2009
REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

BNP PARIBAS | The bank for a changing world

BNP PARIBAS

2009 Registration document and financial report

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 2010, 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 371.

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 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;
  - Personal Finance;
  - Equipment Solutions;
  - BancWest;
  - Emerging Markets Retail Banking;
- Investment Solutions;
- Corporate and Investment Banking (CIB).

The acquisition of Fortis Bank and BGL has strengthened the Retail Banking businesses in Belgium and Luxembourg, as well as Investment Solutions and Corporate and Investment Banking.

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

1.2 Key figures

RESULTS

	2005	2006	2007	2008	2009
Revenues *(in millions of euros)*	21,854	27,943	31,037	27,376	40,191
Gross operating income *(in millions of euros)*	8,485	10,878	12,273	8,976	16,851
Net income Group share *(in millions of euros)*	5,852	7,308	7,822	3,021	5,832
Earnings per share *(in euros)* (*)	6.77	7.81	8.25	2.99	5.20
Return on equity (**)	20.2%	21.2%	19.6%	6.6%	10.8%

(*) *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

	31/12/04	31/12/05	31/12/06	31/12/07	31/12/08	31/12/09
Market capitalisation *(in billions of euros)*	47.2	57.3	76.9	67.2	27.6	66.2

Source: Bloomberg.

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LONG TERM CREDIT RATINGS

Standard and Poor's: AA, negative outlook – rating confirmed on 9 February 2010

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

Fitch: AA, negative outlook – rating confirmed on 9 July 2009

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, poised to compete on a global scale.

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 business lines

RETAIL BANKING

BNP Paribas generated 45% of its 2009 revenues from retail banking. It has a strong international presence, with close to 4,000 branches of its 6,000 [(1)] branches outside France, and 250,000 points of contact with clients in its specialist businesses of personal finance and business equipment loans. Retail banking activities employ more than 119,000 staff [(1)] in 52 countries, representing 59% of the Group's headcount.

Retail banking operates branch networks in France, Italy, the USA and emerging markets, together with specialised financial services. It is divided into six Operating Entities:

- French Retail Banking, the branch network in France;
- BNL bc, the branch network in Italy;
- BancWest, the branch network in the USA;
- Emerging Markets Retail Banking, renamed Europe Mediterranean in December 2009, the banking network covering the Mediterranean Basin, plus Central and Eastern Europe;
- Personal Finance, comprising the specialist consumer credit and mortgage financing businesses;
- Equipment Solutions, dedicated to financing equipment purchases by companies (Arval, BNP Paribas Lease Group).

In early 2009, the Group pooled all its retail banking activities into a single organisation, BNP Paribas Retail Banking, with the aim of:

- providing clients with the benefits of a truly global network;
- industrialising activities, pooling major investments and transferring know-how and innovation between the banking networks and the specialised personal finance and equipment solutions businesses;
- promoting the Group's expansion in these businesses, both through acquisitions and organic growth;
- developing cross-selling between the networks and the specialised retail financing businesses, and with BNP Paribas' other segments, notably Corporate & Investment Banking and Investment Solutions.

To support the expansion of BNP Paribas Retail Banking, six central missions have been created to provide operating units with the benefit of their expertise in cross-functional activities and projects. Thanks to this organisation, the operating entities increased their exchanges and joint projects substantially during 2009, notably at the initiative of Distribution, Markets & Solutions (central mission responsible for business development of the retail banking segment), Wealth Management Networks (central mission responsible for the development of Wealth Management across the banking networks) and Retail Banking Information Systems. Communities comprising employees from all operating units were set up to facilitate the sharing of best practices and uptake of the Group's models, notably concerning multi-channel distribution and wealth management.

During 2010, the Retail Banking businesses in Belgium and Luxembourg inherited respectively from BNP Paribas Fortis and BGL BNP Paribas are set to join the Retail Banking activity.

FRENCH RETAIL BANKING

French Retail Banking (FRB) supports all its clients with their projects. It has a client base made up of 6.5 million individual and private banking clients, 565,000 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 2009, it consisted of 2,245 branches, of which over 1,300 had been refurbished with the "Welcome & Services" concept, and 5,400 cash dispensers. As such, the network is now more compatible with a multi-channel organisational structure. The French Retail Banking Division focuses on regions with strong economic potential and has especially an 18% market share [(2)] in the Paris region. The French Retail Banking Division is characterised by a strong presence in the upper affluent segments of the retail market and a prominent position among businesses with market share of 38% [(3)] of companies with 50 or more employees.

The French Retail Banking Division employs 31,000 people working chiefly in the BNP Paribas branded branch network, as well as at Banque de Bretagne, BNP Paribas Factor, BNP Paribas Developpement, a provider of capital, and Protection 24, a remote surveillance firm.

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

The network is segmented by client category:

- branches dedicated to individual, professional and business clients;

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(1) *Excluding Fortis.*

(2) *BNP Paribas French Retail Banking 2009 marketing research , percentage of adults living in the Paris region who are BNP Paribas clients.*

(3) *BNP Paribas French Retail Banking 2009 marketing research.*

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- 224 private banking centres, representing the most extensive private banking coverage in France [(1)];
- a unique network of 27 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).

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 type of transaction, they span the whole of France. At year-end 2009, 63 production units were in charge of transaction processing.

Complementing the NetÉpargne area of the *bnpparibas.net* web site 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.

The French Retail Banking Division 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 the creation of "Net Agence", an online bank.

BNL BANCA COMMERCIALE

BNL banca commerciale (BNL bc) is Italy's 6th-largest banking group in terms of total assets [(2)]. It is one of the major players in the Italian banking and financial system, which includes banks of international stature following the sector consolidation of recent years.

BNL bc provides a comprehensive range of banking, financial and insurance products and services, from the traditional to the most innovative, segmented to meet the needs of each client category. It boasts a large, diversified client base consisting of:

- around 2.5 million individual and more than 14,000 private clients (households);
- over 150,000 business clients (with turn-over of less than EUR 5 million);
- over 27,000 medium and large 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% [(3)]), and is gaining ground in the deposits segment (market share of about 3.5% [(3)] well ahead of its network penetration (2.3% [(3)] in terms of branch numbers).

Another of BNL bc's strengths is its relationship with large companies and local authorities, a segment in which it boasts a market share of around 5% and 6% respectively [(3)], with a well-established reputation in cross-border payments, project financing and structured finance, as well as factoring (the specialised subsidiary Ifitalia ranks 3rd in Italy in terms of credit outstandings [(4)]).

BNL bc has structured its distribution model so as to increase direct contact with clients, reinforce the central role and flexibility of the sale network and improve communication of commercial policies for both traditional and innovative products.

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

- 104 retail banking groups with 810 branches;
- 29 private banking centres;
- 20 business centres with 52 branches dealing with small and medium enterprises, large corporate, local authorities and public sector organisations.

In addition, 5 Trade Centers are operational, providing companies with a range of products, services and solutions for cross-border activities and complementing BNP Paribas' international network which globally consists of 100 Trade Centers spread over 55 countries. 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 11 countries, mainly in the Mediterranean area.

The multi-channel offering is complemented by more than 1,800 ATMs (Automated Teller Machines) and 26,000 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.

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. BancWest has completed a number of acquisitions since then, the most recent being Commercial Federal Corporation in December 2005.

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.

(1) Source: internal data.

(2) Source: internal estimates based on published financial information as of 30 September 2009.

(3) Source: Internal data and Bank of Italy statistics as of 30 September 2009.

(4) Source: Internal data and Assifact as of 30 September 2009.

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With a market share of almost 40% in deposits [1], First Hawaiian Bank is Hawaii's leading bank, offering banking services to a local clientele of private individuals and businesses.

In total, with 11,200 employees, 752 branches and total assets of almost USD 74 billion at 31 December 2009, BancWest currently serves some 5 million client accounts. It currently ranks as the 7th [1]-largest commercial bank in the western United States by deposits.

EMERGING MARKETS RETAIL BANKING

The name change from "Emerging Markets Retail Banking" to "Europe Mediterranean" reflects the refocusing of BNP Paribas' strategy on high-potential countries of central and eastern Europe (a region with a population of 80 million), of Turkey (76 million inhabitants) and of the Mediterranean Basin (160 million inhabitants).

Europe Mediterranean (EM) operates a network of 1,803 branches (including 785 in Central and Eastern Europe, 347 in Turkey, 525 in the Mediterranean Basin and also 77 in Africa, 61 in French overseas departments and territories and 8 in the Gulf. The business line has a total of 5.1 million individual, small businesses and corporate clients served by 28,880 employees. The integration with BNP Paribas Fortis adds a significant presence in Poland and is set to give the Group's positions a major boost in Turkey. Europe Mediterranean is also present in Asia through two partnerships with local banks in China and Vietnam.

The new organisation intends to sharpen its focus on high-potential regions, step up the pace of business development and enhance credit and liquidity risk management through emphasis on a multi-pole presence throughout the geographies. These networks and their fast-growing client base provide a unique distribution platform for all the Group's businesses, including partnerships with Personal Finance, distribution of structured products produced by CIB, integration with CIB's network of trade centres and the creation of a joint venture with Wealth Management.

PERSONAL FINANCE

BNP Paribas Personal Finance: Europe's number one in personal finance [2]

Within the BNP Paribas Group, BNP Paribas Personal Finance specialises in personal finance through its consumer finance and mortgage activities. With nearly 28,000 employees in more than 30 countries and on 4 continents, BNP Paribas Personal Finance ranks as the leading player in France and Europe [2].

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.

Pursuing responsible growth

For over 50 years, BNP Paribas Personal Finance, via its main trading brand Cetelem, which was created in 1953, has been committed to responsible lending. Its vision of personal finance consists of making a sustained contribution to improving the personal and social quality of consumers' lives. From 2004, Cetelem started to publicise in France its commitment to four major priorities:

- combating overindebtedness;
- improving access to lending for as many people as possible;
- supporting each customer with flexible solutions;
- handling every customer who runs into difficulties.

BNP Paribas Personal Finance makes information about personal finance available to the public on its web site: *www.moncreditresponsable.com*.

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 financing to fleet outsourcing.

Equipment Solutions consists of four international business lines organised around assets and specially designed rental solutions:

- corporate cars and light commercial vehicles are managed by Arval, which is dedicated to full service leasing;
- Technology Solutions (TS) comprising IT, telecom and office equipment rental solutions is run jointly by BNP Paribas Lease Group, specialised in equipment financing, and Arius, specialising in the leasing and management of IT equipment;
- Equipment & Logistics Solutions (ELS) for construction, farm and transport equipment rental solutions is managed by specialists at BNP Paribas Lease Group;
- Retail & Industry (RI) encompasses rental solutions for real estate assets, medical and trade and retail equipment within the BNP Paribas Lease Group.

Despite the deteriorating economic and financial environment, the Equipment Solutions business has maintained firm commercial impetus.

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(1) *Source: SNL Financial, 30 June 2009.*

(2) *Source: Annual reports of personal finance companies.*

Aside from real estate financing, the Equipment Solutions business ranks no. 1 in Europe in terms of both outstandings and new business [(1)].

In 2009, Arval recorded a slight increase in its fleet (up 1% vs 2008) in spite of a significant downturn in the number of purchased cars (142,680 vehicles, down 32% vs. 2008).

At year-end 2009, Arval leased a total of 607,900 vehicles and its total managed fleet comprised 681,500 vehicles. Arval ranks no. 1 in terms of leased vehicles in France [(2)] and in Italy and no. 2 in Europe [(3)].

BNP Paribas Lease Group arranged over 267,000 financing deals, bringing its total outstandings up to EUR 20.2 billion at year-end 2009.

INVESTMENT SOLUTIONS

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

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

During 2009, the Investment Solutions businesses all held prominent positions in their market.

Investment Solutions operates in 66 countries and employs almost 25,000 people, with more than 70 different nationalities represented. It continues to expand its international reach, mainly in Europe, Asia, Latin America and the Middle East, through new implantations, acquisitions, joint ventures and partnership agreements.

Focused on their clients and looking to the future, BNP Paribas 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.

BNP PARIBAS INVESTMENT PARTNERS

Investment Partners combines all the asset management businesses of BNP Paribas.

A unique platform providing simplified and immediate access to a vast range of specialised partners, BNP Paribas Investment Partners is one of the biggest names in asset management in Europe [(4)]. At 31 December 2009, the assets managed by BNP Paribas Investment Partners total EUR 357 billion [(5)], including almost half on behalf of institutional clients.

Taking into account the assets managed by Fortis Investments, this figure stands at EUR 518 billion and will lift BNP Paribas Investment Partners into 5th spot in the European asset manager rankings.

With 2,400 professionals serving clients in more than 70 countries, BNP Paribas Investment Partners draws on more than half a century of experience in asset management and has enjoyed strong growth over the last decade, punctuated up by targeted acquisitions and the creation of joint ventures. This solid development reflects a clear multi-specialisation strategy and a partnership approach which has enabled BNP Paribas Investment Partners to consistently enrich its product and service offering with the support of companies that are experts in their particular field.

BNP Paribas Investment Partners is present in the major financial centres, including Paris, London, New York, Tokyo and Hong Kong. It also has first-rate knowledge of new markets thanks to its teams in Brazil, South Korea, China, India, Morocco, Turkey and Saudi Arabia. With 430 client relationship managers in 34 countries, BNP Paribas Investment Partners has a local presence that brings it closer to its clients.

ASSURANCE

BNP Paribas Assurance designs and markets its savings and protection products and services under two brand names:

- BNP Paribas for products distributed by the BNP Paribas branch network in France;
- Cardif for the other networks and distribution partners, both in and outside France.

It holds strong positions on three continents (Europe, Asia and Latin America).

- The savings business includes the sale of life insurance policies to individuals in some ten countries. In France, it also provides companies with group pension, end-of-career and early retirement benefit contracts.
- In the protection business, BNP Paribas Assurance offers a broad range of products in many countries, including creditor insurance, bill protection, credit card protection, extended warranties, gap insurance and personal protection. In France, it provides both standard and personalised group policies to large companies and SMEs.

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(1) *Source: Leaseurope 2008 reported in September 2009.*

(2) *Source: Syndicat National des Loueurs Véhicules Longue Durée (SNLVLD) data for 2008 published in September 2009.*

(3) *Source: internal data.*

(4) *Source: Watson Wyatt rankings at year-end 2008, "World's 500 Largest Asset Managers".*

(5) *Including assets under advisory.*

- The property and casualty insurance business in France is conducted via Natio Assurance, a company owned equally with AXA. The products offered include comprehensive home insurance, car insurance, educational insurance, travel insurance, and legal protection coverage.

A diversified business model

BNP Paribas Assurance's partners comprise 35 of the world's top 100 banks plus a large number of financial institutions, including consumer finance companies, credit subsidiaries of car makers and mass retail groups.

Three major distribution channels

- BNP Paribas' retail banking activities.
- banks, financial institutions and mass retailers.
- alternative channels: major brokers, networks of independent financial advisers and the internet.

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 via its Customer Centric Program.

A commitment to act as a good and responsible corporate citizen

BNP Paribas Assurance has taken initiatives addressing various aspects of its corporate social responsibility. It supports the economic and social development of the countries in which it is active and aims to reduce its greenhouse gas emissions by 10%. Likewise, it applies socially responsible investment criteria to its investment decisions and has pledged to promote diversity (award of certification as an equal opportunities employer of men and women).

BNP Paribas Assurance ranks among the Top 15 insurers in Europe [1] and is the world leader in creditor insurance [1].

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 targeted client base security through its affiliation with a robust, world-class banking group, as well as its ability to innovate and deliver sophisticated products and services.

BNP Paribas Wealth Management provides a range of 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 assets structures;
- financial services: asset allocation, investment products and securities, notably discretionary portfolio management;
- expert advice in specific areas, such as art, real estate and philanthropy.

Wealth Management (WM) is organised into two business lines, namely Wealth Management Networks (WMN) and Wealth Management International (WMI). Wealth Management Networks' role is to support the development of the wealth management business in countries where the Bank has a retail client base. Wealth Management International aims to pursue the development of the business in other markets in which the Group boasts affluent clients and intends to strengthen its positions through close cooperation with CIB, partnerships and acquisitions.

Wealth Management International and Wealth Management Networks draw on the expertise of BNP Paribas Wealth Management's support teams in terms of financial and estate management offer. It sources solutions from the Group's other businesses (Investment Partners, Securities Services, Insurance, Corporate Finance, Fixed Income, Equity Derivatives, etc.), as well as from selected external product and service providers.

In order to strengthen their ability to attract and advise the world's largest fortunes, Wealth Management International and Wealth Management Networks are supported by a "Key clients" unit responsible for global coverage of this segment.

BNP Paribas Wealth Management ranks as no. 6 worldwide and no. 4 in western Europe [2] in private banking with almost EUR 163 billion in assets under management at year-end 2009 and over 4,500 professionals in more than 30 countries. In France, it ranks no. 1 [2], with EUR 63 billion in assets under management. Its extensive network comprises 224 wealth management centres covering the whole of France and a dedicated wealth management department for high net-worth clients with EUR 5 million or more of assets (plan currently being implemented to set up a wealth management department for high net-worth clients in the regions).

The acquisition of Fortis Bank gives it an additional EUR 44 billion in client assets under management [3] at year-end 2009, thereby strengthening BNP Paribas Wealth Management's leadership in the euro zone.

PERSONAL INVESTORS

BNP Paribas Personal Investors provides independent financial advice and a wide range of investment services to individual clients. This business line brings together three players:

- Cortal Consors, Europe's leading online savings and brokerage player for individuals [4], provides personalised investment advice and online trading services 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. The range is supported by leading-edge online brokerage technology;

(1) *Source: internal survey based on information published by competitors.*
(2) *Source: Euromoney 2010 rankings.*
(3) *Excluding Fortis and BGL Personal Banking.*
(4) *Source: in-house study based on information published by competitors.*

- B*capital, an investment firm, specialises in personalised advice on securities and derivatives as well as 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;
- 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) over the 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 high-end products and services based on an open architecture to an international and expatriate clientele.

At 31 December 2009, BNP Paribas Personal Investors [1] had 1.31 million customers and EUR 28.3 billion in assets under management, of which 38% was invested in equity assets, 37% in savings products or mutual funds and 25% in cash. BNP Paribas Personal Investors employs over 3,800 staff.

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

BNP PARIBAS SECURITIES SERVICES

BNP Paribas Securities Services is a leading global provider of securities services and Europe's no. 1 custodian bank [2]. Assets under custody increased in 2009 by +20% over 2008 to EUR4,021 billion and assets under administration grew by +29% to EUR 728 billion. However, the number of transactions treated decreased by -7% to EUR 49.6 million, which reflects lower general activity in the financial markets.

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

- financial intermediaries (banks, brokers-dealers, investment banks, market organisations) are offered customised solutions in clearing, settlement/delivery, and global 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 funds, sovereign wealth funds, insurance companies, pension funds, distributors and fund sponsors) have access to an array of custodial and fund administration services, including fund distribution support, transfer agency services, depository bank and trustee services, fund accounting, middle-office outsourcing and risk and performance measurement;
- issuers (originators, arrangers and corporates) are provided with a wide range of solutions relating to administrative services, securitisation and management of stock option – and employee share ownership – plans.

BNP PARIBAS REAL ESTATE

With 3,100 employees, BNP Paribas Real Estate is continental Europe's leading provider of real estate services to corporates [3] and one of France's major players in residential property.

Its multi-expertise offering is unique, both in terms of its geographical reach and the diversity of its business lines.

Its client base encompasses occupiers, investors, local authorities, property developers and individuals.

International network

In commercial real estate, BNP Paribas Real Estate supports its customers in 28 countries worldwide:

- 14 countries with direct operations in Abu-Dhabi, Germany, Bahrain, Belgium, Dubai, Spain, France, India, Ireland, Italy, Jersey, Luxembourg, the United Kingdom and Romania;
- 14 other countries through alliances with local partners.

In residential real estate, BNP Paribas Real Estate's main activity is in France.

Multi-expertise offer through six complementary real estate business lines

Property development in France and Italy

BNP Paribas Real Estate is one of France's leading property developers and ranks 1st in commercial property development [4].

Transaction

In commercial real estate, BNP Paribas Real Estate markets properties including offices, business premises and retail units, and ranks no. 1 in France, Germany and Luxembourg [5].

In residential real estate, its French network markets the new housing units built by the property development line.

Consulting

In commercial real estate, BNP Paribas Real Estate advises clients with their real estate projects, helping them to design their work spaces and optimise their real estate assets.

Valuation

BNP Paribas appraises all types of real estate assets (offices, retail properties, hotels, warehouses, land, etc.) in line with the international standards defined by the Standards Board of the International Valuation Standards Committee (IVSC) and the "Royal Institution of Chartered Surveyors (RICS) Red Book".

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(1) *With Geojit included at a rate of 34.33%.*
(2) *Source: BNP Paribas Securities Services' figures for assets under custody 31 December 2009; globalcustody.net competitors' assets under custody tables, 20 January 2010.*
(3) *Source: Property Week – June 2009.*
(4) *Source: Property developer rankings published by Innovapresse in June 2009.*
(5) *Source: internal data.*

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Property Management

BNP Paribas Real Estate Property Management manages 27 million sq. m. of commercial property in Europe, including over 13 million sq. m. in France where it is the market leader [1], as it is, too, in Belgium and Luxembourg [2].

In residential real estate, BNP Paribas Real Estate manages over 22,000 housing units, including around 5,500 serviced residences units.

Investment Management

In France, Italy, the United Kingdom and Belgium, this business manages EUR 10 billion in real estate assets. In France, BNP Paribas REIM is one of the leading managers of non-trading property investment trusts.

CORPORATE AND INVESTMENT BANKING

A CLIENT-FOCUSED BUSINESS MODEL STRENGTHENED AFTER THE CRISIS

BNP Paribas Corporate & Investment Banking (CIB) employs 16,000 people across more than 50 countries. CIB provides to its clients financing, advisory and capital markets services. During 2009, CIB made a significant contribution to the BNP Paribas Group's revenues (30% of total revenues) and earnings (49% of pre-tax net income).

BNP Paribas CIB has 13,000 clients, consisting of corporates, financial institutions, investment funds and hedge funds. They 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 investment strategy and meet their financing and risk management needs.

Thanks to the Group's financial strength and the diversity of its business model, BNP Paribas CIB has demonstrated a strong resilience to the economic and financial crisis that has affected the banking sector since 2007. During 2009, BNP Paribas CIB further reinforced its European leadership and developed its activities internationally through a stronger emphasis on Asia and selective growth in North America.

FINANCING: A REINFORCED BUSINESS MODEL AND CONFIRMED LEADERSHIP IN 2009

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 over 30 countries and over 1,500 experts around the world, Structured Finance 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. In Trade Finance, Structured Finance provides to its clients a network of 100 Trade Centres around the world and access to 250 specialists. This network offers to clients a comprehensive and integrated range of solutions combining product expertise with dedicated sales teams.

In spite of unprecedented volatility during 2009, Structured Finance sealed numerous deals, helping as a result to finance the economy in France and the rest of the world.

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

Once again in 2009, Structured Finance won a number of awards reflecting the excellence of its teams and the quality of its achievements:

- no. 1 Bookrunner and Mandated Lead Arranger (MLA) in **EMEA in Acquisition/Demerger Finance** by volume and number of deals, ***Dealogic 2009***;
- no. 1 Bookrunner and MLA of **EMEA syndicated loans** by volume and number of deals, ***Dealogic 2009***;
- no. 1 Lead Arranger by number of deals for **US Oil & Gas transactions, *Thomson Reuters* 2009**;
- no. 1 MLA for all ECA backed loans, ***Dealogic 2009***;
- no. 1 MLA of Global Trade Finance loans, ***Dealogic 2009***;
- BNP Paribas was also ranked among the Top 10 providers of international cash management solutions (the only French bank to do so), ***Euromoney 2009;***

Awards

- Excellence in Renewable Energy, *Energy Business* – Dec. 2009;
- Aircraft Finance House of the Year, *Jane's Transport Finance* – Dec. 2009;
- Ship Financier of the Year, *Lloyd's List* – Sept. 2009;
- Best Global Infrastructure & Project Finance House, *Euromoney* – July 2009;
- Best Debt House in Western Europe, *Euromoney* – July 2009;
- Best Global Commodity Finance Bank, *Global Trade Review* – February 2009;
- Best Arranger of Corporate Loans & Western European Loans, *Euroweek* – Jan. 2010;
- Global Best Trade Finance Bank, *Global Finance* – August 2009;
- Best Cash Management Bank in Southern Europe, *TMI* – Feb. 2009.

(1) *Euromoney – September 2009.*

(2) *Expertise – November 2009.*

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ADVISORY AND CAPITAL MARKETS: INCREASED MARKET SHARE AND A CLIENT-CENTRIC BUSINESS MODEL

Corporate Finance

Corporate Finance offers advice for mergers and acquisitions, primary equity capital market transactions and 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 (IPO's), equity issues, secondary placements, and convertible/exchangeable bond issues. Corporate Finance employs close to 400 professionals in its global network, combining the skills of sector, geographic and product specialists. The business is mainly focused on Europe and Asia. In addition, over the past two years, BNP Paribas CIB has also expanded its presence in Russia, the Middle East and Latin America.

During 2009, BNP Paribas CIB was the no. 1 player in the French M&A market (source: *Thomson Reuters, Dealogic and Mergermarket*, completed deals) and, based on the same rankings, ranked no. 10 in Europe (completed deals), further confirming its European expansion and French leadership. In Latin America, notably in Brazil, BNP Paribas made a significant breakthrough, ranking no. 2 and no. 3 respectively (source: *Thomson Reuters*, announced deals).

