP Paribas SA provides for employee profit-sharing in the year in which the profit arises and reports the provision under "Salaries and employee benefit expenses" in the profit and loss account.

EMPLOYEE BENEFITS

BNP Paribas SA employees receive each of the following four types of benefits:

- termination benefits, payable primarily in the case of early termination of an employment contract;
  - 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;
- post-employment benefits, including top-up banking industry pensions in France and pension plans in other countries, some of which are operated through pension funds.

Termination benefits

Termination benefits are employee benefits payable as a result of a decision by BNP Paribas SA to terminate a contract of employment before the legal retirement age or by an employee to accept voluntary redundancy in exchange for a benefit. Termination benefits falling due more than 12 months after the closing date are discounted.

Short-term benefits

BNP Paribas SA recognises an expense when it has used services rendered by employees in exchange for employee benefits.

Long-term benefits

Long-term benefits are benefits (other than post-employment benefits and termination benefits) which do not fall wholly due within 12 months after the end of the period in which the employee renders the associated services. The actuarial techniques used are similar to those used for defined-benefit post-employment benefits, except that actuarial gains and losses are recognised immediately, as are the effects of any plan amendments.

This relates in particular to cash compensation deferred for more than 12 months, which is accrued in the financial statements for the period during which the employee provides the corresponding services. If the payment of share-based variable compensation is explicitly subject to the employee's continued presence on 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 in "Salaries and employee benefits" with a corresponding liability in the balance sheet. It is revised to take account of 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, which is then revised on each reporting date until settlement, to account for any performance conditions and the change in BNP Paribas share price.

Post-employment benefits

The post-employment benefits provided to BNP Paribas SA employees in France include both defined-contribution plans and defined-benefit plans.

Defined-contribution plans, such as *Caisse Nationale d'Assurance Vieillesse* and supplemental national and trade union schemes that pay pensions to former BNP Paribas SA employees in France, do not give rise to an obligation for BNP Paribas SA and consequently do not require a provision. The amount of employer's contributions payable during the period is recognised as an expense.

Only defined-benefit plans, such as the retirement packages paid for by BNP Paribas SA's retirement fund, give rise to an obligation for BNP Paribas SA. 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 BNP Paribas SA 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 into account demographic and financial assumptions. The amount of the obligation recognised as a liability is measured on the basis of the actuarial assumptions applied by BNP Paribas SA, using the projected unit credit method. This method takes account of various parameters such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate. The value of any plan assets is deducted from the amount of the obligation.

The amount of the obligation under a plan, and the value of the plan assets, may show significant fluctuations from one period to the next due to changes in actuarial assumptions, thereby giving rise to actuarial gains and losses. BNP Paribas SA applies the corridor method to account for actuarial gains and losses. Under this method, BNP Paribas SA is allowed to recognise, as from the following period and over the average remaining service lives of employees, only that portion of actuarial gains and losses that exceeds the greater of (i) 10% of the present value of the gross defined-benefit obligation or (ii) 10% of the fair value of plan assets at the end of the previous period.

The effects of plan amendments on past service costs are recognised in profit or loss over the full vesting period of the amended benefits.

The annual expense recognised in the profit and loss account under "Salaries and employee benefit expenses" with respect to defined-benefit plans, is comprised of the current service cost (the rights vested in each employee during the period in return for services rendered), interest cost (the effect of discounting the obligation), the expected return on plan assets, amortisation of actuarial gains and losses and past service cost arising from plan amendments, and the effect of any plan curtailments or settlements.

RECOGNITION OF REVENUE AND EXPENSES

Interest and fees and commissions qualified as interest are recognised on an accruals basis, and include the commissions charged by the Bank as part of an overall loan package (i.e., application fees, commitment fees, participation fees, etc.). The marginal transaction costs that the Bank must pay when granting or acquiring loans are also spread out over the effective life of the corresponding loan.

On 1 January 2010 the Group began applying CRC (Comité de la Réglementation Comptable) Regulation 2009-03 on the recognition of commissions received by credit institutions and of marginal transaction costs arising from the granting or acquisition of loans. The first-time application of this Regulation did not have a material effect on the Company's financial statements.

Fees and commissions not qualified as interest that relate to the provision of services are recognised when the service is performed or, for ongoing services, on a prorated basis over the length of the service agreement.

FOREIGN CURRENCY TRANSACTIONS

Foreign exchange positions are generally valued at the official year-end exchange rate. Exchange gains and losses on transactions in foreign currency carried out in the normal course of business are recognised in the profit and loss account.

Exchange differences arising from the conversion of assets held on a long-term basis, including equity securities held for long-term investment, the capital made available to branches, and other foreign equity investments, denominated in foreign currencies and financed in euros, are recognised as translation adjustments for the balance sheet line items recording the assets.

Exchange differences arising from the conversion of assets held on a long-term basis, including equity securities held for long-term investment, the capital made available to branches, and other foreign equity investments, denominated and financed in foreign currencies, are recognised symmetrically as translation differences for the corresponding financing.

FOREIGN CURRENCY TRANSLATION

Monetary and non-monetary foreign currency-denominated assets and liabilities of foreign branches have been translated into euros at the year-end exchange rate. Translation adjustments regarding the capital made available to BNP Paribas SA branches outside of France are included in "Accrued income" and "Accrued expenses".

Note 2 NOTES TO THE PROFIT AND LOSS ACCOUNT FOR 2010

2.a NET INTEREST INCOME

BNP Paribas SA includes in "Interest income" and "Interest expense" all income and expense from financial instruments measured at amortised cost and from financial instruments measured at fair value that do not meet the definition of a derivative instrument. The change in fair value on financial instruments at fair value through profit or loss (excluding accrued interest) is recognised under "Gains (losses) on trading account securities".

Interest income and expense on derivatives accounted for as fair value hedges are included with the revenues generated by the hedged item.

	2010		2009	
In millions of euros	Income	Expenses	Income	Expenses
Credit institutions	**5,682**	**(4,878)**	**7,362**	**(6,607)**
Demand accounts, loans, and borrowings	4,911	(3,902)	5,728	(4,753)
Securities under repurchase agreements	683	(977)	1,526	(1,854)
Subordinated loans	87		108	
Customers items	**9,092**	**(4,186)**	**9,543**	**(3,780)**
Demand accounts, loans, and term accounts	8,860	(3,861)	9,095	(3,223)
Securities given and received under repurchase agreements	200	(326)	410	(557)
Subordinated loans	32		38	
Finance leases	**19**	**(17)**	**23**	**(20)**
Debt securities	**873**	**(4,491)**	**789**	**(5,208)**
Bonds and other fixed-income securities	**5,850**		**5,792**	
Trading account securities	1,453		1,950	
Securities available for sale	3,940		3,092	
Debt securities held to maturity	456		477	
Industrial development securities related to France's Sustainable Development Savings Accounts	-		273	
Macro-hedging instruments		**(1,688)**		**(1,996)**
TOTAL INTEREST INCOME AND EXPENSES	**21,516**	**(15,261)**	**23,509**	**(17,611)**

2.b INCOME ON EQUITIES AND OTHER VARIABLE INCOME INSTRUMENTS

In millions of euros	2010	2009
Securities available for sale	63	98
Investments in subsidiaries and equity securities held for long-term investment	278	292
Affiliates	1,454	1,867
TOTAL INCOME ON EQUITIES AND OTHER VARIABLE INCOME INSTRUMENTS	**1,796**	**2,257**

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2.c COMMISSIONS

In millions of euros	2010		2009	
	Income	Expenses	Income	Expenses
Commissions on banking and financing transactions	**2,472**	**(796)**	**2,290**	**(1,191)**
Customer items	2,012	(134)	1,722	(136)
Other	461	(663)	568	(1,055)
Commissions on financial services	**2,406**	**(250)**	**2,191**	**(227)**
TOTAL COMMISSION INCOME AND EXPENSES	**4,878**	**(1,047)**	**4,481**	**(1,418)**

2.d COST OF RISK AND PROVISION FOR CREDIT RISKS

Cost of risk represents the net amount of impairment losses recognised with respect to credit risks inherent to BNP Paribas SA's banking intermediation activities, plus any impairment losses in the case of known counterparty risk on over-the-counter instruments.

In millions of euros	2010	2009
Net additions and reversals to provisions	**(1,188)**	**(2,335)**
Customer items and credit institutions	(954)	(1,790)
Off-balance sheet commitments	(114)	(84)
Securities	(25)	(303)
Doubtful loans	37	(97)
Financial instruments for market activities	(132)	(61)
Irrecoverable loans not covered by provisions	**(145)**	**(91)**
Recoveries of loans written-off	**44**	**47**
COST OF RISK	**(1,289)**	**(2,379)**

In millions of euros	2010	2009
Balance at 1 January	**7,837**	**6,433**
Net additions and reversals to provisions	1,188	2,335
Write-offs during the period covered by provisions	(968)	(1,018)
Effect of movements in exchange rates and other	1,160	87
TOTAL PROVISION FOR CREDIT RISKS	**9,217**	**7,837**

The following table gives a breakdown of the provision for credit risk:

In millions of euros	2010	2009
Provisions deducted from assets	**8,354**	**7,092**
For amounts due from credit institutions *(note 3.a)*	653	371
For amounts due from customers *(note 3.b)*	6,876	5,697
For leasing transactions	4	2
For securities	326	427
For financial instruments for market activities	495	595
Provisions recognised as liabilities *(note 3.j)*	**863**	**745**
For off-balance sheet commitments	720	578
For doubtful loans	144	167
TOTAL PROVISION FOR CREDIT RISKS	**9,217**	**7,837**

2.e NET GAIN (LOSS) ON DISPOSALS OF LONG-TERM INVESTMENTS

In millions of euros	2010		2009	
	Income	Expenses	Income	Expenses
Investments in subsidiaries and equity securities held for long-term investment	**391**	**(771)**	**647**	**(650)**
Divestments	48	(52)	229	(51)
Provisions	343	(719)	418	(599)
Investments in affiliates	**1,186**	**(550)**	**464**	**(867)**
Divestments	1,068	(3)	399	(42)
Provisions	118	(547)	65	(825)
Operating assets	**90**	**(2)**	**4**	**(2)**
TOTAL	**1,667**	**(1,323)**	**1,115**	**(1,519)**
NET GAIN (LOSS) ON DISPOSALS OF LONG-TERM ASSETS	**343**			**(404)**

2.f CORPORATE INCOME TAX

In millions of euros	2010	2009
Current tax expense	(291)	14
Deferred tax expense	173	(554)
TOTAL CORPORATE INCOME TAX EXPENSE	**(118)**	**(540)**

Note 3 NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2010

3.a AMOUNTS DUE FROM AND DUE TO CREDIT INSTITUTIONS

In millions of euros, at	31 December 2010	31 December 2009
Loans and receivables	**216,268**	**235,419**
Demand accounts	8,069	9,629
Term accounts and loans	202,779	220,782
Subordinated loans	5,420	5,008
Securities received under repurchase agreements	**121,085**	**120,765**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS BEFORE IMPAIRMENT	**337,354**	**356,184**
Of which accrued interest	*1,040*	*1,302*
Impairment on receivables due from credit institutions (note 2.d)	**(653)**	**(371)**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AFTER IMPAIRMENT	**336,700**	**355,813**

In millions of euros, at	31 December 2010	31 December 2009
Deposits and borrowings	**229,498**	**247,709**
Demand deposits	18,058	19,044
Term accounts and borrowings	211,440	228,665
Securities given under repurchase agreements	**135,935**	**137,395**
DUE TO CREDIT INSTITUTIONS	**365,432**	**385,104**
Of which accrued interest	*985*	*1,076*

3.b CUSTOMER ITEMS

In millions of euros, at	31 December 2010	31 December 2009
Loans and receivables	**322,274**	**286,335**
Commercial and industrial loans	2,286	1,519
Demand accounts	10,823	10,456
Short-term loans	66,652	59,630
Mortgages	69,742	61,807
Equipment loans	51,117	48,511
Export loans	17,175	15,389
Other customer loans	101,260	86,595
Subordinated loans	3,220	2,428
Securities received under repurchase agreements	**50,374**	**29,594**
TOTAL CUSTOMER ITEMS BEFORE IMPAIRMENT - ASSETS	**372,648**	**315,928**
Of which accrued interest	*694*	*654*
Of which loans eligible for refinancing by Banque de France	*236*	*139*
Of which doubtful loans	*5,137*	*4,378*
Of which irrecoverable loans	*5,339*	*4,501*
Of which restructured loans	*53*	*37*
Impairment on receivables due from customers *(note 2.d)*	**(6,876)**	**(5,697)**
TOTAL CUSTOMER ITEMS AFTER IMPAIRMENT - ASSETS	**365,772**	**310,232**

The following table gives the loans and receivables due from customers by counterparty.

In millions of euros, at	31 December 2010			31 December 2009		
	Sound loans	Doubtful loans Net of provisions	Total	Sound loans	Doubtful loans Net of provisions	Total
Financial institutions	9,838	766	10,604	20,813	506	21,319
Companies	215,257	3,282	218,539	179,786	2,985	182,771
Entrepreneurs	12,666	344	13,010	10,945	191	11,136
Individuals	63,952	773	64,725	58,723	703	59,426
Other non-financial customers	8,513	8	8,521	5,976	10	5,986
TOTAL	**310,226**	**5,173**	**315,398**	**276,243**	**4,395**	**280,638**

In millions of euros, at	31 December 2010	31 December 2009
Deposits	**263,618**	**243,636**
Demand deposits	69,584	57,528
Term deposits	147,864	143,041
Regulated savings accounts	46,170	43,067
Of which demand regulated savings accounts	*33,726*	*30,997*
Securities given under repurchase agreements	**60,760**	**46,963**
CUSTOMER ITEMS - LIABILITIES	**324,378**	**290,599**
Of which accrued interest	*871*	*721*

3.c SECURITIES HELD BY BNP PARIBAS SA

In millions of euros, at	31 December 2010		31 December 2009	
	Net carrying amount	Market value	Net carrying amount	Market value
Trading account securities	78,345	78,345	58,668	58,668
Securities available for sale	54,715	54,852	53,406	54,468
Of which provisions	*(1,414)*		*(451)*	
Debt securities held to maturity	3,172	3,299	3,175	3,396
TOTAL TREASURY BILLS AND MONEY-MARKET INSTRUMENTS	**136,232**	**136,497**	**115,249**	**116,532**
Of which receivables corresponding to loaned securities	*15,883*		*7,211*	
Of which goodwill	*1,159*		*727*	
Trading account securities	71,386	71,386	77,036	77,036
Securities available for sale	19,642	20,269	20,397	20,713
Of which provisions	*(972)*		*(791)*	
Debt securities held to maturity	4,789	4,942	6,254	7,047
Of which provisions	*(144)*		*(164)*	
TOTAL BONDS AND OTHER FIXED-INCOME SECURITIES	**95,816**	**96,597**	**103,687**	**104,796**
Of which unlisted securities	*12,648*	*12,998*	*13,417*	*14,194*
Of which accrued interest	*1,624*		*1,527*	
Of which receivables corresponding to loaned securities	*2,579*		*6,112*	
Of which goodwill	*(92)*		*(44)*	
Trading account securities	6,519	6,519	3,541	3,541
Securities available for sale	2,198	2,383	2,702	3,032
Of which provisions	*(248)*		*(303)*	
TOTAL EQUITIES AND OTHER VARIABLE-INCOME SECURITIES	**8,717**	**8,902**	**6,243**	**6,573**
Of which unlisted securities	*2,306*	*2,460*	*1,780*	*1,972*
Of which receivables corresponding to loaned securities	*2,639*		*2,056*	
Investments in subsidiaries	4,210	5,667	4,772	5,864
Of which provisions	*(940)*		*(320)*	
Equity securities held for long-term investment	714	821	750	780
Of which provisions	*(120)*		*(114)*	
TOTAL INVESTMENTS IN SUBSIDIARIES AND EQUITY SECURITIES HELD FOR LONG-TERM INVESTMENT	**4,924**	**6,488**	**5,522**	**6,644**
Of which unlisted securities	*1,698*	*2,930*	*1,704*	*2,770*
Affiliates	55,266	83,412	51,605	73,122
Of which provisions	*(1,809)*		*(1,341)*	
TOTAL AFFILIATES	**55,266**	**83,412**	**51,605**	**73,122**

BNP Paribas SA's equity investments and affiliates in credit institutions totalled EUR 1,983 million and EUR 24,138 million, respectively, at 31 December 2010, compared with EUR 2,064 million and EUR 26,484 million, respectively, at 31 December 2009.

3.d TREASURY SHARES

In millions of euros, at	31 December 2010 Gross value	31 December 2010 Carrying amount	31 December 2009 Carrying amount
Trading account securities	7	7	6
Securities available for sale	2	0	1
Investments in non-consolidated undertakings	61	61	101
TOTAL TREASURY SHARES	**70**	**68**	**108**

As of 31 December 2010, BNP Paribas SA held 27,817 treasury shares classified as "Securities available for sale" and intended to be used for share awards to Group employees, granted or sold as part of an employee profit-sharing scheme, employee share ownership plan, or company savings plan. BNP Paribas SA also held 990,691 treasury shares classified as "Affiliates" and intended to be cancelled.

Under the Bank's market-making agreement with Exane BNP Paribas, BNP Paribas SA owned 149,596 treasury shares classified as trading account securities, at 31 December 2010. This market-making agreement is consistent with the Code of Ethics recognised by the AMF.

The Fifth Resolution of the Shareholders' General Meeting of 12 May 2010, which replaced the Fifth Resolution of the Shareholders' General Meeting of 13 May 2009, authorised BNP Paribas to buy back shares representing up to 10% of the Bank's issued capital at a maximum purchase price of EUR 75 per share (vs. EUR 68 per share previously).

The shares could be acquired for the following purposes: for subsequent cancellation, to fulfil the Bank's obligations relative to the issue of shares or share equivalents, for stock option plans, for share awards, or for granting or selling shares to employees under an employee profit-sharing scheme, employee share ownership plan, or corporate savings plan; to be held in treasury shares for subsequent remittance in exchange or payment for external growth transactions, within the scope of a market-making agreement compliant with the Code of Ethics recognised by the AMF; or for asset and financial management purposes.

This authorisation was granted for a period of 18 months.

3.e LONG-TERM INVESTMENTS

	Gross value					Provisions					Carrying amount	
In millions of euros	01/01/2010	Purchases	Disposals and redemp-tions	Transfers and other movements	31/12/2010	01/01/2010	Allocations	Reversals	Other movements	31/12/2010	31/12/2010	31/12/2009
Debt securities held to maturity *(note 3.c)*	9,598	695	(1,774)	(414)	8,105	164	24	(47)	3	144	7,960	9,429
Investments in subsidiaries and equity securities held for long-term investment *(note 3.c)*	5,955	155	(155)	29	5,984	434	694	(73)	5	1,059	4,924	5,522
Affiliates *(note 3.c)*	52,946	5,014	(975)	90	57,075	1,342	572	(117)	12	1,809	55,266	51,605
Treasury shares *(note 3.c)*	101		(40)		61						61	101
TOTAL LONG-TERM INVESTMENTS	**68,600**	**5,864**	**(2,945)**	**(295)**	**71,225**	**1,940**	**1,291**	**(237)**	**20**	**3,012**	**68,212**	**66,657**

Under CRC Regulation 2008-17 of 10 December 2008, financial instruments initially held for trading can be reclassified as Debt securities held to maturity.

The following table summarises the reclassifications made in the fourth quarter of 2008 and the first half of 2009.

In millions of euros, at	Amount on the reclassification date		31 December 2010		31 December 2009	
	1st half of 2009	4th quarter of 2008	Carrying value	Market or model value	Carrying value	Market or model value
Financial assets reclassified out of the trading portfolio	**2,760**	**4,404**	**4,232**	**4,248**	**5,125**	**5,138**
Debt securities held to maturity	2,760	4,404	4,232	4,248	5,125	5,138

The following table shows the profit and loss items related to the reclassified assets, both as they were recorded during the period and as they would have been recorded if the reclassification had not taken place.

In millions of euros	2010		2009		
			Actual		
	Actual	Pro forma (1)	After reclassification (2)	Before reclassification (2)	Pro forma (1)
Profit and loss items (before tax)	**217**	**240**	**151**	**(75)**	**615**
Interest income	224	156	250		183
Gains (losses) on trading book transactions		84		(75)	432
Gains (losses) on disposals of long-term investments	(4)		10		
Cost of risk	(3)		(109)		

(1) Profit or loss (before tax) from the reclassified assets in 2008 and 2009 if the reclassification had not taken place.
(2) Effect on profit or loss (before tax) from assets reclassified in 2009.

3.f DEBT SECURITIES

In millions of euros, at	31 December 2010	31 December 2009
Negotiable debt securities	169,779	149,602
Bond issues	3,405	5,361
Other debt securities	762	977
TOTAL DEBT SECURITIES	**173,946**	**155,940**
Of which unamortised premiums	*776*	*566*

➤ BOND ISSUES

The following table gives the contractual maturity schedule for bonds issued by BNP Paribas SA as of 31 December 2010.

In millions of euros	Outstanding at 31/12/2010	2011	2012	2013	2014	2015	2016 to 2020	After 2020
Bond issues	3,405	275	525	610	242	1,014	707	32

3.g OTHER ASSETS AND LIABILITIES

In millions of euros, at	31 December 2010	31 December 2009
Options purchased	160,925	157,817
Settlement accounts related to securities transactions	3,607	3,650
Deferred tax assets	1,768	1,488
Miscellaneous assets	23,333	19,394
TOTAL OTHER ASSETS	**189,633**	**182,349**
Options sold	156,344	156,463
Settlement accounts related to securities transactions	3,431	4,015
Liabilities related to securities transactions	110,847	82,707
Deferred tax liabilities	44	129
Miscellaneous liabilities [1]	24,338	23,982
TOTAL OTHER LIABILITIES	**295,004**	**267,296**

(1) *BNP Paribas SA's accounts payable in continental France totalled EUR 22.8 million at 31 December 2010; 93.8% of this liability is less than 60 days old.*

3.h ACCRUED INCOME AND EXPENSES

In millions of euros, at	31 December 2010	31 December 2009
Remeasurement of currency instruments and derivatives	48,262	53,005
Accrued income	8,866	7,447
Collection accounts	2,764	2,821
Other accrued income	13,300	7,642
TOTAL ACCRUED INCOME	**73,190**	**70,915**
Remeasurement of currency instruments and derivatives	46,647	42,261
Accrued expenses	10,785	9,973
Collection accounts	748	906
Other accrued expenses	2,599	2,255
TOTAL ACCRUED EXPENSES	**60,779**	**55,395**

3.i OPERATING ASSETS

	31 December 2010			31 December 2009
In millions of euros, at	Gross value	Dep., amort. and provisions	Carrying amount	Carrying amount
Software	1,747	(1,227)	520	482
Other intangible assets	5,633	(29)	5,604	4,956
TOTAL INTANGIBLE ASSETS	**7,380**	**(1,256)**	**6,124**	**5,438**
Land and buildings	2,132	(636)	1,496	1,474
Equipment, furniture, and fixtures	1,966	(1,513)	453	506
Other property, plant, and equipment	236		236	220
TOTAL TANGIBLE ASSETS	**4,334**	**(2,148)**	**2,185**	**2,200**

3.j PROVISIONS

In millions of euros, at	31 December 2009	Allocations	Reversals	Other movements	31 December 2010
Provision for employee benefit obligations	**483**	**232**	**(173)**	**24**	**566**
Provision for doubtful loans (note 2.d)	**167**	**3**	**(40)**	**14**	**144**
Provision for off-balance sheet commitments (note 2.d)	**578**	**191**	**(77)**	**28**	**720**
Other provisions					
■ for banking transactions	832	291	(382)	10	751
■ for non-banking transactions	831	147	(128)	41	890
TOTAL PROVISIONS	**2,891**	**863**	**(800)**	**117**	**3,070**

➤ PROVISIONS FOR RISKS ON REGULATED SAVINGS PRODUCTS

In millions of euros, at	31 December 2010	31 December 2009
Deposits collected under home savings accounts and plans	**14,171**	**14,003**
Of which for home savings plans	11,400	11,176
Aged more than 10 years	*3,764*	*3,385*
Aged between 4 to 10 years	*5,752*	*5,221*
Aged less than 4 years	*1,884*	*2,570*
Outstanding loans granted under home savings accounts and plans	**515**	**587**
Of which loans granted under home savings plans	126	159
Provisions for home savings accounts and plans	**226**	**201**
Of which for home savings plans	203	165
Aged more than 10 years	*67*	*61*
Aged between 4 to 10 years	*102*	*59*
Aged less than 4 years	*34*	*45*

➤ CHANGE IN PROVISIONS FOR REGULATED SAVINGS PRODUCTS

	2010	
In millions of euros	Provisions for home savings plans	Provisions for home savings accounts
Total provisions at start of period	**165**	**36**
Additions to provisions during the period	37	
Provision reversals during the period		(12)
Total provisions at end of the period	**203**	**23**

3.k SUBORDINATED DEBT

In millions of euros, at	31 December 2010	31 December 2009
Redeemable subordinated debt	**11,079**	**14,009**
Undated subordinated debt	**9,925**	**9,985**
Undated Super Subordinated Notes	7,750	7,479
Undated Floating-Rate Subordinated Notes	1,947	2,282
Undated Participating Subordinated Notes	228	224
Related debt	**79**	**395**
TOTAL SUBORDINATED DEBT	**21,083**	**24,389**

Redeemable subordinated debt

The redeemable subordinated debt issued by the Group is in the form of medium and long-term debt securities, equivalent to ordinary subordinated debt; these issues are redeemable prior to the contractual maturity date in the event of liquidation of the issuer, and rank after the other creditors but before holders of participating loans and participating subordinated notes.

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 a public tender or exchange offers, or (in the case of private placements) over the counter, subject to regulatory approval.

Debt issued by BNP Paribas SA 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 following table gives the maturity schedule for redeemable subordinated debt as of 31 December 2010.

In millions of euros	Outstandings at 31/12/2010	2011	2012	2013	2014	2015	2016 to 2020	After 2020
Redeemable subordinated debt	11,079	304	1,856	670	363	771	6,071	1,044

Undated subordinated debt

Undated Super Subordinated Notes

Between 2005 and 2009, BNP Paribas SA carried out nineteen issues of Undated Super Subordinated Notes representing a total amount of EUR 7,750 million. These notes pay a fixed rate coupon and are redeemable at the end of a fixed period and at each coupon date afterwards. Some of these notes will pay a coupon indexed to Euribor or Libor if they are not redeemed at the end of this period.

BNP Paribas SA redeemed the EUR 2,550 million issue of Undated Super Subordinated Notes purchased in December 2008 by *Société de Prise de Participation de l'État* (a French state shareholding company) using the proceeds from the issue of BNP Paribas non-voting shares in March 2009.

In December 2007 Fortis Banque France, which was merged into BNP Paribas SA on 12 May 2010, issued EUR 60 million of Undated Super Subordinated Notes. These notes pay a floating-rate coupon and are redeemable after ten years and at each coupon date afterwards.

The table below sets out the characteristics of the issues of Undated Super Subordinated Notes.

Issuer	Issue date	Currency	Original amount in issue currency	Term	Interest rate	31 December 2010	31 December 2009
BNP Paribas SA	June 2005	USD	1,350	10 years	USD 3-month Libor + 1.68%	1,010	943
BNP Paribas SA	October 2005	EUR	1,000	6 years	4.875%	1,000	1,000
BNP Paribas SA	October 2005	USD	400	6 years	6.25%	299	279
BNP Paribas SA	April 2006	EUR	750	10 years	3-month Euribor + 1.69%	750	750
BNP Paribas SA	April 2006	GBP	450	10 years	GBP 3-month Libor + 1.13%	525	508
BNP Paribas SA	July 2006	EUR	150	20 years	3-month Euribor + 1.92%	150	150
BNP Paribas SA	July 2006	GBP	325	10 years	GBP 3-month Libor + 1.81%	379	367
BNP Paribas SA	April 2007	EUR	750	10 years	3-month Euribor + 1.72%	750	750
BNP Paribas SA	June 2007	USD	600	5 years	6.50%	449	419
BNP Paribas SA	June 2007	USD	1,100	30 years	USD 3-month Libor + 1.29%	823	768
BNP Paribas SA	October 2007	GBP	200	10 years	GBP 3-month Libor + 1.85%	233	226
BNP Paribas SA	December 2007	EUR	60 (1)	10 years	3-month Euribor + 3.880%	60	
BNP Paribas SA	June 2008	EUR	500	10 years	3-month Euribor + 3.750%	500	500
BNP Paribas SA	September 2008	EUR	650	5 years	3-month Euribor + 4.050%	650	650
BNP Paribas SA	September 2008	EUR	100	10 years	3-month Euribor + 3.925%	100	100
BNP Paribas SA	December 2009	EUR	2	10 years	3-month Euribor + 4.75%	2	2
BNP Paribas SA	December 2009	EUR	17	10 years	3-month Euribor + 4.75%	17	17
BNP Paribas SA	December 2009	USD	70	10 years	USD 3-month Libor + 4.75%	52	49
BNP Paribas SA	December 2009	USD	0.5	10 years	USD 3-month Libor + 4.75%	1	1
TOTAL UNDATED SUPER SUBORDINATED NOTES						**7,750**	**7,479**

(1) *Through the absorption of Fortis Banque France on 12 May 2010.*

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 Undated Super Subordinated Notes shares in the previous year. Unpaid interest is not carried forward.

The contracts relating to these Undated Super Subordinated Notes contain a loss absorption clause. Under the terms of this clause, in the event of insufficient regulatory capital - which is not fully offset by a capital increase or any other equivalent measure - the nominal value of the notes may be reduced in order to serve as a new basis for the calculation of the related coupons until the capital deficiency is made up and the nominal value of the notes is increased to its original amount. However, in the event of the liquidation of BNP Paribas, 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.

Undated Floating-Rate Subordinated Notes

The Undated Floating-Rate Subordinated Notes (TSDIs) and other Undated Subordinated Notes issued by BNP Paribas are redeemable on liquidation of the Bank after repayment of all other debts but ahead of Undated Participating Subordinated Notes. They confer no rights over residual assets. The following table summarises the TSDIs issued to date.

Issuer	Issue date	Currency	Original amount in issue currency (in millions)	Interest rate	31 December 2010	31 December 2009
BNP SA	October 1985	EUR	305	TMO - 0.25%	254	254
BNP SA	September 1986	USD	500	6-month Libor + 0.75%	205	191
BNP Paribas SA	October 2000	USD	500	9.003% then 3-month Libor + 3.26%		349
BNP Paribas SA	October 2001	EUR	500	6.625% then 3-month Euribor + 2.6%	500	500
BNP Paribas SA	January 2002	EUR	660	6.342% then 3-month Euribor + 2.33%	660	660
BNP Paribas SA	January 2003	EUR	328	5.868% then 3-month Euribor + 2.48%	328	328
TOTAL UNDATED FLOATING-RATE SUBORDINATED NOTES (TSDIs)					**1,947**	**2,282**

Payment of interest is obligatory on the TSDIs issued in October 1985 (representing a nominal amount of EUR 305 million), but the Board of Directors may postpone interest payments if the Ordinary Shareholders' Meeting notes that there is no income available for distribution within the twelve months preceding the interest payment date.

The other TSDIs contain a specific call option provision, whereby they may be redeemed at par prior to maturity at the issuer's discretion at any time after a date specified in the issue particulars, after approval of the banking regulators. They are not subject to any interest step-up clause. Payment of interest is obligatory, but the Board of Directors may postpone interest payments if the Ordinary Shareholders' General Meeting decides not to pay a dividend within the twelve months preceding the interest payment date.

Undated participating subordinated notes

The undated participating subordinated notes issued by the Bank between 1984 and 1988 for a total amount of EUR 337 million, are redeemable only in the event of liquidation of the Bank, but may be retired under the terms specified in the French law of 3 January 1983. Under this option, 434,267 notes of the 2,212,761 notes originally issued were retired and subsequently cancelled between 2004 and 2007. Payment of interest is obligatory, but the Board of Directors may postpone interest payments if the Ordinary General Meeting of shareholders held to approve the financial statements notes that there is no income available for distribution.

In December 2009, these notes were sold or swapped for Undated Super Subordinated Notes through a public offer. This transaction gave rise to a net gain of EUR 7 million based on the book value of the Undated Participating Subordinated Notes sold or swapped.

Note 4 FINANCING AND GUARANTEE COMMITMENTS

4.a FINANCING COMMITMENTS

In millions of euros, at	31 December 2010	31 December 2009
Credit institutions	**53,701**	**56,962**
Customers	**156,559**	**125,175**
Confirmed letters of credit	87,209	86,920
Other commitments given to customers	69,350	38,255
TOTAL FINANCING COMMITMENTS GIVEN	**210,259**	**182,137**
Credit institutions	**81,886**	**81,004**
Customers	**23,380**	**6,550**
TOTAL FINANCING COMMITMENTS RECEIVED	**105,266**	**87,554**

4.b GUARANTEE COMMITMENTS

In millions of euros, at	31 December 2010	31 December 2009
Credit institutions	**37,207**	**30,225**
Customers	**104,725**	**92,707**
TOTAL GUARANTEE COMMITMENTS GIVEN	**141,933**	**122,932**
Credit institutions	**61,901**	**52,128**
Customers	**123,540**	**94,216**
TOTAL GUARANTEE COMMITMENTS RECEIVED	**185,441**	**146,344**

4.c FINANCIAL INSTRUMENTS GIVEN AND RECEIVED AS GUARANTEES

➤ FINANCIAL INSTRUMENTS GIVEN AS COLLATERAL

In millions of euros, at	31 December 2010	31 December 2009
Financial instruments (negotiable securities and private receivables) deposited with central banks and eligible for use at any time as collateral for refinancing transactions	**74,301**	**76,285**
■ Used as collateral with central banks	15,623	34,917
■ Available for refinancing transactions	58,678	41,368
Other financial assets pledged as collateral for transactions with banks and financial customers	**65,483**	**51,659**

As of 31 December 2010, the Bank had EUR 74,301 million of financial instruments (negotiable securities and private receivables) deposited or pledged with central banks for use at any time as collateral for refinancing transactions (vs. EUR 76,285 million at 31 December 2009). This amount includes EUR 50,154 million deposited with Banque de France (vs. EUR 51,604 million at 31 December 2009) under Banque de France's comprehensive collateral management system to cover Eurosystem monetary policy transactions and intraday loans. As of 31 December 2010 the Bank had used as collateral EUR 15,623 million of the amount deposited with central banks (vs. EUR 34,917 million at 31 December 2009), including EUR 7,000 million of the amount deposited with Banque de France (vs. EUR 27,117 million at 31 December 2009).

The other assets that the Bank has pledged as collateral with credit institutions and financial customers totalled EUR 45,916 million at 31 December 2010 (vs. EUR 39,974 million at 31 December 2009), and include financing for BNPP HL Covered Bonds, *Société de Financement de l'Économie Française*, and *Caisse de Refinancement de l'Habitat*.

➤ FINANCIAL INSTRUMENTS RECEIVED AS COLLATERAL

In millions of euros, at	31 December 2010	31 December 2009
Financial instruments received as collateral	**27,025**	**12,984**

Note 5 SALARIES AND EMPLOYEE BENEFITS

5.a SALARIES AND EMPLOYEE BENEFIT EXPENSES

In millions of euros	2010	2009
Salaries	(3,788)	(3,625)
Tax and social security charges	(1,479)	(1,736)
Employee profit-sharing and incentive schemes	(250)	(190)
TOTAL SALARIES AND EMPLOYEE BENEFIT EXPENSES	**(5,517)**	**(5,551)**

The following table gives the breakdown of BNP Paribas SA employees.

Headcount, at	31 December 2010	31 December 2009
Employees in Metropolitan France	39,523	37,946
Of which managers	*21,319*	*19,653*
Employees outside Metropolitan France	10,148	8,855
TOTAL BNP PARIBAS SA EMPLOYEES	**49,671**	**46,801**

5.b EMPLOYEE BENEFIT OBLIGATIONS

Post-employment benefits under defined-contribution plans

In France, BNP Paribas Group pays contributions to various nationwide basic and top-up pension schemes. BNP Paribas SA has set up a funded pension plan under a company-wide agreement. Under this plan, employees will receive an annuity upon retirement, in addition to the pension paid by nationwide schemes.

In the rest of the world, defined-benefit plans have been closed to new employees in most of the countries in which the Group operates (primarily the United States, Germany, Luxembourg, the United Kingdom, Ireland, Norway and Australia). These employees are now offered defined-contribution plans. Under these plans, the Group's obligation is essentially limited to paying a percentage of the employee's annual salary into the plan.

The amount paid into defined-contribution post-employment plans in France and other countries for the year to 31 December 2010 was EUR 232 million, vs. EUR 211 million for the year to 31 December 2009.

Post-employment benefits under defined-benefit plans

The legacy defined-benefit plans in France and other countries are valued independently using actuarial techniques, applying the projected unit cost method, in order to determine the expense arising from rights vested in employees and benefits payable to retired employees. The demographic and financial assumptions used to estimate the present value of these obligations and of plan assets take into account economic conditions specific to each country and Group company. Actuarial gains and losses outside the permitted 10% corridor are amortised; these gains and losses are calculated separately for each defined-benefit plan.

Provisions set up to cover obligations under defined-benefit post-employment plans totalled EUR 319 million at 31 December 2010 (against EUR 268 million at 31 December 2009), comprised of EUR 255 million for French plans and EUR 64 million for other plans.

The surplus value of the Bank's obligations under the corresponding retirement plans totalled EUR 35 million at 31 December 2010, up from EUR 5 million at 31 December 2009.

Pension plans and other post-employment benefits

Pension plans

In France, BNP Paribas pays a supplemental banking industry pension arising from rights acquired until 31 December 1993 by former employees in retirement at that date and active employees in service at that date. The residual pension obligations are covered by a provision in the consolidated financial statements or transferred to an insurance company outside the Group.

The defined-benefit plans previously granted to Group executives formerly employed by BNP Paribas or *Compagnie Bancaire* have all been closed and converted into top-up type schemes. The amounts allocated to the beneficiaries, subject to their still being with the Group at retirement, were fixed when the previous schemes were closed. These pension plans have been contracted out to insurance companies. The fair value of the related plan assets in these companies' balance sheets consists of 82% bonds, 9% equities, and 9% property assets.

In other countries, pension plans are based either on pensions linked to the employee's final salary and length of service (United Kingdom), or on annual vesting of rights to a capital sum expressed as a percentage of annual salary and paying interest at a pre-defined rate (United States). Some plans are managed by independent fund managers (United Kingdom). As of 31 December 2010, 84% of the gross obligations under these plans concerned six plans in the United Kingdom and the United States. The fair value of the related plan assets was split as follows: 38% equities, 53% bonds, and 9% other financial instruments.

Other post-employment benefits

Group employees also receive various other contractual post-employment benefits such as bonuses payable on retirement. BNP Paribas' obligations for these bonuses in France are funded through a contract taken out with a third-party insurer.

Post-employment healthcare plans

In France, BNP Paribas no longer has any obligations in relation to healthcare benefits for its retired employees.

Several healthcare benefit plans for retired employees exist in other countries, mainly in the United States. Provisions for obligations under these plans amounted to EUR 9 million as of 31 December 2010, compared to EUR 6 million as of 31 December 2009.

Obligations under post-employment healthcare benefit plans are measured using the mortality tables applicable in each country. They also build in assumptions about healthcare benefit costs, including forecast trends in the cost of healthcare services and in inflation, which are derived from historical data.

Termination benefits

In France, BNP Paribas is encouraging voluntary redundancy among employees who meet certain eligibility criteria. The obligations to eligible active employees under such plans are provided for when the plan is the subject of an agreement or a draft bilateral agreement. Plans currently in effect in France concern BNP Paribas employees in metropolitan France.

BNP Paribas SA's provisions for voluntary redundancy and early retirement plans amounted to EUR 5 million as of 31 December 2010, unchanged from a year earlier.

Note 6 ADDITIONAL INFORMATION

6.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

Resolutions of the Shareholders' General Meeting valid for 2010

The following authorisations to increase or reduce the share capital have been granted to the Board of Directors under resolutions voted in Shareholders' General Meetings and were valid during 2010:

Resolutions adopted at Shareholders' General Meetings		Use of authorisation in 2010
Shareholders' General Meeting of 21 May 2008 (21st resolution)	Authorisation to award shares for no consideration to employees and corporate officers of BNP Paribas and related companies *The shares awarded may be existing shares or new shares to be issued and may not exceed 1.5% of BNP Paribas' share capital, i.e. less than 0.5% a year. This authorisation was granted for a period of 38 months.*	998,015 free shares awarded at the Board meeting of 5 March 2010
Shareholders' General Meeting of 21 May 2008 (22nd resolution)	Authorisation to grant stock subscription or purchase options to corporate officers and certain employees *The number of options granted may not exceed 3% of BNP Paribas' share capital, i.e. less than 1% a year. This is a blanket limit covering both the 21st and 22nd resolutions of the Shareholders' General Meeting of 21 May 2008. This authorisation was granted for a period of 38 months.*	2,423,700 stock subscription options granted at the Board meeting of 5 March 2010
Shareholders' General Meeting of 13 May 2009 (5th resolution)	Authorisation given to the Board of Directors to set up an ordinary share buyback programme for the Company until it holds at most 10% of the share capital *These acquisitions may be used for several purposes, notably:* ■ *the award or sale of shares to employees in connection with the employee profit-sharing scheme, employee share ownership plans or corporate savings plans, stock option programmes and the award of free shares to members of staff;* ■ *the cancellation of shares following authorisation by the Shareholders' General Meeting (15th resolution of the Shareholders' General Meeting of 13 May 2009);* ■ *remittance in exchange or payment for external growth transactions;* ■ *implementation of a liquidity agreement.* *This authorisation was granted for a period of 18 months and was nullified by the 5th resolution of the Shareholders' General Meeting of 12 May 2010.*	Excluding the market-making agreement 800,000 shares with a par value of EUR 2 were purchased in March 2010. Under the market-making agreement, 1,809,576 shares with a par value of EUR 2 were acquired and 1,806,987 shares with a par value of EUR 2 were sold during 2010.
Shareholders' General Meeting of 13 May 2009 (15th resolution)	Authorisation to reduce the share capital by cancelling shares. *Authorisation was given to cancel on one or more occasions through a reduction in the share capital all or some of the shares that BNP Paribas holds and that it may come to hold, provided that the number of shares cancelled in any 24-month period does not exceed 10% of the total number of shares at the operation date.* *Full powers were delegated to complete the capital reduction and deduct the difference between the purchase cost of the cancelled shares and their par value from additional paid-in capital and reserves available for distribution, including from the legal reserve in respect of up to 10% of the capital cancelled.* *This authorisation was granted for a period of 18 months and was nullified by the 20th resolution of the Shareholders' General Meeting of 12 May 2010.*	600,000 shares with a par value of EUR 2 were cancelled on 30 March 2010

Resolutions adopted at Shareholders' General Meetings		Use of authorisation in 2010
Shareholders' General Meeting of 12 May 2010 (3rd resolution)	Resolution to propose a dividend payable in cash or in new shares. Payment of the dividend in new shares had the effect of increasing the share capital by EUR 18,320,436, or 9,160,218 shares, generating additional paid-in capital of EUR 401,858,763.66	9,160,218 new shares with a par value of EUR 2 were issued on 15 June 2010
Shareholders' General Meeting of 12 May 2010 (5th resolution)	Authorisation given to the Board of Directors to set up an ordinary share buyback programme for the Company until it holds at most 10% of the share capital. *These acquisitions may be used for several purposes, notably:* ■ *the award or sale of shares to employees in connection with the employee profit-sharing scheme, employee share ownership plans or corporate savings plans, stock option programmes and the award of free shares to members of staff;* *the cancellation of shares following authorisation by the Shareholders' General Meeting (20th resolution of the Shareholders' General Meeting of 12 May 2010);* ■ *remittance in exchange or payment for external growth transactions;* ■ *implementation of a liquidity agreement.* *This authorisation was granted for a period of 18 months and supersedes that given by the 5th resolution of the Shareholders' General Meeting of 13 May 2009.*	This authorisation was not used during the period.
Shareholders' General Meeting of 12 May 2010 (12th resolution)	Authorisation to issue ordinary shares and share equivalents with pre-emptive rights for existing shareholders maintained. *The par value of the capital increases that may be carried out immediately and/or in the future by virtue of this authorisation may not exceed EUR 1 billion (representing 500 million shares).* *The par value of any debt instruments giving access to the capital of BNP Paribas that may be issued by virtue of this authorisation may not exceed EUR 10 billion.* *This authorisation was granted for a period of 26 months and supersedes that given by the 13th resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (13th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, and a priority subscription period granted. *The par value of the capital increases that may be carried out immediately and/or in the future by virtue of this authorisation may not exceed EUR 350 million (representing 175 million shares).* *The par value of any debt instruments giving access to the capital of BNP Paribas that may be issued by virtue of this authorisation may not exceed EUR 7 billion.* *This authorisation was granted for a period of 26 months and supersedes that given by the 14th resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the period

Resolutions adopted at Shareholders' General Meetings		Use of authorisation in 2010
Shareholders' General Meeting of 12 May 2010 (14th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, in consideration for securities tendered to public exchange offer. *The par value of the capital increases that may be carried out on one or more occasions by virtue of this authorisation may not exceed EUR 350 million.* *This authorisation was granted for a period of 26 months and supersedes that given by the 15th resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (15th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, in consideration for securities tendered to contributions of unlisted shares (up to a maximum of 10% of the capital) *The par value of the capital increases that may be carried out on one or more occasions by virtue of this authorisation may not exceed 10% of the number of shares comprising the issued capital of BNP Paribas.* *This authorisation was granted for a period of 26 months and supersedes that given by the 13th resolution of the Shareholders' General Meeting of 13 May 2009.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (16th resolution)	Blanket limit on authorisations to issue shares with pre-emptive rights for existing shareholders waived. *The maximum par value of all issues made with pre-emptive rights for existing shareholders waived by virtue of the authorisations granted under the 13th to 15th resolutions of the Shareholders' General Meeting of 12 May 2010 may not exceed EUR 350 million for shares immediately and/or in the future and EUR 7 billion for debt instruments.*	Not applicable
Shareholders' General Meeting of 12 May 2010 (17th resolution)	Issue of shares to be paid up by capitalising income, retained earnings or additional paid-in capital. *Authorisation was given to increase the issued capital within the limit of a maximum par value of EUR 1 billion on one or more occasions, by capitalising all or part of the retained earnings, profits or additional paid-in capital, successively or simultaneously, through the issuance and award of free ordinary shares, through an increase in the par value of existing shares, or through a combination of these two methods.* *This authorisation was granted for a period of 26 months and supersedes that given by the 4th resolution of the Extraordinary Shareholders' Meeting of 27 March 2009.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (18th resolution)	Blanket limit on authorisations to issue shares with or without pre-emptive rights for existing shareholders. *The maximum par value of all issues made with or without pre-emptive rights for existing shareholders by virtue of the authorisations granted under the 12th to 15th resolutions of the Shareholders' General Meeting of 12 May 2010 may not exceed EUR 1 billion for shares immediately and/or in the future and EUR 10 billion for debt instruments.*	Not applicable

Resolutions adopted at Shareholders' General Meetings		Use of authorisation in 2010
Shareholders' General Meeting of 12 May 2010 (19th resolution)	Authorisation granted to the Board of Directors to carry out transactions reserved for members of the BNP Paribas Group's Corporate Savings Plan in the form of new share issues and/or sales of reserved shares. *Authorisation was given to increase the share capital within the limit of a maximum par value of EUR 46 million on one or more occasions by issuing ordinary shares, with pre-emptive rights for existing shareholders waived, reserved for members of the BNP Paribas Group's Corporate Savings Plan.* *The transactions authorised by this resolution may also take the form of sales of shares to members of the BNP Paribas Group's Corporate Savings Plan.* *This authorisation was granted for a period of 26 months and supersedes that given by the 3rd resolution of the Extraordinary Shareholders' Meeting of 27 March 2009.*	Issue of 3,700,076 new ordinary shares with a par value of EUR 2 recorded on 16 July 2010
Shareholders' General Meeting of 12 May 2010 (20th resolution)	Authorisation to reduce the share capital by cancelling shares. *Authorisation was given to cancel on one or more occasions through a reduction in the share capital all or some of the shares that BNP Paribas holds and that it may come to hold, provided that the number of shares cancelled in any 24-month period does not exceed 10% of the total number of shares in issue on the transaction date.* *Full powers were delegated to complete the capital reduction and deduct the difference between the purchase cost of the cancelled shares and their par value from additional paid-in capital and reserves available for distribution, including from the legal reserve in respect of up to 10% of the capital cancelled.* *This authorisation was granted for a period of 18 months and supersedes that given by the 15th resolution of the Shareholders' General Meeting of 13 May 2009.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (21st resolution)	Approval of the merger-absorption of Fortis Banque France by BNP Paribas and corresponding increase in the share capital. *Issue of 354 new ordinary shares with a par value of EUR 2 pursuant to the merger-absorption of Fortis Banque France duly placed on record on 12 May 2010.*	354 new shares with a par value of EUR 2 on 12 May 2010

Capital increases linked to the acquisition of Fortis Bank SA/NV and BGL SA

BNP Paribas signed an agreement with the Belgian government and Luxembourg government related to the acquisition by BNP Paribas of certain Fortis group companies from the Belgian government acting via the SFPI and the Luxembourg government (hereinafter the "transaction").

The transaction comprised four asset contributions, with an issue of shares carried out in consideration for each one:

- 88,235,294 ordinary BNP Paribas shares each with a par value of EUR 2 for the First Contribution, which consisted in the transfer by SFPI of 263,586,083 Fortis Bank SA/NV shares, representing around 54.55% of the latter's share capital and voting rights. The Board of Directors approved the First Contribution on 12 May 2009 using the authorisation granted under the 16th resolution passed at the Shareholders' General Meeting of 21 May 2008. The shares issued in consideration for this contribution were covered by a lock-up commitment that runs until 10 October 2010;
- 32,982,760 ordinary BNP Paribas shares each with a par value of EUR 2 for the Second Contribution, which consists in the transfer by SFPI of 98,529,695 additional Fortis Bank SA/NV shares, representing around 20.39% of the latter's share capital and voting rights. The Shareholders' General Meeting on 13 May 2009 approved this Second Contribution, formally recorded its definitive completion and that of the corresponding issue of shares under its 11th resolution;
- 11,717,549 ordinary BNP Paribas shares each with a par value of EUR 2 for the Third Contribution, which consists in the transfer by the Luxembourg government of 4,540,798 BGL SA shares, representing around 16.57% of the latter's share capital and voting rights. The Shareholders' General Meeting on 13 May 2009 approved this Third Contribution, formally recorded its definitive completion and that of the corresponding issue of shares under its 12th resolution. The Luxembourg government undertook to hold the 5,858,774 shares received in consideration for its asset contribution until 23 October 2009;
- 500,000 ordinary BNP Paribas shares each with a par value of EUR 2 for the Fourth Contribution, consisting of in the transfer by the Luxembourg government of 193,760 BGL SA shares, representing around 0.69% of the latter's share capital and voting rights. The Board of Directors approved this Fourth Contribution, formally recorded its definitive completion and that of the corresponding issue of shares on 13 May 2009, using the authorisation granted to it by the Shareholders' General Meeting of 13 May 2009 under its 13th resolution. The Grand Duchy of Luxembourg undertook to hold the 250,000 shares received in consideration for its asset contribution until 23 October 2009.

As a result of these four asset contributions, BNP Paribas' share capital increased by 133,435,603 ordinary shares, each with a par value of EUR 2.