The following awards are further recognition of BNP Paribas CIB's leadership in France and of its international expansion:

- "Financial Advisor of the Year in France" by *FT Mergermarket 2009*;
- "France M&A Advisor of the Year" by *Acquisitions Monthly 2009*;
- M&A Deal of the Year in the US - Inbev acquisition of AB – by *The Banker 2009*;
- M&A Deal of the Year in Europe - EDF and British Energy – by *The Banker 2009*.

In primary equity market transactions, BNP Paribas CIB is the no. 2 bookrunner in Europe for equity-linked transactions in the *Dealogic and Bloomberg* rankings at 31 December 2009, and is a Top 10 bookrunner in Europe for Equity Capital Markets transactions – all categories combined – (no. 9 all European Equity Capital Markets issues – source: *Dealogic*) and won the following awards:

- "Best Secondary Offer" from *The Asset* (Asian Regional awards) for "Shinhan Financial Group's USD 1.1 billion rights issue", on which BNP Paribas acted as bookrunner;
- "EMEA Equity Issue of the Year" from *IFR* for "Heidelberg Cement's EUR 4.4 billion offering", on which BNP Paribas acted as bookrunner.

Global Equities & Commodity Derivatives

BNP Paribas CIB's Global Equities & Commodity Derivatives (GECD) Division has three complementary business lines: commodity derivatives, equity derivatives and BNP Paribas Securities Asia.

The **commodity derivatives teams** provide comprehensive risk management solutions. With 175 people in 8 countries, teams operate both in organised and Over The Counter (OTC) markets. The OTC team provides a market-making service, acting as a swaps and options counterparty for bilateral trades. In addition, the team provides investors with access to commodities through a diverse range of strategies and structured solutions. The Futures team acts as an intermediary for clients, providing execution, clearing, settlement-delivery and margin financing services for contracts traded in the main European, American and Asian commodity markets. The commodities derivatives team covers all industrial commodities (metals, energy, softs) and new markets such as carbon emissions rights and freight.

BNP Paribas CIB's **equity derivatives** business line encompasses research, structuring, trading and sales of equity derivatives, indices and funds. With some 950 front-office staff based across five core platforms, the business is active in both the primary and secondary markets in Paris, London, Tokyo, Hong Kong and New York. Equity derivatives products are designed for use by corporates, financial institutions, hedge funds and individuals in more than 60 countries. In recent years, Global Equities & Commodity Derivative has developed a complete range of flow products that address client needs for financing, hedging, indexation, leveraged borrowing and market access. Through its skills in product design, along with the extensive resources dedicated to the development of products incorporating new strategies, the equity derivatives business offers innovative solutions tailored to clients needs in all market environments.

BNP Paribas Securities Asia provides institutional investors with a comprehensive range of research, execution and service distribution for Asian equities. BNP Paribas Securities Asia's staff of 230 employees is based mainly in Hong Kong and covers the whole of Asia, particularly China, Japan, India, South Korea, Taiwan and Southeast Asia (Singapore, Indonesia, Malaysia and Thailand). These teams are active in the secondary markets and provide a distribution platform for the primary and derivatives markets.

BNP Paribas' skills in equity derivatives are evidenced by the numerous awards it has won:

- Equity Derivatives House of the Year – *Risk* 2009;
- Best Structured Products House Asia – *The Asset Asia* 2009;
- Derivatives House of the Year Asia – *The Asset Asia* 2009;
- Index Innovation of the Year – *Structured Products Americas* 2009.

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 employs around 1,900 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 diverse client base of asset managers, insurance companies, corporates, banks, 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 2009, the fixed income division consolidated its position across its activities, as evidenced by industry league tables, client surveys and awards:

- in 2009, BNP Paribas CIB was among the Top 10 bookrunners for global bond issues (*Thomson Reuters*: bookrunner league tables) and ranked no. 1 bookrunner for euro-denominated bond issues (*Thomson Reuters* bookrunner league tables);
- BNP Paribas CIB's FX business was voted among the top 10 by volumes globally (*Euromoney* FX Poll 2009) and no. 1 by investors in Asia-Pacific (*Asiamoney* FX Poll 2009) in 2009;
- in 2009, BNP Paribas CIB's interest rate derivatives business ranked no. 5 across all currencies and products, no. 4 in inflation products and no. 4 in euro-denominated interest rate products (*Total Derivatives/ Euromoney* Interest Rate Derivatives Survey);
- BNP Paribas CIB's secondary debt trading business ranked no. 6 worldwide in 2009 (*Euromoney* Secondary Debt Trading Poll 2009) and its credit derivatives business was voted no. 5 worldwide for CDS in all currencies by dealers and brokers (*Risk* Interdealer survey 2009), and no. 6 worldwide by institutional investors (Risk Institutional Investor Survey 2009);
- Euro Bond House and Swiss Franc Bond House of the Year – *IFR* 2009;
- Most Innovative in Risk Management and Most Innovative in Interest Rates – *The Banker*, 2009;
- Currency Derivatives House of the Year – *AsiaRisk* 2009;
- the division's interest rate, FX and credit specialists offer a broad range of research and strategies, with analysts available for one-on-one client support. Analysts' research and strategy notes are available through a variety of channels, including the Global Markets web portal. In 2009, our clients voted BNP Paribas CIB no. 2 for credit research on Banks, General Industries, Consumer Products and Retail no. 4 for Credit Strategy and no. 5 for Trade Ideas (*Euromoney* Fixed Income Research Poll 2009).

In 2009, the Fixed Income division launched a new FX electronic trading platform to cater for increasing client demand for fast, flexible and functional electronic trading in FX spot, swaps and forwards. BNP Paribas FX eTrader forms part of a broader electronic trading offer covering OTC and secondary market products in interest rate, credit and FX, which will continue to be developed in 2010

BNP PARIBAS "PRINCIPAL INVESTMENTS"

BNP Paribas Principal Investments includes BNP Paribas Capital, along with the Listed Investment and Sovereign Loan Management businesses.

BNP PARIBAS CAPITAL

BNP Paribas Capital manages the Group's portfolio of unlisted investments outside of the banking sector.

This portfolio had an estimated value of EUR 2.8 billion at 31 December 2009 and is split into four segments:

- directly held strategic investments;
- directly held minority stakes;
- investments in funds;
- joint investments made simultaneously with funds or institutional investors.

LISTED INVESTMENT AND SOVEREIGN LOAN MANAGEMENT

The Listed Investment and Sovereign Loan Management unit has two functions. Its overall mission is to extract the greatest possible value from its assets over the medium term. This aim clearly differentiates the business from a trading activity.

The Listed Investment Management team is in charge of BNP Paribas' portfolio of minority stakes in listed companies.

Sovereign Loan Management's mission is to restructure sovereign loans through the London Club and to manage the portfolio of emerging market sovereign debt, such as Brady bonds, Eurobonds and restructured loans.

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KLÉPIERRE

A major player in shopping centre real estate in continental Europe, Klépierre, a real estate investment company listed in compartment A of Euronext Paris™, enjoyed a brisk pace of expansion, driven by partnerships and acquisitions that have taken it into Italy (1999), Central Europe (2004) and Scandinavia (2008). Its portfolio is worth EUR 14,750 million at 31 December 2009.

As a property owner, manager and developer, Klépierre offers major international retailers an integrated European platform thanks to its 274 shopping centres in 13 continental European countries (France, Belgium, Norway, Sweden, Denmark, Italy, Greece, Spain, Portugal, Poland, Hungary, Czech Republic and Slovakia). Altogether, the company manages 374 shopping centres through its Ségécé and Steen & Strøm subsidiaries, which rank as the no. 1 shopping centre managers in continental Europe and Scandinavia respectively. Klépierre also supports its tenants in out-of-town and city-centre locations in France through Klémurs (real estate investment company in which Klépierre owns an 84.1% stake), which was listed in December 2006.

Furthermore, Klépierre owns and manages a portfolio of office buildings concentrated in the principal business districts of Paris and inner suburbs (5.3% of the portfolio at 31 December 2009).

Klépierre has 1,500 employees (including 950 outside France).

BNP PARIBAS FORTIS

Fortis Bank SA/NV, under its new brand BNP Paribas Fortis, offers a comprehensive package of financial services to retail, private and professional clients in the Belgian market, as well as in Poland and Turkey. The bank also provides corporations and public and financial institutions with tailor made solutions, for which it can draw on BNP Paribas's know-how and international network. Currently, BNP Paribas Fortis is organised around four core activities: Retail & Private Banking, Corporate & Public Banking, Corporate & Investment Banking and Investment Solutions. In the insurance sector, BNP Paribas Fortis works in strategic partnership with Belgian market leader AG Insurance, in which it holds a 25% participation.

RETAIL & PRIVATE BANKING

In Retail & Private Banking, BNP Paribas Fortis occupies a leadership position in Belgium, with 9,700 staff serving 3.6 million clients (one third of the total Belgian population). The market share of Retail & Private Banking hovers around 27% [(1)] with strong positions in all banking products.

Retail clients are reached by means of a multi-channel distribution strategy. The Focus project, launched in 2007, combines a segmented market approach with a performance-oriented sales organisation. The branch network is divided into 82 markets, each comprising 12 branches, on average. Branches operating in the same market work closely together, focusing on customer needs. All competences are available to customers everywhere in the network and all retail customers are offered the same service regardless of the channel through which they contact the bank.

BNP Paribas Fortis network includes 1,023 branches, complemented with 322 franchises under the Fintro brand and 650 points of sale of the 50/50 joint venture with Banque de La Poste. A network of 2,300 ATMs (Automated Teller Machines, cash and cash deposits) completed with 1,220 non-cash machines (bank transfers) and 650 bank statement printers, online banking facilities (1.3 million users) and phone banking are linked up in the BNP Paribas Fortis CRM (Customer Relationship Management) platform, allowing a deployment of all systems across all channels. The long-term partnership with AG Insurance until 2020 leverages the distribution power of the retail network and builds on the experience gained in bancassurance over the years.

With EUR 44 billion assets under management, BNP Paribas Fortis is the largest private banking services provider in the Belgian market. Individuals with assets of more than EUR 250,000 are eligible for private banking services, creating a large customer base for investment purposes.

Wealth Management caters to about 1,000 clients with potential assets of more than EUR 4 million. They benefit from a dedicated service model and are primarily served via two Wealth Management Centres in Antwerp and Brussels.

CORPORATE & PUBLIC BANK, BELGIUM

BNP Paribas Fortis Corporate & Public Bank Belgium offers a comprehensive range of local and international financial services to Belgian enterprises, public entities and local authorities. With 457 corporate clients and 34,100 midcap clients, it is the market leader [(2)] in both those categories, and a challenger in public banking (1,300 clients). The offering includes domestic banking products, specialised financial skills, and securities, insurance and real estate services. Skills include trade services, cash management, factoring and leasing, as well as mergers and acquisitions and capital markets.

(1) Source: 4Q09 BNP Paribas Fortis research.

(2) Source: Internal data and Banque Nationale de Belgique 2009 data.

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A central team of more than 60 corporate bankers, 200 relationship managers at 24 business centres and skills officers ensure that BNP Paribas Fortis is close to the market. Combined with the European network of business centres, managed within Corporate & Investment Banking, BNP Paribas Fortis is able to offer unified commercial management to its Belgian clients locally and abroad.

CORPORATE & INVESTMENT BANKING

Corporate & Investment Banking (CIB) Belgium acts as a hub for BNP Paribas CIB and supplies Belgian clients with its product offering. Outside Belgium it provides expertise to CIB globally and links up its network of business centres with the network of BNP Paribas as part of the pan-European network.

Global Markets covers Belgian clients and clients of Corporate and Transaction Banking Europe (except trading of complex products or very large flows) for Fixed Income. It serves all Belgian clients in Belgium for Fixed Income and Equity Derivatives, with local sales teams having access to the whole BNP Paribas Group product range. For corporate acquisition finance, export finance and project finance activities, CIB Belgium acts as the structured finance regional platform, serving the Benelux countries, Northern and Central Europe, Greece and Turkey. BNP Paribas Fortis expertise is also leveraged in the management of public-private partnership financing in Europe.

For trade finance and cash management, project competence centres are responsible for product development, including design and technical and marketing support. Corporate and Transaction Banking Europe (CTBE) leverages both the BNP Paribas CIB and the BNP Paribas Fortis CIB networks. CTBE is present in 16 European countries with over 30 business centres (outside the domestic retail banking networks). CIB Belgium serves subsidiaries of Belgian and CIB clients, as well as selected local clients.

INVESTMENT SOLUTIONS

Fortis Investments, the asset management arm within BNP Paribas Fortis, has assets under management of EUR 161 billion [(1)], employs over 2,000 people in 34 countries and offers a full range of investment management services to institutional and retail clients around the world. Around 500 investment professionals work across a network of some 40 investment centres, each of which is accountable for the research and management of a single asset/product class. In the new Investment Solutions organisation, BNP Paribas Investment Partners will be maintained as the overall umbrella brand.

BNP PARIBAS FORTIS POLAND

In Poland BNP Paribas Fortis is a universal bank providing savings and investment products and loans to individual customers and integrated solutions to companies for financing their businesses in local and international markets.

The year 2009 saw the successful integration of BNP Paribas Fortis with Dominet Bank. The legal merger of both banks occurred on 31 July 2009 and the operational integration was effected between 31 July and 4 August. The combined entity has a customer base of more than 400,000 clients, served by 2,600 employees through a network of 258 branches out of which 8 are business centres.

Specialised services of BNP Paribas Fortis in Poland include:

- Fortis Private Investments Poland, a brokerage house specialising in customer asset management. The company's offering includes comprehensive solutions regarding capital market investments – management of investment fund portfolios and securities portfolios, as well as investment funds;
- Fortis Lease Poland, offering real estate lease and a wide range of fixed assets, including transport, construction equipment, typesetting machines and other equipment.

FORTIS BANK TURKEY

Fortis Bank Turkey provides a range of banking and financial services to its customers. The Bank's retail banking offerings consist of debit and credit cards, personal loans, and investment and insurance products. Its corporate banking services include international trade financing, asset and cash management, credit services, factoring and leasing. Through its commercial and small business banking segments, the Bank offers various investment services to small- and medium-sized enterprises. Internet and telephone banking are also part of the Bank's offering. As of 31December 2009, the Bank had a total of 297 branches countrywide. Fortis Bank SA/NV is the majority shareholder of Fortis Bank Turkey owning 94.11% of its shares.

From 2010, BNP Paribas Fortis CIB and Investment Solutions activities will be integrated within BNP Paribas CIB and Investment Solutions activities.

Retail Banking activities, including "Retail & Private Banking" and "Corporate & Public Bank Belgium" will constitute, for their part, a specific operational entity.

(1) *As of 31 December 2009.*

BGL BNP PARIBAS

Founded in 1919, Banque Générale du Luxembourg, now renamed BGL BNP Paribas, has actively contributed to Luxembourg's emergence as an international financial centre. The international financial services provider is one of the country's largest employers and holds a leading position in its domestic market (no. 1 in the entrepreneurs and small and medium-sized business clients segment with 36% [1] market share and no. 2 in the retail segment with 16% [1] market share) while expanding its reach to the "Grande Region", which encompasses neighbouring areas of Belgium, France and Germany.

In 2009, BGL BNP Paribas was organised into three business lines, themselves sub-divided into sectors of activity and/or segments.

RETAIL BANKING

Through its network of 37 branches, Retail Banking offers financial services to retail clients, including individuals, self-employed workers and small and medium-sized businesses.

Retail Banking has introduced a targeted approach towards customers in order to optimise its services and advice in all aspects of daily banking, savings, investments, credit and insurance.

PRIVATE BANKING & ASSET MANAGEMENT

The Private Banking business line provides integrated asset and liability management solutions to high net-worth residents and non-residents. Solutions offered to these high-potential clients include a broad array of tailored banking services such as the management of structures and investments, trust and corporate services, property management and insurance.

MERCHANT BANKING

Merchant Banking offers an extensive range of banking products and financial services geared to the needs of multinational businesses and institutional clients, including investment funds.

The highlights of 2009 were integration with BNP Paribas and the approval by the Board of Directors on 25 November 2009 of the Luxembourg-related section of the industrial plan ensuring that the Bank would continue to pursue an ambitious development and expansion strategy in its national, regional and international markets.

Drawing strength from the quality of its shareholders, the Luxembourg government (34%) and the BNP Paribas Group (65.96% directly and indirectly), BGL BNP Paribas aims to regain market share by leveraging its commercial dynamism and excellent quality of service for its clients.

[1] *Source: ILRES research.*

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1.5 BNP Paribas and its shareholders

SHARE CAPITAL

At 31 December 2008, BNP Paribas' share capital stood at EUR 1,823,540,634 divided into 911,770,317 shares. Details of the historical evolution of the capital are provided in the "Changes in share capital and earnings per share" section.

In 2009, six series of transactions led to changes in the number of ordinary shares outstanding:

- 1,098,006 shares were issued through the exercise of stock options;
- 9,000,000 shares were subscribed as part of a capital increase reserved for employees;
- 21,420,254 shares were issued as a result of shareholders opting to receive their 2008 dividends in shares;
- 133,435,603 shares were issued to pay for shares in Fortis Bank SA/NV and BGL;
- 219,294 shares were cancelled;
- 107,650,488 ordinary shares were issued to pay for the repurchase of 187,224,669 non-voting shares issued on 31 March 2009 to the French government as part of the second phase of France's economic support plan; the non-voting shares were cancelled on 26 November 2009.

At 31 December 2009, BNP Paribas' share capital stood at EUR 2,368,310,748 divided into 1,184,155,374 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, 1,126,390 shares have been created following the exercise of options. As a result, at 21 January 2010, BNP Paribas' share capital stood at EUR 2,370,563,528 divided into 1,185,281,764 shares with a par value of EUR 2 each.*

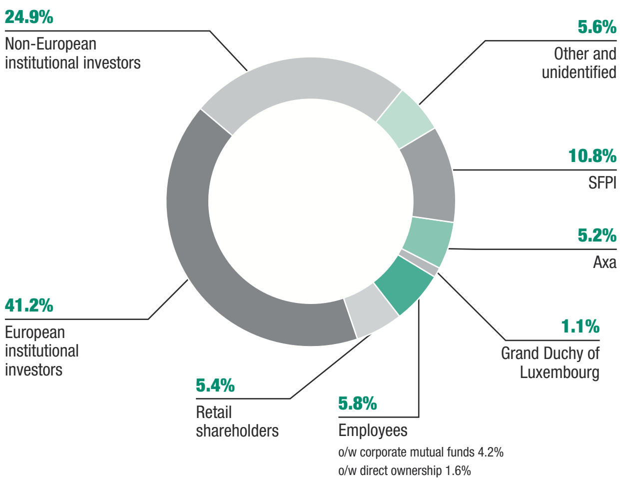
CHANGES IN SHARE OWNERSHIP

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

Date / Shareholder	31/12/07 number of shares (in millions)	31/12/07 % of share capital	31/12/07 % of voting rights	31/12/08 number of shares (in millions)	31/12/08 % of share capital	31/12/08 % of voting rights	31/12/09 number of shares (in millions)	31/12/09 % of share capital	31/12/09 % of voting rights
SFPI (*)							**127.75**	**10.8%**	**10.8%**
AXA	**53.56**	**5.9%**	**6.0%**	**53.08**	**5.8%**	**5.9%**	**61.63**	**5.2%**	**5.2%**
Gd duchy of Luxembourg							12.87	1.1%	1.1%
Employees	52.64	5.8%	5.9%	57.69	6.3%	6.4%	67.69	5.7%	5.8%
- o/w corporate mutual funds	38.53	4.2%	4.3%	42.75	4.7%	4.7%	49.43	4.2%	4.2%
- o/w direct ownership	14.11	1.6%	1.6%	14.94	1.6%	1.7%	18.26	1.5%	1.6%
Corporate officers	**0.36**	**nm**	**nm**	**0.43**	**nm**	**nm**	**0.48**	**nm**	**nm**
Treasury shares (**)	**9.14**	**1.0%**		**5.46**	**0.6%**		**3.66**	**0.3%**	**-**
Retail Shareholders	**57.00**	**6.3%**	**6.4%**	**64.36**	**7.1%**	**7.1%**	**63.63**	**5.4%**	**5.4%**
Institutional investors	**717.40**	**79.3%**	**80.0%**	**717.75**	**78.8%**	**79.2%**	**780.17**	**65.9%**	**66.1%**
(o/w "Socially Responsible Investors")	(9.52)	(1.1%)	(1.1%)	(3.92)	(0.4%)	(0.4%)	(6.00)	(0.5%)	(0.5%)
- Europe	516.54	57.1%	57.6%	484.10	53.1%	53.4%	486.61	41.1%	41.2%
- Outside Europe	200.86	22.2%	22.4%	233.65	25.7%	25.8%	293.56	24.8%	24.9%
Other and unidentified	**15.16**	**1.7%**	**1.7%**	**13.00**	**1.4%**	**1.4%**	**66.3**	**5.6%**	**5.6%**
TOTAL	**905.26**	**100%**	**100%**	**911.77**	**100%**	**100%**	**1,184.16**	**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 2009 (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 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.

  On the same day (19 May 2009), BNP Paribas informed the AMF (AMF disclosure no. 209C0724) that an agreement had been reached between the Belgian government, SFPI and Fortis SA/NV, 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.

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.

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).

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.

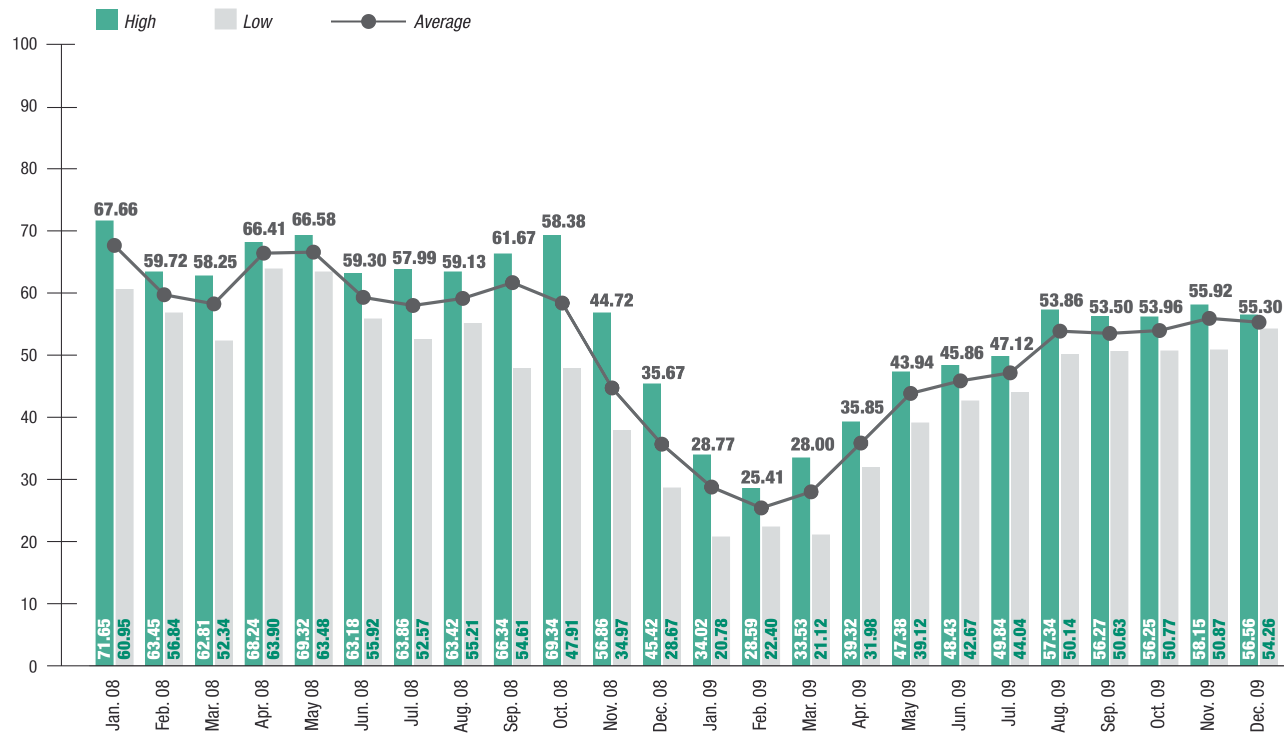
BNP became a constituent of the CAC 40 index on 17 November 1993 and of the Euro Stoxx 50 index on 1 November 1999. Since 18 September 2000, it has been a constituent of the Dow Jones Stoxx 50 index. In 2007, BNP Paribas joined the Global Titans 50, an index comprising the 50 largest corporations worldwide. BNP Paribas shares are also included in the main benchmark indexes for sustainable development: ASPI Eurozone, FTSE4Good (Global and Europe 50), DJ SI World and DJ SI STOXX. 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 29 DECEMBER 2006 AND 31 DECEMBER 2009

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 2008 (*)



(*) 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 29 December 2006 and 31 December 2009, **the share price fell by 30.41% against a 28.97% decline for the CAC 40, but a 50.79% fall for the DJ EURO STOXX Banks index** (index of banking stocks in the eurozone) **and a 56.50% drop for the DJ STOXX Banks index** (index of banking stocks in Europe). After reaching an all-time high of EUR 91.60 in May 2007, BNP Paribas' share price was dragged down by 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 trend turned in early 2009, and the share price rose from EUR 29.40 at 31 December 2008 to EUR 55.90 at 31 December 2009. This 90.14% increase comfortably beat the 22.32% rise in the CAC 40 index, the 48.92% rise in the **DJ EURO STOXX Banks index** and the 46.92% rise in the **DJ STOXX Banks index** over the same period.

  Overall, since the financial crisis broke in early July 2007, BNP Paribas' share price has fallen by 34.91%, slightly less than the 34.99% decline in the CAC 40 index. Over the same period, the European and eurozone bank indexes are down 56.71% and 52.59% respectively. As a result, BNP Paribas has outperformed the eurozone bank index by 17.68% and the European bank index by 21.80%.