Operations affecting share capital	Number of shares	Par value (in euros)	Date of authorisation by Shareholders' Meeting	Date of decision by Board of Directors
NUMBER OF SHARES OUTSTANDING AT 31 DECEMBER 2008	**912,096,107**	**2**		
Increase in share capital by exercise of stock subscription options	74,024	2	(1)	(1)
Increase in share capital by exercise of stock subscription options	1,824,582	2	(1)	(1)
Capital increase arising on the acquisition of Fortis	133,435,603	2	(2)	(2)
Capital increase arising on the issuance of non-voting shares	187,224,669	2	27 March 2009	27 March 2009
Capital increase reserved for members of the Company Savings Plan	9,000,000	2	27 March 2009	05 May 2009
Capital increase arising on the payment of a stock dividend	21,420,254	2	13 May 2009	13 May 2009
Capital decrease	(219,294)	2	13 May 2009	03 August 2009
Capital increase	107,650,488	2	21 May 2008	25 September 2009
Capital decrease arising on the cancellation of non-voting shares	(187,224,669)	2		04 November 2009
NUMBER OF SHARES OUTSTANDING AT 31 DECEMBER 2009	**1,185,281,764**	**2**		
Increase in share capital by exercise of stock subscription options	595,215	2	(1)	(1)
Increase in share capital by exercise of stock subscription options	522,529	2	(1)	(1)
Capital decrease	(600,000)	2	13 May 2009	05 March 2010
Capital increase arising on the merger of Fortis Bank France	354	2	12 May 2010	12 May 2010
Capital increase arising on the payment of a stock dividend	9,160,218	2	12 May 2010	12 May 2010
Capital increase reserved for members of the Company Savings Plan	3,700,076	2	12 May 2010	12 May 2010
NUMBER OF SHARES OUTSTANDING AT 31 DECEMBER 2010	**1,198,660,156**	**2**		

(1) *Various resolutions voted in the Shareholders' General Meetings and decisions of the Board of Directors authorising the granting of stock subscription options that were exercised during the period.*

(2) *Various resolutions adopted by the Shareholders' General Meeting and decisions made by the Board of Directors authorising the issues of shares related to the acquisition of Fortis.*

6.b STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 31 DECEMBER 2008 TO 31 DECEMBER 2010

In millions of euros	Share capital	Additional paid-in capital	Retained earnings and net income for the period	Total shareholders' equity
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2008	**1,824**	**8,819**	**23,858**	**34,501**
Dividend payout for 2008			(1,044)	(1,044)
Capital increases	547	12,528	50	13,125
Capital reductions (by cancellation of shares)		(16)		(16)
Other changes			(30)	(30)
Net income for 2009			4,009	4,009
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2009	**2,371**	**21,331**	**26,843**	**50,545**
Dividend payout for 2009	18	402	(1,776)	(1,356)
Capital increases	9	191	3	203
Capital reductions (by cancellation of shares)	(1)	(39)		(40)
Other changes		(35)	(12)	(47)
Net income for 2010			3,465	3,465
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2010	**2,397**	**21,850**	**28,523**	**52,770**

6.c NOTIONAL AMOUNTS OF FORWARD FINANCIAL INSTRUMENTS

The notional amounts of derivative instruments are merely an indication of the volume of BNP Paribas SA's activities in financial instruments markets, and do not reflect the market risks associated with such instruments.

Trading portfolio

In millions of euros, at	31 December 2010	31 December 2009
Currency derivatives	1,973,422	1,610,990
Interest rate derivatives	37,120,905	35,304,751
Equity derivatives	1,825,489	1,655,137
Credit derivatives	2,384,781	1,606,945
Commodity derivatives	88,124	111,590
Other derivatives	3	3
TOTAL FORWARD FINANCIAL INSTRUMENTS IN THE TRADING PORTFOLIO	**43,392,724**	**40,289,416**

Financial instruments traded on organised markets accounted for 44% of the Bank's derivatives transactions at 31 December 2010 (vs. 41% at 31 December 2009).

Hedging strategy

The total notional amount of derivatives used for hedging purposes stood at EUR 502,412 million as of 31 December 2010, compared with EUR 401,940 million as of 31 December 2009.

Derivatives used for hedging purposes are primarily contracted on over-the-counter markets.

Market value

The market value of the Bank's net position on firm transactions was approximately EUR 1,500 million as of 31 December 2010, compared with EUR 4,800 million as of 31 December 2009. The market value of the Bank's net long position on options was approximately EUR 3,100 million as of 31 December 2010, compared with EUR 850 million as of 31 December 2009.

6.d SEGMENT INFORMATION

The following table gives a regional breakdown of BNP Paribas SA's interbank transactions and customer items recognised on the balance sheet.

In millions of euros, at	Interbank transactions		Customer and leasing transactions		Total by region	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009
France	336,431	334,972	239,552	206,996	**575,984**	**541,968**
Other countries in the European Economic Area	99,431	96,731	63,275	52,685	**162,706**	**149,416**
Countries in the Americas and Asia	57,948	65,105	58,415	45,328	**116,364**	**110,433**
Other countries	2,575	2,099	4,625	5,270	**7,199**	**7,369**
TOTAL USES OF FUNDS	**496,385**	**498,907**	**365,867**	**310,279**	**862,252**	**809,186**
France	254,311	274,765	179,210	158,639	**433,522**	**433,404**
Other countries in the European Economic Area	49,714	62,352	94,024	78,611	**143,738**	**140,963**
Countries in the Americas and Asia	56,805	47,924	46,870	49,620	**103,676**	**97,544**
Other countries	6,316	5,157	4,273	3,729	**10,589**	**8,886**
TOTAL SOURCES OF FUNDS	**367,146**	**390,198**	**324,378**	**290,599**	**691,524**	**680,797**

86% of BNP Paribas SA's revenues in 2010 came from counterparties in the European Economic Area, compared with 88% in 2009.

6.e SCHEDULE OF SOURCES AND USES OF FUNDS

In millions of euros	Demand and overnight transactions	Term remaining					
		Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Provisions	Total
Uses of funds							
Cash and amounts due from central banks and post office banks	23,453						**23,453**
Treasury bills and money-market instruments		37,373	23,524	29,709	47,041	(1,414)	**136,232**
Due from credit institutions	32,735	188,659	33,512	53,517	28,930	(653)	**336,700**
Customer and leasing transactions	19,758	139,800	33,160	101,969	78,058	(6,879)	**365,867**
Bonds and other fixed-income securities		23,436	15,088	25,196	33,213	(1,116)	**95,816**
Sources of funds							
Amounts due to credit institutions, central banks, and post office banks	59,228	231,163	25,749	38,780	12,226		**367,146**
Customer items	118,453	147,597	23,880	30,267	4,180		**324,378**
Debt securities other than bonds and other debt securities (note 3.f)		139,716	24,362	4,790	919		**169,788**

6.f UNCOOPERATIVE STATES AND TERRITORIES

Authorisation from the Group's Compliance Department must be obtained through a special procedure before the Group can set up a site in a state considered "uncooperative" as defined by Article 238-0 A of the French General Tax Code. In accordance with BNP Paribas' "best interests" principle, and to ensure that the Group's internal control mechanisms are applied consistently, these sites are subject to the Group's regulations on risk management, money laundering, corruption, financial embargoes, and terrorism financing.

Company name	Ownership interest (%)	Legal form	Type of license	Business activity
Brunei				
BNP Paribas Asset Management (B) SDN BHD	90.55	SDN BHD (Private Limited Company)	Investment Advisor License	Asset management
Panama				
BNP Paribas - Panama branch	100.00	Sucursal	Banking license	Inactive - being deregistered
BNP Paribas (Panama) SA	99.68	Sociedad anonima	-	Inactive - In liquidation
BNP Paribas Wealth Management - Panama branch	100.00	Sucursal	Banking license	Inactive - being deregistered
Philippines				
BNP Paribas Investments (Phils.) Inc.	65.36	Corporation	Investment company	Investment company
BNP Paribas - Manila branch	100.00	Branch	Offshore banking license	Commercial bank
FPSP Holdings Corporation	68.97	Corporation	-	Holding company

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6.2 Appropriation of income and dividend distribution for the year ended 31 December 2010

The Board of Directors will propose the following income and dividend distribution for the 2010 financial year at the Annual General Meeting on May 2011:

In millions of euros	
Net income	3,465
Unappropriated retained earnings	15,804
TOTAL INCOME TO BE APPROPRIATED	**19,269**
Dividend	2,518
Retained earnings	16,751
TOTAL APPROPRIATED INCOME	**19,269**

The total proposed dividend to be paid to BNP Paribas Shareholders is EUR 2,518 million, which corresponds to EUR 2,10 per share (with a par value of EUR 2,00) based on the number of shares in issue at 31 janvier 2011.

6.3 BNP Paribas SA five-year financial summary

	2006	2007	2008	2009	2010
Share capital at year-end					
■ Share capital *(in euros)*	1,860,934,954	1,810,520,616	1,824,192,214	2,370,563,528	2,397,320,312
■ Number of common shares in issue	930,467,477	905,260,308	912,096,107	1,185,281,764	1,198,660,156
■ Number of convertible bonds in issue	None	None	None	None	None
Results of operations for the year *(in millions of euros)*					
■ Total revenues, excluding VAT	37,957	47,028	48,642	33,104	28,426
■ Earnings before taxes, depreciation, amortisation, and provisions	5,024	5,257	3,400	7,581	7,193
■ Income tax expense	(45)	285	1,201	(540)	(118)
■ Earnings after taxes, depreciation, amortisation, and provisions	5,375	4,532	715	4,009	3,465
■ Total dividend payout [(1)]	2,892	3,034	912	1,778	2,518
Earnings per share					
■ Earnings after taxes but before depreciation, amortisation, and provisions	5.36	6.12	5.04	5.94	5.90
■ Earnings after taxes, depreciation, amortisation, and provisions	5.76	5.00	0.78	3.38	2.89
■ Dividend per share [(1)]	3.10	3.35	1.00	1.50	2.10
Employee data					
■ Number of employees at year-end	46,152	47,466	47,443	46,801	49,671
■ Total payroll expense *(in millions of euros)*	3,376	3,554	3,112	3,812	3,977
■ Total social security and employee benefit charges *(in millions of euros)*	1,474	1,106	1,053	1,750	1,141

(1) *Subject to the approval from the Shareholder's General Meeting of 11 May 2011.*

6.4 Subsidiaries and associated companies of BNP Paribas SA at 31 December 2010

NAME	Currency	Share capital	Reserves and retained earnings before income appropriation	Last published net income	Interest held by BNP Paribas SA
		In millions of the currency unit			in %
I. Detailed information about subsidiaries and associated companies whose book value exceeds 1% of BNP Paribas SA's share capital					
1. Subsidiaries (more than 50%-owned)					
ANTIN PARTICIPATION 5	EUR	170	18	1	100.00%
AUSTIN FINANCE	EUR	799	212	48	92.00%
BANCA NAZIONALE DEL LAVORO SPA	EUR	2,077	2,832	32	100.00%
BANCO BNP PARIBAS BRASIL SA	BRL	506	629	156	84.10%
BANCWEST CORPORATION	USD	1	(1,868)	118	98.74%
BANEXI HOLDING CORPORATION	USD	59	(35)	46	100.00%
BANQUE DE BRETAGNE	EUR	53	51	17	100.00%
BNL INTERNATIONAL INVESTMENT SA	EUR	110	330	(17)	100.00%
BNP INTERCONTINENTALE	EUR	31	5	(1)	100.00%
BNP PARIBAS ASSURANCE	EUR	965	3,713	318	100.00%
BNP PARIBAS BDDI PARTICIPATIONS	EUR	46	59	50	100.00%
BNP PARIBAS CANADA	CAD	533	249	46	100.00%
BNP PARIBAS CHINA LTD	USD	520	135	20	100.00%
BNP PARIBAS COMMODITY FUTURES LTD.	USD	75	84	32	100.00%
BNP PARIBAS DEVELOPEMENT SA	EUR	89	267	27	100.00%
BNP PARIBAS EGYPT	EGP	1,700	167	156	95.19%
BNP PARIBAS EL DJAZAIR	DZD	10,000	3,299	4,374	84.17%
BNP PARIBAS EQUITIES FRANCE	EUR	6	21	(1)	99.96%
BNP PARIBAS ESPANA SA	EUR	52	37	(3)	99.59%
BNP PARIBAS FACTOR	EUR	3	23	14	100.00%
BNP PARIBAS FACTOR PORTUGAL	EUR	13	67	2	64.26%
BNP PARIBAS HOME LOAN COVERED BONDS	EUR	175	2	0	100.00%
BNP PARIBAS INTERNATIONAL BV	EUR	14	1,470	1,662	100.00%
BNP PARIBAS INVESTMENT PARTNERS	EUR	23	2,481	21	66.67%
BNP PARIBAS IRELAND	EUR	902	402	56	100.00%
BNP PARIBAS LEASE GROUP SPA	EUR	164	108	(17)	73.83%
BNP PARIBAS PERSONAL FINANCE	EUR	453	4,691	116	98.94%
BNP PARIBAS PUBLIC SECTOR	EUR	24	0	7	100.00%
BNP PARIBAS REAL ESTATE	EUR	329	124	62	100.00%
BNP PARIBAS REUNION	EUR	25	26	7	100.00%
BNP PARIBAS SB RE	EUR	450	15	12	100.00%
BNP PARIBAS SECURITIES ASIA LTD.	HKD	1,578	404	(129)	100.00%
BNP PARIBAS SECURITIES JAPAN LTD.	JPY	80,800	28,698	(19,061)	100.00%
BNP PARIBAS SECURITIES KOREA COMPANY LTD.	KRW	250,000	(5,586)	(3,801)	100.00%

NAME	Currency	Share capital	Reserves and retained earnings before income appropriation	Last published net income	Interest held by BNP Paribas SA
		In millions of the currency unit			in %
BNP PARIBAS SECURITIES SERVICES - BP2S	EUR	165	420	21	94.44%
BNP PARIBAS SERVICES HONG KONG LTD.	HKD	336	(97)	0	100.00%
BNP PARIBAS SUISSE SA	CHF	320	2,895	421	53.15%
BNP PARIBAS UK HOLDINGS LTD.	GBP	1,227	16	38	100.00%
BNP PARIBAS VOSTOK LLC	RUB	1,890	216	(212)	100.00%
BNP PARIBAS VPG MASTER LLC	USD	34	12	0	100.00%
BNP PARIBAS WEALTH MANAGEMENT	EUR	103	239	(49)	100.00%
BNP PARIBAS ZAO	RUB	4,162	760	(37)	100.00%
BNP PUK HOLDING LTD.	GBP	257	24	(29)	100.00%
BNPP ANDES SA (2)	USD	50	0	0	100.00%
BNPP SECURIT JAPAN PREPAR CO LTD.	JPY	3,001	0	0	100.00%
COBEMA	EUR	439	1,677	51	99.20%
COMPAGNIE D'INVESTISSEMENTS DE PARIS - C.I.P.	EUR	395	309	26	100.00%
COMPAGNIE FINANCIERE OTTOMANE SA	EUR	9	277	1	96.85%
CORTAL CONSORS	EUR	58	290	16	94.21%
DEALREMOTE LIMITED	GBP	90	(58)	0	100.00%
FIDEX HOLDINGS LTD.	EUR	300	(5)	6	100.00%
FINANCIERE BNP PARIBAS	EUR	227	218	10	100.00%
FINANCIERE DES ITALIENS SAS	EUR	412	26	2	100.00%
FINANCIERE DU MARCHE ST HONORÉ	EUR	42	9	(5)	100.00%
FORTIS BANQUE SA	EUR	9,375	2,526	3,245	74.93%
FORTIS LEASE GROUP SA	EUR	2,261	521	8	65.00%
GESTION ET LOCATION HOLDING	EUR	266	931	21	99.24%
GRENACHE & CIE SNC	EUR	832	596	71	56.14%
HAREWOOD HELENA 1 LTD. (1)	USD	25	(1)	(1)	100.00%
HAREWOOD HOLDINGS LTD.	GBP	100	20	18	100.00%
IMS ABS FCP	EUR	33	0	3	100.00%
OMNIUM DE GESTION ET DE DEVELOPEMENT IMMOBILIER	EUR	459	51	58	100.00%
OPTICHAMPS	EUR	411	41	2	100.00%
PARIBAS DERIVES GARANTIS SNC	EUR	42	0	0	100.00%
PARIBAS NORTH AMERICA INC.	USD	2,839	1,149	142	100.00%
PARILEASE SAS	EUR	54	267	1	100.00%
PARTICIPATIONS OPERA	EUR	410	28	2	100.00%
PETITS CHAMPS PARTICIPACOES E SERVICOS SA	BRL	102	(17)	36	100.00%
PT BANK BNP PARIBAS INDONESIA	IDR	726,320	337,822	69,821	99.00%
ROYALE NEUVE I	GBP	0	503	1	100.00%
SAGIP	EUR	218	45	964	100.00%
SOCIETE ORBAISIENNE DE PARTICIPATIONS	EUR	311	(414)	6	100.00%
TAITBOUT PARTICIPATION 3 SNC	EUR	792	37	(4)	100.00%

NAME	Currency	Share capital	Reserves and retained earnings before income appropriation	Last published net income	Interest held by BNP Paribas SA
			In millions of the currency unit		in %
UCB ENTREPRISES	EUR	97	100	1	100.00%
UKRSIBBANK	UAH	7,512	(2,197)	(2,429)	100.00%
WA PEI FINANCE COMPANY LTD.	HKD	341	(300)	306	100.00%
2. Associated Companies (10% To 50%-Owned)					
BANQUE DE NANKIN	CNY	2,969	13,676	2,377	12.68%
BANQUE DU SAHARA LSC	LYD	252	344	(99)	19.00%
BANK OF THE WEST	USD	0	10,467	236	16.78%
BGL BNP PARIBAS	EUR	713	4,536	471	15.96%
BNL VITA SPA	EUR	301	160	12	49.00%
CREDIT LOGEMENT [(1)]	EUR	1,254	62	120	16.50%
ERBE	EUR	120	2,374	86	47.01%
GEOJIT BNP PARIBAS FINANCIAL SERVICES LTD.	INR	227	2,867	543	33.85%
GESTION OBLIGATAIRE DIVERSIFIEE	EUR	169	3	0	28.73%
PARGESA HOLDING SA [(1)]	CHF	7,668	0	792	15.00%
STRADIOS FCP FIS	EUR	270	0	(1)	34.44%
VERNER INVESTISSEMENTS	EUR	15	325	79	50.00%

In millions of euros	Subsidiaries		Associated companies	
	French	Foreign	French	Foreign
II. General information about all subsidiaries and associated companies				
Book value of shares				
■ Gross value	20,618	36,457	3,114	2,036
■ Net value	19,900	35,366	2,512	1,698
Loans and advances given by BNP Paribas SA	104,762	21,775	1,501	2,066
Guarantees and endorsements given by BNP Paribas SA	60,770	33,758	9,559	72
Dividends received	1,035	419	128	74

(1) *At 31 December 2009.*
(2) *At 31 October 2009.*

The whole of the transactions with the non-consolidated parts were concluded with the normal conditions from market.

6.5 Details of equity interests acquired by BNP Paribas SA in 2010 whose value exceeds 5% of the share capital of a French company

Change in interest to more than 5% of capital		
Not listed	CENTRE DE DIVERTISSEMENT ASSOCIÉS SNC	SNC
Not listed	CHEYENNE HOTEL ASSOCIÉS SNC	SNC
Not listed	HOTEL NEW YORK ASSOCIÉS SNC	SNC
Not listed	HOTEL SANTA FE ASSOCIÉS SNC	SNC
Not listed	NEWPORT BAY CLUB ASSOCIÉS SNC	SNC
Not listed	SEQUOIA LODGE ASSOCIÉS SNC	SNC
Change in interest to more than 10% of capital		
None		
Change in interest to more than 20% of capital		
Not listed	KARUVEFA SCI	SCI
Change in interest to more than 33.33% of capital		
Not listed	Compagnie de Financement pour les Loisirs (COFILOISIRS)	SA
Change in interest to more than 33.33% of capital		
Not listed	B.P.C.DÉVELOPPEMENT	SA
Not listed	FIMAGEN HOLDING	SA
Not listed	FORTIS BANQUE FRANCE - SA	SA
Not listed	FORTIS ÉPARGNE RETRAITE	SA
Not listed	FORTIS MEDIACOM FINANCE	SA
Not listed	FORTIS SERVICES MONÉTIQUES	SA
Not listed	PARISIENNE D'ACQUISITION FONCIÈRE	SAS
Not listed	PHILIPPE LE BON SCI	SCI
Not listed	FORTIS GESTION PRIVÉE	SA
Not listed	SOFICINEMA	SA

6.6 Statutory Auditors' report on the financial statements

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
185, avenue Charles de Gaulle	63, rue de Villiers	61, rue Henri Regnault
92524 Neuilly-sur-Seine Cedex	92208 Neuilly-sur-Seine Cedex	92400 Courbevoie

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BNP Paribas

16, boulevard des Italiens

75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2010, on:

- the audit of the accompanying financial statements of BNP Paribas,
- the justification of our assessments, and
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2010 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to the matter set out in note 1 to the financial statements regarding the application of Comité de la Réglementation Comptable (CRC) Regulation 2009-03 concerning the recognition of fees received by credit institutions and incremental transaction costs incurred upon the granting or securing of loans.

II - Justification of our assessments

In accordance with the provisions of article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Impairment provisions for credit and counterparty risk

BNP Paribas records impairment provisions to cover the credit and counterparty risk inherent to its business (notes 1, 2.d, 3.a, 3.b, 3.c and 3.e to the financial statements). We examined the control procedures applicable to monitoring credit and counterparty risk and impairment testing methods.

Measurement of financial instruments

BNP Paribas uses internal models and methodologies to value its positions on financial instruments which are not traded on active markets, as well as to determine certain provisions and assess whether hedging designations are appropriate. We examined the control procedures applicable to identifying inactive markets, verifying these models and determining the inputs used.

Measurement of investments in non-consolidated undertakings and equity securities held for long-term investment

Investments in non-consolidated undertakings and equity securities held for long-term investment are measured at value in use based on a multi-criteria approach as described in notes 1 and 3.e to the financial statements. As part of our assessment of these estimates, we examined the assumptions underlying the determination of value in use for the main portfolio lines.

Provisions for employee benefits

BNP Paribas raises provisions to cover its employee benefit obligations, as described in notes 1 and 5.b to the financial statements. We examined the method adapted to measure these obligations, as well as the main assumptions and inputs used.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – Specific verifications and information

In accordance with professional standards in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Courbevoie, 7 March 2011

The Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
Pascal Colin	Patrice Morot	Guillaume Potel

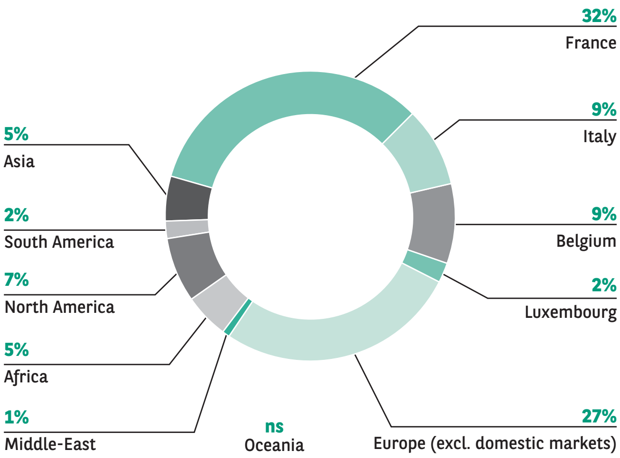
7 SOCIAL AND ENVIRONMENTAL INFORMATION

7.1. Human resources development

WORKFORCE EVOLUTION

BREAKDOWN BY GEOGRAPHIC AREA

At end-December 2010, the Group had 205,348 full-time equivalent employees (*) (FTEs), an increase of 2,256 compared with end-December 2009.



	2005	2010
France	55,499	65,357
Rest of Europe	25,205	96,836
North America	14,979	15,137
Asia	4,785	11,012
Africa	5,661	9,811
Latin America	2,363	4,323
Middle-East	868	2,233
Oceania	420	638
TOTAL	**109,780**	**205,348**

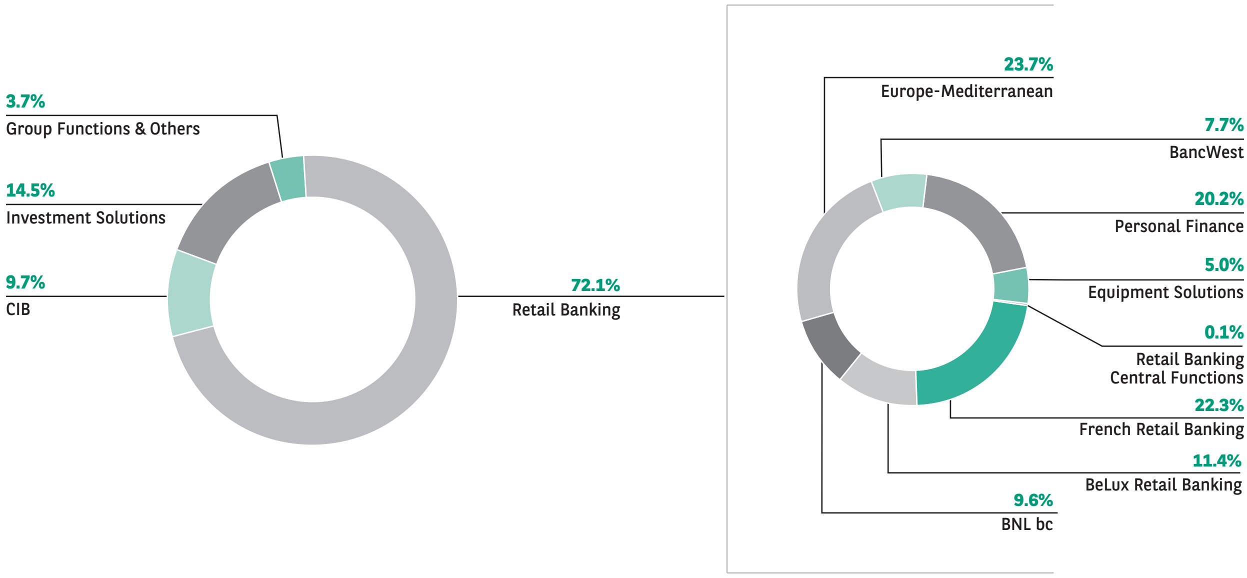
In 2010, the breakdown of the worldwide workforce by geographic area remained stable compared with 2009.

Employees working in the four domestic markets (France, Belgium, Italy, Luxembourg) accounted for 52% of the Group's total workforce.

7

(*) Including 183,999 FTEs in financial positions.

TOTAL WORKFORCE BY BUSINESS LINE



BNP Paribas Fortis employees were reallocated to the various business lines in 2010 and a new operational entity "BeLux Retail Banking" was created within the Retail Banking division.

DEVELOPING AND STRENGTHENING A SHARED IDENTITY

THE GROUP'S VALUES

For BNP Paribas, the goal of being "the bank for a changing world" stems from the core values chosen by the new Group's top management at the time of the merger between BNP and Paribas in 2000. These values are Responsiveness, Creativity, Commitment and Ambition. They express a desire to:

- create a united global, multicultural Group;
- forge a strong, unique identity; and
- enlist employee support for the corporate mission by giving that mission lasting sense.

A unifying approach

BNP Paribas is a global group and as such, takes great care to respect the cultural and personal backgrounds of all its employees in the conduct of its business and its human resources management processes. The Group's core values unite the diverse group of people that make up the BNP Paribas community, giving them a strong sense of shared identity.

A distinctive corporate identity

BNP Paribas expresses its distinctive identity in all its businesses and territories. It has chosen to focus on distinctive values, at both an individual and collective level: only three other global groups have included Commitment and Ambition among their core values, and BNP Paribas is unique in choosing Creativity and Responsiveness.

Action-centred values

Accordingly, the Group's top managers have spelt out the meaning of these values and provided guidance on the individual and collective behaviour they call for:

Responsiveness means rapidly appraising situations, identifying opportunities and risks, making decisions and taking effective action.

Creativity means promoting new initiatives and ideas and rewarding their originators.

Commitment involves devoting best efforts to customer service and team success, while meeting the highest standards of behaviour.

Ambition reflects an appetite for challenge and leadership, with the goal of winning, as a team, a series of contests in which the client is judge.

SHARING CULTURES THROUGH GROUP ACADEMIES

BNP Paribas Academies

The corporate culture within a large group strengthens the sense of belonging and gains employee loyalty. It was with this in mind that the BNP Paribas Academies were established. These organisations are designed to evolve over time and are managed for the long term. Their role is to:

- develop and promote policies, principles and technical expertise with the aim of spreading and sharing cultures;
- provide a multi-method training facility, particularly to encourage the exchange of best practices;
- contribute to the growth, expansion and development of communities within the Group.

Launch of the Risk Academy: focus on risk

BNP Paribas has always had a strong risk management culture. The Group's rapid growth in the past five years and the ongoing crisis have highlighted the need to strengthen and nurture its risk management culture. With this in mind, BNP Paribas launched the Risk Academy, aimed at the entire Group, on 31 May 2010. This organisation forms part of an evolutionary and participative approach, involving all BNP Paribas business lines and support functions.

Supported by the Group Executive Committee, the Risk Academy has three goals:

- strengthen and disseminate the risk management culture throughout the Group;
- promote training and professional development in the area of risk management;
- develop communities of risk management practitioners and encourage them to share their knowledge and skills.

The Risk Academy provides all Group employees with access to the various products and services.

Management Academy project: focus on people

The Group is developing the bedrock of a common managerial culture through a set of management principles. The Management Academy aims to help managers share this culture and best practices as well as develop their skills.

It will encourage propagation of the management principles drawn up by the Executive Committee. Like the Risk Academy, it will be an open organisation available to the Group worldwide.

INTERNAL COMMUNICATIONS, A MEANS OF PROMOTING EMPLOYEE COHESION

Internal communications focus on sharing information, developing exchanges between employees and harnessing any synergies between business lines. Through the various internal communication media available to all employees (Ambition quarterly magazine, Starlight monthly webTV, Echo'Net(*). Group Flash weekly newsletter and web-radio), employees have been kept fully informed of changes in the Group (which has grown from 80,000 to 200,000 employees in ten years), new regulations in world finance and the major projects and strategy implemented by the Group. The Internal Communications Department was also tasked with restoring employee confidence and making them proud to work for a responsible Group that serves the real economy. In 2010, there were many opportunities for exchange between employees and top management. For example, they were able to put questions directly to Baudouin Prot during an internal video presenting the annual results. Breakfast meetings were also organised monthly between top managers and employees.

PRIDE IN BELONGING

Observance of the United Nations Global Compact

With a presence spanning more than 80 countries, BNP Paribas operates in a variety of political and regulatory environments. This means that the Group must take particular care to ensure compliance with the principles of the United Nations Global Compact, to which it is a signatory.

In 2010, 46 countries were identified as representing the greatest risk in terms of human rights by authoritative organisations in this field.(**) BNP Paribas is present in fourteen of these countries, employing staff accounting for 4.7% of its total global headcount. In the most risk-exposed countries, where regulations tend to be less stringent, local human resources departments apply Group rules to all employee management procedures to guarantee compliance with the Global Compact.

(*) BNP Paribas Intranet site.

(**) Source: Amnesty International, Freedom House and Eiris.

BNP Paribas and seven other major French groups have helped to found *Entreprises pour les Droits de l'Homme* (EDH – companies for human rights). EDH seeks to identify practical ways in which companies can ensure observance of fundamental human rights. It brings together experts in human rights, global NGOs and academics, and it undertakes to promote its approach to companies. A training module was devised in 2009 and is destined for use by managers and heads of Human Resources working in at-risk countries.

BNP Paribas' involvement in society

As a responsible citizen, the BNP Paribas Group contributes to the growth, expansion, economic and social development of the countries in which it operates through outreach initiatives that fall into three major categories:

- combating discrimination of all kinds and promoting diversity: initiatives aim to provide personal assistance for victims of discrimination on the grounds of health, age or origin;
- combating exclusion, with the aim of providing financial support for populations suffering from economic and social exclusion;
- developing and transferring knowledge: promoting the transfer and acquisition of knowledge from learning to read and write right through to cutting-edge research.

Some of the initiatives supported by the Group in 2010:

- in France, some one hundred employees volunteered for the "*Nos Quartiers ont des Talents*" campaign, which involves sponsoring young graduates who could potentially be discriminated against during recruitment processes; continuation of *Projet Banlieues*, a programme to help create jobs and social relationships in sensitive neighbourhoods and to support youngsters with academic difficulties; signing of a BNP Paribas HR Charter by all Group entities in the Seine-Saint-Denis district north of Paris, uniting their initiatives to promote employment, training and inclusion;
- in Italy, partnership with the "Libera" association, which aims to facilitate the integration, consolidation and autonomy of young people from immigrant families, in particular by financing training and providing social and language support;
- in the United States, creation of a partnership between BNP Paribas New York and Prep for Prep, an association that finances the education of promising students from minority populations.

PROMOTING DIVERSITY

GROUP-WIDE POLICIES

Diversity of backgrounds

Equality in recruitment

BNP Paribas conducts campaigns in France and elsewhere to make sure it recruits from a wide variety of backgrounds, in particular by taking part in specialist recruitment forums and fairs to promote equal opportunities.

The Group also takes ongoing action to prevent discrimination when recruiting, including ongoing checks on the job application screening process and interview reports, continuation of "immediate interview" campaigns and renewed audits.

To ensure that policies are observed, the Group has invested considerable effort in raising employee awareness over the past few years by developing a practical recruitment guide that includes:

- a Code of Ethics for all Group employees involved in the recruitment process;
- a guide to conducting personal interviews;
- a grid providing a formal record of the decision taken following the candidate's interview.

In 2009, managers responsible for hiring decisions within Group entities were given guidelines on non-discrimination during awareness raising events and through a new Diversity portal available on the Group Intranet. These guidelines aim to ensure that the recruitment process is managed in an objective, transparent and respectful manner.

Awareness raising events continued throughout the year to train managers responsible for recruitment. For example, in order to combat stereotyping, managers and HR practitioners continued to benefit from the "Managing diversity as a performance lever" training module. Over 1,500 employees were trained, mainly in France, the United States, Luxembourg, the United Kingdom, Switzerland and Bahrain.

The Group is developing tools to ensure that its non-discrimination principles are observed. For example, control over recruitment activity in France was initiated during 2009, comprising quarterly audits of the recruitment process for several candidates, and auditing the quality of interview reports and comments made on job application forms in the job application management database. In order to improve the recruitment process further, these initiatives were continued and strengthened during 2010, with the introduction of periodical audits of advertisements published on the recruitment site (selection criteria announced vs. selection criteria used to screen CVs), auditing the quality of managers' interview reports and the quality of the interviews themselves, by having a dual interview process with both operational managers and HR practitioners.

In addition, an audit on discrimination was also conducted in 2010, which aimed to measure opportunity gaps in the recruitment process relative to four criteria: gender, origin, disability and age.

A workshop was organised with representatives of eleven countries to share best practices in recruitment and to work on setting up a Group job application management database. This tool is due to come on stream in 2011 and will help strengthen the Group's employer brand, provide an audit trail of the various stages in the recruitment process and better manage any risk of discrimination.

Major efforts are devoted to external communication of the Group's four actions to promote diversity, both on the BNP Paribas corporate site www.bnpparibas.com/diversity and the external blog www.forachangingworld.com.

Internationalisation of senior management

As BNP Paribas has grown and expanded internationally, the Group's worldwide workforce has increased over successive years since 2000, exceeding 205,000 employees at end-2010. In the last ten years, the percentage of employees outside France has risen from 40.8% to 68.2%.

By employing local people, BNP Paribas directly contributes to the development of the countries in which it operates. This not only ensures that the Group becomes closely embedded within each culture and community, but also provides local employees (*) with access to positions of higher responsibility within the subsidiaries and branches while enabling them to pursue careers within the Group.

Gender equality

In 2004, as required by the law, BNP Paribas chose to examine the conditions under which gender equality was being upheld within the Bank's operations. Although well represented in the workforce, in some cases women face a "*glass ceiling*" which keeps them from rising above a certain level. In recognition of this issue, the Group has committed itself to foster equality of opportunity and treatment between men and women at all stages of professional life and to do more to promote women into managerial and supervisory positions.

Globally, the percentage of women promoted into senior management positions (as defined in the banking industry collective agreement) or executive management positions (for subsidiaries not governed by that agreement in France) stood at 39% in France in 2010, versus 28.5% in 2007.

Objective 2012: 20% of women in senior management positions within the Group

Diversity management is a key component of organisational efficiency. Top management has therefore set an ambitious goal in this area. By 2012, women will occupy 20% of the senior management positions within the Group. This will entail a concerted effort to promote at least 100 additional women to senior management positions.

At end-2010, almost 19% of the Group's senior managers were women.

Women on the Board of Directors

At 31 December 2010, women accounted for 27.8% of the BNP Paribas Board of Directors, one of the highest levels in France.

Gender equality networks

ASSOCIATION BNP PARIBAS MixCity

The BNP Paribas MixCity network proved highly popular throughout 2010 and celebrated its first anniversary. The objective is to create an active, value-added social network within the Company and to serve as an advocate for diversity both within the organisation and within society. At end-2010, BNP Paribas MixCity had more than 400 members. The results of a satisfaction survey revealed that 97% of members are happy with the quality and organisation of BNP Paribas MixCity.

(*) Non-expatriates.

More generally, networks for women continued to develop throughout the Group:

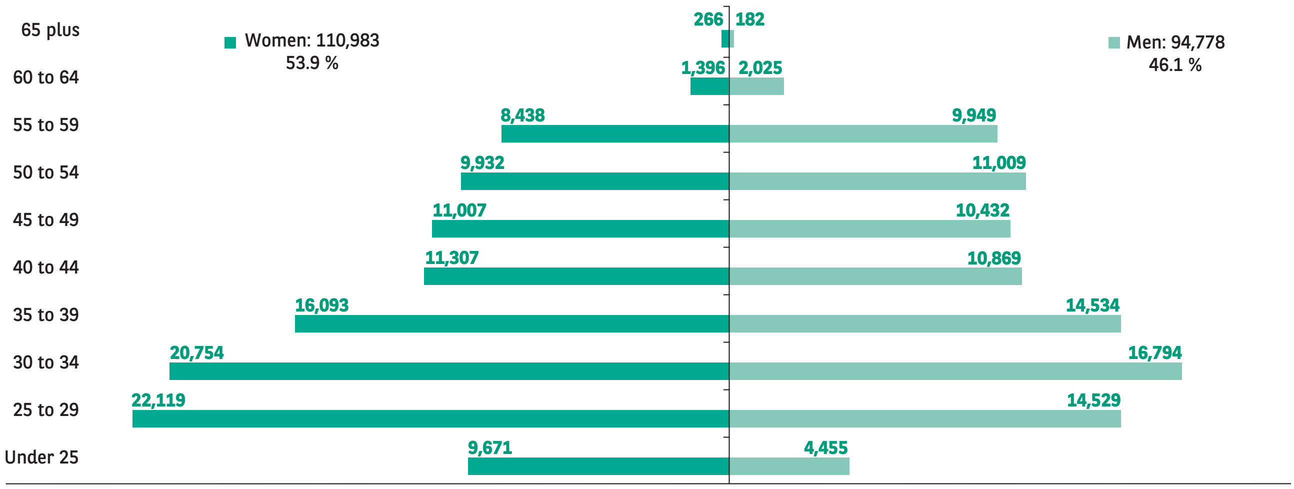
- the Women's Internal Network (WIN) celebrated its first anniversary at BNP Paribas London;
- CIB USA is a leading partner of Women in Finance, a not-for-profit association in the United States that runs a public forum on important contemporary issues such as business and finance;
- the various networks in France, Luxembourg, the United Kingdom and the Gulf countries connect regularly through conference calls to share best practices.

An interbank association called "Financi'Elles" has also been launched in France.

Age diversity

Age pyramids vary considerably within the BNP Paribas Group depending on the country and business line, requiring a variety of different policies for older employees.

➤ GROUP AGE PYRAMID – PHYSICAL HEADCOUNT – DECEMBER 2010



Average age across the Group: 39.2 years.

The Group's age pyramid remains balanced overall. The lower age groups are predominant in most of the Group's divisions, while the age pyramid of the Group's retail banking operations in Western Europe is predominantly comprised of older employees. This diversity requires specific policies to be defined locally depending on the issues.

LOCAL POLICIES TO PROMOTE DIVERSITY

The Group's ambitious Diversity policy is implemented in numerous countries and adapted to suit their own specific legal, cultural and contextual needs.

France

Seniors

Group entities in France have set out their policy for the employment of older people either in an action plan (e.g. BNP Paribas SA, BNP Paribas Personal Finance, etc.) or in a three-year company agreement (e.g. BNP Paribas Assurance, BNP Paribas Leasing Solutions, Arval, Ségécé, BNP Paribas Arbitrage) signed in January 2010. These action plans and agreement all aim to promote the continued employment of seniors through positive provisions coupled with quantitative indicators that take account of the demographic characteristics of each entity. They are in keeping with the global, forceful policy of non-discrimination and professional equality to which the BNP Paribas Group has been committed for several years now.

At BNP Paribas SA, half of all employees are aged 45 plus and more than one third are aged 50 plus. To meet the overall objective of keeping older employees in employment under the best possible conditions, the provisions cover three areas: career management, professional training and health in the workplace.

For example, in career management, every employee regardless of age is guaranteed at least one interview with his or her HR manager every five years. The Bank also undertakes to encourage professional mobility of older employees and to give everyone equal rights to training. Lastly, employees aged 55 plus will be given more frequent health checks by the Bank's health and safety department.

Leveraging the Label Diversité

The *Label Diversité* awarded in January 2009 not only recognises the Bank's efforts to promote diversity since 2004 but also provides a tremendous opportunity to go even further in building the commitment of all employees. Going even further means capitalising on our differences in a "Spirit of Diversity" by avoiding self-segregation and raising employee awareness so that diversity becomes a true value.

In June 2010, the follow-on audit carried out by Afnor, the certification body, which took place 18 months after the Label was first obtained, covered new Group entities in its scope of certification (new retail banking Departments and BNP Paribas Assurance). The outcome was favourable.

A range of initiatives reflects the reality of this Label:

- Diversity training for all recruitment practitioners, which will soon be supplemented by sessions to raise awareness about the dangers of stereotyping. The aim is to make everyone aware of their prejudices.
- A three-year partnership signed in 2010 with the government-sponsored "*Plan Espoir Banlieues*" programme to encourage employment of young people living in sensitive urban areas and neighbourhoods covered by an urban social cohesion contract. As part of this new partnership, BNP Paribas has committed to providing information about and promoting its business lines, encouraging people to discover the Bank, mainly through internships, and helping young people from sensitive neighbourhoods to find work.
- Support for the French National Employment Agency by taking part in the government-sponsored campaign to test recruitment via anonymous CVs.
- Partnerships with public or private institutions and specialist associations, such as the Afev(*), "Nos Quartiers ont des Talents" and Mozaïk RH.

Company agreements

Disability: four-year renewal of the BNP Paribas SA disability employment agreement signed in 2008 (2008-2011)

Integration of people with disabilities is a key aspect of BNP Paribas' commitment to social responsibility. It has a forceful, long-term policy in favour of the direct and indirect employment (via specialist institutions) of disabled people and their inclusion in the workplace.

Ongoing **awareness raising** actions involve all employees, including exhibitions, roving workshops and practical exercises on the theme of sensory impairment or physical disability. Specific sessions are held for recruitment practitioners, social workers and the *Projet Handicap* officers in the various divisions, business lines and functions. An awareness campaign was also conducted at the time of the annual audit of compliance with the agreement.

As regards **recruitment**, to meet the target of employing 170 disabled people at BNP Paribas SA, the *Projet Handicap* team in France developed an action plan to attract applications from people with disabilities. As a result, the number of CVs sent directly *to Projet Handicap* doubled in 2010 compared with 2009. At end-2010, the recruitment target was 65% achieved.

Significant efforts are made to **retain** and provide a proper career path for people who are either disabled when they are recruited or who become disabled during their career. The number of actions of this type almost doubled in 2010 compared with 2009, involving 87 people.

J'en Crois Pas mes Yeux (I can't believe my eyes): "getting the message across in a practical yet fun way"

Videos available on the Intranet show humorous scenes of daily life actually experienced by two friends, one visually impaired the other not. They aim to help people understand each other better and communicate better.

Commitment to making the digital world more accessible

Projet Handicap took part in a knowledge transfer campaign to make the PDF versions of documents published by the Group available to the visually impaired. The first to be available were the *Ambition* magazine (from issue 33 onwards) and brochures on mobility and disability.

2010 supplemental agreement on gender equality

BNP Paribas SA signed a long-term agreement on gender equality in the workplace in July 2007. The agreement replaced the previous three-year agreement, signed in April 2004. The agreement defines the principles to be observed to promote equal opportunity and gender equality at work. It provides for means of fostering work-life balance and for bridging, over a period of three years, pay differences between men and women working at the same grades and with comparable levels of qualifications, responsibility and professional efficiency as determined by performance evaluations. A budget of EUR 3 million was set aside to reduce salary differentials in 2008 and 2009.

The initiative was repeated in 2010, leading to the signature of a supplemental agreement in July 2010 with new ambitious commitments, including the creation of a *Gender Equality Officer*. The Group thus provides a national system for reviewing individual cases where employees believe they are being discriminated against.

The agreement has led to steady growth over the past few years in the number of women in management positions. At BNP Paribas SA they accounted for 38.8% in 2005, 40.3% in 2006, 41.4% in 2007, 43.1% in 2008, 44% in 2009 and 44.6% in 2010 (see NRE Appendices - Social chapter). In 2006, BNP Paribas exceeded the 2010 target of 40% set within the banking industry for the feminisation of managerial employment. As of end-2009, it had achieved its 44% target one year ahead of schedule. The supplemental agreement sets a new target of 46% by the end of 2012.

(*) Association de la Fondation Etudiante pour la Ville.

Parenthood and work-life balance

In 2009, the Group became a corporate member of the French "Parenthood Observatory", an organisation which seeks to promote work-life balance, and continued to pursue an active parenthood policy.

This year, several Group entities organised Family Days, including CIB, BNP Paribas Assurance, Cortal Consors and Group Human Resources. The purpose of these initiatives is not only to show children where their parents work and what they do, but also to help develop the various Group bodies involved in parenthood issues. These events were hugely popular with employees as they provide a unique opportunity for exchange, and they help to create a virtuous circle of motivation and commitment at work.

In addition, childcare facilities are made available to employees working in large entities that relocate their premises. For example, in June 2010, BNP Paribas Securities Services France opened the "*Les Petits Minotiers*" *crèche* when it moved to its new premises at Pantin.

Belgium

Since its integration into the Group, BNP Paribas Fortis has pursued an active Diversity policy, defined on the basis of the results of a series of audits. The Diversity action plan was validated by the Executive Committee of BNP Paribas Fortis, reflecting a top-level commitment. Each business line has its own diversity working groups. The Bank received support from the public authorities in presenting a Diversity plan in the three regions of Belgium.

Specific actions are carried out to prevent discrimination. Managers, HR executives and recruitment practitioners all receive training in combating discrimination. E-learning is available to all managers. Combating discrimination is now included in interview technique training.

BNP Paribas Fortis also reviewed the question of disability during its analysis of HR data in the first quarter of 2010 as part of its general diversity audit. A practical guide to the recruitment of people with disabilities is being drawn up in partnership with Wheelit, the leading Belgian specialised recruitment site.

Italy

BNL continues its efforts to integrate employees with disabilities. In 2010, a survey was conducted among disabled employees. The HR managers also provided information about workstation adjustments that can be made to facilitate their integration. The results are already visible, with adapted buildings access, special office equipment and software for visually impaired employees.

The Bank has also taken steps in the area of gender equality. Thus, women accounted for 40.8% of the workforce in 2010, versus 37.9% a year earlier. They now account for 29.1% of managerial positions and 11.7% of top management teams, versus 26.6% and 10.7% respectively in 2009.

Luxembourg

In terms of gender equality, women account for:

- 9% of BGL BNP Paribas Executive Committee;
- 14.6% of senior managers;
- 25.7% of managers.

United States

CIB systematically sends all its managers on an "Inclusion and Leadership" seminar and has introduced a system of assessment by objectives on diversity for managers.

It also has professional networks of women, Hispanics, Asians, lesbians, gays, bisexuals and transsexuals (LGBT) and offers a professional network development workshop. Several events were organised to promote these networks. Each year, a Diversity Day takes place in New York.

United Kingdom

In this country, the Bank offers support for female employees returning from maternity leave and their managers to ensure a better understanding of each other's expectations. BNP Paribas London has drawn up a best practice guide to establish its own Diversity network. The first lesbian, gay and bisexual network was created in the autumn.

Bahrain

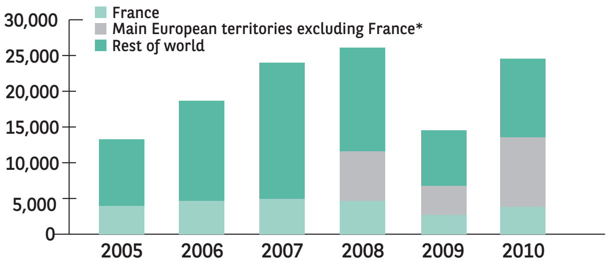
In February 2010, BNP Paribas launched the "BNP Paribas Kids Club" for children aged under eighteen months. Appropriate equipment and facilities ensure a high degree of comfort and entertainment.

SUPPORTING EMPLOYEES IN BEING ACTORS OF DEVELOPMENT AND CHANGE

A GROUP ON THE RECRUITMENT TRAIL

Recruitment to meet the needs of each business

After a slowdown in global recruitment in 2009, with 15,000 new hires versus 26,000 in 2008, the number of new hires for the Group as a whole amounted to 24,559 in 2010. The countries recruiting the most are, in decreasing order, France, the United States, Russia, Ukraine(*) India, Belgium and Turkey, with the four domestic markets taking a significant 26.5% share of total new hires.



(*) Belgium (from 2010 only), the UK, Italy, Russia, Turkey, Ukraine

BNP Paribas, a popular employer

France

A survey among 9,000 web users voted BNP Paribas the favourite French employer on a national level and in the Paris region, based mainly on HR policy criteria: quality of management, commitment to society, business image and pride in belonging.

Higher profile on a global level

Ace Manager: successful second edition and launch of the third set

"Ace Manager" is a fun game designed by the Group to illustrate the pivotal role played by the bank in financing its clients' projects in the real economy. It forms part of the strategy to raise the profile and appeal of BNP Paribas with young people.

The second version of this corporate game attracted twice as many participants in 2010 than 2009, with a total of 8,133 participants (2,711 teams of three students) from 98 countries on 5 continents. The operation showcased the BNP Paribas employer brand to over one million students worldwide (versus 700,000 in 2009) during the campus tours and promotional events organised to promote the contest.

The Ace Manager website has had more than 230,000 visitors since its inception and the Facebook page has over 2,300 fans.

Belgium

In 2010, despite a total reduction of 750 employees under the integration plan between the entities controlled by the ex-Fortis Group and BNP Paribas, BNP Paribas Fortis ultimately recruited 1,250 new employees, mainly in commercial positions. In consultation with the Communications department, a new employer brand policy was drawn up designed to position BNP Paribas Fortis as a first-class employer in the job market and to attract young talent. The "*Your future starts today*" campaign was a great success, particularly during the recruitment days organised nationwide.