- **At 31 December 2009, BNP Paribas' market capitalisation was EUR 66.2 billion, making it the 5th- ranked stock in the CAC 40, having been the 8th-ranked stock at end-2008.** In terms of free float, BNP Paribas is the 3rd-ranked CAC 40 stock, having been the 7th-ranked stock at end-2008. BNP Paribas had the 6th-largest free float in the DJ EURO STOXX 50 index at end-2009, up from 19th place a year before.

- **Daily trading volume on Euronext Paris averaged 5,374,599 shares in 2009, down 22.5% on the 2008 figure of 6,936,205.** 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.

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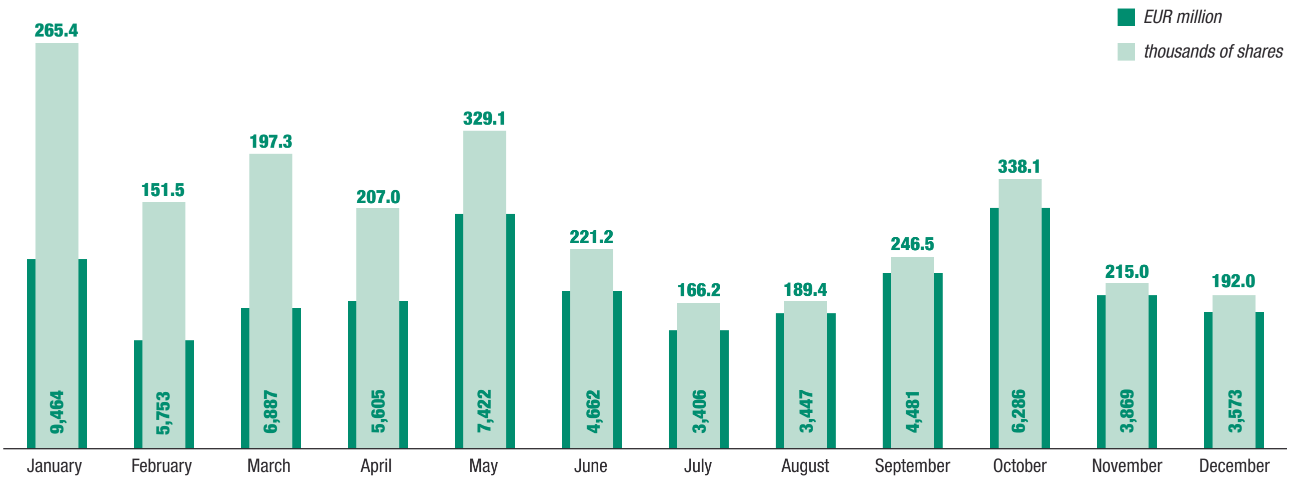
TRADING VOLUME ON EURONEXT PARIS IN 2009 (DAILY AVERAGE)



Source: Euronext Paris

KEY SHAREHOLDER DATA

In euros	2005	2006	2007	2008	2009
Earnings per share [(1)] [(*)]	6.77	7.81	8.25	2.99	5.20
Net assets per share [(2)] [(*)]	44.51	48.40	50.93	45.68	51.9
Net dividend per share [(*)]	2.53	3.01	3.26	0.97	1.50[(3)]
Payout rate *(%)* [(4)]	37.4	40.3	39.8	33.0	32.3[(3)]
Share price					
high [(5)] [(*)]	66.78	86.01	92.40	73.29	58.58
low [(5)] [(*)]	48.89	64.78	65.64	27.70	20.08
year-end [(*)]	65.91	80.33	72.13	29.40	55.90
CAC 40 index on 31 December	4,715.23	5,541.76	5,614.08	3,217.97	3,936.33

(1) Based on the average number of shares outstanding during the year.
(2) Before dividends. Net book value based on the number of shares outstanding at year-end.
(3) Subject to approval at the Annual General Meeting of 12 May 2010.
(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 in 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.

Calculation results

The following table indicates, for various periods ending on 31 December 2009, 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 (31/12/2009)	Initial investment multiplied by	Effective annual rate of return
Since privatisation	18/10/1993	36.59	3.75	x5.73	+11.37%
16 years	03/01/1994	43.31	3.42	x4.41	+ 9.72%
15 years	03/01/1995	37.20	3.35	x5.04	+11.38%
14 years	02/01/1996	33.57	3.28	x5.47	+12.90%
13 years	02/01/1997	30.40	3.19	x5.86	+14.57%
12 years	02/01/1998	48.86	3.09	x3.54	+11.09%
11 years	04/01/1999	73.05	3.03	x2.32	+7.93%
Since inception of BNP Paribas	01/09/1999	72.70	2.94	x2.26	+8.22%
10 years	03/01/2000	92.00	2.94	x1.79	+5.99%
9 years	02/01/2001	94.50	2.86	x1.69	+6.03%
8 years	02/01/2002	100.40	2.77	x1.54	+5.57%
7 years	02/01/2003	39.41	1.34	x1.90	+9.62%
6 years	02/01/2004	49.70	1.29	x1.45	+6.39%
5 years	03/01/2005	53.40	1.24	x1.29	+5.30%
4 years	02/01/2006	68.45	1.19	x0.97	-0.66%
3 years	02/01/2007	83.50	1.14	x0.77	-8.55%
2 years	02/01/2008	74.06	1.10	x0.83	-8.71%
1 year	02/01/2009	30.50	1.05	x1.93	+93.27%

BNP Paribas uses two methods to measure the value created for shareholders, based on a medium- to long-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 53.40 ON 3 JANUARY 2005 WITH THE "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 "Livret A" passbook savings account and medium-term French government notes (OATs).

Total shareholder return on an investment in BNP Paribas shares

Calculation basis

Initial investment = 1 share at the opening price on 3 January 2005 = EUR 53.40.

Dividends reinvested.

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

Value at 31 December 2009: 1.2363 shares at EUR 55.90, i.e. EUR 69.11.

29.4% increase in initial investment.

Effective rate of return: 5.30% per year.

1

Investment of EUR 53.40 on 1 January 2005 in a "Livret A" passbook account

The interest rate on the investment date was 2.25%, reduced to 2% on 1 August 2005. The interest rate was increased twice in 2006, to 2.25% on 1 February and to 2.75% on1 August , and 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 interest rate was reduced to 2.50% on 1 February 1.75% on 1 May and 1.25% on 1 August. At 31 December 2009, this investment was worth **EUR 60.73**, an increase of EUR 7.33 (+13.7%), as opposed to an increase of EUR 15.71 per BNP Paribas share over the same period (+29.4%).

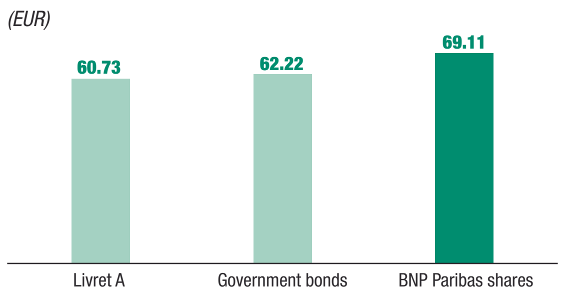
Investment of EUR 53.40 on 1 January 2005 in five-year French government bonds:

The five-year BTAN interest rate on that date was 3.0825%. At the end of each subsequent year, interest income is reinvested in a similar note on the following terms:

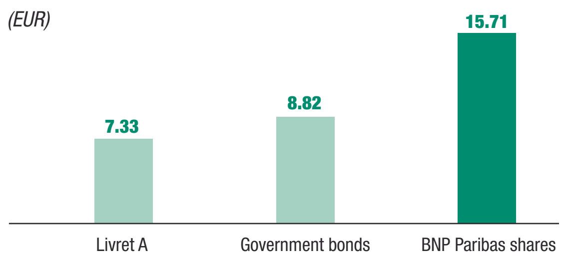
- 2.99393% (BTAN) in January 2006 for 4 years;
- 3.89016% (BTAN) in January 2007 for 3 years;
- 4.07272% (BTAN) in January 2008 for 2 years;
- 3.049% in January 2009 for 1 year (Euribor).

At the end of five years, the accrued value of the investment is EUR 62.22, an increase of EUR 8.82 (+16.5%), just over half of the increase of EUR 15.71 per BNP Paribas share over the same period (+29.4%).

➤ VALUE AT 31/12/2009 OF A EUR 53.40 INVESTMENT MADE ON 01/01/2005



➤ COMPARATIVE TOTAL 5-YEAR RETURN FOR AN INVESTMENT OF EUR 53.80



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 stockmarket authorities.

The Investor Relations team informs 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 2010, for example, the following dates have been set [1] :

- 17 February 2010: publication of 2009 results;
- 6 May 2010: results for the first quarter of 2010;
- 2 August 2010: publication of 2010 half-year results;
- 4 November 2010: results for the third quarter and first nine months of 2010.

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. There is also a Relations Officer 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 590,000 or so individual shareholders (*source: 31 December 2009 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 in early 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 2009, meetings were held in Nancy on 16 June, Lyon on 30 June, Bordeaux on 22 September and Marseille on 20 October. BNP Paribas representatives also met and spoke with over 1,000 people at the Actionaria shareholder fair held in Paris on 20 and 21 November 2009.

(1) *Subject to alteration.*

1

BNP Paribas Shareholders' Guide

The BNP Paribas Shareholders' Guide was designed to provide individual shareholders with full details on the shares' performance and the Bank's achievements. Its 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.

In 1995, the "Cercle BNP Paribas" was set up for individual shareholders holding at least 200 shares. The Cercle currently has 57,200 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 [(1)]. Economic-update sessions are also organised by BNP Paribas teams specialising in the relevant field. In addition, the Bank regularly organises scientific conferences and visits to industrial sites. The seminars 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, 370 events were organised for 14,275 participants in 2009. Shareholders can obtain information about these services by dialling a **special toll-free number (in France): 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 to members.

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. It provides information on the Group, including press releases, key figures and details of significant developments and presentations. All financial documents such as Annual Reports and Registration Documents can also be viewed and downloaded. 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 the website's features is a returns calculation tool.

The Investors/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 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 by going to the section entitled "General shareholders meeting" then by clicking on the relevant meeting in the submenu. 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. The financial calendar gives the dates of important forthcoming events, such as the Annual General Meeting, results publications and shareholder seminars.

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 2010, the members of the liaison committee were as follows:

- Michel Pébereau, Chairman;
- Franck Deleau, resident of the Lot *département*;
- 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 *département*;
- Dyna Peter-Ott, residing in Strasbourg;
- Jean-Luc Robaux, residing in Nancy;
- Chantal Thiebaut, resident of the Meurthe-et-Moselle *département*;
- Thierry de Vignet, resident of the Dordogne *département*;
- Odile Uzan-Fernandes, BNP Paribas employee;
- Bernard Coupez, BNP Paribas employee.

(1) *Securities that give investors the right to buy (call warrant) or sell (put warrant) various underlying assets (interest rates, indexes, currencies, shares) at a given "exercise price" and until a given "maturity" date. Although warrants are similar to options, they cannot be sold short. Warrants are issued by a financial institution, which acts as market-maker.*

In accordance with the committee's Charter - i.e. the internal rules that all committee members have adopted - the committee met twice in 2009, on 20 March and 25 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 2008 Registration Document and Annual Report;
- quarterly results presentations;
- initiatives taken in preparation for the Annual General Meeting;
- BNP Paribas' 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 Bank's stand.

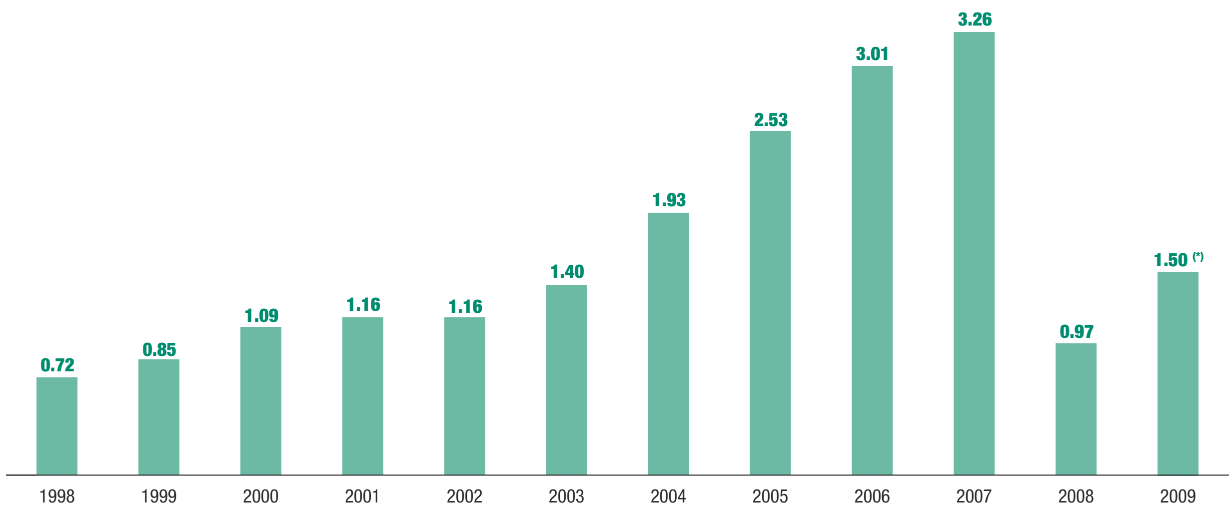
On 1 December 2009, Committee members took part in an "Investor Day" in Brussels, during which BNP Paribas Fortis' industrial plan was presented to the market.

DIVIDEND

At the 12 May 2010 Annual General Meeting, the Board of Directors will recommend a dividend of EUR 1.50 per share, an increase of 55% relative to 2009. The shares will go ex-dividend on 19 May and the dividend will be paid on 15 June 2010, subject to approval at the Annual General Meeting.

The total amount of the proposed payout is EUR 1,778 million, compared with EUR 912.1 million in 2009, representing an increase of 94.9%. The proposed payout rate is 32.3% [1].

DIVIDEND EVOLUTION (EURO PER SHARE)



(*) Subject to approval at the Annual General Meeting of 12 May 2010.
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 12 May 2010 Annual General Meeting expressed as a percentage of earnings per share.

1

BNP PARIBAS REGISTERED SHARES

At 31 December 2009, 32,495 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 "GIS Nomi" (*http://gisnomi.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)];
- pay no custodial fees and are automatically invited to General Meetings.

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;
- the shareholder can take part in voting via the internet.

ANNUAL GENERAL MEETING

BNP Paribas held two General Meetings of shareholders in 2009.

- On 27 March, an Extraordinary General Meeting was held, on first call, to approve the creation of non-voting shares to be issued to the French government under the second phase of France's economic support plan. 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 took place. The composition of the quorum and the results of the votes cast were posted online the day after the meeting.

The quorum broke down as follows:

➤ BREAKDOWN OF QUORUM

	Number of shareholders	(%)	Number of shares	(%)
Present	432	*8.87%*	56,715,703	*10.64%*
Proxy given to spouse or another shareholder	9	*0.18%*	6,852	*nm*
Proxy given to Chairman	1,877	*38.55%*	6,447,638	*1.21%*
Postal votes	2,551	*52.39%*	469,925,853	*88.15%*
TOTAL	**4,869**	***100%***	**533,096,046**	***100%***

		Quorum
Total number of shares issued excluding treasury stock	909,963,093	58.58%

All resolutions proposed to the shareholders were approved.

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

	Results	Rate of approval *(%)*
Resolution 1:	*Creation of a new category of shares, consisting of non-voting shares, and according amendment of the Articles of Association*	98.21%
Resolution 2:	*Issue of non-voting shares to Société de Prise de Participation de l'État*	97.72%
Resolution 3:	*Transactions reserved for members of the Employee Savings Plan*	97.50%
Resolution 4:	*Issue of shares to be paid up by capitalising income, retained earnings or additional paid-in capital*	98.39%
Resolution 5:	*Powers to carry out formalities*	99.82%

- On 13 May 2009, BNP Paribas held a combined ordinary and extraordinary General Meeting on first call. 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 took place. The composition of the quorum and the results of the votes cast were posted online the day after the meeting. The meeting was written about 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	1,664	*15.07%*	100,690,994	*20.64%*
Proxy given to spouse or another shareholder	58	*0.53%*	71,907	*0.01%*
Proxy given to Chairman	5,972	*54.09%*	11,604,373	*2.38%*
Postal votes	3,347	*30.31%*	375,556,063	*76.97%*
TOTAL	**11,041**	***100%***	**487,923,337**	***100%***

		Quorum
Number of ordinary shares (excluding treasury stock)	910,022,144	53.62%

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 2008 and the consolidated profit and loss account for the year then ended*	95.94%
Resolution 2:	*Approval of the parent-company balance sheet at 31 December 2008 and the parent-company profit and loss account for the year then ended*	96.01%
Resolution 3:	*Appropriation of net income and dividend distribution*	97.62%
Resolution 4:	*Agreements and commitments governed by Article L. 225-38 of the Code de commerce*	92.75%
Resolution 5:	*Share buybacks*	97.90%
Resolution 6:	*Renewal of the term of office of Claude Bébéar as a director*	97.02%
Resolution 7:	*Renewal of the term of office of Jean-Louis Beffa as a director*	77.25%
Resolution 8:	*Renewal of the term of office of Denis Kessler as a director*	75.19%
Resolution 9:	*Renewal of the term of office of Laurence Parisot as a director*	92.24%
Resolution 10:	*Renewal of the term of office of Michel Pébereau as a director*	94.09%
EXTRAORDINARY MEETING		
Resolution 11:	*Approval of the transfer of Fortis Bank SA shares*	99.55%
Resolution 12:	*Approval of the transfer of BGL SA shares*	99.54%
Resolution 13:	*Issue of ordinary shares to be given in exchange for unlisted securities tendered, up to a maximum of 10% of the capital*	95.91%
Resolution 14:	*Amendment of terms of B shares*	99.62%
Resolution 15:	*Reduction in the Bank's capital by cancelling shares*	98.89%
Resolution 16:	*Powers to carry out formalities*	99.74%

The 2009 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 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 (EUR18,030 in 2009, including EUR1,390 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 2009 contributions were divided between 62 projects (34 in 2008), all of which were initiated by BNP Paribas staff. The sums awarded vary 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 20 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 12 May 2010 [1].

[1] *Subject to alteration.*

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;
- 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 2009); 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 64,000 of the Bank's shareholders personally received the information needed to participate in 2009.

In addition, 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 another shareholder (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 (*http://gisproxy.bnpparibas.com*).

DISCLOSURE THRESHOLDS

In addition to the legal thresholds, and in accordance with Article 7 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.

2 CORPORATE GOVERNANCE

2.1 Board of Directors

MEMBERSHIP OF THE BOARD OF DIRECTORS

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

Born on 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

Functions at 31 December 2009 [1]
Director of: Lafarge, Compagnie de Saint-Gobain, Total, *BNP Paribas SA (Switzerland), 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 Fédération Bancaire Française, Management Board of Institut d'Etudes 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, the 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)

2008:
Chairman of the Board of Directors of: BNP Paribas
Director of: Lafarge, Compagnie de Saint-Gobain, Total, BNP Paribas SA (Switzerland), 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 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, the 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 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, the 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 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, 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)

2005:
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
Non-voting director of: Société Anonyme des Galeries Lafayette
Chairman of: European Banking Federation, Investment Banking and Financial Markets Committee of Fédération Bancaire Française, Management Board of Institut d'Études Politiques de Paris, Advisory Board of Institut Aspen France, Institut de l'Entreprise
Member of: 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 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 Act no. 2001-401 of 15 May 2001 concerning multiple directorships.*
[2] *At 31 December 2009.*

Patrick AUGUSTE
Principal function [1]: *Technical Service Manager*

Born on 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 2009** [1] None

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

2008:	2007:	2006:	2005:
None	None	None	None

Claude BÉBÉAR
Principal function [1]: *Honorary Chairman of AXA*

Born on 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 2009** [1] **Director of:** *AXA Assurances Iard Mutuelle, AXA Assurances Vie Mutuelle* **Member of the Supervisory Board o**f: 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)

2008:	2007:	2006:	2005:
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	**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 (China)	**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 (China)	**Chairman of the Supervisory Board of:** AXA **Chairman and Chief Executive Officer of:** Finaxa (Finaxa merged into AXA on 16 December 2005) **Member of the Supervisory Board of:** Vivendi Universal **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 (China)

(1) *Directorships and other functions shown in italics are not governed by the provisions of Act no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2009.*

2

Jean-Louis BEFFA
Principal function [1]: Chairman of the Board of Directors of Compagnie de Saint-Gobain

Born on 11 August 1941
Elected on 13 May 2009.
Term expires at the 2012 AGM
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

Functions at 31 December 2009 [1]
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*

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

2008:
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

2007:
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 (United States)
Member of the Supervisory Board of: Le Monde SA, Le Monde & Partenaires Associés (SAS), Société Éditrice du Monde

2006:
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 (United States)
Permanent representative of: Saint-Gobain PAM
Chairman of the Supervisory Board of: 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)

2005:
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)
Chairman of the Supervisory Board of: 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 of the MIT International Science and Technology Initiative (MISTI)

Born on 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

Functions at 31 December 2009 [1]
Member of: *American Academy of Arts and Sciences*
Research associate and member of: *the Executive Committee of the 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)

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

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

(1) *Directorships and other functions shown in italics are not governed by the provisions of Act no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2009.*

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

Born on 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 2009 [1]** **Member of:** *Comité des Établissements de Crédit et des Entreprises d'Investissement (CECEI), "Confrontation" (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)

2008:	2007:	2006:	2005:
Member of: Comité des Établissements de Crédit et des Entreprises d'Investissement (CECEI), "Confrontation" (a European think tank)	**Member of:** Comité des Établissements de Crédit et des Entreprises d'Investissement (CECEI), "Confrontation" (a European think tank)	**Member of:** Comité des Établissements de Crédit et des Entreprises d'Investissement (CECEI), "Confrontation" (a European think tank)	**Member of:** Comité des Établissements de Crédit et des Entreprises d'Investissement (CECEI), "Confrontation" (a European think tank)

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

Born on 21 April 1936 *Elected on* 21 May 2008. *Term expires at the* 2011 AGM *First elected to the Board on:* 4 May 1999 *Number of BNP Paribas shares held [2]:* 2,869 *Office address:* 128, avenue de-Lattre-de-Tassigny 87045 LIMOGES, FRANCE	**Functions at 31 December 2009 [1]** **Director of:** Legrand, Legrand France **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)

2008:	2007:	2006:	2005:
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	**Chairman of the Board of Directors of:** Legrand **Member of the Supervisory Board of:** Michelin **Director of:** Valeo **Member of:** Advisory Committee of Banque de France, Board of Promotelec (a French association promoting the use of sustainable electricity installations in new and existing buildings), Board of F.I.E.E.C. (the French federation for the electrical, electronic, and communication industries), Board of Gimélec (a French consortium of companies supplying electric equipment, process control equipment, and related services)

(1) *Directorships and other functions shown in italics are not governed by the provisions of Act no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2009.*

Alain JOLY **Principal function [1]: Director of Air Liquide**	
Born on 18 April 1938 *Elected on* 23 May 2006. *Term expires at the* 2009 AGM *First elected to the Board on*: 28 June 1995	**Functions at 31 December 2009 [1]**
Number of BNP Paribas shares held [2]: 3,143 *Office address:* 75, quai d'Orsay 75007 PARIS, FRANCE Mr. Alain JOLY's term of office expired at the end of the Annual General Meeting on 13 May 2009	

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

2008:	2007:	2006:	2005:
Director of: Air Liquide	**Director of:** Air Liquide **Director of:** Lafarge	**Director of:** Air Liquide **Director of:** Lafarge	**Chairman of the Supervisory Board of:** Air Liquide **Director of:** Lafarge

[1] *Directorships and other functions shown in italics are not governed by the provisions of Act no. 2001-401 of 15 May 2001 concerning multiple directorships.*
[2] *At 31 December 2009.*

2

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

Born on 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]: 2,269
Office address: 1, avenue du Général-de-Gaulle
92074 PARIS LA DÉFENSE CEDEX
FRANCE

Functions at 31 December 2009 [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)*
Non-voting Director of: *Financière Acofi SA, Gimar Finance & Cie SCA*
Member of: *Commission Économique de la Nation, Conseil Économique et Social, Board of Directors of Association de Genève, Board of the French Foundation for Medical Research, Comité des Entreprises d'Assurance, Strategic Board of the CEA European insurance and reinsurance federation*
Chairman of: *Reinsurance Advisory Board, Global Reinsurance Forum, Board of Directors of Siècle*

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

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 S.A. (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 et Social, Board of Directors of 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 US Re Insurance 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 (ex FDC SA), Gimar Finance & Cie SCA
Member of: Commission Économique de la Nation, Conseil Économique et Social, 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 US Re Insurance (United States), Scor Reinsurance Company (United States), Scor US Corporation (United States)
Director of: Bolloré Investissement SA, Dassault Aviation, Amvescap Plc (United Kingdom), Cogedim SAS, Dexia SA (Belgium), Scor Canada Reinsurance Company (United States)
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 et Social, Board of Directors of Siècle, Association de Genève, Comité des Entreprises d'Assurance,
Global Counsellor of: the Conference Board

2005:
Chairman and Chief Executive Officer of: Scor
Chairman of: Scor Vie
Director of: Bolloré Investissement SA, Dassault Aviation, Amvescap Plc (United Kingdom), Cogedim SAS, Dexia SA (Belgium)
Permanent representative of: Fergascor in SA Communication & Participation
Non-voting director of: FDC SA, Gimar Finance & Cie
Member of: Commission Économique de la Nation, Conseil Économique et Social, Board of Directors of Siècle, Association de Genève, Comité des Entreprises d'Assurance

[1] *Directorships and other functions shown in italics are not governed by the provisions of Act no. 2001-401 of 15 May 2001 concerning multiple directorships.*
[2] *At 31 December 2009.*

Jean-François LEPETIT
Principal function [1]: *Chairman of Conseil national de la comptabilité*

Born on 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]: 8,461
Office address: 30, boulevard Diderot
75572 PARIS CEDEX 12,
FRANCE

Functions at 31 December 2009 [1]
Director of: Smart Trade Technologies S.A, Shan S.A.
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*

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

2008:	2007:	2006:	2005:
Director of: Smart Trade Technologies S.A., Shan S.A. **Member of:** Board of the QFCRA – Qatar Financial Center Regulatory Authority – (Doha), Collège de l'Autorité des Marchés Financiers	**Director of:** Smart Trade Technologies S.A., Shan S.A. **Member of:** Board of the QFCRA – Qatar Financial Center Regulatory Authority – (Doha), Collège de l'Autorité des Marchés Financiers	**Director of:** Smart Trade Technologies S.A., Shan S.A. **Chairman of:** the Advisory Board of EDHEC Desk and Asset Management Research Center **Associate professor at:** EDHEC business school **Member of:** the Board of QFCRA — Qatar Financial Center Regulatory Authority — (Doha)	**Director of:** Smart Trade Technologies SA

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

Born on 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 2009 [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)

2008:	2007:	2006:	2005:
Vice-Chairman of the Board of Directors of: IFOP S.A. **Chairman of:** Mouvement des Entreprises de France (MEDEF) **Director of:** Coface S.A. **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	None

[1] *Directorships and other functions shown in italics are not governed by the provisions of Act no. 2001-401 of 15 May 2001 concerning multiple directorships.*
[2] *At 31 December 2009.*

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

Born on 25 September 1944
Elected on 21 May 2008.
Term expires at the 2011 AGM
First elected to the Board on [2]: 1 March 2003

Number of BNP Paribas shares held [3]: 1,557
Office address: 162, rue du Faubourg Saint HONORÉ 75008 PARIS, FRANCE

Functions at 31 December 2009 [1]
Director of: Lafarge, *Ferring S.A. (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 Group
Legal manager of: *Hélène Ploix SARL, Hélène Marie Joseph SARL, Sorepe Société Civile*
Member of: *Investment Committee of the United Nations Staff Pension Fund*

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

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

2005:
Chairman of: Pechel Industries SAS and of 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 for 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

Born on 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 2009 [1]
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 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)

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 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 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

2005:
Director and Chief Executive Officer of: BNP Paribas
Director of: Pinault-Printemps-Redoute, Veolia Environnement, Erbé SA (Belgium), Pargesa Holding SA (Switzerland)
Permanent representative of: BNP Paribas on the Supervisory Board of Accor
Chairman of: Fédération Bancaire Française

(1) *Directorships and other functions shown in italics are not governed by the provisions of Act no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2009.*

Louis SCHWEITZER **Principal function [1]: Chairman of the Board of Directors of Renault**	
Born on 8 July 1942 *Elected on* 15 May 2007. *Terms expires at the* 2010 AGM *First elected to the Board on:* 14 December 1993 *Number of BNP Paribas shares held [2]:* 6,825 *Office address:* 8-10, avenue Emile Zola 92109 BOULOGNE-BILLANCOURT CEDEX FRANCE	**Functions at 31 December 2009 [1]** **Chairman of the Board of Directors of:** *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:** *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)

2008:	2007:	2006:	2005:
Chairman of the Board of Directors of: Renault **Chairman of the Board of Directors of:** 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 **Chairman of the Board of Directors of:** 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 **Chairman of the Board of Directors of:** 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 **Chairman of the Board of Directors of:** 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

[1] *Directorships and other functions shown in italics are not governed by the provisions of Act no. 2001-401 of 15 May 2001 concerning multiple directorships.*
[2] *At 31 December 2009.*

Daniela WEBER-REY **Principal function [1]: *Partner* at Clifford Chance, Frankfurt**	
Born on 18 November 1957 *Elected on* 21 May 2008. *Term expires at the* 2011 AGM *First elected to the Board on:* 21 May 2008 *Number of BNP Paribas shares held [2]:* 1,100 *Office address:* Mainzer Landstrasse 46 D 60325 – FRANKFURT AM MAIN GERMANY	**Functions at 31 December 2009 [1]** **Member of:** *Advisory group on corporate governance and company law of the European Commission, Expert Group 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*

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

2008: **Member of:** Advisory group on corporate governance and company law of the European Commission, Expert Group on "Removing obstacles to cross-border investments" of the European Commission, German Government Commission on the German Corporate Governance Code			

NON-VOTING DIRECTORS

Michel TILMANT
Principal function [1]: Managing Director of Strafin SPRL

Born on 21 July 1952
Elected on 4 November 2009

Emiel VAN BROEKHOVEN
Principal function [1]: Economist, Honorary Professor at the University of Antwerp

Born on 30 April 1941
Elected on 4 November 2009

(1) *Directorships and other functions shown in italics are not governed by the provisions of Act no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2009.*

OTHER CORPORATE OFFICERS

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

Born on 14 July 1961

Number of BNP Paribas shares held [2]: 14,495
Office address: 3, rue d'Antin
75002 PARIS, FRANCE

Functions at 31 December 2009 [1]
Director of: Carrefour, *BNP Paribas Personal Finance, Banca Nazionale del Lavoro (Italy), BancWest Corporation, Bank of the West*
Chairman of: *Management Committee and Executive Committee of BNP Paribas Fortis*
Chief Executive Officer of: *BNP Paribas Fortis*

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

2008:
Director of: Carrefour, BNP Paribas Personal Finance, Banca Nazionale del Lavoro (Italy)

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

Born on 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 2009 [1]
Chairman of: *Compagnie d'Investissement de Paris SAS, Financière BNP Paribas SAS, BNP Paribas (Switzerland) SA (Switzerland)*
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 (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)

2008	2007	2006	2005
Chief Operating Officer of: BNP Paribas **Chairman of:** Compagnie d'Investissement de Paris SAS, Financière BNP Paribas SAS, BNP Paribas (Switzerland) SA (Switzerland) **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 (Switzerland) SA (Switzerland) **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 (Switzerland) SA (Switzerland), BNP Paribas UK Holdings Limited (United Kingdom) **Director of:** Alstom, Banca Nazionale del Lavoro (Italy), BNP Paribas ZAO (Russia), Verner Investissements 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	**Chief Operating Officer of:** BNP Paribas **Director of:** Alstom, Bouygues, Société Foncière, Financière et de Participations SA, Nexans, Erbé SA (Belgium) **Member of the Supervisory Board of:** Lagardère SCA **Non-voting director of:** Safran, Scor SA, Scor Vie

(1) *Directorships and other functions shown in italics are not governed by the provisions of Act no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2009.*

COMPENSATION

COMPENSATION AND BENEFITS PAID TO CORPORATE OFFICERS IN 2009

See Section 4.5 of the Consolidated Financial Statements - note 8.d. - Remuneration and benefits awarded to the Group's corporate officers.

DIRECTORS' FEES

See Report of the Chairman.

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 2009 *(10 largest grants)*	465,000	35.11	08/04/2009	
Options exercised in 2009 *(10 employees)*	314,143	42.87	03/05/1999	*14,124*
			22/12/1999	247,945
			15/05/2001	20,690
			21/03/2003	31,384

SUMMARY TABLE OF TRANSACTIONS ON BNP PARIBAS STOCK REPORTED BY KEY INDIVIDUALS

Transactions on BNP Paribas stock carried out in 2009 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 General Regulation of AMF.

Name Function	Transactions carried out	Type of financial instrument	Nature of the transaction	Number of transactions	Amount of the transactions *(in euros)*
AUGUSTE Patrick Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 3 shares	1	120.00
		PSR (**)	Sale of 3 rights	1	4.25
BÉBÉAR Claude Director of BNP Paribas	Personally	PSR (**)	Sale of 3,074 rights	1	4,269.79
BEFFA Jean-Louis Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 15,475 shares	5	816,726.55
			Sale of 13,643 shares	1	745,453.52
		PSR (**)	Purchase of 8 rights	1	8.06
			Sale of 2 rights	1	2.18
	By a related party	BNP Paribas shares	Purchase of 8 shares	2	309.94
			Sale of 69 shares	1	3,765.33
		PSR (**)	Sale of 3 rights	1	3.27

(*) *Excluding the exercise of stock options, details of which are listed in Note 8.d to the Financial Statements.*
(**) *PSR: Preferential Subscription Right*

Name Function	Transactions carried out	Type of financial instrument	Nature of the transaction	Number of transactions	Amount of the transactions *(in euros)*
BONNAFÉ Jean-Laurent Chief Operating Officer of BNP Paribas	Personally	BNP Paribas shares	Purchase of 1,642 shares	2	64,050.28
		PSR (**)	Purchase of 3 rights	1	3.56
CHODRON DE COURCEL Georges Chief Operating Officer of BNP Paribas	Personally	BNP Paribas shares	Purchase of 3,304 shares	7	122,281.08
			Sale of 3,970 shares	3	203,571.00
		PSR (**)	Purchase of 11 rights	2	15.30
			Sale of 56,625 rights	1	84,711.00
GRAPPOTTE François Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 332 shares	2	12,917.84
		PSR (**)	Sale of 9 rights	1	9.98
KENISTON BERGER Suzanne Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 600 shares	2	28,340.00
KESSLER Denis Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 269 shares	3	10,460.26
LEPETIT Jean-François Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 961 shares	4	37,478.28
PÉBEREAU Michel (*) Chairman of the Board of Directors of BNP Paribas	Personally	BNP Paribas shares	Purchase of 13,213 shares	2	509,341.00
			Sale of 207,000 shares	3	10,841,725.00
		PSR (**)	Sale of 94,009 rights	1	140,637.00
	By a related party	BNP Paribas shares	Purchase of 21 shares	1	840.00
PLOIX Hélène Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 186 shares	4	7,233.77
		PSR (**)	Purchase of 8 rights	1	10.74
PROT Baudouin (*) Director – Chief Executive Officer of BNP Paribas	Personally	BNP Paribas shares	Purchase of 8,604 shares	2	331,283.00
			Sale of 121,881 shares	3	6,370,380.00
		PSR (**)	Sale of 60,433 rights	1	90,408.00
	By a related party	BNP Paribas shares	Purchase of 1,156 shares	4	40,424.00
			Sale of 11,000 shares	1	607,420.00
		PSR (**)	Sale of 41,607 rights	4	62,072.00
SCHWEITZER Louis Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 570 shares	4	22,337.24
		PSR (**)	Purchase of 19 rights	3	20.29
	By a related party	BNP Paribas shares	Purchase of 17 shares	1	680.00
		PSR (**)	Purchase of 2 rights	1	2.76
WEBER-REY Daniela Director of BNP Paribas	Personally	BNP Paribas shares	Purchase of 250 shares	3	11,154.25

(*) *Excluding the exercise of stock options, details of which are listed in Note 8.d to the Financial Statements.*
(**) *PSR: Preferential Subscription Right*

2.2 Report of the Chairman of the Board of Directors on the conditions for the preparation and organisation of the work of the Board and on internal control procedures implemented by BNP Paribas

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

It makes reference to Appendix 1 of European Regulation (EC) no. 809/2004 of 29 April 2004 as well as to the 2009 report by the AMF (the French Financial Markets Authority) on corporate governance and internal control published on 8 December 2009 and to the "Guide to Preparing Registration Documents", also published by the AMF, on 10 December 2009.

In accordance with the provisions of Article 26 of Act no. 2008-649 of 3 July 2008 containing various provisions adapting company law to Community law, the corporate governance code referred to on a voluntary basis in preparing 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).

CORPORATE GOVERNANCE AT BNP PARIBAS

1. CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD

Terms of reference of the Board of Directors

- The Internal Rules adopted in 1997 by the Board define the duties of the Board and of its specialised Committees; they are regularly updated to comply with the legal requirements, regulations and French corporate governance guidelines and to keep pace with corporate governance best practices. They also contain a code of ethics applicable to Directors.
- The Chairman's 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 composition, operation and terms of reference of specialised Committees, as well as the course of conduct of Directors and non-voting Directors [(1)].

Extracts from the Board of Directors' Internal Rules: terms of reference of 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."

(1) *Upon the proposal of the Chairman, the Board may appoint one or two non-voting directors. Notices of meetings shall be served to non-voting directors, who shall attend Board meetings in an advisory capacity.*

Separation of the functions of Chairman and Chief Executive Officer [1]

- At the Annual General Meeting held on 14 May 2003, the Chairman announced the Board's intention to separate the functions of Chairman and Chief Executive Officer within BNP Paribas. This decision brought the Group into line with corporate governance best practice, while at the same time ensuring a smooth and transparent handover of the Chief Executive role.
- The Chairman organises and directs the work of the Board, and ensures that the corporate decision-making bodies of BNP Paribas operate effectively. Working closely with Executive Management, he contributes to developing the Group's relationships with its major clients and with the national and international financial and monetary authorities. He has no executive responsibilities.
- The Chief Executive Officer has the broadest powers to act in the Bank's name in all circumstances (cf. below "Limitation of the powers of the Chief Executive Officer"). He has authority over the entire Group. He is also responsible for internal control systems and procedures, and for all the statutory information in the report on internal control.

Pursuant to the Internal Rules, the Chairman "monitors relations with shareholders, in close cooperation with the work of Executive Management in this area, to guarantee that these relations remain of a high quality.

He ensures that principles of corporate governance are defined and implemented at the highest levels.

He oversees the smooth running of BNP Paribas' management bodies.

With the help of the Corporate Governance and Nominations Committee, and subject to approval by the Board and by the Annual General Meeting, he endeavours to build an effective and balanced Board, and to manage replacement and succession processes that concern the Board and the nominations within its remit.

He organises the work of the Board of Directors. He sets the timetable and agenda of Board meetings and calls them.

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

He sees to it that the Board devotes an appropriate amount of time to issues relating to the future of the Bank, particularly its strategy.

He ensures that directors from outside the Bank get to know the Management team thoroughly.

He ensures that he maintains a close relationship based on trust with the Chief Executive Officer, to whom he provides help and advice while respecting his executive responsibilities.

The Chairman directs the work of the Board, to give it the means of exercising all the responsibilities which fall within its remit.

He ensures that the Board is provided in a timely fashion with the information it needs to carry out its duties and that this information is clearly and appropriately presented.

The Chairman is regularly informed by the Chief Executive Officer and other members of the Executive Management team of significant events and situations in the life of the Group, particularly those relating to strategy, organisation, investment or disinvestment projects, financial transactions, risks or the financial statements.

The Chief Executive Officer provides the Chairman with all information required under French law regarding the internal control report.

The Chairman may ask the Chief Executive Officer for any information that may help the Board and its Committees fulfil their duties.

He may interview the Statutory Auditors in order to prepare the work of the Board and the Financial Statements Committee.

He ensures that the directors are in a position to fulfil their duties, and in particular that they have the information they need to take part in the work of the Board, and that they can count on appropriate cooperation from the Bank's management in conducting the activities of the specialised Committees. He also ensures that directors participate effectively 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."

The Board of Directors and Annual General Meetings [2]

- The Articles of Association define the participation by shareholders at Annual General Meetings. A summary of these rules, as well as the report on the organisation and holding of the Annual General Meeting on 13 May 2009 are provided in the "BNP Paribas and its shareholders" section of the Registration Document and annual financial report.
- Based on proposals submitted by the Board of Directors, the Annual General Meeting of 13 May 2009 re-elected Claude Bébéar, Jean-Louis Beffa, Denis Kessler, Laurence Parisot and Michel Pébereau as Directors. Fourteen Directors attended this meeting.

Membership of the BNP Paribas Board of Directors [3]

- Following the Annual General Meeting on 13 May 2009, the Board of Directors had fourteen Directors, of which twelve were elected by shareholders (eight men and four women) and two by employees.
- Upon the proposal of the Corporate Governance and Nominations Committee, the Board of Directors appointed two non-voting directors on 4 November 2009. Board membership details are provided in Section 2.1. of the Registration Document.

(1) *AFEP-MEDEF Corporate Governance Code (point 3).*

(2) *AFEP-MEDEF Corporate Governance Code (point 5).*

(3) *AFEP-MEDEF Corporate Governance Code (points 6 and 7).*

Independence of directors [1]

- Following a review of the Directors' personal circumstances carried out by the Corporate Governance and Nominations Committee, the Board considered that the following eight directors qualify as independent directors pursuant to the AFEP-MEDEF Corporate Governance Code: Claude Bébéar, Suzanne Berger, François Grappotte, Denis Kessler, Jean-François Lepetit, Laurence Parisot, Hélène Ploix and Daniela Weber-Rey. Based on its assessment of Louis Schweitzer before proposing his re-election to the Annual General Meeting of 15 May 2007, the Board did not consider that the criterion concerning the loss of independence of a Director who has served for more than twelve years to be relevant to the person of Louis Schweitzer. This assessment, made in accordance with the provisions of the AFEP-MEDEF Corporate Governance Code (point 8.3), remains unchanged.
- More than one half of the Directors qualify as independent under the AFEP-MEDEF Corporate Governance Code (point 8.2).
- Three of the Directors elected by the shareholders, Michel Pébereau, Chairman of the Board, Baudouin Prot, Chief Executive Officer, and Jean-Louis Beffa, were considered not to meet the AFEP-MEDEF Corporate Governance Code's criterion defining an independent Director.
- The two employee representatives on the Board, Patrick Auguste and Jean-Marie Gianno, do not qualify as independent directors under the AFEP-MEDEF Corporate Governance Code despite their status and the method by which they were elected, which safeguards their independence.
- The BNP Paribas Directors declared - as part of the implementation of International Accounting Standards IAS 24 - that they do not benefit from any financial arrangement with BNP Paribas SA or any Group company other than at arm's length conditions.
- The "Code of Ethics Applicable to Directors" section of the Board of Directors' Internal Rules sets out the rules of conduct applicable to Directors, and is intended to promote the independence and responsibility of Directors and non-voting Directors in discharging their duties (cf. "Corporate Governance" below).
- The following table presents the situation of each Director with regard to the independence criteria set forth in the AFEP-MEDEF Corporate Governance Code:

	1st criterion	2nd criterion	3rd criterion	4th criterion	5th criterion	6th criterion	7th criterion
M. PÉBEREAU	x	o	o	o	o	x	o
P. AUGUSTE	x	o	o	o	o	x	o
C. BÉBÉAR	o	o	o	o	o	o	o
J.L. BEFFA	o	x	o	o	o	x	o
S. BERGER	o	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
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
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 corporation within the previous five years.
2nd criterion: No issue of corporate offices held in another corporation.
3rd criterion: No material business relationships.
4th criterion: No family ties to a corporate officer.
5th criterion: Not an auditor of the corporation within the previous five years.
6th criterion: Not a Director of the corporation for more than twelve years.
7th criterion: No issue related to control by a major shareholder (10% of capital or voting rights).
[*] Refer to previous comment in Section 1 – "Membership of the BNP Paribas Board of Directors".

[1] *AFEP-MEDEF Corporate Governance Code (point 8).*

Work of the Board and its Committees in 2009

- In 2009, the Board held thirteen meetings, including 6 specially convened meetings (estimated results at 31 December 2008, structuring and completion of the acquisition of the activities of Fortis, issue of non-voting shares subscribed by Société de Prise de Participation de l'État, capital increase and redemption of non-voting shares). The average attendance rate of Directors at Board meetings was 89%.
- The Financial Statements Committee met six times with an average attendance rate of 87%.
- The Internal Control, Risk Management and Compliance Committee met four times with an attendance rate of 100%.
- The Financial Statements Committee and the Internal Control, Risk Management and Compliance Committee held a joint meeting at which all of the respective committee members were present.
- 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 2009

	Board meetings		Committee meetings		All meetings		
Directors	**1**	**2**	**1**	**2**	**1**	**2**	**3**
M. PÉBEREAU	13	13			13	13	100%
P. AUGUSTE	12	13	5	6	17	19	89%
C. BÉBÉAR	10	13	3	3	13	16	81%
J.L. BEFFA	11	13	6	6	17	19	89%
S. BERGER	10	13			10	13	77%
J.M. GIANNO	13	13	4	4	17	17	100%
F. GRAPPOTTE	12	13	10	10	22	23	96%
A. JOLY	8	8	4	4	12	12	100%
D. KESSLER	12	13	7	8	19	21	90%
J.F. LEPETIT	12	13	4	4	16	17	94%
L. PARISOT	9	13	2	3	11	16	69%
H. PLOIX	13	13	5	6	18	19	95%
B. PROT	13	13			13	13	100%
L. SCHWEITZER	9	13	6	6	15	19	79%
D. WEBER-REY	12	13	1	1	13	14	93%
Non-voting directors							
E. Van Broekhoven	1	1			1	1	100%
M. Tilmant	1	1			1	1	100%
Average		**89%**		**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 rates.

2. 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 [1].

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 [1].

In 2009, as in 2008, the Board spent considerable time analysing the effects of the financial crisis.

The Board reviewed the implementation of the steps and adaptations presented to it by Executive Management, in particular in the field of capital management, liquidity and of risk control. It reviewed measures implemented in the Corporate and Investment Banking business it had approved at the end of 2008 due to the very unfavourable market conditions.

(1) *AFEP-MEDEF Corporate Governance Code (point 4).*

- On 25 January 2009, the Board approved of the plan to have BNP Paribas participate in the second tier of the French plan to support the economy. On 25 September 2009, it approved of a capital increase in view of the redemption of the non-voting shares subscribed on 31 March 2009 by Société de Prise de Participation de l'État.
- The Board was briefed several times and approved the project to acquire control of Fortis Bank and well as the strategic partnership with Fortis Assurance Belgique. It examined and approved the industrial and integration plan prepared following the merger between BNP Paribas, Fortis Bank and BGL as well as the adjustments to the scope of consolidation aimed at improving risk control, optimising liquidity management and pursuing integration synergies.
- 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 regularly reviewed the negotiations of investment projects that it had previously discussed; in particular it approved of the project by BNP Paribas Personal Finance to acquire control over Findomestic.
- As in previous years, the Board met in a strategy seminar dedicated to the Group's development model and to the proposed priorities for each of its business lines. In particular, it examined the performance and prospects of the operational entities in the Retail Banking business.
- The Board was briefed several times on the findings of comparative studies on the performance of its business lines with those of its main competitors.
- It deliberated concerning ethical guidelines as well as on the security and competitive stakes of the Group's Human Resources policy.

3. INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE

As early as 1994, the Board of Directors decided to set up an Internal Control and Risk Management Committee separate from the Financial Statements Committee, thus splitting the work normally carried out by the Audit Committee. In 2007, the Board extended the remit of the Internal Control and Risk Management Committee to include all matters relating to compliance policy that may impact on reputation risk and professional ethics. The Internal Control, Risk Management and Compliance Committee acts independently and on a complementary basis to the Financial Statements Committee which oversees matters in connection with the preparation and control accounting and financial information. In 2009, the Board decided that these two Committees should henceforth hold a joint meeting twice a year in order to discuss common matters affecting both risk management policy and the provisions to be set aside in the books of BNP Paribas, review the General Inspection unit's terms of reference and the audit plan of the Statutory Auditors, and prepare the work of the Board in assessing risk management policies and management tools.

In 2009, the Financial Statements Committee and the Internal Control, Risk Management and Compliance Committee met together or separately eleven times. The membership of these two Committees and the work that they carry out in their respective fields are designed to meet the regulatory requirements in the banking and prudential fields. These include both the measures imposed by external regulators and BNP Paribas' own requirements regarding the quality of its internal control processes and risk management policy [1].

In 2009, the Board reviewed the report of the Internal Control, Risk Management and Compliance Committee drafted based on information provided by Executive Management, and regularly discussed the economic and financial environment, risk trends, in particular market and credit risk, as well as the Group's cash position:

- it discussed the main stakes identified for the different categories of risk;
- it was regularly updated on Value-at-Risk (VaR) trends as well as on the results of the risk measurements and crisis situation simulation methods;
- it was informed of the breakdown of the Bank's commitments by industry, line of business and geographic area, as well as of the concentration of individual major risks. It was regularly briefed on the Bank's sensitive exposure as per the presentation recommendations of the Financial Stability Board (FSB). It discussed the Group's risk in the businesses, subsidiaries and countries most affected by the crisis. It carried out the first reviews of the investment portfolio and market and credit operations of BNP Paribas Fortis;
- throughout the course of the year, the Board was regularly informed of the situation on liquidity markets and kept abreast of the measures taken by BNP Paribas to bolster its financing security. It was briefed on the conditions under which medium and long-term financing programs were carried out;
- the Board adapted the organisation of its work to the new measures on the assessment and control of policies, measures and procedures introduced by the Bank to comply with CRBF Regulation no. 97-02 relating to internal control in banks and investment firms. It set the identification criteria and threshold for the reporting of significant incidents revealed by internal control procedures. It was informed of the measures taken by Executive Management to verify that risk policies are being properly applied and appropriate measures taken to remedy any possible shortcomings;
- the Board was briefed on the internal control function activity as well as the resources placed at its disposal. It was provided with draft reports for the year ended 31 December 2008 on measuring and monitoring of risks, compliance, permanent controls and periodic controls. It was informed of the progress made on measures taken by Executive Management designed to ensure the control and security of market transactions;
- the Board heard the Chairman of the Internal Control, Risk Management and Compliance Committee on the deliverables of the periodic control function reported by the General Inspection unit and on the follow-up to recommendations previously issued as well as on the permanent control reporting;
- the Board was informed of the joint work of the Financial Statements Committee and of the Internal Control, Risk Management and Compliance Committee on the process for the valuation of financial products and control system;
- the Board heard the report, presented by the Chairman of the Internal Control, Risk Management and Compliance Committee, of the interviews conducted by it without the Chairman or the Chief Executive Officer being present, of the Head of the General Inspection unit, who is in charge of periodic control, of the Head of Permanent Control of Compliance, of Asset and Liabilities Management and the Head of Group Risk Management, whose remit covers the Group's global risk policy;

[1] *AFEP-MEDEF Corporate Governance Code (point 2).*

- the Board was periodically informed of the exchange of correspondence with the Commission bancaire and of observations made by the Internal Control, Risk Management and Compliance Committee with respect to each such exchange. It heard briefings on the relations with regulators abroad, as reported by Executive Management.