Italy

On 11 October 2010, BNL organised its first *Recruitment Day* in Rome. 40 candidates shortlisted from among the brightest graduates after assessment tests, were welcomed by BNL managers. They visited the main Rome branch and talked with employees about their jobs before being received by managers and HR executives. Some twenty candidates were selected and received a letter confirming their recruitment. Four recruitment days will now be held each year by BNL.

Luxembourg

BGL BNP Paribas has a number of graduate programmes, such as the "Associate and Graduate Programme" for graduates with no or little work experience. The Bank offers them a job but for the first eighteen months gives them the opportunity to spend time in the different business lines or functions and to learn about the Bank and its activities. At the end of this period, the employee is assigned to a permanent job depending on his or her skills and aspirations. In 2010, 19 university or business school graduates, aged 25 on average, took part in this programme: 68% were from Luxembourg, 21% from France and 11% from Belgium.

Germany

As in previous years, BNP Paribas took part in Germany's biggest job fair ("*Absolventenkongress*") in Cologne on 24 and 25 November 2010. The Group was represented by BNP Paribas and its various subsidiaries (BNP Paribas Leasing Solutions, BNP Paribas Real Estate, Commerzfinanz and Cortal Consors). This combined approach helped to strengthen the Bank's image in the job market and to position it as an attractive employer in its business sector.

Almost simultaneously, a visit to the BNP Paribas Frankfurt branch was organised for a group of students from Maastricht university. The visit included a presentation of the branch's business activities by its Corporate Secretary, followed by three case studies (Corporate Finance/Mergers &Acquisitions, Equity Derivatives and Leveraged Finance). The objective was to forge a special relationship with the Maastricht university students and to present BNP Paribas as a unique employer.

(*) Strong development of automobile finance credit at points of sale through BNP Paribas Personal Finance in Russia and high employee turnover in Ukraine.

UK

Various interesting initiatives were taken to support BNP Paribas' numerous recruitment campaigns in the United Kingdom:

- filming of some fifteen corporate videos for the "Graduate Recruitment Website", the most popular one tracing the trials and tribulations of a London trader entitled "A day in the life of a trader";
- creation of a "BNP Paribas CIB Students" Facebook page, which has 5,100 active users a month, with quizzes to test students' financial knowledge;
- a competition offering the winners an iPad.

BNP Paribas London enters Times Top 100 Graduate Employers

In the United Kingdom, BNP Paribas has moved up to 91st place in the Times Top 100 Graduate Employers league table.

These rankings are based on a survey of about 16,000 students in their final year at some of Britain's best universities. Since 2009, the Group has moved up ten places in the rankings thanks to its commitment and sustained efforts which will culminate in the development of a Graduate programme in 2011.

A partnership policy with business schools and universities

France

Work-study training for students: a priority

In 2010, 1,358 employees were employed on work-study contracts in France, a 29% increase over the 2009 intake of 1,054, bringing the total to 2,000 at end-2010. Students following diploma and masters' courses receive work-study training in a specific business line and obtain the necessary experience to ensure that they are fully prepared for the world of work when they graduate. Thanks to this training, the Bank has a pool of talented, young graduates with knowledge of its businesses and culture, and whose potential has been assessed by the Bank over a long period. Work-study training not only helps to promote social mobility and professional insertion for participants but also enables them to receive a salary during their studies and, in some cases, to obtain grant assistance from companies for their university fees. The scheme enables young people from all social backgrounds to obtain higher-level training and to enter the workforce.

In 2010, 52% of the young people on the scheme were offered a fixed-term or permanent employment contract, versus 43% in 2009.

India-France partnership for financing education grants

The HR teams in India and Recruitment teams in France have agreed to finance a term's study at the ESSEC business school in Paris for fifteen students from India's top universities. The purpose of this partnership is to retain these students over the long-term by helping to finance their studies.

In addition, the Group's active campus management policy was continued and strengthened, particularly with the universities: two global partnerships were signed in France with the University of Paris Est Créteil (UPEC, Paris XII) and Dauphine (Paris IX).

Belgium

In 2010, BNP Paribas Fortis was very active in employer communication. After the "1,200 Talents" campaign promoting the recruitment of 1,200 permanent employees during the year, the Bank launched a special recruitment campaign from 24 June to end August, with the aim of preparing for the new BNP Paribas Fortis employer branding campaign in Belgium.

A specific site was set up for the campaign – www.summeriseyourtalents.be – supported by a multi-channel approach (Facebook campaign, personalised e-mailing to graduates, press and web) generating visitors to the website.

Italy

In October 2010, BNL won the Best University Project 2010 award, ahead of 60 major groups including Coca-Cola, HSBC, Microsoft, Bosch, Vodafone, McDonald's and Accenture, during the fifth Employer Branding Strategy conference in Rome. This event was organised by HR practitioners and La Sapienza university. BNL's project aims to identify talent.

EMPLOYEE INTEGRATION: A GROUP INITIATIVE, LOCAL INITIATIVES

To strengthen the sense of belonging to the Group and to encourage exchange between business lines, the corporate integration initiative helps new entrants to learn about BNP Paribas and position their new activity within the Group as a whole. It also helps employees to forge an initial relationship with the Group.

In 2010, an integration package was made available worldwide. It contains a welcome message from Baudouin Prot and an introductory brochure presenting BNP Paribas.

In addition, all entities have their own local integration schemes either at division, business line or country level.

For example, in Luxembourg in 2010, as part of the merger between BGL and BNP Paribas, the *Team Contact* scheme was implemented to help integrate employees, the main objectives being to better understand each other's past and strengths, lift barriers and prejudices and prepare for future change.

In Belgium, new joiners are welcomed during an *Induction Day* with innovative content. The purpose is to present the Group's values and aims to new employees.

INNOVATION AT THE HEART OF BNP PARIBAS' STRATEGY

Spirit of Innovation programme

Innovation is one of the key drivers that will enable the BNP Paribas Group to adapt quickly in a constantly changing environment with a view to satisfying its customers in their quest for innovative products and services. To achieve this aim, the Bank involves its employees through the Spirit of Innovation programme.

Innovation stems from initiatives taken by experts whose job is to innovate and from suggestions made by employees about processes and organisation structures. It leads to innovative managerial practices and drives debates on issues common to all businesses.

For example, among the projects developed, Group Human Resources took the following actions:

- launch of the Déclic Mozaik operation designed to recruit young graduates from the Seine St Denis neighbourhoods by giving them intensive coaching in how to behave at a recruitment interview ahead of their official interviews with BNP Paribas recruitment practitioners;
- creation of a multimedia platform, a forum for communication, exchange and work made available to young employees identified as High-Potential and taking part in the Share To Lead programme (*see section on Adapting and Rolling Out the Talent Development Programme*).

Innovation Awards

In 2007, BNP Paribas launched the Innovation Awards to foster and reward employee creativity and expertise.

The 2010 awards bore witness to the culture of innovation within the Group, with 217 innovative projects submitted in 21 countries, 112 of which were shortlisted for the Group selection committee and 24 were award winners.

SUSTAINED EFFORTS IN SKILLS DEVELOPMENT

Training for professional efficiency

With the arrival of entities controlled by Fortis in the Group, BNP Paribas has gained a new dimension giving rise to new priorities. In a constantly changing environment, the ability to retain employees and make sure they contribute to implementing the Group's new strategies is a key success factor.

This creates new human resources challenges involving:

- empowerment;
- developing a shared identity;
- career management.

The training and skills development objectives are in keeping with and help to meet these challenges. They are:

- recognising the value of and retaining employees;
- transmitting the corporate culture and strategic vision of the Group;
- enhancing employees' performance levels;
- increasing their employability within the organisation.

The Group's training catalogue is designed to meet these objectives by combining professional training for the business lines with cross-functional Group training which fosters a shared corporate culture and management principles.

BNP Paribas Campus

CAMPUS BNP PARIBAS
LOUVECIENNES

The Group training centre, in the magnificent setting of Louveciennes near Paris, is a fully-fledged corporate campus. It not only focuses on building competencies but also on providing a forum for sharing ideas and nurturing the corporate culture. The centre caters to employees from all businesses, countries and backgrounds.

In 2010, almost 25,000 employees attended the centre to participate in integration seminars, business-specific courses, cross-functional training programmes and major Group events.

Information about the Campus is available in French, English, Italian and Dutch at http://www.campus-louveciennes.bnpparibas.com.

Enhancing employee performance level

Business training

Training provided by the business lines is intended primarily to raise the level of employees' professionalism and expertise in their field. For this reason, business lines establish training plans that seek to maintain competencies at the requisite level for employees to exercise their responsibilities. Training programmes are then developed with input from training specialists in order to make optimal use of new learning technologies. Training initiatives now combine classroom training with e-learning, and the training approach is supplemented by testing to ensure that knowledge is assimilated.

Knowledge transfer

Recognising the value of employees' skills also means transferring their knowledge to other Group employees. Training packages have been developed for this purpose for trainers and mentors.

These courses, initiated at Group level and initially made available in France, provide a common base whilst respecting specific local needs. They may be used either on a stand-alone basis or in support of a local programme.

Developing employability

Developing employees' skills improves their employability and contributes to internal mobility. Initiatives taken in 2010 in France encompass:

- providing training that leads to a recognised qualification;
- validation of knowledge under AMF regulations;

  As of 1 July 2010, the Group, as an investment services provider (ISP), is subject to new regulations that define the minimum knowledge that employees involved in selling financial products must have.

  To meet this requirement, a training and knowledge testing system is being rolled out across the entire Group in France.

  In Belgium, there has been a legal certification requirement for several years now, covering all employees who are in contact with customers.
- Professional development through training in project management, and operational management and efficiency.

LONG-TERM EMPLOYMENT MANAGEMENT

Due to the Group's expansion, its total workforce has almost doubled in five years. The Group faces two key challenges in adapting to its new size:

- anticipating employment trends by forecasting the cumulative effects of organic growth, productivity gains and the Group's age pyramid, which will bring about an average of 1,100 retirements per year by 2020 at BNP Paribas SA in France alone;
- developing the managerial resources needed not only to take the helm as senior positions become available due to natural turnover, but also to steer the Group's development and external growth plans.

Jobs and skills planning and forecasting

Two specific measures have been adopted to support the Group's external growth initiatives: cross-divisional job mobility and tighter coordination of external recruitment.

For this purpose, in its four domestic markets, BNP Paribas has set up a specific unit responsible for workforce planning and for taking a series of workforce management measures. The planning tool is used to forecast the level of staff turnover and job changes for the current and next two years in order to identify, in advance wherever possible, any need to adapt the workforce.

Workforce management and the adaptation requirements identified are broken down into the various elements of human resources management, such as recruitment, internal mobility, training, etc. The scope of these measures is tailored to the challenges and the extent of the employment issues involved.

In addition, the Group's employment issues in France are monitored and coordinated to ensure that HR policies, particularly in recruitment, are consistent with the workforce position in all entities and, where necessary, to initiate and coordinate internal transfers.

More specifically as regards managing the integration of entities controlled by Fortis with BNP Paribas, the Group is committed to respecting the cultural backgrounds and individual capabilities of staff members in accordance with its corporate values and practices. The priority areas of focus for the Group are to promote the internal redeployment of employees where positions are eliminated, comply with individual and collective employee benefit obligations and ensure that appointment procedures are fair and based on professional criteria.

To this end, all of the means available to implement restructuring measures in compliance with the terms of the Group's social agreement have been used.

Furthermore, natural employee turnover in Belgium and the other countries concerned by the merger (e.g. the other domestic markets of the Group, namely, France, Italy and Luxembourg) will provide opportunities for redeploying staff members whose positions are affected by the planned reorganisations in Belgium. To this end, the Group has developed specific resources to promote internal mobility (e.g. mobility centres, dedicated training budgets, support services for redeployed employees, etc.) and is committed to giving internal mobility priority over external recruitment wherever possible.

France

The redeployment of BNP Paribas Fortis workforce in France, involving 1,600 people, is almost complete.

Belgium

The business integration plan between BNP Paribas and BNP Paribas Fortis has involved some far-reaching reorganisation of the workforce and skills. Despite major synergies in some business lines, recruitment was nonetheless the HR priority in 2010, thanks to investment in other business lines such as Private Banking and to the many employees retiring due to the age pyramid. Considerable efforts have been made to reposition the Group in the job market, including launching a recruitment campaign in March 2010, targeted communication actions designed to rebuild the employer brand in September 2010, and revamping our "jobs" website and introducing a system for employees to recommend candidates. Lastly, 1,250 people were hired on permanent employment contracts at BNP Paribas Fortis in 2010, in line with the needs identified in the business plan.

Italy

In Italy, effective resource planning has improved the branch network's competency levels and supported its expansion. The target is to have 1,000 branches by end-2013. The first priority was to recruit a substantial number of new employees to replace the significant natural attrition caused by retirements or early retirements, by holding innovative recruitment days. A second priority was to carefully manage the opportunities for transferring over 450 employees from Group entities subject to restructuring, such as BNP Paribas Fortis Italy, Personal Finance and Findomestic, to BNL, for example by taking into consideration the geographical distance between the Group's locations in Italy. To do this, the Group's various legal entities in Italy pooled their efforts in mobility management, contacts with trade union organisations and certain aspects of the recruitment and training policy.

Luxembourg

Employment planning and management was affected mainly by the Group's decision to set up the Global Competence Centre for International Wealth Management in Luxembourg, as well strengthening BNP Paribas Securities Services.

Thus the Mobility Centre, in conjunction with the business lines and functions, quickly redeployed the employees concerned to jobs that made best use of their skills and capabilities.

All in all, the Bank has taken on almost 220 new employees.

Spain

The integration of the Spanish entities controlled by Fortis led to the proposal of a voluntary departure and early retirement plan, in agreement with the trade union organisations, in order to adjust the workforce to the new organisational structure of Corporate Investment Banking and Wealth Management. The plan will continue until the end of 2012.

In addition, about thirty employees were transferred internally to other functions or geographic sites.

RETAINING AND MOTIVATING EMPLOYEES IN THE LONG-TERM

PERSONAL CAREER MANAGEMENT

Career management forms part of the Group's human resources policy and is based on a general principle of decentralisation. Each employee is assigned to a local career management officer. However, as part of the succession planning policy, two specific categories of employee have been identified as requiring special monitoring and management at a more global level: Senior Management and High Potential employees.

The main initiatives in 2009, which involved improving the career management process by expanding the scope for identifying high-potential executives, continued in 2010. It was also a busy year due to the integration of BNP Paribas Fortis with the Group. The various career management processes (and the information systems supporting them) were systematically reviewed in order to adapt them to the Group's new dimensions and its more international stature.

In addition, BNP Paribas' career management policy enables employees to progress within a coherent and structured framework.

Career management is based first and foremost on the relationship between the employee and his or her manager. The career managers' role is to monitor this relationship and to follow up on each individual's career advancement. They are the first-line of contact for employees in all matters concerning their career path: advancement, mobility and remuneration. They know the employees well through their appraisals, occasional or regular contacts with their managers and, of course, career interviews. They also make sure that there is no discrimination throughout the employee's career.

Structured, active mobility policy

The issues

For BNP Paribas, mobility helps support the Group's growth and the development of its businesses. It is an effective way to meet the needs of entities by optimising the use of skills available internally. Apart from the growth aspect, mobility is also a key factor in an employee's career path.

Lastly, in line with the HR vision, mobility makes an essential contribution to the "social pact" guaranteed by the Group in its domestic markets. It meets the following key objectives: first, developing prospects for advancement and supporting employees in their career path and, second, anticipating change and managing reorganisations.

Action principles

Internal mobility takes precedence over any external recruitment, but follows the same principles as regards diversity and non-discrimination at each stage of the process.

To provide employees with effective mobility opportunities in such a large group, all job vacancies are posted on e-Jobs, an online internal tool of vacant jobs, now available in 14 countries. The number of these jobs posted on e-Jobs is growing steadily and in 2010 totalled over 3,489 worldwide including 2,646 in France.

Leveraging talent

Adapting and rolling out the Talent Development Programme

BNP Paribas has developed a Talent Development Programme which is designed to provide high-potential employees with international experience. The programme was devised jointly by operational and HR managers from the various Group entities. Its purpose is to ensure effective executive succession planning for Senior Managers and to keep pace with the Group's growth.

The careers of High-Potential employees are therefore followed closely and supportively through actions taken by the Human Resources managers.

In addition to the training programmes provided by the divisions and business lines, the Talent Development Programme offers three training cycles to employees from all Group entities worldwide enabling them to acquire cross-functional skills. The sessions are held at the BNP Paribas Campus.

These cycles also help participants to forge close professional links across all Group activities.

International mobility

To support the Group's expansion, more and more employees are given the opportunity to work in another country or another company to facilitate the deployment of cross-functional operational strategies and promote the exchange of knowledge, skills and best practices. But mobility on an international scale is not always easy to manage, either from a legal or social point of view, because of need to comply with different regulatory environments. Consequently, a policy was implemented in 2010 to make sure that relocation from one country to another takes place in the most flexible way possible whilst complying with the various regulations. This policy has now been fully rolled out.

"International Retail Key Resources" programme in Retail Banking

"International Retail Key Resources" (IRKR) are Retail Banking employees with certain professional, behavioural (intercultural/managerial) and linguistic abilities, who are keen to pursue an international career and who can be posted on a short-term or medium-term basis to a Retail Banking unit in another country for a specific assignment, project or managerial responsibility, or assigned to a multinational team in their own or another country.

IRKRs are identified from a total Retail Banking population of 146,000 employees in 54 countries.

At end-December 2010, 236 IRKRs of 24 nationalities had been identified in 27 countries, as well as 174 potential successors of 21 different nationalities in 28 countries.

Since 2009, a total of 96 IRKRs and potential successors have been posted under the programme, including 52 in 2010.

65% of the total were international postings. 28% of the total were women.

Succession planning

One of the Group's most important tasks in terms of career management consists of preparing for the future by ensuring long-term succession for Executive Management positions. Succession planning committees which bring together managers from the various divisions and functions and Human Resources managers meet regularly, at all levels, to identify promising executives who show the potential to take up senior management positions within the organisation. Executive roles within the Group provide a springboard for talented individuals whilst promoting their integration within the Group and providing opportunities to develop their leadership skills.

A COMPETITIVE COMPENSATION POLICY IN LINE WITH INTERNATIONAL RULES

Compensation for work and performance

Work performed, skills, level of involvement in assigned tasks and level of responsibility are compensated by a fixed salary which depends on employees' experience and the market practices for each business. Variable compensation levels are determined by individual and collective performance over the year based on the objectives set. Variable compensation takes different forms in the various business lines.

More generally, the Group's compensation policy is founded upon principles of fairness and transparency which are supported by:

- an annual overall compensation review process;
- a strict delegation system which operates in accordance with guidelines set at Group level;
- a stronger governance by the Compliance, Risk and Finance committee and greater involvement of the Board's Compensation committee.

Compensation policy established pursuant to new regulations and market requirements

In 2009, the financial crisis highlighted the need for wide-reaching change to how variable compensations are paid to market professionals. BNP Paribas intends to be a driving force behind this change to support sustainable growth in its activities by combining responsibility with competitiveness. The compensation policy has been amended to be immediately compliant with the European CRD III (*) directive and the Decree of the French Ministry of the Economy and Finance published on 13 December 2010, once again reflecting the Group's conservative and rigorous approach to compensation. The Group intends to promote the need for consistency between the behaviour of employees whose professional activities are likely to have a material impact on the Bank's risk profile and the company's long-term objectives, in particular with regard to risks. The information for 2010 about members of the Executive Management team and individuals whose professional activities have a material impact on the Bank's risk profile (information required to be made public by Article 43–2 of Regulation 97-02) will be available on the BNP Paribas website, *http://invest.bnpparibas.com/en,* before the Annual General Meeting on 11 May 2011.

(*) Capital Requirements Directive.

New compensation practices for employees whose professional activities are likely to have a material impact on the Bank's risk profile

This policy has led to:

- deferring a substantial portion of variable compensation over three years and making payment of each annual deferred portion subject to the achievement of performance conditions, which, if not met, will result in non-payment or partial payment only;
- indexing part of the variable compensation to BNP Paribas' share value in order to align the interests of beneficiaries and of shareholders.

The method used to determine individual variable compensation includes a quantitative and qualitative performance review of each employee relative to the objectives set. This includes an assessment of each employee's behaviour with respect to the Group's values, ethics, team spirit and procedures and their contribution to controlling risks, particularly operational risk.

A RANGE OF BENEFITS REFLECTING A RESPONSIBLE APPROACH TO A LONG-TERM EMPLOYMENT RELATIONSHIP

Employee share ownership

For the past ten years, BNP Paribas has made every year a share capital increase reserved for Group employees giving them the opportunity to benefit from the Group's growth and to strengthen their sense of belonging to the Group.

Entities controlled by the Fortis sub-group took part in the plan for the first time in 2010. Almost 180,000 employees in seventy-five countries were eligible to purchase BNP Paribas shares via the Group Savings Plan (Plan Mondial) with a 20% discount.

In addition, under the annual Global Share Incentive Plan, managers may receive options and free shares subject to performance conditions.

At end-2010, Group employees owned 5.8% of the share capital directly or indirectly.

France

In addition to fixed salary and compensation, the Group offers an extensive range of benefits to improve the working environment and work-life balance and to enable employees to finance their personal projects and manage life's risks, as well as preparing for retirement.

Working hours

The Group strives to cater to everyone's particular needs through part-time work, annual leave, reduced working week, flexitime, time savings accounts, etc.

Life's special events are also taken into account through extra leave for marriage, death, relocation, births, etc.

Employee savings plans

The Group seeks to optimise collective profit-based incentive schemes according to the legal, social and tax context of each entity: profit-sharing (mandatory) and incentive (voluntary) plans in France to redistribute a portion of the profits they have contributed to through their work, as well as similar profit-sharing plans in many other territories.

Profit-sharing and incentive plans BNP Paribas SA (amounts in euros)

Amount payable in respect of year	2004	2005	2006	2007	2008	2009	2010
Total gross amount	148,701,874	186,076,788	227,719,000	232,530,560	84,879,969	181,349,984	235,833,607
Minimum amount per employee	2,945	3,772	4,696	4,728	1,738	3,782	4,627
Maximum amount per employee	10,020	10,689	12,732	12,800	4,641	10,128	12,447

Employee savings and pension plans

The Group provides employee savings plans, retirement savings plans (PERCO) and supplementary pension plans to help employees build up their savings.

The employee savings plan is a collective scheme enabling employees to build up a nest-egg, particularly for their retirement. In France, 15,000 employees subscribe to the Group retirement savings plan (PERCO). Their savings become available at the date of departure for retirement, in the form of an annuity or a lump-sum payment. Top-up payments into the PERCO amounted to EUR 8.92 million in 2010.

Other company benefits

The Group offers a range of benefits in addition to its legal obligations providing a high level of protection for employees. These mechanisms have been harmonised, particularly outside France, with the aim of ensuring greater consistency between local systems that are sometimes quite disparate. Outside France, the Group seeks to provide company benefits that cover medical consultations and hospital stays to its local employees and their families.

Flexible, customised personal risk insurance in France

BNP Paribas' personal risk insurance plan was set up under a company-wide agreement and has few equivalents in French companies. This flexible plan offers staff a high level of cover for absences from work due to illness, disability or death. Starting from a basic plan that applies automatically, employees can adjust the protection to their personal or family situation by choosing benefit amounts and supplementary cover as needed: higher benefit for accidental death, education annuity, temporary income for the spouse and a lump-sum payment in the event of the death of a spouse. Plan options can be modified regularly.

Bilan Social Individualisé (BSI)

In 2010, for the second consecutive year, almost 48,000 employees in France received a Bilan Social Individualisé, a statement that provides a detailed breakdown of the monetary and non-monetary components of the employee's total compensation package. It aims to provide an easy-to-grasp summary of the employee's personal situation, combining data which had previously only been available from a variety of sources.

Belgium

Harmonisation of benefits for all BNP Paribas Fortis employees

Following the integration in 2010 of BNP Paribas' existing activities in Belgium prior to the acquisition of Fortis, employees of these entities were transferred to BNP Paribas Fortis and as of their transfer benefited from the same compensation and benefits package as BNP Paribas Fortis. As a result, these employees are affiliated to the specific non-compulsory pension plans, the collective guaranteed income plans and health insurance policies provided by BNP Paribas Fortis.

Italy

Since 2009, alongside the traditional variable compensation systems, BNL has offered some of its employees ad hoc incentive measures designed to reward them for excellent performance. For example, top-performing employees in the Retail, Private, Corporate, Debt Recovery and Origination and Sales Assistance departments are offered to take part in the BNL Masters programme.

BNL also offers all its employees a range of benefits such as health insurance, accident insurance, additional personal risk insurance, subsidised loans, luncheon vouchers, a long-service award (after 25 years of service), education grants, etc.

Luxembourg

A "single status" for all BNP Paribas employees in Luxembourg

As part of the merger of BGL and BNP Paribas, a "single status" for all employees of both entities was introduced at end-2010 to ensure a shared vision of their well-being by creating a common platform of benefits and by improving general working relationships:

- work organisation: new working hours, redefinition of reference periods and the Time Savings Account, revision of paid leave and time in lieu, ability to purchase time in lieu and unpaid leave;
- banking benefits: identical rates on mortgages and personal loans for everyone;
- supplementary pension including the personal contribution and death and disability insurance;
- non-compulsory benefits (new health insurance, medical check-up, caretaking service, childcare facilities, subsidised transport, etc.) that enable to improve the general well-being and quality of life of employees. As a corollary to the Group's ambitious business plan, all these support measures will help to promote inter-company mobility in Luxembourg. There will be greater opportunities for career advancement and personal development within the new scope.

LISTENING TO WHAT PEOPLE SAY

HIGH-QUALITY SOCIAL DIALOGUE

European Works Council

New arrangements

As early as 1996, the Group set up a European Works Council before this became mandatory under law. The Council monitors Group developments in Europe. The Council is chaired by the Chief Executive Officer of BNP Paribas.