4. BUDGET, FINANCIAL STATEMENTS AND RESULTS, FINANCIAL MANAGEMENT AND COMMUNICATIONS

Budget

As is customary, at its last meeting of the year, the Board reviewed and approved the draft budget for 2010 presented by Executive Management for the Group as a whole as well as its core businesses and major business lines.

Financial statements and results

- The results and financial statements of the Group and of BNP Paribas SA for the fourth quarter of 2008, the first three quarters of 2009, for the first half and first nine months of 2009, presented by Executive Management, were reviewed and approved as required by the Board. Its work covered the entire consolidated Group as well as each of its fields of activity and core businesses. In view of the climate of great uncertainty prevailing on the stock exchange market in early 2009, the Board decided to publish, in January 2009, the Group's forecasted results at 31 December 2008. The Board was informed of the findings of the Financial Statements Committee and the Group's three Statutory Auditors (1) – who are entitled to attend Board meetings held to review the results and financial statements – concerning the results for the period.
- Based on the report submitted jointly by the Statutory Auditors and Executive Management, it reviewed the key choices made concerning the application of accounting standards. The Board was informed of the findings of the work of the Financial Statements Committee at a meeting specifically dedicated to the measurement of financial instruments.
- The Board was regularly informed of the effects of the crisis on the revenues and cost of risk of BNP Paribas. It was also provided with the results of a comparative analysis of the balance sheets of the leading European banks at 31 December 2008.
- It was informed of the adjustments made following the assessment of the first consolidation of BNP Paribas Fortis; it approved, acting upon the proposal of the Financial Statements Committee, of the allocation of the audit assignments of the Statutory Auditors of the Fortis Group entities between the members of the team of auditors of BNP Paribas and recommended the adoption thereof by the competent decision-making bodies of Fortis in Belgium and of BGL in Luxembourg.
- The Board was also briefed by the Financial Statements Committee – which examined the information presented to it by Executive Management – on the internal control audit operations and results and on the key audit points raised by Group entities as part of the certification process aimed at ensuring the reliability of the consolidation reporting package.
- The Board heard the report, presented by the Financial Statements Committee, of the interviews conducted without the Chairman, the Chief Executive Officer, the Statutory Auditors and the Head of Group Finance-Development Department being present.

Financial management

The Board was regularly briefed on issues of debt instruments and profitability trends in new lending. It reviewed and approved the financial statements and results for the year ended 31 December 2008 and approved the profit distribution policy; it approved the draft resolution concerning the dividend and ascertained the issue price of new ordinary shares delivered in payment of the dividend.

- The Board approved the draft resolutions, which were adopted by the Extraordinary Shareholders' Meeting on 27 March 2009, authorising BNP Paribas to participate in the French plan to support the economy. It subsequently made use of the delegation of authority given to it by the Annual General Meeting of 21 May 2008 in order for BNP Paribas to carry out a capital increase and redeem the non-voting shares subscribed by Société de Prise de Participation de l'État. Following that transaction, it reduced the share capital by cancelling the non-voting shares in accordance with Article 6 of the Articles of Association.
- To enable BNP Paribas to acquire control over Fortis Bank, it used the delegation of authority given to it by the Annual General Meeting of 21 May 2008 to approve the transfer of the shares of Fortis Bank and ascertain completion of the correlative increase in the share capital of BNP Paribas. It also approved of the draft resolutions adopted by the Annual General Meeting of 13 May 2009.
- The Board was briefed throughout the course of the year on trends in average risk-weighted assets and of the solvency ratio. It was provided with elements for the comparison of the results and returns on capital of major international banks for the first nine 9 months of 2009.

Financial communication (2)

The Board examined and approved, at each meeting devoted to results, draft press releases. It approved of the draft report of the Board of Directors for 2008 as well as the Chairman's draft report on internal control procedures on the preparation and processing of accounting and financial information. The Bank's long-term ratings from financial rating firms are provided at the beginning of the Registration Document.

(1) *The firms of Deloitte et Associés, Mazars and PricewaterhouseCoopers Audit were appointed by the Annual General Meeting for the period 2006-2011, based on a proposal by the Board of Directors.*

(2) *AFEP-MEDEF Corporate Governance Code (point 2).*

5. CORPORATE GOVERNANCE

Follow-up on the 2008 assessment of the performance of the Board of Directors

Suggestions for improvements made by Directors, in particular concerning the deepening of the analyses carried out by the Board on market risks and the integration in the strategic thought process of the lessons to be learned from the crisis in terms of stakes and opportunities for the Group, were followed through.

- The Board devoted part of a meeting to an in-depth examination of risk governance principles. It was informed of the changes made to the manner in which general purpose, segment and special purpose Committees function, designed to secure the foresight and decision-making process. It was informed of the tools, models and indicators developed in that aim by the teams dedicated to risk analysis and internal control. The Internal Control, Risk Management and Compliance Committee provided it with a detailed report on its work on market risk. Written reports on Board meetings were systematically provided to the Directors before the first Board meeting following their approval by the Committee.
- In the area of strategic, the Board of Directors devoted most of its work to the structuring arrangements for the acquisition of Fortis Bank. This subject was addressed at eight Board meetings, including three specially convened meetings. The Board also discussed the changes made in investment banking operations. It acknowledged the managerial decisions taken by the Chief Executive Officer, in agreement with the Chairman, designed to permit Corporate and Investment Banking and Investment Solutions to take an innovating approach to a period of adaption in their development.

Assessment of the performance of the Board of Directors in 2009

- For the eighth consecutive year an assessment of the organisation and performance of the BNP Paribas Board of Directors and of its specialised Committees was carried out [1].
- The Board of Directors considered that the self-evaluation methodology used in previous years was adequate. The assessment of the performance of the Board was therefore carried out on the basis of an anonymous survey dealing with the organisation of the Board, its conditions of operation and the main aspects of the Board's work (strategy, internal control and risk management, financial management, compensation) and with the competence of the members of the Board's Committees, the relevance of the topics discussed and the quality of the reports submitted on their work. The survey contained thirty-four questions grouped into ten topics. The Directors were invited to make proposals for improvements on each of these topics.

The Directors expressed a favourable view of the Board's work. They expressed particular satisfaction with the clarity of strategic presentations, the relevance of the topics discussed and the quality of the information presented. They stressed the preciseness of the information on results as well as the relevance of the work carried out by the specialised Committees and the quality of their reports to the Board. The Directors also expressed satisfaction with the information received on risk, in particular liquidity risk.

The main suggestion for improvement concerned deepening the analyses carried out by the Board on the Group's strategy in its new dimension. The Board also suggested that the strategic thought process on risk should be more systematically broadened to include risk to reputation.

Evaluation of Directors' performance – Changes in membership of the Board and of specialised Committees

- Based on the report made to the Board by the Corporate Governance and Nominations Committee, on its review of the situation of each Director in terms of their competencies, discernment and freedom of thought and of expression, it considered that the Board's membership assured it of the independence and ability to perform its duties in a satisfactory manner [2].
- Alain Joly's term having expired at the end of the Annual General Meeting of 13 May 2009, the Board of Directors decided not to fill his seat on the Board immediately. After having discussed the competencies and contribution to the work of the Board and to its discussions made by Claude Bébéar, Jean-Louis Beffa, Denis Kessler, Laurence Parisot and Michel Pébereau, the Board proposed that the Annual General Meeting adopt the resolutions concerning the renewal of their term of office for a period of three years, as part of the policy implemented to organise the smooth renewal of Directors [3].

Acting on the proposal of the Corporate Governance and Nominations Committee, the Board renewed Michel Pébereau in his duties and functions as Chairman of the Board of Directors. In replacement of Alain Joly, the Board appointed Claude Bébéar as Chairman of the Corporate Governance and Nominations Committee and Denis Kessler as member and Chairman of the Compensation Committee. It also appointed Daniela Weber-Rey as a member of the Corporate Governance and Nominations Committee.

The Board appointed Emiel Van Broekhoven and Michel Tilmant as non-voting directors.

Procedure for selecting members of the Board of Directors [4]

The selection procedure is based on information and assessments provided by the members of the Corporate Governance and Nominations Committee and the Chairman of the Board, in accordance with the criteria defined by the Committee. This ensures that successful candidates have the requisite personal and professional qualities.

This procedure is also followed by the Board in appointing the two non-voting directors proposed by the Belgian government following the acquisition of Fortis Bank.

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(1) *AFEP-MEDEF Corporate Governance Code (point 9).*

(2) *AFEP-MEDEF Corporate Governance Code (points 6 and 8).*

(3) *AFEP-MEDEF Corporate Governance Code (point 12).*

(4) *AFEP-MEDEF Corporate Governance Code (points 6 and 15).*

Assessment of BNP Paribas management [1]

The Board devoted a part of one of its meetings to assessing the Bank's management. Without Baudouin Prot being present, it heard the Chairman's observations concerning leadership by the Executive Management and the managerial performance of the Chief Executive Officer during the course of a year marked by the continuing crisis and by a major acquisition. In the absence of Michel Pébereau, the Board of Directors also carried out a performance review of the Chairman of the Board of Directors.

Compliance with European Commission Regulation (EC) no. 809/2004 of 29 April 2004

- To the best of the Board's knowledge, no Directors are faced with conflicts of interest; in any event, the Board of Directors' Internal Rules, which include the code of ethics applicable to Directors, require that they "inform the Board of any situation involving even a potential conflict of interest" and "abstain from taking part in the vote on the matter concerned". To the best of the Board's knowledge, there are no family ties between Board members.
- To the best of the Board's knowledge, none of its members has been convicted of fraudulent offences "*for at least the previous five years*", nor was involved in any bankruptcies, receiverships or liquidations while acting as a member of administrative, management or supervisory bodies, or as Chief Executive Officer, "*for at least the previous five years*".
- To the best of the Board's knowledge, there have been no *"official public incrimination and/or sanctions"* of members of the Board of Directors or of the Chief Executive Officer, none of whom have been disqualified by a court from acting in their current capacity, *"for at least the previous five years"*.
- Apart from regulated agreements and commitments, there are no arrangements or agreements with key shareholders, clients, suppliers or any other parties which involve the appointment of a member of the Board of Directors.

Implementation of AFEP-MEDEF Corporate Governance Code for Listed Companies

On 6 November 2008, the Board of Directors confirmed that the recommendations made by AFEP and MEDEF comprise the Corporate Governance Code referred to by BNP Paribas on a voluntary basis. It ensured that the practices of BNP Paribas complied in all points with the provisions of that Code, most recently published in December 2008. It carried out a new review of the provisions concerning termination of the employment contract of the Chief Executive Officer and decided to terminate Baudouin Prot's employment contract before the expiry of his term of office, the latter appointment having been made prior to 6 October 2008 [2].

Reports ascertaining the application of the provisions of the AFEP-MEDEF Corporate Governance Code as regards the compensation of corporate officers are featured in a note to the Consolidated Financial Statements included in this Registration Document.

Changes to Internal Rules – Report by the Chairman

Acting upon the proposal of the Corporate Governance and Nominations Committee, the Board of Directors approved of several changes to the Internal Rules, as consistent with the provisions of CRBF Regulation 97-02 and dealing, for the most part, with the duties and functions of the Financial Statements Committee, the Compensation Committee and of the Internal Control, Risk Management and Compliance Committee.

The Board approved of this report by the Chairman on the conditions for the preparation and organisation of the Board's work and the internal control procedures implemented by the Bank.

Directors' access to information and training [3]

- In accordance with the Board's Internal Rules, Directors may request that the Chairman of the Board or the Chief Executive Officer provide them with all documents and information required to enable them to carry out their functions, participate effectively in Board meetings and make informed decisions, provided that such documents are useful for decision-making purposes and related to the Board's authority.
- Directors have free access to the reports of all meetings of the Board's Committees.
- Committee meetings also provide opportunities to update the information available to Directors on specific issues related to the items on the agenda. The Board is also kept informed of developments in regulatory guidelines on corporate governance, in particular in the banking field. At the last Board meeting in 2009, the members of the Board were briefed on the periods in 2010 during which they are authorised to trade in BNP Paribas shares, barring exceptional circumstances.
- When directors take up their appointment, they are provided with written documentation describing the Group, its profile and organisation, its most recent financial statements and a series of pointers on the information available from the Group's websites. The Board's support staff provides the new Director with a copy of the Internal Rules and organises a number of working meetings between the new directors and managers of Group functional and operating units that are of interest to the new Directors in light of their functions and personal priorities. The foregoing also applies when non-voting directors take up their appointment.

(1) *AFEP-MEDEF Corporate Governance Code (point 9).*

(2) *AFEP-MEDEF Corporate Governance Code (point 19).*

(3) *AFEP-MEDEF Corporate Governance Code (point 11).*

Excerpt from Internal Rules: Code of ethics applicable to directors [1]

"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.

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

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

The legislation banning insider trading applies to Directors both in a personal capacity and when exercising responsibilities within companies that hold shares in BNP Paribas.

Directors are also advised to purchase or sell BNP Paribas shares only within the six-week period following the publication of the quarterly and annual accounts, or of any press release concerning business performance. However, if they have access to privileged information that would make them insiders under stock exchange rules, no BNP Paribas shares may be purchased or sold during this six-week period

Directors must not disclose any information that is not publicly available to any third party, including the managers of BNP Paribas shares.

If a Director has any questions related to ethics and compliance, he or she can consult the Head of the Group Compliance and Permanent Control function.

Directors shall inform the Board of any situation involving even a potential conflict of interest and abstain from taking part in the vote on the matter concerned.

Directors who deem that they are no longer able to effectively carry out their responsibilities on the Board or Committees of which they are a member should step down.

Any Director or any other person who is called upon to attend meetings of the Board and the Committees of the Board is required to treat all matters discussed during the meeting as strictly confidential.

In particular, Directors or other persons shall treat as strictly confidential all insider information as well as information that may interest competitors or external parties in connection with 'economic intelligence' and confidential information described as such by the Chairman.

In case of failure to comply with this obligation, the Director or other person may be exposed to a claim for damages.

Directors shall endeavour to participate regularly and actively in the meetings of the Board and the Committees of the Board and to be present at the Annual General Meeting of shareholders."

"In addition to the number of shares that Directors are required to hold under the Articles of Association, Directors elected at the Annual General Meeting should personally hold BNP Paribas shares equivalent to at least one year of Directors' fees."

Remuneration of Directors [2]

Directors who are not Group employees receive no form of compensation other than Directors' fees [3].

- The amount of fees payable to each Director individually has remained unchanged since 2005, at EUR 29,728, including EUR 14,864 – 50% of the total – as the fixed portion and EUR 1,061.71 per meeting. The Chairman of the Board of Directors does not, however, receive any additional fees under this rule. To take into account the additional constraints they face, Board members who live outside France are paid 1.5 times the fixed portion of Directors' fees.
- The amount of fees payable to the members of the Board's Committees has also remained unchanged since 2005, at EUR 5,946, including EUR 2,973 as the fixed portion and EUR 495.50 per meeting. The Chairmen of the Financial Statements Committee and of the Internal Control, Risk Management and Compliance Committee are paid a fixed portion of EUR 15,000 and a variable portion of EUR 1,239 per meeting. The Chairmen of the Corporate Governance and Nominations Committee and of the Compensation Committee respectively received a fixed portion of EUR 2,973 and a variable portion of EUR 1,239 per meeting.
- Based on the foregoing, the Board decided to grant the members of the Board a total appropriation of EUR 523,509 in 2009, down from EUR 523,724 in 2008. The overall amount of Directors' fees was set at EUR 780,000 by the Annual General Meeting on 18 May 2005.

6. COMPENSATION

- The Board of Directors duly noted, on 25 January 2009 and on 27 March 2009 respectively, the decision by the corporate officers to waive their entitlement to any variable remuneration for 2008 and to any grant of stock options in 2009. It approved of their decision, taken upon the redemption of the non-voting shares subscribed by Société de Prise de Participation de l'État, to maintain the commitments made to the French authorities in the scope of the French plan to support the economy, as regards the compensation and grant of stock options to corporate officers.

[1] AFEP-MEDEF Corporate Governance Code (point 17).

[2] AFEP-MEDEF Corporate Governance Code (point 18).

[3] Directors members of the Group: Patrick Auguste, Jean-Marie Gianno, Michel Pébereau, Baudouin Prot.

- Upon the proposal of the Compensation Committee and following discussion by the Board, the Board defined the methods of determination of the variable component of compensation of corporate officers for 2009 [1]. The Board's decision was made public after having been presented to the Annual General Meeting of shareholders. 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 also increased the fixed salary of Jean-Laurent Bonnafé, Chief Operating Officer, to reflect the operational nature and scope of his responsibilities following the acquisition of Fortis Bank. This decision was also made public.
- Based on a report from the Compensation Committee, the Board noted the compensation determined by the Chief Executive Officer for members of the Executive Committee other than corporate officers determined for 2008.
- The Board of Directors approved of the principles of the compensation policy of BNP Paribas, as well as the main methods of application for market professionals.
- The Board determined the compensation of non-voting directors in accordance with Article 19 of the Articles of Association.

Global Share-Based Incentive Plan

- Acting on a recommendation from the Compensation Committee, the Board adopted the Group's Global Share-Based Incentive Plan for 2009. This plan involves 2,376,600 stock subscription options (representing 0.26% of the share capital) and 638,255 bonus shares (representing 0.07% of the share capital) subject to performance conditions. It concerns 4,022 beneficiaries whose level of responsibility, contribution to results or professional potential make them key players in Group strategy as well as in the Group's development and profitability. The Board approved of the rules and the terms and conditions of this plan.

Share issue reserved for employees

The Board approved the terms and conditions of a new share issue reserved for employees.

> A note to the Financial Statements included in the Registration Document deals specifically with the compensation and benefits of corporate officers. This note also contains information on the pension plans applicable to corporate officers as well as the corresponding provisions for pension obligations. It features a standardised presentation of all information in connection with compensation and benefits granted to corporate officers. This note has been prepared in accordance with AFEP-MEDEF's Corporate Governance Code and with the AMF's recommendations.

7. FINANCIAL STATEMENTS COMMITTEE

In 2009, the membership of the Financial Statements Committee was unchanged from the previous year and included Louis Schweitzer (Chairman), Patrick Auguste, Denis Kessler and Hélène Ploix. Most of its members have extensive experience and expertise in the areas of corporate financial management, accounting and financial information.

The Committee's membership complies with AFEP-MEDEF's Corporate Governance Code. No members of the Bank's Executive Management sit on the Committee. Its duties and *modus operandi* are set out in the Board's Internal Rules. As is the case for all of the Board's Committees, it can rely on external experts if necessary.

To ensure that the Committees' information and knowledge remains fully up to date, its meetings include briefings on key issues, which are then examined and discussed in the presence of the Statutory Auditors. The information presented can be rounded out, as the case may be, by meetings with managers of Group functional and operating units, organised by the Board's support staff for any Committee members who express a need for further clarification.

The Financial Statements Committee met six times, including two times in a specially convened meeting, and the rate of attendance was 87%. It also met with the Internal Control, Risk Management and Compliance Committee. Documentation on agenda items, specifically the quarterly, half-yearly and annual results and financial statements – presented in standardised form – was previously addressed to the Committee members.

Review of the financial statements and financial information [2]

- The Committee reviewed the financial statements based on the documents and information provided by Executive Management and the verification procedures carried out by the Statutory Auditors. In doing so, it verified the relevance and consistency of accounting methods used in drawing up the Bank's consolidated and corporate accounts. It analysed the results and returns on capital by field of operation. It examined the draft press releases on the results before their presentation to the Board.
- It was briefed on trends in the consolidated balance sheet between 31 December 2007 and 31 December 2008 and on a comparative analysis of the balance sheets of European banks on that last date.
- It examined the effects of the crisis on the Group's revenues and cost of risk. It reviewed sensitive exposures by reference to the recommendations of the Financial Stability Board. It devoted a specially convened meeting with the Statutory Auditors, without the Chairman or the Chief Executive Officer being present, to matters in connection with the valuation of financial instruments and the financing of fund derivatives as well as with the accounting standards applicable to provisions for impairment of equity interests.
- The Committee periodically discussed trends in the Group's solvency ratios.
- The Committee was presented the joint report by the Group-Finance Development Department and the Statutory Auditors on the key choices made concerning the application of accounting standards and on the reclassifications of financial assets, in accordance with the amendments to IAS 39 and to IFRS 7, in the portfolio of loans and receivables.
- Based on a document prepared by the Global Finance-Development Department, it discussed the composition of the Basel II risk-weighted assets and risks of the consolidated balance sheet.

(1) *AFEP-MEDEF Corporate Governance Code (point 20).*

(2) *AFEP-MEDEF Corporate Governance Code (point 14.2).*

- During their joint meeting, the members of the Financial Statements Committee and of the Internal Control, Risk Management and Compliance Committee discussed the process for the valuation of financial instruments based on a document prepared by the Head of Compliance. The Heads of Global Finance-Development and of Group Risk Management as well as the Head of Periodic Control also took part in that meeting.
- When reviewing the financial results for each quarter and in the course of its discussions of specific issues, the Committee interviewed the Head of Group Finance-Development. During its review of the 2008 financial statements, it interviewed the Head of Group Finance-Development, without the Chairman or the Chief Executive Officer being present. The Committee listened to the comments and findings of the Statutory Auditors concerning the financial results for each quarter, without the Chairman, the Chief Executive Officer or Head of Group-Finance Development being present, and asked them any questions it deemed relevant.
- The Financial Statements Committee was informed of the work carried out in the scope of the first consolidation of BNP Paribas Fortis. During a specially convened meeting, it reviewed the adjustments made to the net equity of the group acquired. It monitored the findings of the evaluations subsequently carried out on the opening balance sheet.
- The Financial Statements Committee reported its findings to the Board of Directors at the end of each meeting.

Accounting internal control

- Every quarter, the Financial Statements Committee examined the summary of the control audit points reported by the Group entities in the context of the certification of their financial statements.
- It was informed of the integration in the internal control system of allocation indicators of accounting risk levels and of the introduction of accounting control plan and of the main disputes, cases of fraud or attempted fraud.
- In accordance with the requirements under CRFB Regulation 97-02, the Financial Statements Committee examined the system for the monitoring of accounting risk and for the assessment of the accounting internal control environment.
- It examined the section of the Chairman's draft report concerning internal control procedures in connection with the preparation and processing of accounting and financial information and recommended its approval by the Board of Directors.

Relations with the Group's Statutory Auditors (1)

- The Financial Statements Committee received from each of the Statutory Auditors a written statement of their independence vis-à-vis the conduct of the engagement.
- It was informed by the Statutory Auditors of the Group's audit plan. During its joint meeting with the Internal Control, Risk Management and Compliance Committee, it was provided with an update to this plan including Fortis Bank and its main topics for thought for 2010.
- In the absence of the Statutory Auditors, it received notification of the amount of fees paid to them in 2008. It examined engagements not directly related to auditing and decided on the engagements of this type submitted to it for approval, in accordance with the Group's internal procedure. It ensured that the amount of the fees received by the Statutory Auditors was not likely to compromise their independence.
- It examined the results of the call for tenders, launched pursuant to the methodology previously approved by it, so as to share the audit engagement assignments of the Statutory Auditors of BNP Paribas Fortis, BGL BNP Paribas and of their subsidiaries between the members of the team of BNP Paribas Statutory Auditors and proposed that this be approved by the Board of Directors.

(1) *AFEP-MEDEF Corporate Governance Code (point 14.2.2).*

Extracts from the Board of Directors' Internal Rules: the Financial Statements Committee

"The Committee shall hold at least four meetings per year.

Membership

At least two-thirds of the members of the Financial Statements 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 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 related 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.

The Committee shall analyse at least two times a year the summary of the 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 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, that is brought to his direct knowledge by the Head of Periodic Control and reports on its findings to the Board of Directors.

Relations with the Group's Statutory Auditors

The Committee shall steer 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 entailing 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 the Group Finance-Development Department. The Committee shall validate the Group Finance-Development Department's fast-track approval and control procedure for all "non-audit" engagements entailing fees of over EUR 50,000. The Committee shall receive on a yearly basis from the Group Finance-Development Department 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.

Barring 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 the Group Finance-Development Department shall submit, on a quarterly basis, a memorandum to the Committee analysing the nature and significance of the issues at play, presenting the pros and cons of the various possible solutions and explaining the rationale for the choices ultimately made.

Report of the Chairman

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 purview, the Committee may, as it sees fit, and without any other member of Executive Management being present if it deems this appropriate, interview the Heads of Group Finance and Accounting, as well as the Head of Asset/Liability Management.

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

8. INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE COMMITTEE

In 2009, the membership of the Internal Control, Risk Management and Compliance Committee remained unchanged from the previous year and included François Grappotte (Chairman), Jean-Marie Gianno and Jean-François Lepetit, i.e., two-thirds of its members were independent directors in accordance with the criteria of the AFEP-MEDEF Corporate Governance Code. Most of its members have, based on their training or experience, extensive expertise in the field of finance or accountancy. No members of the Bank's Executive Management sit on the Committee.

In 2009, the Committee met four times and the rate of attendance was 100%. It also met once with the Financial Statements Committee.