In 2009, the integration of the Fortis group's European banking operations gave BNP Paribas a new dimension and stronger footprint in several European countries. It was therefore necessary to revise the membership of the European Works Council, which had already been raised to twenty-five members from sixteen countries after the integration of BNL in 2006.

The Group now has more than 162,000 employees in Europe, spread across a large number of countries, including the four domestic markets (France, Italy, Belgium and Luxembourg).

After several months of negotiations, a further amendment was signed in June 2010 by the five French and two European trade unions.

The European Works Council now has forty-nine staff representatives from twenty countries. Its composition reflects European diversity: it has ten officers who must represent at least six different countries, with a maximum of three representatives per country, and the Secretary and two deputy Secretaries must come from three different countries.

The new Council will now meet at least twice a year. It will have the resources it needs to operate properly.

Social dialogue at national level

France

In 2010, the Labour Rights Commission, BNP Paribas SA's labour information and negotiation body, met twenty-one times and negotiated the signature of eight company-wide agreements. Some of these agreements were designed to improve and continue existing employee benefit plans and promote effective social dialogue, whilst others strengthen employee representation on various bodies.

Two important profit-sharing and incentive agreements were signed concerning almost all employees in France, confirming the policy of the past few years aiming to give employees a stake in the Group's performance.

In addition, a new amendment to the gender equality agreement was also signed.

Lastly, BNP Paribas introduced various tools and schemes to prevent stress in the workplace and signed an agreement with the trade unions in this area.

Belgium

In recognition of their shared concerns for enterprise growth and in a spirit of mutual respect, management and staff representatives pursued an ongoing dialogue on labour relations issues in addition to formal meetings of representative bodies.

Thanks to the trust established, a dozen collective bargaining agreements were concluded within BNP Paribas Fortis. A number of these agreements were made necessary by the industrial master plan. Agreements covered areas such as working time reduction, job security and functional mobility as well as the financial status of employees of BNP Paribas's Belgian branch following the transfer of its activity to BNP Paribas Fortis.

Italy

Social dialogue was fostered in 2010 and many meetings took place with the trade unions. They mainly covered implementation of the Human Resources Department's three-year plan and how to manage the overstaffing resulting from reorganisations of the Group's various Italian operations.

Against this background, a general social plan was implemented enabling a series of agreements to be signed, including an agreement on reactivating voluntary recourse to the "solidarity fund for income, employment and professional retraining support for employees in the banking industry". Specific terms and conditions were defined for the more than 700 employees concerned.

Lastly, in accordance with the Decree of January 2010, a company agreement was signed regarding health insurance, supplementing the sick benefits offered to BNL employees.

Luxembourg

The key area of focus for dialogue with employee representatives was the BGL integration plan, which was presented to employee representatives and approved on 25 November 2009.

In addition, agreements were also signed with the Luxembourg Ministry of Labour authorising the secondment of BGL BNP Paribas employees to BNP Paribas Luxembourg, as well as agreements with the four largest trade union bodies in the financial services sector extending the provisions of the 2009 banking collective bargaining agreement to 2010.

LISTENING TO EMPLOYEES THROUGH THE GLOBAL PEOPLE SURVEY

A global survey

In 2008, true to its tradition of "listening" to its employees, which as early as 1991 led to the introduction of social climate surveys, BNP Paribas launched an annual global survey in partnership with Towers Watson, a global human resources consulting firm which analyses and processes the data on a strictly anonymous and confidential basis.

The Global People Survey has become a key management tool to identify employee expectations, define priorities and draw up action plans.

The 2010 edition was conducted online, with:

- a questionnaire available in 19 languages (adding Korean and Ukrainian to the 17 available in 2009);
- scope of application covering all continents (183,140 employees surveyed compared with 163,000 in 2009);
- 52% response rate, up in almost all entities and countries;

- 78 questions, including two open-ended ones, covering 15 themes (commitment, leadership, the working environment, local manager, objectives and assessments, training, careers, compensation, information and communications, operational efficiency and cross-functionality, competitive image and customer orientation, promoting diversity, ethics and social responsibility, managerial culture and the integration of BNP Paribas and entities controlled by the Fortis group).

Results

Employees are very proud to belong to the Group. As in previous years, the survey results reveal a strong commitment to the company, confidence in management's strategic choices and their consistency with the Group's values. Employees believe that the Group is well positioned to meet future challenges. Most employees also have a very clear view of the objectives, whether the company's, the business line's or their own.

A higher number of respondents than in 2009 said they appreciated BNP Paribas' social and environmental initiatives and their comments provided a variety of suggestions that will be implemented on a day-to-day basis.

Corporate social and environmental responsibility, alongside leadership, is now the most motivating factor for employees. Career prospects, the third most motivating factor, was more important than in 2009.

BNP Paribas Fortis employees have been included in the Global People Survey since 2009. In 2010, a growing number of them had a clear idea of their career opportunities within the Group, a positive sign of successful integration.

PROTECTING EMPLOYEES' HEALTH

The Group's occupational health policy goes beyond simply complying with changing legislative requirements. The major components of the policy are risk prevention, taking account of public health issues and support for employees who are at risk or who have become unfit for work.

France

Preventing occupational hazards

In 2010, particular emphasis was placed on the following areas:

- updating the assessment of occupational hazards inherent in the Group's business operations (required by the Decree of 5 November 2001);
- protecting against hearing problems for call centre employees;
- listing approved information systems equipment;
- continuing the programme to prevent and deal with psychosocial risks.

Specific initiatives are pursued to prevent occupational hazards, including information campaigns, training, design ergonomics, remedial ergonomics and alert procedures.

Medical assistance to employees that have been victims of attacks, in particular in the Paris region, is provided since 2001 in conjunction with the city's emergency medical services. This initiative has been progressively reinforced in recent years, and its effects can be seen in the reductions in both the number and length of absences in the wake of attacks and in requests for transfer to another position after an attack.

On behalf of the French Retail Banking business line, BNP Paribas SA's occupational Health Department participated in a working group set up to help to prevent and manage customer incivility and to assist and support customer-facing staff.

Public health issues

BNP Paribas SA's occupational health department has been working for many years to promote employee health.

Public health initiatives taken in 2010 were:

- cardiovascular disease prevention programme, through screening for risk factors such as high cholesterol, hypertension, smoking and stress;
- organising a cardiovascular disease prevention day run by a cardiologist, a smoking counsellor, a nutritionist and trainers in life-saving techniques (defibrillator).

Support for employees with long-term illnesses or incapacity for work

As in the area of prevention of occupational hazards, the occupational Health Department, Human Resources managers and line managers work closely together to redeploy employees returning to work after several months' absence due to illness. Given the rapid pace of change within the Group, the reintegration process must factor in an adjustment to the new circumstances, so as to dispel employees' worries and allow them the time to get back on their feet.

A medical observatory to monitor stress and mental health issues (OMSAD)

Stress is the second most prevalent occupational pathology after musculoskeletal disorders. An observatory to monitor stress and mental health issues set up in collaboration with IFAS, the French institute for action on stress, in Paris and Lyons. At the beginning of each periodic medical visit, employees fill out a confidential, anonymous questionnaire that is immediately assessed by an occupational physician for purposes of a personal diagnosis. The data is then compiled and processed by IFAS, an independent body, which returns the results to BNP Paribas. Results are used to measure stress levels, pinpoint populations at risk and take appropriate preventive measures. This system is now in place at BNP Paribas SA, BNP Paribas Personal Finance, BNP Paribas Assurance, BNP Paribas Leasing Solutions and Arval. In 2010, 15,864 people completed the questionnaire.

Stress, Information, and Support hotline

This hotline has been operational since 1 December 2010. From 8.15 am to 5 pm, a nurse or physician from the occupational health department in Paris is available to talk to employees wishing to obtain information about stress or who need help. The occupational health department may ask for support from a physician specialising in stress, who will call the employee back promptly.

Belgium

The integration of BNP Paribas with entities controlled by Fortis resulted in exchanges between the occupational health departments at BNP Paribas SA and in Brussels, aiming to compare their respective professional experience and share best practices.

Ukraine

UkrSibbank employees who suffered radiation exposure after the Chernobyl disaster qualify for benefit payments and additional leave, and their health is closely monitored as part of an initiative run by the Ukrainian authorities.

Africa

BNP Paribas is an active member of *Sida Entreprises*, an association bringing together leading French investors in Africa whose aim is to help resolve ongoing problems in the areas of AIDS prevention and access to treatments. These difficulties persist despite the financial aid provided to affected countries. BNP Paribas helps to set up inter-company groups in the West African countries where it is present, through its network of associated banks (BICI).

BNP Paribas Oslo for a quality working environment

In October 2010, the HR team in Norway in association with the occupational Health Department organised a seminar on "balanced lifestyle". Employees enjoyed massages and cookery classes and took part in cardio-pulmonary resuscitation training and stress management exercises.

Risk prevention campaign in Spain

The HR Department, in association with the Health & Safety committee, employee representatives, the Medical Department and Communications Department, launched a campaign to raise awareness of and prevent occupational hazards.

As part of the World Day for Health and Safety at Work on 28 April 2010, advice on workstation ergonomics was posted on the Intranet: positioning of chair, keyboard and mouse, height of computer screen, handling electrical equipment and sockets, eye protection, etc.

PERSONALISED SUPPORT FOR EMPLOYEES

France

The Social Action Department which comprises some thirty corporate social workers, takes measures and provides services for employees who have a private or professional problem, or who simply need advice and direction.

This support and information role is supplemented by guides on key issues in private life (maternity, paternity, adoption, childcare methods and employing a child carer, children in higher education, family carers, elderly parents, protection for adults, death in service of an employee, etc.).

Many other issues may be also addressed including relationship difficulties, the family, the household budget, sickness or disability.

The Social Action Department fills the gap between private and working life and also offers employees close to retirement age information sessions run by a specialised social worker on the financial and psychosocial aspects of retirement. In 2010, almost 900 people took part in these meetings.

Belgium

The social team of 5 social workers works in the same spirit and philosophy as the Social Action Department in France. In 2010, 900 people with personal or professional problems obtained help and support in areas such as separation, death, overindebtedness or professional uncertainties, etc.

In close collaboration with the Medical Department, the social workers keep in contact with employees who are unable to work in order to smooth their return to work at the appropriate time.

They took part in various initiatives: Diversity Project, monitoring employees with disabilities, promoting psychosocial well-being, etc.

The social workers also deal with cases of moral or sexual harassment at work.

They form part of the initial support team in the event of armed bank robberies or any other traumatic event in order to provide victims with psychological support.

7.2. NRE Appendices – Social chapter

NRE indicator - 2010 year	Scope for 2010
1. Compensation and benefits paid to each corporate officer during the financial year	
See section 2 of the Registration Document on *Corporate governance*.	Group
2. Compensation and benefits received from controlled companies during the financial year by each corporate officer within the meaning of Article L.233-13 of the French Commercial Code	
See section 2 of the Registration Document entitled *Corporate governance*.	Group
3. List of all Directorships and positions held during the financial year in any company by each of the corporate officers	
See section 2 of the Registration Document entitled *Corporate governance*.	Group
4. Total number of employees including employees on fixed-term contracts	
See section of the Registration Document entitled *Workforce evolution*.	
At end-2010, the Group had 205,348 full-time equivalent (FTE) employees, an increase of 2,256 compared with 2009. In addition, there was a further difference of 1,352 FTEs due to employees on fixed-term contracts of less than six months (included in workforce figures from 2010) and scope effects. FTE figures are measured pro rata to working hours. The FTE workforce measures count active employees and employees on paid absences who are on permanent or fixed-term contracts. Interns, apprentices, Volunteers for International Experience, subcontractors and temporary staff are not counted.	Group
At end-2010, the Group managed a workforce of 65,357 FTEs in France, including 2,099 fixed-term contracts.	France
The concept of *cadre* as used in a French work environment, loosely translated as "executive" or "manager", cannot be transposed as such to worldwide operations. For information purposes only, the ratio of "*cadres*" (executive or managerial employees) to all employees of BNP Paribas SA has varied as follows since 2002: ■ 35.7% in 2002; ■ 37.7% in 2003; ■ 39.7% in 2004; ■ 42.4% in 2005; ■ 44.6% in 2006; ■ 47.4% in 2007; ■ 47.3% in 2008; ■ 49.0% in 2009; ■ 51.1% in 2010. As from 2008, this indicator was based on the total workforce (including employees on unpaid absences and young people employed under work-study contracts).	BNP Paribas SA in mainland France
5. Number of new permanent and fixed-term contract employees	
In the year to 31 December 2010, the total number of persons hired under permanent contracts worldwide was 24,559, of which 53.1% were women.	Group
The Group hired 3,852 employees on permanent contracts in France in 2010. See section of the Registration Document entitled A *Group on the recruitment trail*.	France
6. Recruitment difficulties, if any	
The attractiveness of the BNP Paribas Group as an employer remains very high, with 191,000 unsolicited job applications received (versus 170,000 in 2009). In 2010, new hires continued to be evenly split between young graduates with less than 2 years' work experience (45%) and employees with more than 2 years' work experience (55%). See section of the Registration Document entitled A *Group on the recruitment trail*.	France
7. Number of and reasons for dismissals	
In 2010 the total number of employees dismissed by the Group was 4,897.	Group
In France, the number was 410. The main reasons for dismissals remain professional incompetence, inaptitude and misdeeds.	France
8. Overtime hours	
In 2010 BNP Paribas SA in mainland France paid 83,823 hours of overtime.	BNP Paribas SA in mainland France

NRE indicator - 2010 year	Scope for 2010
9. External workforce	
Temporary staff: In 2010, the monthly average number of temporary staff for the Group in France was 1,124 FTEs	France
In 2010, the monthly average number of temporary staff for BNP Paribas SA in mainland France was 510. The average contract length was 32 days.	BNP Paribas SA in mainland France
Service providers: At end-December 2010, the number of employees belonging to an external company was 4,093 (in equivalent man months).	BNP Paribas SA in mainland France
The agreements between BNP Paribas and temporary staffing agencies and service providers include very strict clauses on compliance with labour laws.	BNP Paribas SA in mainland France
10. If applicable, information relating to headcount adjustments, redeployment and career support advice	
See section of the Registration Document entitled *Long-term employment management*.	BNP Paribas SA in mainland France
11. Working hours	
Extensive possibilities for requesting part-time work arrangements are available to employees. A total of 10.4% of employees at BNP Paribas SA in mainland France have opted for part-time work arrangements. After one year of service, employees are eligible for a working time savings account in which leave days can be accumulated. Leave days saved in this account can be taken in various forms (personal convenience leaves, co-investment in training, financing a shift to part-time). In 2010, 19,885 employees had a working time savings account. With the agreement of their manager, employees can also take 5 to 20 days of unpaid leave. See the *Social audit*.	BNP Paribas SA in mainland France
A total of 9.4% of employees in France have opted for part-time work arrangements.	France
12. Working hours and days for full-time employees	
In France, the average working week for a full-time employee is generally 35 hours. At BNP Paribas SA, the theoretical number of days worked per employee per year (on a fixed working hours basis) was 206 in 2010.	BNP Paribas SA in mainland France
13. Working week for part-time employees	
For the Group in France, 94.2% of employees who have opted to work part time are women. The most common arrangements are to work 50%, 60% or 80% of full time. 79% of part-time employees have opted to work at 80% or more of full time.	France
For BNP Paribas SA in mainland France, 93.7% of employees who have opted to work part time are women. 73.6% of part-time employees have opted to work at 80% or more of full time.	BNP Paribas SA in mainland France
14. Absenteeism and reasons for absenteeism	
The absenteeism rate in 2010 relating to paid absence was 6.1%, including 2.1% for maternity leave.	France
15. Compensation	
For the Group in France: ■ average annual compensation (fixed and variable) was EUR 48,148; ■ 88.5% of employees received variable compensation (87.3% of women and 90% of men); ■ 46.6% were awarded an increase in fixed compensation (versus 43.2% in 2009). See section of the Registration Document entitled *A competitive compensation policy in line with international rules*.	France
The average monthly compensation of BNP Paribas SA employees in mainland France was EUR 3,389 in 2010 (versus EUR 3,255 in 2009). 13.8% of employees received a promotion.	BNP Paribas SA in mainland France

NRE indicator - 2010 year	Scope for 2010
16. Changes in Compensation	
The annual wage bargaining round in 2010 for pay in 2011 led to an agreement signed by three of the five labour unions. These three bodies represented 51.9% of the votes cast at the last election for employee representatives. The agreement included: ■ a permanent salary increase: allocation of EUR 500 to employees whose gross annual base salary is less than or equal to EUR 30,000 and EUR 450 for employees whose gross annual fixed salary is more than EUR 30,000 and less than or equal to EUR 75,000; ■ setting of a minimum fixed salary for managers aged fifty plus.	BNP Paribas SA in mainland France
17. Payroll expenses	
The Group's social security charges for 2010 totalled EUR 3,234 million.	Group
18. Application of the provisions of Title IV, Book IV of the French Labour Code (incentive and profit-sharing plans, employee savings plans)	
See section of the Registration Document entitled *A range of benefits reflecting a responsible view of a long-term working relationship.*	
In 2010, profit-sharing and incentive amounts accruing to employees of BNP Paribas SA amounted to EUR 235.9 million, or a minimum of EUR 4,627 and a maximum of EUR 12,447 per employee (on a full-time employee basis).	BNP Paribas SA
The amount of shares subscribed within the framework of the 2010 share capital increase reserved for Group's employees was EUR 155.4 million, with an overall participation rate of 31%. The participation rate in each geographical area was as follows: ■ France: 51%; ■ Asia: 42%; ■ Oceania: 25%; ■ Middle-East: 21%; ■ North America: 18%; ■ Europe (excluding France): 15%; ■ Latin America: 11%; ■ Africa: 6%. The geographical breakdown of staff outside France who took part in the plan was as follows: ■ Europe (excluding France): 69.6%; ■ Asia: 17.9%; ■ North America: 4.2%; ■ Latin America: 3%; ■ Africa: 2.9%; ■ Oceania: 1.4%; ■ Middle-East: 1.0%.	Group

NRE indicator - 2010 year	Scope for 2010
19. Gender equality in the workplace	
See section of the Registration Document entitled *Promoting diversity*.	
53.9% of BNP Paribas employees worldwide are women (based on physical headcount).	Group
The physical headcount of the Group in France comprises 44.1% of men and 55.9% of women. The proportion of female executives has continued to rise: ■ 43.4% in 2009; ■ 43.9% in 2010.	France
At end-2010, BNP Paribas SA's physical staff in mainland France is composed of 19,057 men and 25,388 women (versus 18,479 and 24,391 respectively at end-2009). The Company agreement of 9 April 2004 on gender equality was amended in 2005 and 2006 and then replaced by the agreement of 30 July 2007. This agreement sets down the principles that should be followed in observing and developing equal opportunity and treatment between men and women at all stages of professional life. The agreement was amended in July 2010 with new ambitious commitments including the appointment of a Gender Equality Officer. The Group thus provides a system for reviewing individual cases where employees believe they are being discriminated against. The proportion of female executives has continued to rise: ■ 34.2% in 2001; ■ 35.7% in 2002; ■ 36.9% in 2003; ■ 37.7% in 2004; ■ 38.8% in 2005; ■ 40.3% in 2006; ■ 41.4% in 2007; ■ 43.1% in 2008; ■ 44.0% in 2009; ■ 44.6% in 2010. The proportion of female executives receiving promotion has varied as follows: ■ 54.7% in 2002; ■ 55.6% in 2003; ■ 55.8% in 2004; ■ 57.1% in 2005; ■ 58.1% in 2006; ■ 58% in 2007; ■ 59% in 2008; ■ 59.6% in 2009; ■ 60.6% in 2010.	BNP Paribas SA in mainland France
In 2010, at BNP Paribas in France, 39% of appointments to management positions (as defined in the banking industry collective agreement) and executive management positions (for subsidiaries not governed by that agreement) were women, compared with 38% in 2009, 32% in 2008 and 28.5% in 2007.	The Group in France
20. Employee relations and collective bargaining	
See section of the Registration Document entitled *High-quality social dialogue.*	
As in previous years, there was constructive dialogue with employee representatives within BNP Paribas SA in 2010. The Commission on Employment Law, BNP Paribas SA's labour negotiation body, met on 21 occasions, and 8 new agreements were signed with trade unions.	BNP Paribas SA in mainland France

NRE indicator - 2010 year	Scope for 2010
21. Health and safety	
See section of the Registration Document entitled *Protecting employees' health*.	
■ Medical assistance to employees who were victims of attacks In 2010, 20 employees received medical assistance after an attack. Three of them were referred to specialists for psychological help. ■ Training for medical staff and refresher courses for first-aid workers ▪ Training in life-saving techniques for nurses, run by a company doctor: 26 nurses trained. ▪ Training organised by SAMU 92 (French emergency services) for nurses: 10 nurses trained. ▪ Training for first-aiders in the workplace, run by 2 doctors and 1 nurse from the Occupational Health Department: 187 on initial training and 602 on refresher courses. ■ Prevention and management of psychosocial risks ▪ Medical observatory for monitoring stress, anxiety and depression (OMSAD): in 2010, 15,864 employees completed the questionnaire designed to identify employees at risk. ▪ Psychological support service: 16 cases handled. ▪ Stress, Information and Support hotline for employees: 3 calls received since the service was introduced on 1 December 2010. ▪ Consultation service introduced in September 2010 enabling employees with psychological troubles to consult an external physician, on the referral of the company doctor: 47 appointments made in 2010. ▪ Incivility in bank branches: identifying uncivil behaviour and training the employees concerned (2,853 employees trained in French Retail Banking). ■ Other preventive actions ▪ *Prevention of cardiovascular disease forum organised in December for employees*: 100 people registered in workshops on life-saving techniques and 165 blood tests carried out. ▪ *Influenza vaccination campaign:* 2,111 vaccinations. ▪ *Programme for continued employment of seniors*: 2,281 annual medical visits for employees aged 55 and over (Paris, Paris region and Lyons). ▪ *Musculoskeletal disorders*: movement and posture training run by a nurse: 55 people trained in 2010. ▪ *Hearing:* detecting hearing problems for employees working in call centres, with 4,283 tests carried out in 2010. ▪ *Workstation ergonomics:* 5 plan studies, 108 premises inspections and 11 workstation assessments conducted in 2010. ▪ *Colorectal cancer screening with the Hemocult test* offered to employees aged 50 plus. ▪ *Screening for glaucoma and diabetes* ■ 1,218 people took part in the blood donation drive.	BNP Paribas SA in mainland France
22. Training	
See section of Registration Document entitled *Sustained efforts in skills development*.	
For the 2009-2010 academic year, the number of people in BNP Paribas SA in mainland France enrolled on training courses leading to a recognised qualification was 245 for Brevet Professionnel banking diploma; 355 for the BTS banking diploma and 224 for the Institut Technique de Banque diploma. For the 2010-2011 academic year, the number of people in BNP Paribas SA in mainland France enrolled on training courses leading to a recognised qualification was 265 for Brevet Professionnel banking diploma; 396 for the BTS banking diploma and 219 for the Institut Technique de Banque diploma. In 2010, 9,042 employees of BNP Paris SA in mainland France applied for training under the DIF (Individual right to training) scheme. The average number of training hours per employee was 33.7.	BNP Paribas SA in mainland France

NRE indicator - 2010 year	Scope for 2010
23. Employment and integration of persons with disabilities	
See section of the Registration Document entitled Promoting diversity.	
At end-2010: ■ BNP Paribas SA employed 893 people with disabilities (versus 850 in 2009, 754 in 2008 and 730 in 2007) and recruited 48 in 2010 (41 in 2009); ■ the number of beneficiary (handicap-equivalent) units (BU) was 1,044 and the number of additional units generated by work outsourced to ESATs (support through work organisations) was 22, making a total of 1,066 BUs versus 1,021 in 2009. ■ 87 employees with disabilities benefited from employment continuation measures. An agreement on employment and inclusion of persons with disabilities was signed in 2008. This agreement is part of BNP Paribas' overall non-discrimination and diversity initiative, and it follows up on commitments made by the Group when the Diversity Charter was signed in 2004. This agreement expresses all parties' desire to see BNP Paribas implement a proactive long-term policy in favour of the employment and inclusion of persons with disabilities. It calls for actions in four areas: ■ develop a recruitment plan for persons with disabilities in the ordinary work environment; ■ improve conditions for bringing persons with disabilities into jobs by offering appropriate working conditions, access to professional training and technological accommodations; ■ seek out stronger partnerships with the sheltered work sector; ■ an ongoing focus on key considerations for maintaining persons with disabilities in employment. The Group keeps an active list of organisations in the sheltered work sector so that subcontractors of Group entities can be referred to and encouraged to call on such organisations.	BNP Paribas SA in mainland France
24. Social and cultural activities	
Social and cultural activities that are national in scope are managed by the Central Works Council. Local service activities are managed by local works councils. Services include children's summer camps and organised holidays for staff, contributions to meal expenses, family welfare, lending libraries for books, records, videos and other media, and discounts for theatres and cinemas. A sports and cultural group gives employees the opportunity to take part in a variety of team sports and cultural activities. A breakdown of BNP Paribas SA's contributions to cultural and social activities is provided in the Company's Social audit. The 2010 budget for social and cultural activities was estimated EUR 93.55 million (versus EUR 93 million in 2009).	BNP Paribas SA in mainland France

NRE indicator - 2010 year	Scope for 2010
25. Relations with the community, including associations to combat social exclusion, educational institutions, environmental and consumer associations, and local residents	
Over the years, BNP Paribas SA's local banking network in France has been involved in more than 1,500 formal or informal voluntary partnerships with various organisations. Through relationships with more than 1,000 further education institutes, the Group offers internships, apprenticeships and work experience for young people. It has developed 500 partnerships designed to promote the sporting, cultural and artistic initiatives of young people, as well as local projects to help integrate them into the labour force, combat social exclusion and preserve the environment. ***Projet Banlieues:*** Through Projet Banlieues, launched in December 2005, the BNP Paribas Foundation offers its support to ADIE (a non-profit association providing microcredit to the unemployed) to foster business development in disadvantaged neighbourhoods through several initiatives: ■ job creation and business formation: in five years, the project has financed the opening of ten lending centres throughout France. In 2010, 968 micro-loans were granted by these centres, financing almost 647 business start-ups; ■ tutoring and coaching: In partnership with Afev, close to 1,400 school children living in disadvantaged neighbourhoods received educational assistance thanks to the efforts of 1,000 additional student volunteers; ■ support for community projects: The Foundation provided help in 2010 to 69 ongoing and new community projects. Projects focus mainly on education, professional inclusion, social inclusion through culture and sport, and training initiatives. ***Odyssée Jeunes:*** Launched in December 2009 by the BNP Paribas Foundation in partnership with the Seine-Saint-Denis departmental authorities, this programme helps to finance school trips organised by secondary schools in the district, with 202 projects completed in one year. Grants allocated to the programme financed more than half the cost of these trips, significantly reducing the financial contribution made by the families. All in all, more than 8,400 pupils from 108 secondary schools of the 144 in the district have benefited from the programme. The purpose of these trips is to learn the language or history of another country by addressing the concepts of sustainable development or citizenship, and to discover other cultures. **Employee Helping Hand projects**: In 2010, through this programme, the BNP Paribas Foundation supported 70 projects run by general interest associations, mainly in the areas of humanitarian aid, community support, outreach, health and disability. **ESJ Bondy**: The BNP Paribas Foundation supports the "Equal opportunity" foundation course run by the ESJ Lille's school in Bondy. The course enables twenty students, of underprivileged families, with three years of higher education to prepare for the entry exams for the major journalism schools. **Bondy Blog**: Bondy Blog helps young people from difficult neighbourhoods involved in associations to learn how to use blogs (written, radio and video) by training them in editorial and information dissemination techniques. **Consumer associations**: The Quality & Consumer Relations Department of the French Retail Banking Division has forged partnerships with around ten consumer advocacy groups. **Mediation of banking disputes:** BNP Paribas is one of the few financial institutions to have committed since 2003 to follow the recommendations and opinions of the ombudsman in any and all cases. As from March 2009, in response to the needs of its small business customers, BNP Paribas decided to introduce a separate mediation procedure and ombudsman for small business owners with the same role and responsibilities as the retail banking ombudsman appointed in 2001. In 2010, the role of these ombudsmen was extended and through their reports they contributed to driving the Bank forward by settling an increasing number of disputes on an equitable basis. **Links with educational institutions:** ■ The Group's very active 'campus management' policy, with over 100 events organised at educational institutions in 2010, increased the flow of applicants for pre-recruitment (internships, VIE, work-study) to nearly 65,000 candidates; ■ Under partnership agreements or as part of specific projects, groups of BNP Paribas branch offices maintain very close relationships with the associations and educational institutions in their catchment areas. These partnerships generally extend beyond purely commercial relationships, offering financial, technical or even organisational support for projects undertaken by partners. ■ BNP Paribas awarded EUR 850,000 in grants to schools located in underprivileged urban areas as payment of the apprenticeship tax in France. These funds were used for the purchase, hire and upkeep of teaching and professional equipments and facilities.	France

NRE indicator - 2010 year	Scope for 2010
26. Contribution to regional development and employment	
In September 2009, to allay fears about the credit crunch and meet the needs of small businesses and sole proprietors, French Retail Banking set up special arrangements with the goal of financing 40,000 projects representing at least EUR 5 billion by end-2010. This target was achieved three months ahead of schedule with 49,881 projects totalling EUR 6 billion financed by the year end. This performance reflects the strong efforts made by the branch network teams and the Bank's desire to help overcome the crisis by supporting its clients in their projects despite the difficult economic environment. To meet the expectations of business clients, BNP Paribas decided to house all its commercial teams dedicated to entrepreneurs and small businesses under one roof. The Maison des Entrepreneurs project is an unprecedented concept, designed to help entrepreneurs and small businesses to manage their wealth planning and business lifecycle projects. This approach illustrates BNP Paribas' strong commitment to this segment of the economy.	France
In the international markets, BNP Paribas also contributes to the financing and development of local economies in countries where it has a retail banking operations. In Belgium, BNP Paribas Fortis launched a project to provide EUR 1 billion in investment loans to Belgian business owners in 2009. In 2010, this operation was followed by the granting of 75,000 business loans to finance the needs of small businesses and entrepreneurs. The European Investment Bank (EIB) and BNP Paribas Fortis also signed a new partnership agreement creating a pool of EUR 150 million for lending to small businesses in Belgium. All in all, more than 500 businesses across all sectors, services and industries benefited from this fund on very attractive terms and conditions. Following an initial campaign in 2009, the BNP Paribas Fortis branches passed on the EIB funds in the form of loans to small businesses to support their investment projects. In Italy, BNL and its subsidiary *Artigiancassa* which specialises in financing tradesmen at preferential rates through public funds, won the bid launched by the Lombardy regional authorities and *Finlombarda SpA* for the *Made in Lombardy* project. This project aims to strengthen the competitiveness of Lombardy based businesses and encourage innovation. Through *Made in Lombardy*, EUR 500 million of loans have been granted including EUR 400 million by BNL and Artigiancassa. Lastly, on 3 December 2010, BNL signed an agreement with the European Investment Bank for a EUR 300 million loan designed to finance small business projects at preferential rates to foster economic and social development. For the first time, these loans were available to the retail branch network's business clients. In Morocco, Banque Marocaine pour le Commerce et l'Industrie (BMCI), a BNP Paribas subsidiary, promoted access to lending for small businesses by signing a master agreement on 28 April 2010 for the installation of rating platforms to facilitate small business financing. This agreement enables the Bank's small business clients to submit their applications to the *Imtiaz* and *Moussanda* programmes. *The Imtiaz* programme supports fast-growing businesses with a strong business plan but low borrowing capacity. The *Moussanda* programme aims to improve productivity by accelerating the use of information technology.	Group
27. Outsourcing and the Bank's policy with subcontractors: steps to ensure that subcontractors comply with International Labour Organization (ILO) standards	
Under the Group's purchasing policy, all contracts signed by the Group's French and international entities must include specific contractual provisions relating to compliance with social practices. These provisions, whether they are standard clauses recommended by the Group or clauses proposed by the suppliers themselves, must include the obligation to comply not only with the labour law applicable in the country concerned but also with fundamental International Labour Organization (ILO) standards and particularly those on minimum age, child labour, the right of association, collective bargaining, forced or compulsory labour, gender equality, non-discrimination, working hours and minimum wages. In accepting these provisions, suppliers undertake to implement their social policy in all countries where they operate and to require the same of their own sub-contractors. In the same vein, at the end of 2009 the Purchasing Department launched a project designed to tighten up the CSR criteria in its supplier selection process. As of mid-2010, most tender invitations include questions about the candidate's equal opportunity and non-discrimination policy (disability, equality, age diversity, diversity of origin, etc.). The answers to the questionnaire have a direct bearing on the ultimate selection of suppliers. Lastly, the Group's internal control system requires the operational or permanent control teams to monitor compliance with these contractual undertakings.	Group

NRE indicator - 2010 year	Scope for 2010
28. Steps taken by the Bank to ensure that subsidiaries comply with ILO standards	
In addition to the management controls required by the Group's internal control system, internal audit and inspection teams are responsible for verifying compliance with directives. In 2008 the Group's CSR audit methodology was overhauled: the reference documents and methodology guides were updated to take more systematic account of the problems and issues that Group entities encounter in France and other territories. A whistleblower hotline enables employees to report any compliance risks they may encounter.	Group
29. Steps taken by foreign subsidiaries to address the impact of their business on regional development and local communities	
All Group subsidiaries are part of a division and must contribute to fulfilling its strategy, implementing its policies and exercising its social responsibility. The levels of remuneration provided by BNP Paribas to employees, particularly in emerging nations, and benefits such as health insurance and death/disability coverage, help raise standards of living for employees' families and communities. The Group makes limited use of expatriate staff, giving local staff the opportunity to take up managerial functions and other positions of responsibility.	Group

7.3. NRE Appendices – Environmental chapter

NRE indicator - 2010 year	
Scope	*The Group figures provided below have been extrapolated from the data compiled from the reporting scope, i.e. 17 countries representing 82.9% of the total 205,348 full-time equivalents (FTEs) managed by the Group at 31 December 2010. Only the normal consumption data (e.g., consumption of energy, water, paper, and other supplies) have been extrapolated; data related to sustainability initiatives (renewable energy, responsible paper, waste recycling, etc.) have not been extrapolated since the Group does not assume that such measures have been implemented in the countries not included in the survey.*
1. Water consumption	**The Group's total water consumption was 4.57 million m³**. Average water consumption per FTE was **22.3 m³.** Actual water consumption levels vary substantially from country to country, reflecting conditions in each geographical area and variations in water systems. Several entities have set up water economy systems or rainwater recovery systems for non-food use, in particular in regions of the world where water sources are scarcer than in others, or where there exists a particular sensitivity to the matter.
2. Raw material consumption	The Group consumes raw materials through its purchases of real estate, furniture and furnishings, office equipment, IT equipment, etc., which form part of a continuous optimisation approach. **Green purchases** (products with an environmental label) represented **10.6%** of the Group's total purchases of office supplies. **Paper policy:** the Group consumed **47,715 tonnes of paper in 2010**, i.e. **232 kg per FTE**. This includes boxes of paper, paper rolls used at printing centres, envelopes and paper purchased by printers for BNP Paribas jobs. **Responsible paper** (more than 50% recycled or carrying the FSC or PEFC label) represented **22.8%** of total paper purchases. A "consume less, consume better" paper policy aiming to significantly reduce consumption and improve the environmental performance of paper purchased is currently being drawn up at Group level.
3. Energy consumption	To heat and light its **buildings** and power its equipment (PC, Data Centres, printing, telephony, other), the Group consumed **2,039 GWh (or 264 kWh/m²)** in 2010, comprising **74.1% in electricity, 16.1% in natural gas, 3.7% in fuel oil, 3.9% in urban heating** and the remainder in urban cooling and renewable heat generated and consumed on site. Business travel is another major source of energy consumption, amounting to **984 million km (or 4,794 km per FTE)** in 2010 comprising **63.3% in air travel** (of which 41.9% in economy class)**, 24.5% in car travel and 12.2% in train travel**.
4. Measures taken to improve energy efficiency	The Group has **a policy on energy efficiency in its offices**, both through responsible lighting (low consumption lighting in some buildings in Italy, Spain and the United Kingdom, lighting control systems in the USA covering more than 3,000 people, etc.) and through efficient heating systems such as the initiative in Saran (ASO France), where a cogeneration plant has been installed to extract value from the heat generated by producing electricity for the local electricity grid. The heat is recovered and meets 30% of the site's annual heating needs. Again in France, electricity consumption at renovated FRB branches has decreased by 10% since 2009 thanks to a change in the lighting times of illuminated signs, the installation of more efficient equipment and high quality maintenance of technical plant. In 2010 the Group signed the WBCSD (*World Business Council for Sustainable Development*) Manifesto for Energy Efficiency in Buildings, committing it to a global approach throughout all its premises. In parallel, the Group endeavours to **reduce the consumption of information systems**: integration of significant energy criteria in its tender invitations for PCs and screens, implementation of NightWatchman power saving software to reduce PC energy consumption, ISO 14001 certification of BNP Paribas Partners for Innovation (BP2I) which manages all BNP Paribas' Data Centres in France and the vast majority of its workstations.

NRE indicator - 2010 year	
5. Use of renewable energy sources	**Renewable energy represented 11.1%** of the Group's total energy consumption in its buildings (i.e. excluding transport). Renewable electricity (kWh with a "green certificate", i.e. a contract certifying that a specified amount of green electricity has been allocated "virtually" to the consumer) represented 14.6% of total electricity purchases. Renewable heat represented 4.0% of urban heating purchases. Meanwhile, **some of the Group's premises produce renewable electricity** (mainly through solar panels) such as Arval Italy in Scandicci, which produced more than 8 MWh in 2010. This electricity is not usually consumed on site but sold to the local grid.
6. Land use	For real estate development projects on behalf of its clients, BNP Paribas Real Estate hires a specialised consulting firm to conduct a diagnostic review of the extent of soil contamination. A soil identification programme is developed, contamination studies are performed using tests and analyses, and a soil report is drawn up. BNP Paribas Real Estate uses the findings of the contamination evaluation to perform any remediation work necessary to ensure that soil meets applicable regulatory requirements.
7. Emissions into air, water and soil	**Greenhouse gas emissions** are carefully measured by converting the energy consumption in the buildings (heating, air conditioning, lighting, IT power supply) and in employee business travel (plane, train, car) into tonnes of CO_2 equivalent (t CO_2-e, including all six greenhouse gases covered by the Kyoto protocol). On this basis, the Group's emissions in 2010 amounted to **701,827 t CO_2-e** (i.e. **3.42 t CO_2-e per FTE**) comprising 76.3% in its buildings and 23.7% in business travel. In 2010, BNP Paribas joined the *Carbon Disclosure Leadership Index France*, a *Carbon Disclosure Project* initiative, which reflects the quality of the Group's carbon reporting. Air and soil pollution is not significant for a services group like BNP Paribas.
8. Noise and odour pollution	**No legal complaints relating to noise or odour issues were filed against the Group in 2010**. BNP Paribas Real Estate consistently seeks to limit the environmental impact of its property development schemes in terms of noise and odour pollution and engages in dialogue with community residents. Insofar as building infrastructures can be a source of noise pollution, the Company selects machines offering the best available acoustic performance. Specific tests are performed upon completion of construction and, if required, additional measures are taken to comply with applicable noise regulations. Locations of air intake and discharge vents are chosen with regard to neighbouring buildings and dominant wind patterns. Choices concerning building methods, construction machinery and the manner in which construction waste is managed are made with the objective of minimising the impact of building work on the immediate environment.
9. Waste processing	The Group generated **37,662 tonnes of waste** in 2010 (excluding office furniture), i.e. **183 kg per FTE**. The percentage of waste **recycled or processed for re-use** was **27.7%.** Paper waste amounted to **123 kg per FTE. Paper** sorting and collection for recycling is practised **as a general principle** throughout the branches and head office buildings in **France** and **Belgium** (CrocFeuilles and similar programmes in France: 2,103 sites affecting 17,432 employees, 10,382 containers installed and 2,315 tonnes of paper recycled in 2010). Regarding the recycling of lighting fixtures, aluminium sockets and the glass from fluorescent light bulbs used in most offices in France are also recycled and the gas is reprocessed.
10. Measures taken to avoid disruption to the biological balance	The direct impacts of banking activities on the biological balance mainly come from energy consumption and the resulting greenhouse gas emissions, and the consumption of raw materials. The Group therefore focuses on **controlling its energy consumption** and on its "consume less, consume better" **paper policy**, as described above, to reduce its impact on the biological balance.

NRE indicator - 2010 year	
11. Measures taken to ensure compliance with legal requirements	**The Group Compliance Function**, whose Head sits on the Executive Committee and of which the CSR Delegation is part, has a broad role and wide powers in coordinating the Group's internal control system. Group Compliance circulates Group-level directives regarding permanent internal control and monitors the functioning of the Internal Control framework in the Group's entities. Compliance with CSR regulatory requirements forms an integral part of this internal process. The Group **actively monitors** developments in environmental regulations and includes them immediately in its procedures and directives. Several enforcement Decrees arising from the Grenelle II law in France are due to come into effect in 2011, which could change how the Group manages its CSR reporting. In anticipation of these changes, the Group has updated its Environmental reporting Protocol, implemented a Greenhouse Gas Accounting Protocol and begun to roll out a specialist application dedicated to environmental reporting. This approach also applies to the Group's **suppliers** notably by systematically including a questionnaire on their corporate social and environmental responsibility policy in tender invitations sent out by the Group Procurement department (ARF) through the online e-Sourcing platform.
12. Steps taken towards environmental evaluation and certification	**The following entities were ISO 14001 certified at 31 December 2010:** ■ 1,463 branches in France under the Welcome & Service programme; ■ BNP Paribas Editique in France; ■ BP2I in France, which encompasses the three main Data Centres in France and the workstations under its management; ■ BNP Paribas Factor in France; ■ Personal Finance Automobile Business in France; ■ BNP Paribas Real Estate in the United Kingdom; ■ Arval in the United Kingdom; ■ Arval in Italy; ■ Türk Ekonomi Bankasi (TEB) in Turkey. These entities represent 11,880 employees. Other entities have already committed to an ISO 14001 certification approach in 2011.
13. Expenditures incurred to prevent environmental consequences of business activity	**Suppliers** are required to complete a CSR questionnaire when responding to tender invitations sent out by the Group Procurement department (ARF). This questionnaire accounts for at least 5% of the overall assessment of the supplier and its products. **Green purchases** (products with an environmental label) represented **10.6%** of the Group's total purchases. Similarly, **responsible paper** (more than 50% recycled or carrying the FSC or PEFC label) represented **10,898 tons** of paper purchases. With 45 high definition **video conference** rooms (over nine more scheduled for 2011) and 4 **telepresence** rooms worldwide, the Group offers its employees an effective and low environmental impact alternative to travelling.
14. Internal department for environmental management	In 2010, the Group set up an **Environment team** within the CSR Delegation, led by the Group Environment Manager. The team defines and oversees the Group's environmental policy in coordination with the **CSR/Environment Officers** in the divisions and entities, with Group **ITP** (Information, Technology and Processes), which manages IT (PCs and Data centres) for a large part of the Group and the buildings occupied by the Group in France, and with the Group Procurement department. Environmental reporting involves more than **one hundred contributors** and more than **seventy validators** at global level. Still within ITP, a team is dedicated to **rolling out the ISO 14001 certification approach** within Group entities and helped to achieve the results set out in section 12 above. Since 2009, the **Procurement** department has had CSR/environmental expertise to ensure that environmental issues are taken into account in all supplier relationships. Lastly, in 2010, a **Climate Change Steering committee**, led by the Executive Committee member responsible for CSR, was set up to oversee all the programmes designed to reduce the Group's direct and indirect climate impacts.

NRE indicator - 2010 year	
15. Environmental training and information programmes for employees	BNP Paribas provides an **online CSR training module** (in French and English) to raise general employee awareness about CSR issues and the Group's policy in this field. Participants are set six tasks, such as identifying the factors that help reduce the Bank's direct impacts on the environment, selecting a financing operation taking account of its environmental and social impact, or building up a portfolio of social responsible investments (SRI). This module is also included in the induction course for joiners. The **climate specialist Jean Jouzel**, Vice-Chair of the IPCC and Nobel Peace Prize winner, answered employees' questions during a 2-hour online chat, with simultaneous translation in English to enable all employees worldwide to take part. Lastly, a CSR training course currently being rolled out targets more than 70 **Group buyers** to strengthen their consideration of environmental and social issues in their day-to-day practices.
16. Resources dedicated to mitigation of environmental risks	As a responsible lender, BNP Paribas endeavours to reduce the environmental risks of its financial and investment activities. ■ The Group endorsed the **Equator Principles** in 2008 and systematically includes a non-financial analysis in its project financing business as well as producing an annual report on the results. ■ The Group endorsed the **Climate Principles** in 2010, deepening this approach and reaffirming its commitment to a low carbon economy. Several programmes have been set up under the Climate Principles, including a project to improve the assessment of environmental considerations in the risk analysis process. ■ BNP Paribas develops **sector policies** aiming to reduce environmental risks for the most sensitive sectors. In 2010, BNP Paribas published a policy on the palm oil industry. ■ Reducing environmental risks also involves developing more environmentally friendly products such as **SRI funds** and the **Carbon Finance team** dedicated to researching and promoting market solutions for corporate clients seeking to fulfil their obligations to reduce greenhouse gas emissions in accordance with the Kyoto Protocol and European directives on CO_2 emission quotas. ■ The Group's **subsidiaries** are also committed to this approach in their business sectors. For example, under the European *Cleaner Car Contracts* (CCC) programme, Arval Netherlands has undertaken to reduce the average emissions from its new vehicle fleet to 120g of CO_2 per kilometre no later than 2012. ■ BNP Paribas continues to take an active part in the various **marketplace groups and associations** to improve its knowledge about environmental risks and how to mitigate them. It is a member of EpE (*Entreprises pour l'Environnement*, www.epe-asso.org).
17. Structure to deal with pollution incidents extending beyond the Company	Any crisis situation is managed by an **ad hoc committee** that includes top managers. This committee is responsible for ensuring that appropriate measures are taken and informing the relevant operating entities. Depending on the scale of the incident, information may be passed on to the entire Group, and there may be a call for assistance. As part of the process of validating the operational risk framework, detailed studies were performed to define and reinforce the Business Continuity Plan, in particular in the event of pollution discharges or accidents.
18. Amount of provisions and guarantees covering environmental risks	**USD 3.4 million**. The provision is for private litigation and is not intended to cover penalties for non-compliance with regulations.
19. Amount of compensation paid following legal decisions relating to the environment	The Group has not been the subject of any **adverse court rulings** on environmental matters in 2010.
20. Environmental objectives set for foreign subsidiaries	**All environmental policies and directives apply to the entire Group**. The businesses are responsible for implementing the Group's guiding principles throughout their reporting organisations, including subsidiaries, in all territories. Moreover, environmental reporting involves 17 countries representing 82.9% of the Group's workforce.

8 GENERAL INFORMATION

8.1 Documents on display

This document is available on the BNP Paribas website, www.invest.bnpparibas.com, or on the *Autorité des Marchés Financiers* (AMF) website, www.amf-france.org.

Any person wishing to receive additional information concerning the BNP Paribas Group can request documents, without commitment, as follows:

- by writing to: BNP Paribas - Group Development and Finance
  Investor Relations and Financial Information
  3, rue d'Antin - CAA01B1
  75002 Paris
  France
- by calling: +33 (0)1 40 14 63 58

Regulated information (in French) about the Group is available on its website at http://invest.bnpparibas.com/fr/pid757/information-r-eglement-ee.html

8.2 Material contracts

To date, BNP Paribas has not entered into any major contracts—other than those entered into during the normal course of business—which creates an obligation or commitment for the entire Group which, if it were not fulfilled, would entail nullity of the contract.

8.3 Dependence on external parties

In April 2004, BNP Paribas and several of its subsidiaries began outsourcing data processing operations to the "BNP Paribas Partners for Innovation" (BP2I) joint venture set up with IBM at the end of 2003. In late 2008, BP2I also began handling data processing for the BNL subsidiary.

BNP Paribas exercises significant influence over BP2I, which is owned on a 50/50 basis with IBM. BP2I is staffed essentially with BNP Paribas employees and its offices and data processing centres are owned by the Group. Its corporate governance system provides BNP Paribas with a contractual right of oversight and the Group can take back responsibility for data processing operations if necessary.

BancWest's data processing operations are outsourced to Fidelity Information Services. Cofinoga France's data processing is handled by SDDC, which is wholly-owned by IBM.

8.4 Significant changes

There has been no significant change in the Group's financial or business situation since the end of the last financial year for which audited financial statements have been published, and most notably since the date of the Statutory Auditor's report on the consolidated financial statements (7 March 2011).

8.5 Investments

Investments individually valued at over EUR 500 million are considered material at the Group level and consist of the following since 1 January 2008.

Country	Announcement date	Transaction	Transaction amount	Comments
Norway	28 July 2008	Joint acquisition of Steen & Strøm, a Norwegian real estate company, with ABP, a Dutch pension fund. Klépierre's stake: 56.1%	EUR 628m (for Klépierre's stake)	Majority ownership with ABP as the minority shareholder
Belgium	6 October 2008	Acquisition of 74.93% of Fortis Bank's shares and voting rights (Fortis Bank owns 50% + one share of BGL), and of a 15.96% direct stake (shares and voting rights) in BGL SA	Issue of 133,435,603 BNP Paribas shares (for EUR 6,265m based on the share prices on the issue dates)	The acquisitions of Fortis Bank SA and BGL SA in May 2009 will let BNP Paribas expand its integrated banking model into two new domestic markets, Belgium and Luxembourg, building on its two current domestic markets, France and Italy
Belgium	8 March 2009	Acquisition by Fortis Bank of 25% + one share of Fortis Insurance Belgium (AG Insurance)	EUR 1,375m (for the 25% stake)	The acquisition of a 25% stake in Fortis Insurance Belgium (AG Insurance) gives BNP Paribas a close industrial partner in Belgium's bancassurance industry
Italy	4 August 2009	An agreement between BNP Paribas and Intesa Sanpaolo to increase BNP Paribas' stake in Findomestic, a consumer credit company initially 50%-owned by each group, to 75%	EUR 517m (for the 25% stake before the share issue)	BNP Paribas takes control of Findomestic

The financing for the acquisition of Fortis Bank is described in note 8.d to the financial statements, titled "Business combinations".

8.6 Founding documents and Articles of association

BNP Paribas' Articles of association are available on the Group's website, www.invest.bnpparibas.com, and can be obtained from the address given in Section 8.1.

Below are the full Articles of association as of 17 January 2011.

SECTION I

FORM – NAME – REGISTERED OFFICE – CORPORATE PURPOSE

Article 1

BNP PARIBAS is a French Public Limited Company (*société anonyme*) licensed to conduct banking operations under the French Monetary and Financial Code, Book V, Section 1 *(Code Monétaire et Financier, Livre V, Titre 1er*) governing banking sector institutions.

The Company was founded pursuant to a Decree dated 26 May 1966. Its legal life has been extended to 99 years from September 17, 1993.

Apart from the specific rules relating to its status as an establishment in the banking sector (Book V, Section 1 of the French Monetary and Financial Code - *Code Monétaire et Financier, Livre V, Titre 1er*), BNP Paribas shall be governed by the provisions of the French Commercial Code *(Code de Commerce)* concerning commercial companies, as well as by these Articles of Association.

Article 2

The registered office of BNP PARIBAS shall be located in Paris (*9th arrondissement*), at 16, Boulevard des Italiens (France).