Documentation on agenda items - presented in standardised form – was previously addressed to the Committee members

Market risk, credit risk and liquidity risk

- The Committee duly reviewed, based on the information presented by Group Risk Management, all of the market, credit and counterparty risks. In particular, it analysed the Group's exposure in the sectors, business lines and geographic areas most affected by the crisis. It was informed, as was the Financial Statements Committee, of the Group's sensitive exposures as per the recommendations of the Financial Stability Board. The Committee was informed of the conclusions of the Risk Policy Committees held by Executive Management. It examined the exposure of BNP Paribas Fortis, in particular as concerns structured credit portfolios. The Head of Group Risk Management and his deputies specialised in different risk categories were interviewed at a Committee meeting and answered its questions in their respective areas of responsibility.
- The Committee was regularly informed of Value-at-Risk (VaR) trends as well as of the results of back testing. It was briefed on the changes made to secure the stress testing methodology, specifically by applying strong shocks to the positions.
- It was updated on and discussed, at each of its meetings, trends in liquidity markets and on the situation of BNP Paribas. It was briefed on the policy guidelines adopted by Executive Management to adapt the organisation, risk tolerance and internal management model of liquidity to the new environment. The Committee was informed of the outcome of the stress testing carried out at the request of the Commission bancaire.
- The Committee interviewed, without the Chairman or the Chief Executive Officer being present, the Head of Group Risk Management and the Head of Assets and Liabilities Management.

Internal control, compliance, relations with regulatory authorities

- The Committee was provided with the draft annual reports on Compliance and permanent operational control for 2008 as well as the draft periodic control report prepared by the General Inspection unit for 2008. It discussed the measures taken by Executive Management to prevent fraud and bolster the Group's compliance system. It was briefed on the main risk areas identified and on the measures decided to monitor the implementation of the recommendations of the General Inspection unit. It reviewed the permanent operational control system introduced in the fields of operation and functions of the Group and the progress made on their control plans. It also reviewed a summary of salient events in 2008 and the action plan for 2009 of the business continuity plan.
- The Committee received several briefings on the progress made on projects launched at the start of 2008 by Executive Management to ensure the control and security of transactions and of information systems in market transactions. It was informed of the findings of the audit assignments of the General Inspection unit at 30 June 2009 and analysed the main observations made by it during its assignments in the Group's fields of operation or during its special-topic assignments. It was informed of the terms of references for 2010.
- It was updated on and discussed the Group's presence in the countries featured on the OECD list of 2 April 2009.
- The Committee examined the risk control and monitoring systems and procedures. It examined the new provisions of CRBF Regulation 97-02 and submitted changes to the organisation of its work it considered to be necessary for approval by the Board.
- It examined the correspondence exchanged between Executive Management and the Commission bancaire and reported on this to the Board.
- Without the Chairman or the Chief Executive Officer being present, the Committee interviewed the Head of Permanent Control and Compliance, and the Head of the General Inspection unit, who is in charge of periodic controls.
- It reviewed the section of the Chairman's draft report on internal control and recommended its approval by the Board of Directors.

Extracts from the Board of Directors' Internal Rules: 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 tackles 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 of 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 Commission bancaire.

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 to his direct knowledge by the Head of Periodic Control and reports on its findings to the Board of Directors.

Interviews

It may interview, without any other member of Executive Management being present if it deems this appropriate, 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.

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.

Common provisions

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 of the terms of reference of the General Inspection unit and of 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."

9. CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE [1]

The members of the Corporate Governance and Nominations Committee are Claude Bébéar (Chairman), Laurence Parisot and Daniela Weber-Rey. All of its members qualify as independent Directors, and each member is versed in corporate governance issues and has a proven track record in the management of major international corporations.

No members of the Bank's Executive Management sit on the Committee. The Committee shall include the Chairman of the Board of Directors in its work on seeking out and selecting new directors or non-voting directors and on the replacement of corporate officers [2] [3].

Its terms of reference are defined by the Internal Rules (see inset below).

[1] *AFEP-MEDEF Corporate Governance Code (point 15).*

[3] *AFEP-MEDEF Corporate Governance Code (point 15.1).*

[3] *AFEP-MEDEF Corporate Governance Code (point 15.2).*

Excerpt from the Internal Rules of the Board of Directors: The Corporate Governance and Nominations Committee

"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."

"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."

"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 posts of Chief Operating Officers.

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."

In 2009, the Committee met three times with an attendance rate of 89%.

Organisation and performance of the Board and of the specialised Committees - Assessing the performance of the Directors

- The Committee prepared the assessment by the Board of Directors of the performance of the Board and of its specialised Committees. It ensured that a summary of the assessments made by Directors was submitted to them for review before being presented the report by the Committee's Chairman.
- It took due note of the implementation, in 2009, of improvements recommended by the Board in its assessment for 2008.
- The Committee assessed the contribution of each of the Directors based on the diversity of their experience and personality. It discussed the respective contribution made by them to the work of the Board and to its discussions.
- To replace Alain Joly, it proposed to the Board of Directors to appoint Claude Bébéar as Chairman and Daniela Weber-Rey as member of the Corporate Governance and Nominations Committee. It also proposed appointing Denis Kessler as Chairman and member of the Compensation Committee.
- Acting upon the proposal of the Chairman of the Board of Directors, it examined the candidatures presented by the Belgian government to the posts of non-voting Directors and recommended that the Board appoint Emiel van Broekhoven and Michel Tilmant.
- The Committee approved of the changes made to the Internal Rules following the detailed analyses carried out by the three other Committees on possible changes to be made to the organisation of the work of the Board in the wake of the new provisions of the CRBF Regulation 97-02 on internal control.

Evaluation of corporate officers

- The Board carried out a performance review, outside his presence, of the Chairman of the Board of Directors.
- It also assessed the performances of the Chief Executive Officer and Chief Operating Officers, without them being present.
- The performance reviews of corporate officers are made in view of the foresight, decision-making and leadership skills shown by the officer in implementing the Group's strategy and preparing its future.

Report by the Chairman

The Committee reviewed the section of the Chairman's draft report on corporate governance and recommended its approval by the Board of Directors.

10. COMPENSATION COMMITTEE [1]

The members of the Compensation Committee are Denis Kessler (Chairman), Jean-Louis Beffa and François Grappotte. In line with the recommendations made by the AFEP-MEDEF Corporate Governance Code (point 16), two-thirds of its members are independent directors. All of its members have experience in the field of compensation systems and market practices in this field.

No members of the Bank's Executive Management sit on the Committee. The Chairman of the Board of Directors is not a member of the Committee, but is invited to take part in its deliberations, except those which concern him personally [2].

The Committee interviews the Head of Group Human Resources.

According to the internal rules, the Compensation Committee "is tasked with addressing all issues related to the personal status of corporate officers, including compensation, pension benefits, and provisions governing the departure of members of the Bank's corporate decision-making or representative bodies. It examines the conditions, amount

(1) *AFEP-MEDEF Corporate Governance Code (point 16).*

(2) *AFEP-MEDEF Corporate Governance Code (point 16-2).*

and allocation of stock subscription or purchase option plans. Similarly, it examines the conditions of bonus share grants. It prepares the work of the Board based on the principles of the Group's compensation policy, in particular as regards market professionals, in accordance with the applicable laws and regulations."

The Committee proposes the basis of calculation of Directors' fees to the Board and submits the amounts thus granted to each Director for approval by the Board, within the overall limits set by the Annual General Meeting of shareholders.

In 2009, the Board met six times with an attendance rate of 94%.

- The Committee reviewed all measures taken in terms of the compensation of corporate officers and ensured their compliance with the AFEP-MEDEF Corporate Governance Code.
- It determined, on an indicative basis, the amounts of the variable compensation that were not paid to corporate officers for 2008. It proposed that the Board of Directors approve an increase in the fixed salary of Jean-Laurent Bonnafé in view of his extended responsibilities following the merger with Fortis Bank.
- It submitted its recommendations to the Board of Directors concerning the basis for determining variable compensation for corporate officers for 2009.
- The Committee reviewed and proposed that the Board of Directors approve the features of and payments made under the 2009 Global Share-Based Incentive Plan. It was informed of the decision by corporate officers not to receive stock options under that plan. It approved of the introduction of a performance condition in the provisions relating to bonus share grants. It carried out a preliminary review of the features of the 2010 Global Share-Based Incentive Plan.
- The Committee proposed that the Board of Directors approve the table of allocation of Directors' fees for 2009 as well as the compensation of the two non-voting Directors [(1)].
- The Committee was informed of the compensation determined by the Chief Executive Officer for 2008 for the members of the Executive Committee (excluding corporate officers).

Compensation guidelines

- The Committee was informed, at its first meeting of the year, of the guidelines adopted by BNP Paribas for its compensation policy in market operations.
- It was briefed on international, European and French documents in connection with governance and variable compensation of capital market professionals. On that basis, it proposed that the Board of Directors set the compensation guidelines of BNP Paribas. It ascertained that the presence within the Board of François Grappotte and Denis Kessler, respectively Chairman of the Internal Control, Risk Management and Compliance Committee and member of the Financial Statements Committee facilitated the work of the Board as regards the match between the BNP Paribas compensation policy and its risk policy.

INTERNAL CONTROL

The information below concerning the Group's internal control system has been 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-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 no. 97-02 [(2)] 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 no. 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 and periodic controls. The Internal Control system must also take into account, as appropriate, the General Regulations of AMF (French Financial Markets Authority), 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."

(1) In accordance with the AFEP-MEDEF Corporate Governance Code, the table of Directors' fees paid to Directors is featured in the note to the financial statements referred to above.

(2) This document is frequently amended so as to improve the efficiency of internal control mechanisms.

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 be exercised independently.

SCOPE OF INTERNAL CONTROL

One of the fundamental principles of internal control is that it must be exhaustive in scope: it applies in the same degree to all types of risk and to all entities in the BNP Paribas Group, whether operational (core businesses, business lines, functions and territories) or legal (branches and consolidated subsidiaries), 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 in BNP Paribas is based on the following key principles:

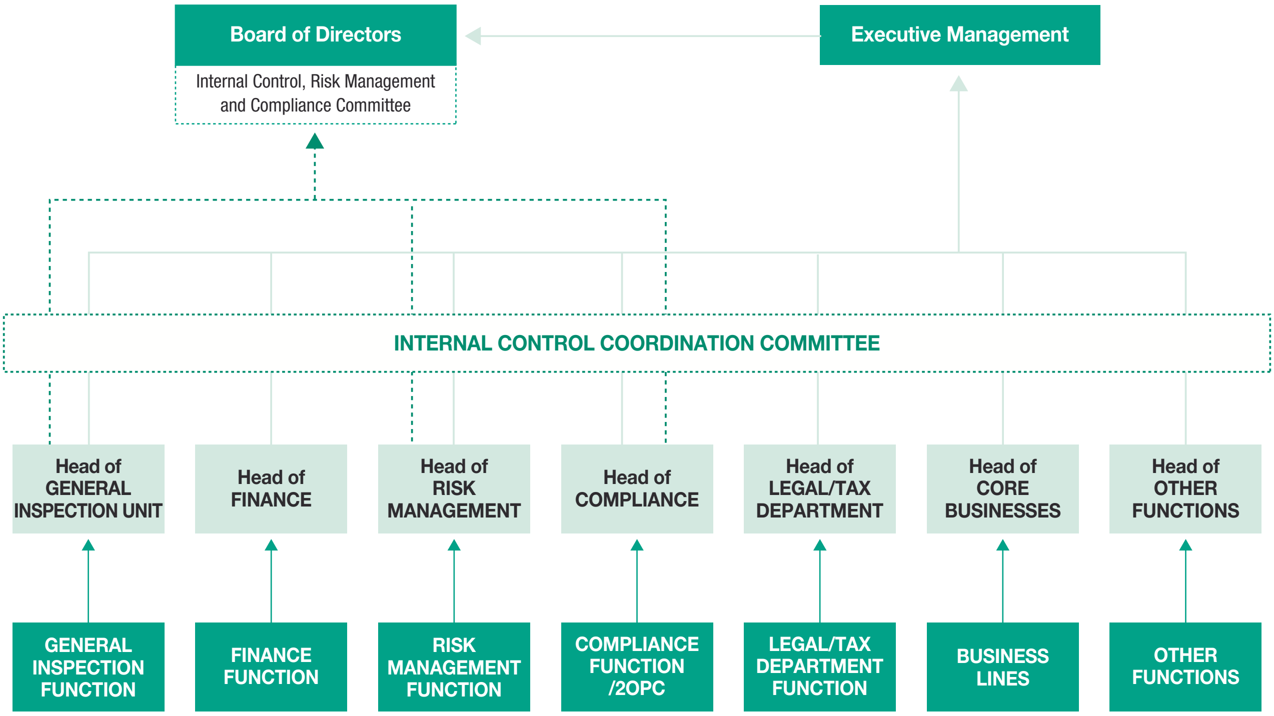
- **responsibility of operational staff:** the permanent control mechanism must be incorporated within the operational organisation of the entities. Operational managers must ensure effective control over the activities for which they are responsible, and all employees are under the duty to blow the whistle on any problems or failings of which they are aware;
- **exhaustiveness** of internal control (see above, under "Scope of Internal Control");
- **separation of tasks:** this applies to the various phases of a transaction, from initiation and execution, to recording, settlement and control. The separation of tasks also exists between independent functions carrying out independent controls and between Permanent Control and Periodic Control;
- **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 managers;
- **internal control traceability:** this relies on written procedures and audit trails. Controls, results, exploitation and information reported by entities to higher Group Corporate 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 Control. 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 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 surveys that are conducted by the General Inspection unit, which performs these functions on an independent basis.



PLAYERS INVOLVED IN 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 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;
- **Permanent Control Functions.** These Functions carry out second-level controls:
  - the **Compliance Function** 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 the overall strategy of the Board of Directors and Executive Management guidelines. It has considerable independence, notably ensured by its joint exercise with the Heads of operating units over the managers of teams in charge of compliance in the core businesses and support functions via a joint oversight arrangement. The Head of Compliance reports to the Chief Executive Officer and represents the Bank before the Commission bancaire with regard to all matters concerning permanent controls.

    It also ensures, through dedicated teams, the supervision of the Permanent Operational Control system of business lines (Core Businesses and Business Lines) and of support and control Functions.

    Lastly, it ensures a coordination role for the Group's overall Internal Control system, by coordinating the Internal Coordination Control Committee and major cross-functional projects, in particular those geared at bolstering the Internal Control system;
  - the **Risk Management Function** contributes, notably by 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, the rating level its seeks to have and its profitability objectives. The duties associated to this function at the Group Risk Management level are exercised independently of the core businesses and support functions, contributing to the objectiveness of its permanent control. Its Head, who is a member of the Executive Committee, reports directly to the Chief Executive Officer;
  - the **Finance-Development Function** is responsible for the preparation of financial statements and management control reporting of quality, 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 Executive Committee, reports directly to the Chief Executive Officer;
  - **other Functions,** which are key players involved in Permanent Control in their respective areas of responsibility: **Legal Department, Tax Department, Information Technology & Processes Department, Human Resources Department.**
- **Periodic Control:** periodic control (called "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 in geographic or line of business hubs.

Periodic Controls are the responsibility of the Head of the General Inspection unit who reports operationally to the Chief Executive Officer. The Head also reports to the Board of Directors directly, or through the Internal Control, Risk Management and Compliance Committee.

- The **Board of Directors** exercises internal control duties. In particular, it set up an 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 main regulators;
  - examines the key focuses of the Group's risk management policy.

The Heads of the Compliance, Risk Management and of the General Inspection functions report on the performance of their duties to the Chief Executive Officer. Whenever the latter or the Board of Directors deem necessary, they also periodically report to the competent Board Committee (as a general rule, the Internal Control, Risk Management 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 Core Businesses or their representatives, and the Head of Periodic Control.

This Committee:

- is chaired by the Head of Compliance, who sits on the 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;
- enhances the overall consistency of the annual reports on internal control and control of investor services 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 2009, the ICCC's work covered the following main topics:

- review of the Group's fraud prevention and detection policy;
- representative offices;
- "Closer to Emerging Standards" project, aimed at aligning the Bank on best international practices in the field of risk management;
- archival & records storage policy;
- monitoring of corrective measures, in particular those recommended by the General Inspection unit.

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 the headquarters level, and in the context of the supervision of permanent operational control, checks that procedural guidelines are regularly monitored for completeness via a network of correspondents. Efforts are ongoing 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 surveys on the effectiveness of processes have been integrated into the twice-yearly reporting of the permanent control function.

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

- 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 rely essentially on committees (exceptional transactions and new activities committees, credit committees, etc.) primarily composed of operating staff and permanent control functions (Risk and Compliance, as well as Finance Department, Legal Department and other concerned functions) who carry out a "second tier" control on transactions. In case of dispute, it is escalated to a higher level in the organisation. At the summit of the process are the Committees (Credit Committee, Capital Market Risk Committee, Risk Policy Committee) on which members of Executive Management sit. Since the end of 2008, a monthly Risk Committee has been held on which all Executive Management members sit, as well as, in particular, the Heads of the Risk Function (GRM) and Finance Function so as to ensure more frequent monitoring of Group risk trends.

HIGHLIGHTS OF 2009

Group Compliance

In 2009, the Group's Internal Control system was strongly marked by the increase in Compliance issues and by the integration of Fortis.

The Compliance Function faced a strong increase in issues concerning:

- new regulations, in particular the transposition into French law of the 3rd European Money Laundering Directive and new requirements in the field of professional certification;
- stricter requirements in the field of internal control, with 3 amendments to CRBF Regulation 97-02 during the course of 2009:

- Decree of 14 January 2009, specifically requiring that the Board of Directors define the criteria and thresholds of materiality of incidents revealed by internal control procedures,
- Decree of 29 October 2009 creating a new chapter on the fight against money laundering and the financing of terrorism (*transposition of the 3rd European Money Laundering Directive*),
- Decree of 3 November 2009 on the compensation of employees whose activities are likely to have an impact on the risk exposure of financial institutions, requiring that risk be taken into consideration in the compensation policy (capital adequacy) and the preparation of an annual report submitted to the Commission bancaire;

- Decree of 5 May 2009 creating new obligations relating to the measurement and monitoring of liquidity risk;
- reorganisation and enlargement of the Group with the creation of the Retail Banking Division and the acquisition of Fortis Bank.

The integration of Fortis was a major topic for Compliance in 2009 and will continue to be in 2010 and has resulted in the general mobilisation of the function, at headquarters and operational level.

Since the end of 2008, close contacts have been created between the Heads of Compliance of BNP Paribas and their counterparts at Fortis Group, so as to determine the measures to be introduced without delay as of the date of the "closing" (which took place on 12 May 2009), in the field of compliance, in particular so as to protect the reputation of the enlarged BNP Paribas Group. In particular, the following measures were introduced:

- measures to better manage conflict of interest situations related to the presence of minority shareholders in BNP Paribas Fortis;
- rules in the field of information exchanges;
- measures geared at coordinating action in sensitive areas such as politically exposed persons or transactions involving "sensitive" employees;
- a consolidation of the Group's "equity" positions in view of application of the rules on information to be reported to markets.

In addition, Compliance was involved in steering the overall merger so as to contribute to its integrity.

The inclusion of BNP Paribas Fortis, the implementation of numerous new rules, in particular prudential and the improvement of the operational compliance system, are among the Group's priority objectives for 2010.

Permanent Operational Control

The efforts that began a few years ago in the field of permanent operational control, focusing on the involvement of operational staff in risk management and systematisation of this approach, continued and are progressively bearing fruit. In 2009, several salient measures should be noted:

- the consolidation of the structure of the permanent operational control system. Following the decision taken in 2008 to have the permanent operational control structure go beyond a coordination role so as to play a supervision and early warning role, 2009 was marked by the formalisation of the general framework in which the permanent operational control system applies at the Group level, and by the determination of the scope in which the supervision and whistle blowing role is exercised. This formalisation work also permitted integrating the significant changes introduced by Regulation 97-02 in the internal control system of financial institutions;
- the adaptations made or prepared in 2009 in the context of the Basel II framework approved by the Commission bancaire:
  - updating of the data feeding the model by the entities, with a special focus on the most significant incidents;
  - definition of a capital allocation that is more sensitive to the risk profiles for implementation as of 2010;
- extension of the scope of the business continuity scenarios. In 2009, the efforts of the teams tasked with business continuity largely focused on the scenario of the unavailability of human resources and more specifically on preparing for a large scale epidemic;
- the merger with Fortis. Management of the integration of Fortis was one of the key projects in 2009. A target system was defined, and the main measures implemented were to align BNP Paribas Fortis along the practices of BNP Paribas, with a review of such practices so as to reflect the strong points of Fortis. The main projects for 2010 are management of the transition towards the BNP Paribas system in calculating capital requirements and of the migration of the Fortis tools to those of BNP Paribas.

Besides aspects in connection with the merger with Fortis, 2010 will be marked by the consolidation of the supervision and whistle blowing function on the deployment and operation of the permanent operational control system in all of the Group entities.

Periodic Control

In the context of the "Knowledge" program launched in 2008, designed to harmonise and enrich the knowledge base associated to the audit process, the General Inspection unit made considerable progress on several points in 2009.

The function acquired four new guidelines on:

- conduct of audit process;
- supervision of audit process;
- constitution, archival and access to the audit file;
- use and access to internal audit tools.

These guidelines provide precise instructions, in accordance with the professional standards, that enable improving the audit trail and improve the homogeneity of working methods and audit deliverables in all of the "hubs" of the General Inspection unit.

Training was organised in all "hubs" to present these operational procedures which entered into force on 1 November 2009.

The "How-to" program ultimately contemplates (end of 2010) the delivery of 9 guidelines, covering the main internal audit processes.

The integration of Fortis within the scope of consolidation of BNP Paribas has led to the setting up of many working groups having for their duties to organise the Function and converge the tools, methods and guidelines (the "How-to" has applied since 1 January 2010 within this scope).

Training on the BNP Paribas tools and guidelines has also been provided to all employees.

Within the BNP Paribas scope, the professionalisation effort has continued: training actions in 2009 increased by 8% compared to 2008, as did professional certifications (+22%).

In the area of "Risk Assessment", the Function upgraded its tools in 2009: the MyRiskAssessment tool was improved so as to better formalise the audit trail between the different "Risk Assessment" factors and the listing of auditable macro domains.

INTERNAL CONTROL HUMAN RESOURCES

At the end of 2009, the number of full-time equivalent employees (FTE) in the various internal control function components was as follows:

	2006	2007	2008	2009 (excl. Fortis)	Variation 2008/2009	2009 (incl. Fortis)
Compliance (excluding Permanent Operational Control - POC)	614	740	864	904	+4.5%	1,120
Permanent Operational Control [(1)]	70	439	562	637	+13%	760
Group Risk Management	869	881	954	950	-0.5%	2,940 [(2)]
Periodic Control	902	854	829	822	-0.8%	1,023
TOTAL	**2,455**	**2,839**	**3,209**	**3,313**	**+3%**	**5,143**

(1) *The Permanent Control / Operational Risk merger having become effective in 2008, the new scope of the "Permanent Operational Control" entity was reconstituted for 2007 for the sake of comparison. It includes the Permanent Control, Operational Risk and Business Continuity Planning coordination teams.*

(2) *Before the restatements referred to below.*

Second-level permanent controls

- The number of FTEs working in the Compliance Function (excluding POC) jumped 4.5% to stand at 904 (excluding Fortis), at end-December 2009. This slower increase compared to previous years is explained by degree of maturity achieved by the Compliance system. However, in view of the new Compliance issues, this number should stand, on a like-for-like basis, at 950 FTE at 2010 year-end.

  With the enlarged scope of the new Group, Compliance counted 1,120 FTE (excluding POC) at 2009 year-end.
- The "Permanent Operational Control" entity (also called "Oversight of Permanent Operational Control – 2OPC) created following the merger in 2007 of the Permanent Control and Operational Risk teams, coordinates the implementation of the approach in the different Group entities and counted 637 FTE at 2009 year-end. This figure includes the head teams in the core businesses, business lines and functions but excludes the resources dedicated to accounting internal control and the numerous teams of specialised controllers throughout the Group. With the teams of BNP Paribas Fortis, Permanent Operational Control counted 760 FTE at 2009 year-end.
- At the end of 2009, GRM totalled 950 FTE. The year was marked by the transfer to the Group Finance-Development Function of the consolidated periodic Reporting process for credit risk. In addition, GRM continued to bolster its resources with an additional thirty persons, essentially in the scope of the RCM (Risk Capital Market) and RIS (operational risk of the "Investment Solutions" Core Business) Departments.

  The teams of the "Risk" Function at BNP Paribas Fortis represent approximately 2,000 FTE of which 924 FTE for Belgium (budgetary estimate at 31 December 2009) and 1,066 FTE worldwide (current budget estimate). Following the integration, a substantial portion of this headcount should be classified outside the Risk Function.

Periodic Controls

- *BNP Paribas (excluding Fortis) scope:* the average headcount in the Bank's General Inspection unit in 2009 was 822 FTE (829 in 2008), equivalent to 783 FTE in terms of the sole audit coverage of the core businesses, business lines and functions.
- *Fortis scope:* the average audit headcount in 2009 was 201 FTE, equivalent to188 FTE dedicated exclusively to audit coverage.

The ratio of auditors to auditees within the global scope of consolidation (BNP Paribas + Fortis) was 0.5%.

LIMITATION OF THE POWERS OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer has the broadest powers to act in all circumstances in the name of BNP Paribas and to represent the Bank in its dealings with third parties.

He shall exercise these powers within the limits of the corporate purpose and subject to those powers expressly granted by French law to Shareholders' Meetings and the Board of Directors.

Within the Group, the Internal Rules of the Board of Directors require the Chief Executive Officer 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 (excluding portfolio transactions) of more than EUR 250 million. The Chief Executive Officer must seek preliminary approval from the Financial Statements Committee of the Board for audit engagements entailing total fees of over EUR 1 million (before tax).

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, the Group Finance-Development Function 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 core business/business line by the Finance Department Function and by the Group Finance-Development Function.

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

The core businesses/business lines/territories then perform further controls at their level on the financial statements prepared by the accounting entities. They enhance the quality of the reporting by carrying out appropriate reconciliations of accounting and management data.

The Group Finance-Development Function gathers all the accounting and management information produced by the accounting entities in line with formalised reporting procedures validated by the core businesses/business lines. 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 under local GAAP while the Group consolidated financial statements have been prepared under IFRS (International Financial Reporting Standards) as adopted for use by the European Union.

The Accounting Policies Department of the central Group General Accounting Department defines, based on IFRS, the accounting policies to be applied on a Group-wide basis. 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 core businesses, 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 handles requests for specific accounting studies made by the accounting entities or business lines outside the design or recording of a financial product.

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 the internal network tools (intranet).

Systems used

The role of dedicated teams within Group Finance-Development includes defining the target architecture of the information systems of the Finance Department function (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 the 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. Routing controls are ensured at each level of the data transmission chain to ensure these systems are adequately fed. The Group also regularly carries out upgrade maintenance on these systems to adapt them to the growth and increasing complexity of its business.

Lastly, dedicated teams are responsible for defining the accounting procedures in the back office and accounting systems for application at the operational level of the accounting principles established by the Accounting Policies.

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.

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

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 core businesses/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 and management accounts 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 Finance-Development 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 core business and business line, which then reports management data consolidated at its level to the Budget and Strategic Management Control unit at Group Finance-Development.

For each entity and core business/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 the Group Finance-Development Function 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 the Group Finance-Development Function

To enable it to ensure the monitoring of accounting risks centrally, the Group Finance-Development Function has combined the teams from "Group Control & Certification" and "BNP Paribas SA (France) Control & Certification" in a "Control & Certification" Department.

"Group Control & Certification" 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 organising the accounting internal control environment and key controls geared at ensuring the reliability of the information featured 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 core businesses/business lines. This monitoring is facilitated by use of a dedicated tool FACT (Finance Accounting Control Tool) allowing each accounting entity to monitor the recommendations made to it and to regularly report on the progress made on different action plans. Group Finance-Development can identify improvements to the accounting internal control system made within the consolidated entities and provide, as applicable, solutions to any cross-functional problems that may have been identified thanks to the centralised monitoring of such recommendations.

The "BNP Paribas SA (France) Control & Certification" team 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 for which Group Finance-Development is in charge of their accounting. The team has the following key responsibilities:

- liaising between the back offices feeding the accounting system and the Group Accounting department;
- training back office teams in accounting controls and tools made available to them;
- coordinating the "elementary certification process" (described below) whereby back offices report on the controls conducted by them;
- implementing 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.

The accounting control of the French accounting hub relies in particular on accounting control tools that permit:

- identifying for each account, the sector responsible for its justification and control;
- running reconciliations of the balances recorded in the accounting system with the balances in the operational systems for each business;
- identifying suspense accounts so as to monitor their discharge.

Internal Certification Process

At Group level

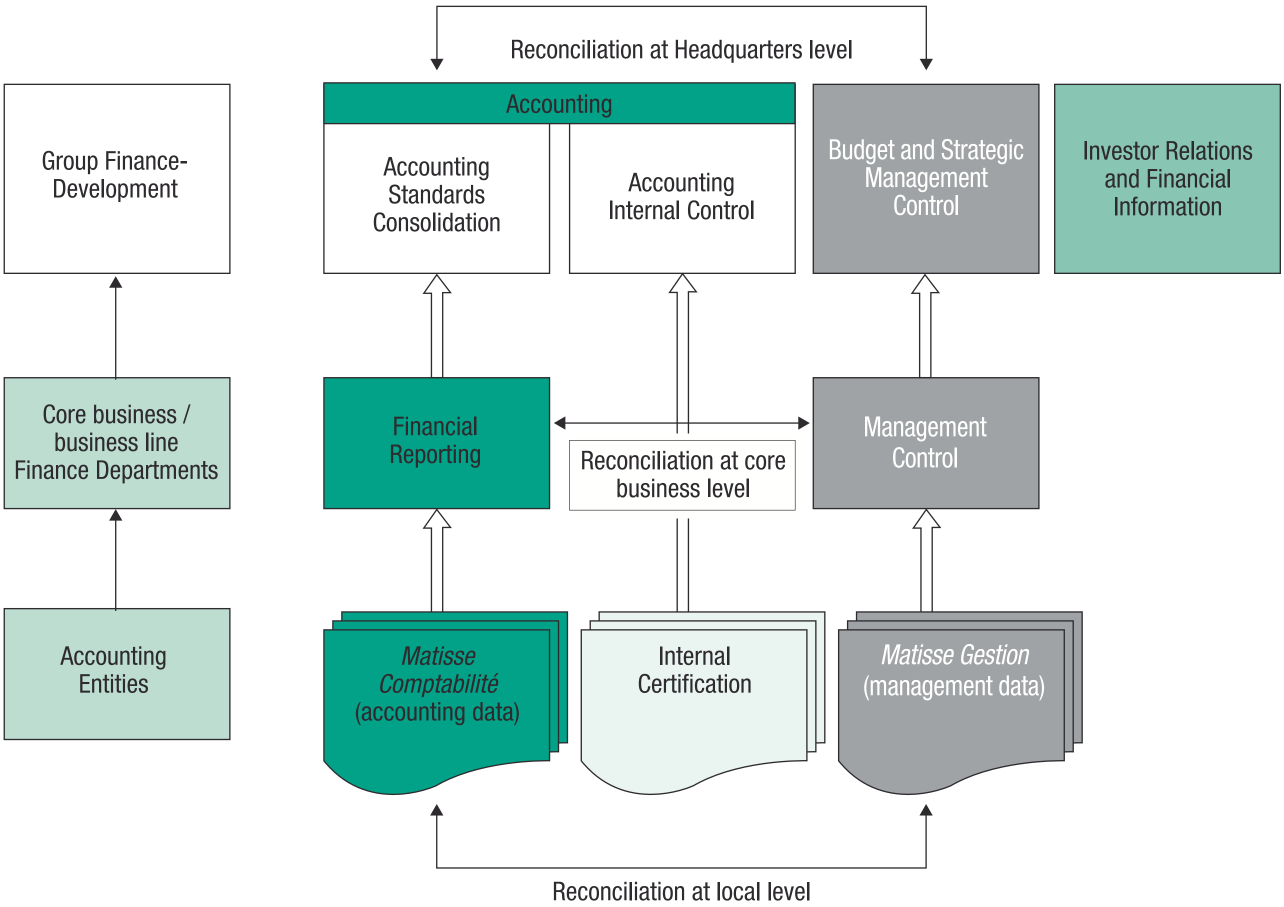
The Group Finance-Development Function has introduced a process of internal certification of quarterly data produced by the different accounting entities, as well as of the controls performed within Finance departments of the core businesses/business lines and by the Consolidation department within the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

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

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

Since the first quarter of 2009, the main certificate completed by all entities consolidated by global or proportional integration reproduces all of the major controls defined in the standard accounting control plan published by Group Finance-Development and not only a selection of such controls.

This internal certification process forms part of the overall Group accounting internal control monitoring system and enables the Group Finance-Development Function, 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. Towards this end, "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 such a way that such process is necessary.

This process requires that those involved in preparing accounting data and in performing accounting controls (e.g., Middle Office, Back Office, Human Resources, Risk Management, Tax Department, Management Control/Planning, Accounts Payable, Treasury, IT Department, Overheads, etc.) formally certify that the information provided is accurate and 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 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

The Group Finance-Development Function, 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 Finance-Development-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 the Group-Finance Development Function 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 aforementioned procedures form part of an evolving system that aims to guarantee an adequate level of control throughout the Group. Accordingly, the entities of Fortis subgroup BNP Paribas acquired in May 2009 progressively deploy at their level the accounting internal control organisational principles defined by Group Finance-Development. In that context, BNP Paribas Fortis prepared a certificate on the consolidation package of the subgroup that relies on a sub-certification system to which the most significant entities in its scope contribute.

RELATIONS WITH THE GROUP'S STATUTORY AUDITORS

The Statutory Auditors are required to issue a report every financial year in which they give their opinion concerning the fairness of the Consolidated Financial Statements of the BNP Paribas Group and of the annual financial statements of the Group's companies.

The Statutory Auditors also carry out limited reviews of the quarterly accounts for the first and third quarters of the financial year. As part of their statutory audit assignment:

- they examine any significant changes in accounting standards and present their recommendations concerning choices with a material impact to the Financial Statements Committee;
- they present the entity/business line/core business Finance functions with their findings, observations and recommendations for the purpose of improving certain aspects of the internal control system for the preparation of accounting and financial information, reviewed in the course of their audit.

The Financial Statements Committee of the Board of Directors is briefed concerning accounting choices that have 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 Information team, within the Group Finance-Development Function, 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.

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 core businesses 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 to the validation phase of press releases in connection with the close of quarterly, half-yearly or annual financial statements, before their presentation to the Financial Statements Committee and to the Board of Directors.

2

2.3 Statutory Auditors' report pursuant to Article L.225-235 of the French Commercial Code on the report of the Chairman of the Board of Directors

Deloitte & Associés
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Regnault
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 2009.

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, 8 March 2010

The Statutory Auditors

Deloitte & Associés	**PricewaterhouseCoopers Audit**	**Mazars**
Pascal Colin	Gérard Hautefeuille	Guillaume Potel

2.4 Executive Committee

At 31 December 2009, the Executive Committee of BNP Paribas was composed of the following members:

- **Baudouin Prot**, 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.;
- **Michel Konczaty**, Chief Risk Officer;
- **Frédéric Lavenir**, Head of Group Human Resources;
- **Alain Marbach**, Global Head of Information, Technology and Processes;
- **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.

3 2009 REVIEW OF OPERATIONS

3.1 BNP Paribas consolidated results

In millions of euros	2009	2008	2009/2008
Revenues	**40,191**	**27,376**	**+46.8%**
Operating Expenses and Dep.	(23,340)	(18,400)	+26.8%
Gross Operating Income	**16,851**	**8,976**	**+87.7%**
Cost of risk	(8,369)	(5,752)	+45.5%
Operating Income	**8,482**	**3,224**	**x2.6**
Share of earnings of associates	178	217	-18.0%
Other Non Operating Items	340	483	-29.6%
Non Operating Items	**518**	**700**	**-26.0%**
Pre-Tax Income	**9,000**	**3,924**	**x2.3**
Corporate income tax	(2,526)	(472)	n.s.
Net income attributable to minority interests	(642)	(431)	+49.0%
Net income attributable to equity holders	**5,832**	**3,021**	**+93.0%**
Cost/Income	58.1%	67.2%	-9.1 pt

NET INCOME GROUP SHARE OF 5.8 BILLION EUROS, CONFIRMING THE POWERFUL CAPACITY TO GENERATE PROFITS

In an environment characterised by a downturn in the economy, but also by customers' return to capital markets, BNP Paribas Group performed well in 2009: it posted 5,832 million euros in net income (Group share), a significant rebound (+93%) compared to 2008, but well below the pre-crisis levels (7,822 million euros in 2007).

The Group generated 40,191 million euros in revenues (including a negative impact of 753 [1] million revaluation of the Group's own debt compared to a positive 593 million impact in 2008), or +46.8% compared to 2008. Thanks to operating expenses increasing much less, at 23,340 million euros (+26.8% compared to 2008), gross operating income, at 16,851 million euros, is 87.7% higher than the amount in 2008. This solid operating performance enabled the Group to offset the new rise in the cost of risk (+45.5% to 8,369 million euros).

Return on equity was 10.8%, compared to 6.6% in 2008 and 19.6% in 2007.

Net earnings per share was EUR5.2 compared to EUR3.0 [2] in 2008 +74%, the capital increases having resulted in limited dilution. After the noteworthy positive result in 2008 at the height of the financial crisis, this increase illustrates the Group's capacity to generate growth and create value throughout the cycle.

The Board of Directors will propose to shareholders to pay a EUR 1.50 dividend, a 32.3% payout ratio, with the option to have the dividend paid in shares. This option will mean that, in addition to the two-thirds retained earnings, a further share of profits will go to reinforcing the Group's capital and therefore its ability to continue to grant new loans.

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 the European Solvency Ratio requirements under Basel II, and is based on 6% of the risk-weighted assets. The 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; and
- 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 50% 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.

[1] *Of which 512 million euros relating to debt issued by BNP Paribas and 241 million euros relating to debt issued by BNP Paribas Fortis.*

[2] *Adjusted to factor in the capital increase with maintained preferential subscription rights, carried out in 2009.*

3.2 Core business results

RETAIL BANKING

FRENCH RETAIL BANKING

In millions of euros	2009	2008	2009/2008
Revenues	**6,091**	**5,943**	**+2.5%**
Incl. Net Interest Income	*3,485*	*3,292*	*+5.9%*
Incl. Commissions	*2,606*	*2,651*	*-1.7%*
Operating Expenses and Dep.	(4,036)	(3,983)	+1.3%
Gross Operating Income	**2,055**	**1,960**	**+4.8%**
Cost of risk	(452)	(203)	n.s.
Operating Income	**1,603**	**1,757**	**-8.8%**
Non Operating Items	0	1	n.s.
Pre-Tax Income	**1,604**	**1,758**	**-8.8%**
Income Attributable to IS	(103)	(117)	-12.0%
Pre-Tax Income of French Retail Bkg	**1,501**	**1,641**	**-8.5%**
Cost/Income	66.3%	67.0%	-0.7 pt
Allocated Equity *(€bn)*	4.0	3.9	+2.0%

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

For the whole of 2009, in a challenging economic environment, French Retail Banking devoted an unrelenting effort to serving all its customers—individual customers, entrepreneurs and corporate customers—to help them carry out their projects. This effort is illustrated by the growth in outstanding loans to individual customers (+5.1%/2008) as well as to corporate customers (+3%/2008). This effort, combined with the efforts of the Group's other business units operating in France, enabled BNP Paribas to grow its outstanding loans in France by 3.7% between 1 January and 31 December 2009, in line with the commitment made to the French Government.

Deposits rose by 2.9 billion euros in 2009 (+3.1%/2008), showing a positive structural effect, with stronger growth for sight deposits (+7.5%).

FRB's good sales and marketing drive is also illustrated by the acquisition of individual customers with the opening of a net total of 145,000 cheque and deposit accounts and gross asset inflows in life insurance up 12.4% compared to 2008.

Thanks to this good sales and marketing drive, revenues totalled 6,091 million euros, up 2.5% [1] compared to 2008. This positive trend is due to the significant growth in net interest income (+5.9%) driven by the rise in volumes and the favourable trend of the deposit mix while there was a limited drop in fees (-1.7%).

The moderate rise in operating expenses (+1.3%) [1], at 4,036 million euros, helped the division achieve a 1.2-point positive jaws effect, surpassing the target set for 2009, as well as a further 0.7 point improvement of the cost/income ratio, to 66.3%. The cost of risk, at 44 basis points of risk-weighted assets under Basel 1, was up compared to a low 20 basis points in 2008, but still less than comparable banks.

Gross operating income growth (+95 million euros) to 2,055 million euros only partly offset the rise in the cost of risk (+249 million euros), and FRB's pre-tax income, which totalled 1,501 million euros, was down 8.5% [2] compared to 2008, after allocating one-third of French Private Banking's net income to the Investment Solutions Division.

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

(2) *Excluding PEL/CEL effects.*

BNL BANCA COMMERCIALE

In millions of euros	2009	2008	2009/2008
Revenues	**2,923**	**2,800**	**+4.4%**
Operating Expenses and Dep.	(1,746)	(1,757)	-0.6%
Gross Operating Income	**1,177**	**1,043**	**+12.8%**
Cost of risk	(629)	(411)	+53.0%
Operating Income	**548**	**632**	**-13.3%**
Non Operating Items	0	1	n.s.
Pre-Tax Income	**548**	**633**	**-13.4%**
Income Attributable to IS	(8)	(5)	+60.0%
Pre-Tax Income of BNL bc	**540**	**628**	**-14.0%**
Cost/Income	59.7%	62.8%	-3.1 pt
Allocated Equity *(€bn)*	3.7	3.6	+5.0%

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

The process of integrating BNL has been very satisfactory. The objectives of the 2006-2009 industrial plan were achieved or surpassed, thereby confirming the Group's expertise in successfully executing corporate mergers.

For the whole of 2009, the drive to expand the business continued in Italy, as illustrated by the opening of a net total of over 60,800 cheque and deposit accounts (+47,000 accounts in 2008, +6,100 in 2007 and -86,000 in 2006 when BNL was merged into the BNP Paribas Group), good growth in loans (+5.0%) both to individual customers (+4.2%) and to corporate customers (+5.7%), as well as market share gains in financial savings, life insurance and mutual funds.

Revenues, which totalled 2,923 million euros, were up 4.4% [1] compared to 2008. This rise was driven by growth in outstanding loans, financial fees holding up well due, in particular, to the limited share of the more volatile upfront fees in revenues and market share gains.

Even though 51 new branches were opened in 2009, operating expenses were flat1 (-0.6%) and enabled BNL bc to generate a 5-point positive jaws effect, in line with the 2009 target. This good operating performance is reflected in a further 3.1 point improvement of the cost/income ratio during the same period, at 59.7%, bringing the improvement to close to 11 points in 3 years. At 1,177 million euros, gross operating income was up 12.8%1 compared to 2008.

The downturn in the Italian economy weighed on the cost of risk, which was up 218 million euros during the period, and came to 106bp compared to 73bp in 2008.

After allocating one-third of Italian Private Banking's net income to the Investment Solutions Division, BNL bc's pre-tax income came to 540 million euros, down 14% compared to 2008, the rise in the cost of risk being only partly offset by the good operating performance.

(1) *With 100% Italian Private Banking.*

BANCWEST

In millions of euros	2009	2008	2009/2008
Revenues	**2,138**	**2,027**	**+5.5%**
Operating Expenses and Dep.	(1,169)	(1,070)	+9.3%
Gross Operating Income	**969**	**957**	**+1.3%**
Cost of risk	(1,195)	(628)	+90.3%
Operating Income	**(226)**	**329**	**n.s.**
Share of earnings of associates	0	0	n.s.
Other Non Operating Items	3	4	-25.0%
Pre-Tax Income	**(223)**	**333**	**n.s.**
Cost/Income	54.7%	52.8%	+1.9 pt
Allocated Equity *(€bn)*	2.8	2.3	+19.4%

For the whole of 2009, BancWest's revenues totalled 2,138 million euros, which was stable (+0.6%) at constant exchange rates compared to 2008, the good core deposits growth (+17.5% compared to the fourth quarter 2008) being offset by the limited growth in outstanding loans (+2.3%/2008 but down at the end of the year) and a decline in net interest margin (-13bp/2008, or -4%) due to falling interest rates.

Thanks to the effects of the cost-cutting programme introduced in early 2009, operating expenses (1,169 million euros) were up only 3.9% at constant exchange rates compared to 2008. This rise is due only to the sharp rise in FDIC assessment. Excluding this effect, operating expenses were down 1.5% at constant exchange rates.

The cost of risk, which came to 1,195 million euros compared to 628 million in 2008, was up sharply. This variation is associated with the loan portfolio, especially loan loss provisions on residential mortgages as well as continued impairment charges from the investment portfolio. Again this year, this deterioration is less marked than for most of BancWest's competitors.

Thus, the pre-tax income came to -223 million euros compared to 333 million euros in 2008.

EMERGING MARKETS RETAIL BANKING

In millions of euros	2009	2008	2009/2008
Revenues	**1,735**	**1,896**	**-8.5%**
Operating Expenses and Dep.	(1,105)	(1,146)	-3.6%
Gross Operating Income	**630**	**750**	**-16.0%**
Cost of risk	(788)	(377)	n.s.
Operating Income	**(158)**	**373**	**n.s.**
Share of earnings of associates	9	14	-35.7%
Other Non Operating Items	1	147	-99.3%
Pre-Tax Income	**(148)**	**534**	**n.s.**
Cost/Income	63.7%	60.4%	+3.3 pt
Allocated Equity *(€bn)*	2.2	2.2	+0.2%

Emerging Retail Banking continued its business development as evidenced by its surpassing the threshold of 5 million customers in 2009 and continued hiring in the Mediterranean.

For the whole of 2009, revenues, affected by the devaluation of a number of currencies in relation to the euro, were down 8.5% compared to 2008, at 1,735 million euros. At constant scope and exchange rates, they were up 2.2% thanks to the selective growth in outstandings and despite the negative effects of the falling interest rates on deposit margins in all countries. With the growth in deposits (+4.7%) greater than the growth in loans (+4.2%), the loan/deposit ratio, at 89%, improved by 1 point compared to 2008 with, notably, a decline in outstandings in Ukraine.

At constant scope and exchange rates, operating expenses rose 7.8% compared to 2008 due to continued expansion in the Mediterranean. They were down in Ukraine.

The cost of risk soared compared to last year (+411 million euros). This rise is due to the even higher level of provisions in Ukraine (450 million euros in 2009 compared to 319 million euros in 2008) as well as loan loss provisions on a few loans in the Gulf region (+162 million euros). The rise in the cost of risk remains moderate in the other countries.

As a result, pre-tax income was -148 million euros in 2009 compared to 534 million euros in 2008, a year in which there were 145 million euros in capital gains from disposals.

PERSONAL FINANCE

In millions of euros	2009	2008	2009/2008
Revenues	**4,302**	**3,792**	**+13.4%**
Operating Expenses and Dep.	(2,071)	(2,101)	-1.4%
Gross Operating Income	**2,231**	**1,691**	**+31.9%**
Cost of risk	(1,902)	(1,218)	+56.2%
Operating Income	**329**	**473**	**-30.4%**
Share of earnings of associates	52	84	-38.1%
Other Non Operating Items	31	109	-71.6%
Pre-Tax Income	**412**	**666**	**-38.1%**
Cost/Income	48.1%	55.4%	-7.3 pt
Allocated Equity *(€bn)*	2.9	2.7	+7.8%

For the whole of 2009, Personal Finance's revenues, which totalled 4,302 million euros, were up 13.4% compared to 2008 due to the continued growth in outstandings (+5.2%), especially mortgages at the end of the year.

Thanks to the effects of the cost-cutting programme, operating expenses edged down 1.4% compared to 2008. This strict cost control, combined with good revenue drive, enabled Personal Finance to post strong growth in its gross operating income (+31.9%) at 2,231 million euros, as well as a 14.8-point positive jaws effect.

The cost of risk, which was 1,902 million euros, was up sharply (+56.2%) due to the economic slowdown and rising unemployment. It amounted to 321bp compared to 222bp in 2008. The good operating performance made it nevertheless possible to offset over three-quarters of this increase.

Pre-tax income totalled 412 million euros compared to 666 million euros in 2008, a year during which there were 123 million euros in capital gains from the disposal of Group's equity stake in Cofidis.

EQUIPMENT SOLUTIONS

In millions of euros	2009	2008	2009/2008
Revenues	**1,087**	**1,067**	**+1.9%**
Operating Expenses and Dep.	(707)	(716)	-1.3%
Gross Operating Income	**380**	**351**	**+8.3%**
Cost of risk	(204)	(155)	+31.6%
Operating Income	**176**	**196**	**-10.2%**
Share of earnings of associates	(3)	(15)	-80.0%
Other Non Operating Items	(1)	(1)	+0.0%
Pre-Tax Income	**172**	**180**	**-4.4%**
Cost/Income	65.0%	67.1%	-2.1 pt
Allocated Equity *(€bn)*	1.5	1.6	-4.6%

For the whole of 2009, Equipment Solutions' revenues, at 1,087 million euros, edged up slightly compared to 2008 (+1.9%), despite the drop in outstandings, thanks to a rebound in used car prices in the second half of the year. Revenues holding up well combined with control of operating expenses (-1.3%) helped the business unit generate a gross operating income up 8.3%. Thus, pre-tax income, at 172 million euros, slid down only 4.4% compared to 2008, despite the rise in the cost of risk (+49 million euros/2008).

INVESTMENT SOLUTIONS

In millions of euros	2009	2008	2009/2008
Revenues	**4,768**	**4,935**	**-3.4%**
Operating Expenses and Dep.	(3,400)	(3,423)	-0.7%
Gross Operating Income	**1,368**	**1,512**	**-9.5%**
Cost of risk	(27)	(207)	-87.0%
Operating Income	**1,341**	**1,305**	**+2.8%**
Share of earnings of associates	(13)	8	n.s.
Other Non Operating Items	(38)	(3)	n.s.
Pre-Tax Income	**1,290**	**1,310**	**-1.5%**
Cost/Income	71.3%	69.4%	+1.9 pt
Allocated Equity *(€bn)*	4.8	4.7	+2.4%

For the whole of 2009, the net asset inflows of all Investment Solutions' business units totalled 25.5 billion euros, bringing the annualised asset inflow rate to 5.1% of assets under management. This very solid level of asset inflows, better than that of 2007 and close to two and a half times the amount in 2008 when BNP Paribas was one of the very few banks to report positive asset inflows, illustrate the powerful appeal of the franchise throughout of the financial crisis. Combined with a positive performance effect as a result of rising stock market indices, this asset inflow pushed assets under management 17% compared to 31 December 2008, reaching 588 billion euros, returning to their end of 2007 level.

At 4,768 million euros, revenues edged down slightly compared to 2008 (-3.4%), the significant rebound in assets under management having made it possible to offset the drop in margins in asset management, the reinforcement of general fund reserves in insurance, as well as the fall in the volume of transactions and the contraction of the net interest margin on float in the Securities Services business unit.

Thanks to the cost-cutting programme introduced in all the business units at the end of 2008, operating expenses, which came to 3,400 million euros, were practically unchanged (-0.7%).