Article 3

The purpose of BNP PARIBAS shall be to provide and conduct the following services with any individual or legal entity, in France and abroad, subject to compliance with the French laws and regulations applicable to credit institutions licensed by the Credit Institutions and Investment Firms committee (*Comité des Etablissements de Crédit et des Entreprises d'Investissement*):

- any and all investment services;
- any and all services related to investment services;
- any and all banking transactions;
- any and all services related to banking transactions;
- any and all equity investments;

as defined in the French Monetary and Financial Code Book III – Section 1 (*Code Monétaire et Financier, Livre III, Titre 1er*) governing banking transactions and Section II (*Titre II)* governing investment services and related services.

On a regular basis, BNP PARIBAS may also conduct any and all other activities and any and all transactions in addition to those listed above, in particular any and all arbitrage, brokerage and commission transactions, subject to compliance with the regulations applicable to banks.

In general, BNP PARIBAS may, on its own behalf, and on behalf of third parties or jointly therewith, perform any and all financial, commercial, industrial or agricultural, personal property or real estate transactions directly or indirectly related to the activities set out above or which further the accomplishment thereof.

SECTION II

SHARE CAPITAL – SHARES

Article 4

The share capital of BNP PARIBAS shall stand at 2,397,320,312 euros divided into 1,198,660,156 fully paid-up shares with a nominal value of 2 euros each.

Article 5

The fully paid-up shares shall be held in registered or bearer form at the shareholders discretion, subject to the French legal and regulatory provisions in force.

The Shares shall be registered in an account in accordance with the terms and conditions set out in the applicable French laws and regulations in force. They shall be delivered by transfer from one account to another.

The Company may request disclosure of information concerning the ownership of its shares in accordance with the provisions of article L.228-2 of the French Commercial Code (*Code de Commerce*).

Without prejudice to the legal thresholds set in article L.233-7, paragraph 1 of the French Commercial Code (*Code de Commerce)*, any shareholder, whether acting alone or in concert, who comes to directly or indirectly hold at least 0.5% of the share capital or voting rights of BNP PARIBAS, or any multiple of that percentage less than 5%, shall be required to notify BNP PARIBAS by registered letter with return receipt within the timeframe set out in article L.233-7 of the French Commercial Code (*Code de Commerce*).

Above 5%, the duty of disclosure provided for in the previous paragraph shall apply to 1% increments of the share capital or voting rights.

The disclosures described in the previous two paragraphs shall also apply when the shareholding falls below the above-mentioned thresholds.

Failure to report either legal or statutory thresholds shall result in loss of voting rights as provided for by article L.233-14 of the French Commercial Code (*Code de Commerce*) at the request of one or more shareholders jointly holding at least 2% of the Company's share capital or voting rights.

Article 6

Each share shall grant a right to a part of ownership of the Company's assets and any liquidation surplus that is equal to the proportion of share capital that it represents.

In cases where it is necessary to hold several shares in order to exercise certain rights, and in particular where shares are exchanged, combined or allocated, or following an increase or reduction in share capital, regardless of the terms and conditions thereof, or subsequent to a merger or any other transaction, it shall be the responsibility of those shareholders owning less than the number of shares required to exercise those rights to combine their shares or, if necessary, to purchase or sell the number of shares or voting rights leading to ownership of the required percentage of shares.

SECTION III

GOVERNANCE

Article 7

The Company shall be governed by a Board of directors composed of:

1/ Directors appointed by the ordinary general Shareholders' Meeting

There shall be at least nine and no more than eighteen directors. Directors elected by the employees shall not be included when calculating the minimum and maximum number of directors.

They shall be appointed for a three-year term.

When a director is appointed to replace another director, in accordance with applicable French laws and regulations in force, the new director's term of office shall be limited to the remainder of the predecessor's term.

A director's term of office shall terminate at the close of the ordinary general Shareholders' Meeting called to deliberate on the financial statements for the previous financial year and held in the year during which the director's term of office expires.

Directors may be re-appointed, subject to the provisions of French law, in particular with regard to their age.

Each director, including directors elected by employees, must own at least 10 Company shares.

2/ Directors elected by BNP PARIBAS SA employees

The status of these directors and the related election procedures shall be governed by articles L.225-27 to L.225-34 of the French Commercial Code (*Code de Commerce*) as well as by the provisions of these Articles of Association.

There shall be two such directors – one representing executive staff and one representing non-executive staff.

They shall be elected by BNP PARIBAS SA employees.

They shall be elected for a three-year term.

Elections shall be organised by the Executive Management. The timetable and terms and conditions for elections shall be drawn up by the Executive Management in agreement with the national trade union representatives within the Company such that the second round of elections shall be held no later than fifteen days before the end of the term of office of the outgoing directors.

Each candidate shall be elected on a majority basis after two rounds held in each of the electoral colleges.

Each application submitted during the first round of elections shall include both the candidate's name and the name of a replacement if any.

Applications may not be amended during the second round of elections.

The candidates shall belong to the electoral college where they present for election.

Applications other than those presented by a trade union representative within the Company must be submitted together with a document featuring the names and signatures of one hundred electors belonging to the electoral college where the candidate is presenting for election.

Article 8

The Chairman of the Board of directors shall be appointed from among the members of the Board of directors.

At the proposal of the Chairman, the Board of directors may appoint one or more Vice-Chairmen.

Article 9

The Board of directors shall meet as often as necessary for the best interests of the Company. Board meetings shall be called by the Chairman. Where requested by at least one-third of the directors, the Chairman may call a Board meeting with respect to a specified agenda, even if the last Board meeting was held less than two months previously. The Chief Executive Officer may also request that the Chairman call a Board meeting to discuss a specified agenda.

Board meetings shall be held either at the Company's registered office or at any other location specified in the notice of meeting.

Notices of meetings may be served by any means, including verbally.

The Board of directors may meet and hold valid proceedings at any time, even if no notice of meeting has been served, provided all its members are present or represented.

Article 10

Board meetings shall be chaired by the Chairman, by a director recommended by the Chairman for the purpose or, failing this, by the oldest director present.

Any director may attend a Board meeting and take part in its deliberations by videoconference (*visioconférence)* or all telecommunications and remote transmission means, including Internet, subject to compliance with the conditions set out in applicable legislation at the time of its use.

Any director who is unable to attend a Board meeting may ask to be represented by a fellow director, by granting a written proxy, valid for only one specific meeting of the Board. Each director may represent only one other director.

At least half of the Board members must be present for decisions taken at Board meetings to be valid.

Should one or both of the positions of member of the Board elected by employees remain vacant, for whatever reason, without the possibility of a replacement as provided for in article L.225-34 of the French Commercial Code (*Code de Commerce*), the Board of directors shall be validly composed of the members elected by the general Shareholders' Meeting and may validly meet and vote.

Members of the Company's Executive Management may, at the request of the Chairman, attend Board meetings in an advisory capacity.

A full member of the Company's Central Works committee, appointed by said committee, shall attend Board meetings in an advisory capacity, subject to compliance with the provisions of French legislation in force.

Decisions shall be taken by a majority of directors present or represented. In the event of a split decision, the Chairman of the meeting shall have the casting vote, except as regards the proposed appointment of the Chairman of the Board of directors.

The decisions taken by the Board of directors shall be recorded in minutes drawn up in a special register prepared in accordance with French legislation in force and signed by the Chairman of the meeting and one of the directors who attended the meeting.

The Chairman of the meeting shall appoint the Secretary to the Board, who may be chosen from outside the Board's membership.

Copies or extracts of Board minutes may be signed by the Chairman, the Chief Executive Officer, the Chief Operating Officers or any representative specifically authorised for such purpose.

8

Article 11

The ordinary general Shareholders' Meeting may grant directors' fees under the conditions provided for by French law.

The Board of directors shall divide up these fees among its members as it deems appropriate.

The Board of directors may grant exceptional compensation for specific assignments or duties performed by the directors under the conditions applicable to agreements subject to approval, in accordance with the provisions of articles L.225-38 to L.225-43 of the French Commercial Code (*Code de Commerce*). The Board may also authorise the reimbursement of travel and business expenses and any other expenses incurred by the directors in the interests of the Company.

SECTION IV

DUTIES OF THE BOARD OF DIRECTORS, THE CHAIRMAN, THE EXECUTIVE MANAGEMENT AND THE NON-VOTING DIRECTORS *(CENSEURS)*

Article 12

The Board of directors shall determine the business strategy of BNP PARIBAS and supervise the implementation thereof. Subject to the powers expressly conferred upon the Shareholders' Meetings and within the limit of the corporate purpose, the Board shall handle any issue concerning the smooth running of BNP PARIBAS and settle matters concerning the Company pursuant to its deliberations. The Board of directors shall receive from the Chairman or the Chief Executive Officer all of the documents and information required to fulfil its duties.

The Board of directors' decisions shall be executed by either the Chairman, the Chief Executive Officer or the Chief Operating Officers, or by any special representative appointed by the Board.

At the proposal of the Chairman, the Board of directors may decide to set up committees responsible for performing specific tasks.

Article 13

The Chairman shall organise and manage the work of the Board of directors and report thereon to the general Shareholders' Meeting. The Chairman shall also oversee the smooth running of BNP PARIBAS'S management bodies and ensure, in particular, that the directors are in a position to fulfil their duties.

The remuneration of the Chairman of the Board shall be freely determined by the Board of directors.

Article 14

The Board of directors shall decide how to organise the executive management of the Company. The executive management of the Company shall be ensured under his own liability either by the Chairman of the Board of directors or by another individual appointed by the Board of directors and bearing the title of Chief Executive Officer.

Shareholders and third parties shall be informed of this choice in accordance with the regulatory provisions in force.

The Board of directors shall have the right to decide that this choice be for a fixed term.

In the event that the Board of directors decides that the Executive Management shall be ensured by the Chairman of the Board, the provisions of these Articles of Association concerning the Chief Executive Officer shall apply to the Chairman of the Board of directors who will in such case assume the title of Chairman and Chief Executive Officer. He shall be deemed to have automatically resigned at the close of the general Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-five years of age.

In the event that the Board of directors decides that such duties should be separated, the Chairman shall be deemed to have automatically resigned at the close of the general Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-eight years of age. However, the Board may decide to extend the term of office of the Chairman of the Board until the close of the general Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-nine years of age. The Chief Executive Officer shall be deemed to have automatically resigned at the close of the general Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-three years of age. However, the Board may decide to extend the term of office of the Chief Executive Officer until the close of the general Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-four years of age.

Article 15

The Chief Executive Officer shall be vested with the broadest powers to act in all circumstances in the name of BNP PARIBAS. He shall exercise these powers within the limit of the corporate purpose and subject to those powers expressly granted by French law to Shareholders' Meetings and the Board of directors.

He shall represent BNP PARIBAS in its dealings with third parties. BNP PARIBAS shall be bound by the actions of the Chief Executive Officer even if such actions are beyond the scope of the corporate purpose, unless BNP PARIBAS can prove that the third party knew that the action concerned was beyond the scope of the corporate purpose or had constructive knowledge thereof in view of the circumstances. The publication of the Company's Articles of Association alone shall not constitute such proof.

The Chief Executive Officer shall be responsible for the organisation and procedures of internal control and for all information required by French law regarding the Internal control report.

The Board of directors may limit the powers of the Chief Executive Officer, but such limits shall not be valid against claims by third parties.

The Chief Executive Officer may delegate partial powers, on a temporary or permanent basis, to as many persons as he sees fit, with or without the option of redelegation.

The remuneration of the Chief Executive Officer shall be freely determined by the Board of directors.

The Chief Executive Officer may be removed from office by the Board of directors at any time. Damages may be payable to the Chief Executive Officer if he is unfairly removed from office, except where the Chief Executive Officer is also the Chairman of the Board of directors.

In the event that the Chief Executive Officer is a director, the term of his office as Chief Executive Officer shall not exceed that of his term of office as a director.

Article 16

At the proposal of the Chief Executive Officer, the Board of directors may, within the limits of French law, appoint one or more individuals, called Chief Operating Officers, responsible for assisting the Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of directors shall determine the scope and term of the powers granted to the Chief Operating Officers. However, as far as third parties are concerned, the Chief Operating Officers shall have the same powers as the Chief Executive Officer.

When the Chief Executive Officer ceases to perform his duties or is prevented from doing so, the Chief Operating Officers shall, unless the Board of directors decides otherwise, retain their positions and responsibilities until a new Chief Executive Officer is appointed.

The remuneration of the Chief Operating Officers shall be freely determined by the Board of directors, at the proposal of the Chief Executive Officer.

The Chief Operating Officers may be removed from office by the Board of directors at any time, at the proposal of the Chief Executive Officer. Damages may be payable to the Chief Operating Officers if they are unfairly removed from office.

Where a Chief Operating Officer is a director, the term of his office as Chief Operating Officer may not exceed that of his term of office as a director.

The Chief Operating Officers' terms of office shall expire at the latest at the close of the general Shareholders' Meeting called to approve the financial statements for the year in which the Chief Operating Officers reach sixty-five years of age.

Article 17

At the proposal of the Chairman, the Board of directors may appoint one or two non-voting directors (*censeurs)*.

Notices of meetings shall be served to non-voting directors, who shall attend Board meetings in an advisory capacity.

They shall be appointed for six years and may be reappointed for further terms. They may also be dismissed at any time under similar conditions.

They shall be selected from among the Company's shareholders and their remuneration shall be determined by the Board of directors.

SECTION V

SHAREHOLDERS' MEETINGS

Article 18

General Shareholders' Meetings shall be composed of all shareholders.

General Shareholders' Meetings shall be called and held subject to compliance with the provisions of the French Commercial Code (*Code de Commerce*).

They shall be held either at the head office or at any other location specified in the notice of meeting.

They shall be chaired by the Chairman of the Board of directors, or, in his absence, by a director appointed for this purpose by the Shareholders' Meeting.

Any shareholder may, subject to providing proof of identity, attend a general Shareholders' Meeting, either in person, by returning a postal vote or by designating a proxy.

Share ownership is evidenced by an entry either in the BNP PARIBAS' share register in the name of the shareholder, or in the register of bearer shares held by the applicable authorised intermediary, within the deadlines and under the conditions provided for by the regulations in force. In the case of bearer shares, the authorised intermediary shall provide a certificate of participation for the shareholders concerned.

The deadline for returning postal votes shall be determined by the Board of directors and stated in the notice of meeting published in the French legal announcements journal (*Bulletin des Annonces Légales Obligatoires – BALO*).

At all general Shareholders' Meetings, the voting right attached to the shares bearing beneficial rights shall be exercised by the beneficial owner.

If the Board of directors so decides at the time that the Shareholders' Meeting is called, the public broadcasting of the entire Shareholders' Meeting by videoconference (*visioconférence)* or all telecommunications and remote transmission means, including Internet, shall be authorised. Where applicable, this decision shall be communicated in the notice of meeting published in the French legal announcements journal (*Bulletin des Annonces Légales Obligatoires – BALO*).

Any shareholder may also, if the Board of directors so decides at the time of issuing the notice of Shareholders' Meeting, take part in the vote by videoconference (*visioconférence)* or all telecommunications and remote transmission means, including Internet, subject to compliance with the conditions set out in applicable legislation at the time of its use. If an electronic voting form is used, the shareholder's signature may be in the form of a secure digital signature or a reliable identification process safeguarding the link with the document to which it is attached and may consist, in particular, of a user identifier and a password. Where applicable, this decision shall be communicated in the notice of meeting published in the French legal announcements journal (*Bulletin des Annonces Légales Obligatoires – BALO*).

SECTION VI

STATUTORY AUDITORS

Article 19

At least two principal statutory auditors and at least two deputy statutory auditors shall be appointed by the general Shareholders' Meeting for a term of six financial years. Their term of office shall expire after approval of the financial statements for the sixth financial year.

SECTION VII

ANNUAL FINANCIAL STATEMENTS

Article 20

The Company's financial year shall start on January 1st and end on December 31st.

At the end of each financial year, the Board of directors shall draw up annual financial statements and write a management report on the Company's financial position and its business activities during the previous year.

Article 21

Net income is composed of income for the year minus costs, depreciation, amortizations and impairment.

The distributable profit is made up of the year's profit, minus previous losses as well as the sums to be allocated to the reserves in accordance with French law, plus the profit carried forward.

The general Shareholders' Meeting is entitled to levy all sums from the distributable profit to allocate them to all optional, ordinary or extraordinary reserves or to carry them forward.

The general Shareholders' Meeting may also decide to distribute sums levied from the reserves at its disposal.

However, except in the event of a capital reduction, no amounts may be distributed to the shareholders if the shareholders' equity is, or would become following such distribution, lower than the amount of capital plus the reserves which is not open to distribution pursuant to French law or these Articles of Association.

In accordance with the provisions of article L.232-18 of the French Commercial Code (*Code de Commerce*), a general Shareholders' Meeting may offer to the shareholders an option for the payment, in whole or in part, of dividends or interim dividends through the issuance of new shares in the Company.

SECTION VIII

DISSOLUTION

Article 22

Should BNP PARIBAS be dissolved, the shareholders shall determine the form of liquidation, appoint the liquidators at the proposal of the Board of directors and, in general, take on all of the duties of the general Shareholders' Meeting of a French Public Limited Company *(société anonyme*) during the liquidation and until such time as it has been completed.

SECTION IX

DISPUTES

Article 23

Any and all disputes that may arise during the life of BNP PARIBAS or during its liquidation, either between the shareholders themselves or between the shareholders and BNP PARIBAS, pursuant to these Articles of Association, shall be ruled on in accordance with French law and submitted to the courts having jurisdiction.

8.7 Statutory Auditors' special report on regulated agreements and commitments

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
185, avenue Charles de Gaulle 92524 Neuilly-sur-Seine Cedex	63, rue de Villiers 92208 Neuilly-sur-Seine Cedex	61, rue Henri Regnault 92400 Courbevoie

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BNP Paribas
16, boulevard des Italiens
75009 Paris

To the Shareholders,

In our capacity as Statutory Auditors of BNP Paribas, we hereby present our report on regulated agreements and commitments.

We are required to report to shareholders, based on the information provided, on the main terms and conditions of the agreements and commitments that have been disclosed to us, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R.225-31 of the French Commercial Code (*Code de Commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We performed our procedures in accordance with professional standards applicable in France. These standards require us to perform procedures to verify that the information given to us agrees with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

Agreements and commitments authorised during the year

Pursuant to article L225-40 of the French Commercial Code, we were informed of the following agreement previously authorised by your Board of directors.

- Agreement setting out relations with AXA (approved by the Meeting of the Board of directors on 30 July 2010)

director concerned:

- Michel Pébereau, Member of the Board of directors of AXA.

At its meeting on 30 July 2010, the Board of directors of BNP Paribas authorised the signing of an agreement between BNP Paribas and AXA.

The agreement entered into on 5 August 2010 between BNP Paribas (acting on its own behalf and on behalf of the BNP Paribas Group) and AXA (acting on its own behalf and on behalf of the AXA group) came into force at the date of its signature and replaced as of that date the previous agreement entered into on 15 December 2005.

The agreement provides for a mutual obligation to inform the other in the event of a change in cross-holdings between the groups.

Under the agreement, each party also has a call option on the other's shareholding, exercisable in the event of a hostile takeover of either party. In the event of a hostile takeover of BNP Paribas by a third party, the AXA group will have the option to buy back all or a portion of the interest still held by the BNP Paribas Group in AXA at the date on which the call option is exercised. Similarly, in the event of a hostile takeover of AXA by a third party, the BNP Paribas Group will have an identical call option on the interest held by the AXA group in BNP Paribas.

The agreement is for an initial term of three years as from its entry in force on 5 August 2010. It is automatically renewable for consecutive periods of one year, unless express notice of termination is given by one of the parties at least three months in advance of its expiry date.

The agreement was announced by the French financial markets authority (*Autorité de Marchés financiers* – AMF) on 9 August 2010.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements and commitments approved in previous years which were implemented during the year

Pursuant to article R.225-30 of the French Commercial Code, we were informed that the following agreement, approved in prior years by the Annual General Meeting, was implemented during the year.

- Agreement setting out relations with AXA (authorised by the Meeting of the Board of directors on 23 November 2005)

This agreement was replaced by the agreement signed on 5 August 2010, which is described in the previous section, "Agreements and commitments authorised during the year".

Neuilly-sur-Seine and Courbevoie, 7 March 2011

The Statutory Auditors

Deloitte & Associés	**PricewaterhouseCoopers Audit**	**Mazars**
Pascal Colin	Patrice Morot	Guillaume Potel

9 STATUTORY AUDITORS

9.1. Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
185, avenue Charles de Gaulle	63, rue de Villiers	61, rue Henri Regnault
92524 Neuilly-sur-Seine Cedex	92208 Neuilly-sur-Seine Cedex	92400 Courbevoie

- Deloitte & Associés was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2006 for a six-year period expiring at the close of the Annual General Meeting called in 2012 to approve the financial statements for the year ending 31 December 2011.

Deloitte & Associés is represented by Pascal Colin.

Deputy:

BEAS, 7-9, villa Houssay, Neuilly-sur-Seine (92), France, SIREN No. 315 172,445, Nanterre trade and companies register.

- PricewaterhouseCoopers audit was re-appointed as Statutory Auditor at the Annual General Meeting of 23 May 2006 for a six-year period expiring at the close of the Annual General Meeting called in 2012 to approve the financial statements for the year ending 31 December 2011. The firm was first appointed at the Annual General Meeting of 26 May 1994.

PricewaterhouseCoopers Audit is represented by Patrice Morot.

Deputy:

Pierre Coll, 63, rue de Villiers, Neuilly-sur-Seine (92), France.

- Mazars was re-appointed as Statutory Auditor at the Annual General Meeting of 23 May 2006 for a six-year period expiring at the close of the Annual General Meeting called in 2012 to approve the financial statements for the year ending 31 December 2011. The firm was first appointed at the Annual General Meeting of 23 May 2000.

Mazars is represented by Guillaume Potel.

Deputy:

Michel Barbet-Massin, 61 rue Henri-Regnault, Courbevoie (92), France.

Deloitte & Associés, PricewaterhouseCoopers, and Mazars are registered as Statutory Auditors with the Versailles Regional Association of Statutory Auditors, under the authority of the French National Accounting Oversight Board (*Haut Conseil du Commissariat aux comptes*).

10 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

10.1. Person responsible for the Registration document and the annual financial report

Baudouin Prot, Chief Executive Officer of BNP Paribas.

10.2. Statement by the person responsible for the Registration document

I hereby declare that to the best of my knowledge, and having taken all reasonable precautions, the information contained in the Registration document is in accordance with the facts and contains no omission likely to affect its import.

I further declare that to the best of my knowledge, the accounts are prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company and all the undertakings in the consolidation taken as a whole, and that the information provided in the management report (whose contents are listed in the Table of Concordance on page 387) includes a fair review of the development and performance of the business, profit or loss and financial position of the Company and the undertakings in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

I obtained a statement from the Statutory Auditors, Deloitte & Associés, PricewaterhouseCoopers Audit, and Mazars, at the end of their assignment, in which they confirm having verified the information regarding the financial position and the accounts contained herewithin, and having examined the entire Registration document.

The Statutory Auditors' report on the financial statements for the year ended 31 December 2010 presented in this Registration document is given on pages 335-336 and contains an observation.

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2008 presented in the Registration document filed with the AMF under visa number D09-0114 is given on pages 244-246 of the aforementioned Registration document, and contains an observation.

Paris, 11 March 2011

Chief Executive Officer

Baudouin PROT

11 TABLE OF CONCORDANCE

In order to assist readers of the Registration document, the following table of concordance cross-references the main headings required by Annex 1 of European Commission Regulation (EC) No. 809/2004 pursuant to the "Prospectus" Directive.

Headings as listed by Annex 1 of European Commission Regulation (EC) No.809/2004		Page number
20.3.	Financial statements	104-253; 298-329
20.4.	Auditing of historical annual financial information	254-255; 335-336
20.5.	Age of latest financial information	101-103; 297
20.6.	Interim and other financial information	n/a
20.7.	Dividend policy	25
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20.9.	Significant change in the issuer's financial or trading position	373
21.	**Additional information**	
21.1.	Share capital	16; 203-212; 316-318; 322-327; 374
21.2.	Memorandum and Articles of association	374-378
22.	**Material contracts**	372
23.	**Third party information and statement by experts and declarations of interest**	n/a
24.	**Documents on display**	372
25.	**Information on holdings**	186-187; 331-33

In order to assist readers of the annual financial report, the following table cross-references the information required by article L.451-1-2 of the French Monetary and Financial Code.

Annual financial report	Page number
Statement by the person responsible for the Registration document	**384**
Management report	
■ Review of the parent company's and consolidated group's profit or loss, financial position, risks, and share issue authorisations (articles R.225-100 and L.225-100-2 of the French Commercial Code)	72-97; 131-171; 203-212; 258-296; 322-326
■ Information about items that could affect a public offer, as required by Article L.225-100-3 of the French Commercial Code	n/a
■ Information about share buybacks (article R.225-211, paragraph 2, of the French Commercial Code)	208-209
Financial statements	
■ Parent company financial statements	298-329
■ Statutory Auditors' report on the financial statements	335-336
■ Consolidated financial statements	104-253
■ Statutory Auditors' report on the consolidated financial statements	254-255

Pursuant to Article 28 of European Commission Regulation (EC) No. 809/2004 on prospectuses, the following items are incorporated by reference:

- the consolidated financial statements for the year ended 31 December 2009 and the Statutory Auditors' report on the consolidated financial statements for the same period, presented respectively on pages 103–243 and 244-246 of Registration document no. D10-0102 filed with the AMF on 11 March 2010;
- the consolidated financial statements for the year ended 31 December 2008 and the Statutory Auditors' report on the consolidated financial statements for the same period, presented respectively on pages 97–243 and 244-246 of Registration document no. D09-0114 filed with the AMF on 11 March 2009.

The chapters of Registration documents no. D10-0102 and no. D09-0114 not referred to above are either not significant for investors or are covered in another section of this Registration document.

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