The division remained highly profitable with pre-tax income totalling 1,290 million euros, a level comparable to 2008 (-1.5%), after receiving one-third of the income from French and Italian private banking.

WEALTH AND ASSET MANAGEMENT

In millions of euros	2009	2008	2009/2008
Revenues	**2,384**	**2,373**	**+0.5%**
Operating Expenses and Dep.	(1,745)	(1,755)	-0.6%
Gross Operating Income	**639**	**618**	**+3.4%**
Cost of risk	(38)	(24)	+58.3%
Operating Income	**601**	**594**	**+1.2%**
Share of earnings of associates	(19)	4	n.s.
Other Non Operating Items	(13)	1	n.s.
Pre-Tax Income	**569**	**599**	**-5.0%**
Cost/Income	73.2%	74.0%	-0.8 pt
Allocated Equity *(€bn)*	0.9	1.0	-10.9%

INSURANCE

In millions of euros	2009	2008	2009/2008
Revenues	**1,283**	**1,318**	**-2.7%**
Operating Expenses and Dep.	(725)	(711)	+2.0%
Gross Operating Income	**558**	**607**	**-8.1%**
Cost of risk	8	(45)	n.s.
Operating Income	**566**	**562**	**+0.7%**
Share of earnings of associates	5	3	+66.7%
Other Non Operating Items	(25)	(3)	n.s.
Pre-Tax Income	**546**	**562**	**-2.8%**
Cost/Income	56.5%	53.9%	+2.6 pt
Allocated Equity *(€bn)*	3.6	3.3	+9.1%

SECURITIES SERVICES

In millions of euros	2009	2008	2009/2008
Revenues	**1,101**	**1,244**	**-11.5%**
Operating Expenses and Dep.	(930)	(957)	-2.8%
Gross Operating Income	**171**	**287**	**-40.4%**
Cost of risk	3	(138)	n.s.
Operating Income	**174**	**149**	**+16.8%**
Non Operating Items	1	0	n.s.
Pre-Tax Income	**175**	**149**	**+17.4%**
Cost/Income	84.5%	76.9%	+7.6 pt
Allocated Equity *(€bn)*	0.2	0.3	-26.8%

CORPORATE AND INVESTMENT BANKING (CIB)

In millions of euros	2009	2008	2009/2008
Revenues	**12,194**	**4,973**	**n.s.**
Operating Expenses and Dep.	(5,453)	(3,711)	+46.9%
Gross Operating Income	**6,741**	**1,262**	**n.s.**
Cost of risk	(2,295)	(2,477)	-7.3%
Operating Income	**4,446**	**(1,215)**	**n.s.**
Share of earnings of associates	0	1	n.s.
Other Non Operating Items	(2)	25	n.s.
Pre-Tax Income	**4,444**	**(1,189)**	**n.s.**
Cost/Income	44.7%	74.6%	-29.9 pt
Allocated Equity *(€bn)*	9.8	10.3	-5.2%

For the whole of 2009, CIB's revenues totalled 12,194 million euros compared to 4,973 million euros in 2008, year marked by an unprecedented financial crisis, especially in the fourth quarter after the failure of Lehman Brothers.

The division's operating expenses totalled 5,453 million euros compared to 3,711 million in 2008. They include the total amount of variable compensation, including the deferred and conditional part as well as one-off taxes in France and in the UK. The cost/income ratio, at 44.7%, remains the industry's best.

The division's cost of risk was 2,295 million euros compared to 2,477 million euros in 2008. It is characterised by the sharp decline in the cost of risk on capital markets (-1,188 million) after 2008, which was marked by the impact of the financial crisis and a very sharp rise in the financing businesses (+1,006 million) to 96bp compared to 25bp in 2008, due to the severity of the global economic slowdown.

Thus, CIB's pre-tax income totalled 4,444 million euros compared to -1,189 million euros in 2008 in a context of crisis. This very solid performance demonstrates the quality and diversity of the CIB franchise, the robustness of its customer-driven business model and its proactive ability to adjust to a new market environment. It comes amidst a substantial reduction in market risks as illustrated by the 43.2% decline in the average VaR in one year, thereby confirming a business model focussed on customers. Thus, market risks amount to only 3.8% of the Group's risk-weighted assets, one of the industry's lowest.

ADVISORY AND EQUITY MARKETS

In millions of euros	2009	2008	2009/2008
Revenues	**9,086**	**2,066**	**n.s.**
Incl. Equity and Advisory	*1,831*	*(341)*	*n.s.*
Incl. Fixed Income	*7,255*	*2,407*	*n.s.*
Operating Expenses and Dep.	(4,338)	(2,607)	+66.4%
Gross Operating Income	**4,748**	**(541)**	**n.s.**
Cost of risk	(934)	(2,122)	-56.0%
Operating Income	**3,814**	**(2,663)**	**n.s.**
Share of earnings of associates	0	1	n.s.
Other Non Operating Items	(2)	25	n.s.
Pre-Tax Income	**3,812**	**(2,637)**	**n.s.**
Cost/Income	47.7%	126.2%	-78.5 pt
Allocated Equity *(€bn)*	4.3	3.8	+15.0%

In a year that saw the gradual normalisation of markets and very significant volumes of customer business, Advisory and Capital Markets' revenues reached 9,086 million euros compared to 2,066 million euros in 2008. Very substantial volumes of securities issues—be it corporate bonds, capital increases or convertible securities—were accompanied by a significant widening of the bid-offer spreads, especially at the beginning of the year, as well as by notable market share gains.

Revenues from Fixed Income totalled 7,255 million euros compared to 2,407 million in 2008. They were driven by record customer business, especially for bond issues where the business unit ranked number 1 in euro-denominated issues, supporting its clients in their financing plans. The business in interest rate and forex derivative products was very significant to meet companies and investors' needs to hedge interest rate and forex risks.

Equity and Advisory posted revenues of 1,831 million euros, compared to a loss of 341 million in 2008 due to the sudden drying up of liquidity and the market dislocation that followed the failure of Lehman Brothers. After a first quarter devoted to pursuing reduced exposures, the business unit returned to satisfactory business and revenue levels. Numerous issues of equities and convertible securities were carried out as well as IPOs to meet corporate customers' capital requirements. Institutional clients' demand for index-based flow products remained strong. There was a gradual return to structured products business in the second half of the year with customer demand for more simple, less volatile, guaranteed capital products.

FINANCING BUSINESSES

In millions of euros	2009	2008	2009/2008
Revenues	**3,108**	**2,907**	**+6.9%**
Operating Expenses and Dep.	(1,115)	(1,104)	+1.0%
Gross Operating Income	**1,993**	**1,803**	**+10.5%**
Cost of risk	(1,361)	(355)	n.s.
Operating Income	**632**	**1,448**	**-56.4%**
Non Operating Items	0	0	n.s.
Pre-Tax Income	**632**	**1,448**	**-56.4%**
Cost/Income	35.9%	38.0%	-2.1 pt
Allocated Equity *(€bn)*	5.5	6.6	-16.8%

At 3,108 million euros, the Financing businesses' revenues rose 6.9% compared to 2008, driven by brisk business, especially in structured, commodity and export finance, which illustrates this business unit's active contribution to financing businesses.

BNP PARIBAS FORTIS

In millions of euros	2009 (*)
Revenues	**5,292**
Operating Expenses and Dep.	(3,147)
Gross Operating Income	**2,145**
Cost of risk	(853)
Operating Income	**1,292**
Share of earnings of associates	59
Other Non Operating Items	9
Pre-Tax Income	**1,360**
Corporate income tax	(378)
Minority Interests	**(274)**
Net income attributable to equity holders	**708**

(*) *For reference purpose: 2009 represents the period post acquisition from 12 May to 31 December.*

BNP Paribas Fortis contributed to the Group's 2009 results over seven and a half months, from the date of the first consolidation on 12 May. There is no basis for comparison for 2008. This contribution takes into account the balance sheet adjustments according to the purchase price accounting rules.

During this period, revenues, which totalled 5,292 million euros, benefited from the upturn in business in the retail networks and very good volumes in the market businesses in the second and third quarters of the year. Operating expenses were 3,147 million euros; they include the initial impact of cost synergies for a total of 120 million euros, ahead of the initial schedule, which provided for only 110 million euros in synergies in 2009 [1]. Gross operating income totalled 2,145 million euros. The cost of risk remained high at 853 million euros (78pb). Pre-tax income came to 1,360 million euros, of which 847 million euros came from the scheduled amortisation of Purchase Price Accounting adjustments. After tax and minority interests, BNP Paribas Fortis contributed a total of 708 million euros to the Group's net income.

This first substantial contribution came amidst a renewed drive in all the businesses.

Since the Belgian Retail Banking network entered the BNP Paribas Group, its customers have started replenishing their deposits and assets. Outstanding deposits totalled 67.2 billion euros at the end of 2009 compared to 59.8 billion in the first quarter 2009. Outstanding loans remained stable. The new sales and marketing campaigns launched last May were warmly received by customers and generated substantial sales. The network in Luxembourg enjoyed moderate growth in outstanding loans and stable deposits.

Assets under management rose slightly since the date of the integration to 161 billion euros, thanks to a positive performance effect. The trends were the same for Private Banking whose assets under management reached 44 billion euros at the end of 2009.

Merchant Banking's various business units enjoyed a good revenue drive, despite the drop in its risk profile since the beginning of the integration, which is reflected by a decline in risk-weighted assets and a substantial reduction in market risks during the period.

(1) *Restructuring costs, which totalled 168 million euros before tax, were booked in the "Corporate Centre".*

3.3 Selected exposures based on Financial Stability Board recommendations

EXPOSURE TO CONDUITS AND SIVS

As at 31 December 2009 *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	8.4	8.4	8.4	-	0.4	0.1	11.0
Structured Investment Vehicles	-	-	-	-	-	-	-
Third party sponsored entities (BNP Paribas share)							
ABCP conduits	0.5	0.5	0.5	0.1	-	-	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 2009, exposures declined to EUR 11 billion, down EUR 4.3 billion compared to 31 December 2008, owing principally to repayments and amortisation of facilities.

The Group does not have any exposure to SIVs.

SPONSORED ABCP CONDUITS

➤ BREAKDOWN BY MATURITY AND REGION

Sponsored ABCP conduits as at 31 December 2009 *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	4.2	4.6	1.2	0.6	0.4	11.0
Assets funded	**2.5**	**4.1**	**0.9**	**0.5**	**0.4**	**8.4**
Breakdown by maturity						
0 - 1 year	38%	-	20%	21%	55%	18%
1 year - 3 years	36%	59%	74%	46%	30%	52%
3 years - 5 years	14%	32%	6%	33%	14%	22%
> 5 years	12%	9%	-	-	1%	8%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Breakdown by geography (*)						
USA	93%	2%				37%
France		6%	92%	100%		18%
Spain		19%				8%
UK		9%				3%
Asia		15%			100%	10%
Diversified and Others	7%	49%	8%			24%
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 2009	Starbird United States	Matchpoint Europe	Eliopee Europe	Thesee Europe	J Bird 1 & 2 Japan	Total	
						by asset type	o/w AA and above
Breakdown by asset type							
Auto Loans, Leases & Dealer Floorplans	33%	25%				23%	
Trade Receivables	19%	27%	100%	100%		35%	
Consumer Loans & Credit Cards	4%	9%			100%	9%	
Equipment Finance	13%					5%	
Student Loans	7%					2%	
RMBS		3%				2%	100%
o/w US (0% subprime)		*1%*				*0%*	
o/w UK							
o/w Spain		*2%*				*1%*	
CMBS		13%				5%	34%
o/w US, UK, Spain							
CDOs of RMBS (non US)		6%				2%	
CLOs	17%	7%				10%	78%
CDOs of corporate bonds		5%				2%	100%
Insurance		1%				3%	
Others	7%	4%				2%	
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	

FUNDING THROUGH PROPRIETARY SECURITISATION

Cash securitisation as at 31 December 2009 *In billions of euros*	Amount of securitised assets	Amount of notes	Securitised positions held	
			First losses	Others
Personal Finance	**4.2**	**4.5**	**0.1**	**1.4**
o/w Residential loans	*3.4*	*3.7*	*0.1*	*1.2*
o/w Consumer loans	*0.2*	*0.2*	*0.0*	*0.1*
o/w Lease receivables	*0.6*	*0.6*	*0.0*	*0.1*
BNL	**3.8**	**3.8**	**0.1**	**0.2**
o/w Residential loans	*3.8*	*3.8*	*0.1*	*0.2*
o/w Consumer loans	-	-	-	-
o/w Lease receivables	-	-	-	-
o/w Public sector	-	-	-	-
TOTAL	**8.0**	**8.3**	**0.2**	**1.6**

EUR 8 billion of loans had been refinanced through securitisation at 31 December 2009, down from EUR 9.7 billion at 31 December 2008.

The securitisation positions held were affected by the buyback of EUR 0.6 billion in senior notes from certain UCI funds (securitisation of mortgage loans).

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 2009 *In billions of euros*		Gross outstanding					Allowances		Net exposure
			First Mortgage						
		Consumer	Full Doc	Alt A	Home Equity Loans	Total	Portfolio	Specific	
US (BancWest)		**7.8**	**7.4**	**0.3**	**2.9**	**18.4**	**(0.4)**	**(0.1)**	**18.0**
Super Prime	*FICO [*] > 730*	4.7	4.8	0.2	1.9	11.5	-	-	11.5
Prime	*600<FICO [*] <730*	2.6	2.2	0.1	0.8	5.8	-	-	5.8
Subprime	*FICO [*] < 600*	0.6	0.4	0.0	0.2	1.1	-	-	1.1
UK		**0.4**	**0.4**	**-**	**-**	**0.8**	**(0.0)**	**(0.1)**	**0.8**
Spain		**3.9**	**6.1**	**-**	**-**	**9.9**	**(0.1)**	**(0.6)**	**9.2**

[*] *At origination.*

The Group's personal loans classified as sensitive included the following at 31 December 2009:

- the good quality of the US portfolio, which represented gross exposure of EUR 18.4 billion, down EUR 1.4 billion compared with 31 December 2008. Exposure to subprime loans stood at just EUR 1.1 billion, up EUR 0.8 billion compared with 31 December 2008 owing to migration of FICO scores;
- moderate exposure to the UK (EUR 0.8 billion), including 0.4 billion related to BNP Paribas Fortis' activities;
- well-secured exposure to Spain (affected by the economic downturn) through guarantees in the mortgage portfolio and a sizable percentage of auto loans in the consumer lending portfolio.

➤ COMMERCIAL REAL ESTATE

Commercial Real Estate as at 31 December 2009 *In billions of euros*	Gross exposure					Allowances		Net exposure
	Home Builders	Non residential developers	Property companies	Others [1]	Total	Portfolio	Specific	
US	**1.3**	**0.7**	**0.6**	**4.0**	**6.7**	**(0.1)**	**(0.1)**	**6.4**
BancWest	1.1	0.7	-	4.0	5.9	(0.1)	(0.1)	5.7
CIB	0.1	-	0.1	-	0.3	-	-	0.3
BNP Paribas FORTIS	-	-	0.5	-	0.5	-	(0.0)	0.5
UK	**0.2**	**0.2**	**2.1**	**0.6**	**3.1**	**(0.0)**	**(0.1)**	**3.0**
Spain	**-**	**0.0**	**0.5**	**0.7**	**1.3**	**-**	**(0.0)**	**1.2**

[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 2009:

- exposure to the US home builder sector that is gradually being reduced (down EUR 0.7 billion compared with 31 December 2008);
- diversified and granular exposure of EUR 4.7 billion (down EUR 0.5 billion compared with 31 December 2008) to other US commercial real estate sectors;
- exposure to the UK concentrated on the major property companies and up EUR 1.9 billion owing to the first time consolidation of BNP Paribas Fortis;
- limited exposure to Spain where the Group has no significant exposure to the construction sector, which moved up EUR 0.5 billion owing to the first time consolidation of BNP Paribas Fortis.

REAL ESTATE RELATED ABS AND CDOS EXPOSURE

BANKING BOOK AND TRADING PORTFOLIO

Net exposure *In billions of euros*	31/12/2008			31/12/2009
	Net exposure	Gross exposure (*)	Allowances	Net exposure
TOTAL RMBS	**5.4**	**12.2**	**(0.3)**	**11.8**
US	**2.4**	**1.6**	**(0.2)**	**1.4**
Subprime	0.2	0.2	(0.0)	0.1
Mid-prime	0.2	0.1	(0.0)	0.1
Alt-A	0.2	0.1	(0.0)	0.1
Prime (**)	1.7	1.2	(0.1)	1.1
UK	**1.0**	**1.0**	**(0.1)**	**1.0**
Conforming	0.1	0.2	-	0.2
Non conforming	0.9	0.8	(0.1)	0.8
Spain	**1.4**	**0.9**	**(0.0)**	**0.9**
The Netherlands		**8.2**	**(0.0)**	**8.2**
Other countries	**0.6**	**0.4**	**(0.0)**	**0.4**
TOTAL CMBS	**2.3**	**2.3**	**(0.0)**	**2.2**
US	1.2	1.2	(0.0)	1.2
Non US	1.1	1.0	(0.0)	1.0
TOTAL CDOs (CASH AND SYNTHETIC)	**0.7**	**0.7**	**(0.0)**	**0.7**
RMBS	**0.5**	**0.6**	**(0.0)**	**0.6**
US	(0.1)	0.0	(0.0)	0.0
Non US	0.6	0.6	(0.0)	0.6
CMBS	**(0.0)**	**0.0**	**(0.0)**	**0.0**
CDO of TRUPs	**0.3**	**0.1**	**(0.0)**	**0.1**
TOTAL	**8.5**	**15.1**	**(0.4)**	**14.8**
o/w Trading Book	**2.8**	**-**	**-**	**0.0**
TOTAL SUBPRIME, ALT-A, US CMBS AND RELATED CDOs	**1.5**	**1.6**	**(0.1)**	**1.5**

(*) *Entry price + accrued interests – amortisation.*
(**) *Excluding Government Sponsored Entity backed securities.*

The banking book's exposure to real estate related ABSs and CDOs grew by EUR 9.1 billion at 31 December 2009 owing predominantly to the first-time consolidation of the AAA-rated Dutch RMBS held by BNP Paribas Fortis. 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	31/12/2008		31/12/2009	
	Notional	Gross counterparty exposure	Notional	Gross counterparty exposure
CDOs of US RMBS subprime	2.04	1.74	1.56	1.30
CDOs of european RMBS	0.28	0.02	0.27	0.14
CDOs of CMBS	1.07	0.24	1.04	0.24
CDOs of corporate bonds	7.51	1.18	7.32	0.21
CLOs	5.36	0.27	5.07	0.17
Non credit related	n.s	0.00	n.s	0.00
TOTAL GROSS COUNTERPARTY EXPOSURE	**N.S**	**3.44**	**N.S**	**2.06**

In billions of euros	31/12//2008	31/12/2009
TOTAL GROSS COUNTERPARTY EXPOSURE	**3.44**	**2.06**
Credit derivatives bought from banks or other collateralized third parties	(0.73)	(0.38)
TOTAL UNHEDGED GROSS COUNTERPARTY EXPOSURE	**2.72**	**1.68**
Credit adjustments and allowances [1]	(1.83)	(1.39)
NET COUNTERPARTY EXPOSURE	**0.89**	**0.30**

[1] *Including specific allowances as at 31 December 2009 of 0.5bn related to monolines classified as doubtful*

➤ BREAKDOWN BY CREDIT RATING

In billions of euros	31/12/2009	
	Groos exposure	Net exposure
AAA/AA	0.16	0.06
A/BB	0.07	0.01
B and below	1.83	0.24
NET COUNTERPARTY EXPOSURE	**2.06**	**0.30**

At 31 December 2009, gross exposure to counterparty risk arising from monoline insurers stood at EUR 2.06 billion, down EUR 1.38 billion compared with 31 December 2008.

At 31 December 2009, net exposure to counterparty risk arising from monoline insurers was reduced to EUR 0.30 billion (EUR 0.89 billion at 31 December 2008).

LBO

	Final take by region
Asia	2%
USA	14%
Other Europe	23%
United Kingdom	8%
Italy	8%
France	43%
TOTAL	**100%**

	Final take by sector
Business services	19%
Materials and Ores	12%
Communication	9%
Media	9%
Retail trade	7%
Agriculture, Food, …	5%
Hotels, tourism	5%
Others	34%
TOTAL	**100%**

The Group's LBO final-take portfolio totalled EUR 10.7 billion at 31 December 2009, up EUR 1.9 billion owing to the first-time consolidation of the LBOs held by BNP Paribas Fortis. This portfolio is highly diversified (over 550 transactions), and 93% of it consists of senior debt. The portfolio is booked as loans and receivables at amortised cost.

A provision of EUR 1.4 billion (up 0.6 billion compared with 31 December 2008) was set aside.

The trading book portfolio remained unchanged at EUR 100 million.

BNP PARIBAS FORTIS' "IN" PORTFOLIO

Net exposure *In billions of euros*		31/12/2009		
	Net exposure	Gross exposure [*]	Allowances	Net exposure
TOTAL RMBS	**5.6**	**4.9**	**(0.1)**	**4.8**
US	**1.7**	**1.5**	**(0.1)**	**1.4**
Subprime	0.0	0.0	-	0.0
Mid-prime	-	-	-	-
Alt-A	0.4	0.4	(0.0)	0.4
Prime [**]	1.0	0.9	(0.1)	0.8
Agency	0.2	0.2	-	0.2
UK	**1.3**	**1.1**	**-**	**1.1**
Conforming	0.3	0.2	-	0.2
Non conforming	0.9	0.8	-	0.8
Spain	**0.3**	**0.3**	**-**	**0.3**
Netherlands	**1.0**	**1.0**	**-**	**1.0**
Other countries	**1.3**	**1.1**	**-**	**1.1**
CDO OF RMBS	**-**	**-**	**-**	**-**
TOTAL CMBS	**0.9**	**0.8**	**(0.0)**	**0.8**
US	0.0	0.0	-	0.0
Non US	0.8	0.8	(0.0)	0.8
TOTAL CONSUMER RELATED ABS	**5.9**	**5.6**	**-**	**5.6**
Auto Loans/Leases	**1.5**	**1.3**	**-**	**1.3**
US	0.3	0.2	-	0.2
Non US	1.2	1.1	-	1.1
Student Loans	**3.0**	**3.0**	**-**	**3.0**
Credit cards	**0.9**	**0.9**	**-**	**0.9**
Consumer Loans / Leases	**0.1**	**0.1**	**-**	**0.1**
Other ABS (equipment lease,...)	**0.4**	**0.3**	**-**	**0.3**
CLOS AND CORPORATE CDOS	**3.7**	**3.6**	**(0.0)**	**3.6**
US	2.3	2.4	(0.0)	2.4
Non US	1.4	1.2	-	1.2
Sectorial Provision	**-**		**(0.3)**	
TOTAL	**15.6**	**14.9**	**(0.4)**	**14.6**

[*] *Entry price + accrued interests - amortisation.*
[**] *Excluding Government 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 2009, the net exposure of the IN portfolio stood at EUR 14.6 billion, down EUR 1 billion compared with 30 June 2009, owing principally to amortisation and sales of assets from the RMBS portfolio.

This portfolio carries a EUR 1.5 billion guarantee from the Belgian government covering the second-loss tranche.

The portfolio of RMBS and CMBS is of a good quality: 62% are rated AAA.

The consumer credit related ABS comprises student loans, 96% of which are AAA-rated, auto loans of which 99% are rated AA or higher and credit card outstandings of which 99% are AAA-rated.

The portfolio of CLOs and corporate CDOs is highly diversified. It comprises bonds and corporate loans. 83% of the US assets are rated AA or higher. 64% of the assets in other countries are rated AA or higher.

3.4 Balance sheet

ASSETS

OVERVIEW

At 31 December 2009, the Group's consolidated assets amounted to EUR 2,057.7 billion, down 1% from EUR 2,075.6 billion at 31 December 2008. 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 93% of total assets at 31 December 2009 (94.9% at 31 December 2008). The 1% decrease in total assets reflects a 30% drop in financial assets at fair value through profit or loss, partially offset by a rise in most of the Group's other assets, including a 69% jump in available-for-sale financial assets and a 37% climb in loans and receivables due from customers.

At 30 April 2009, the last consolidated balance sheet date for BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries (before the two groups were taken over by BNP Paribas), total assets, after restatements in accordance with the accounting rules for business acquisitions [(1)], amounted to EUR 519.1 billion. These assets accounted for EUR 410.9 billion, or 20%, of BNP Paribas' total consolidated assets at 31 December 2009.

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 value through profit or loss include admissible investments related to unit-linked insurance businesses, 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 break down into the following categories within the balance sheet: negotiable debt instruments; bonds; equities and other variable-income securities; repurchase agreements; loans to credit institutions, individuals and corporate customers; and trading book financial instruments. 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 828.8 billion at 31 December 2009, down 30% from EUR 1,192.3 billion at 31 December 2008. This decrease reflects a 36% decline in trading book derivatives to EUR 363.7 billion, and a 40% fall in repurchase agreements to EUR 208.9 billion.

The decline in trading book derivatives is due primarily to a 27% drop in interest rate derivatives to EUR 218 billion, a 58% reduction in credit derivatives to EUR 35.5 billion, and a 40% decrease in equity derivatives to EUR 70.2 billion.

Financial assets at fair value through profit or loss accounted for 40.3% of the Group's total assets at 31 December 2009, compared with 57% at 31 December 2008.

The financial assets at fair value through profit or loss of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 55 billion, or 7%, of the Group's consolidated total, and were comprised mainly of trading book derivatives (EUR 43.1 billion).

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 88.9 billion at 31 December 2009, up 29% from EUR 69.2 billion at 31 December 2008. The majority of this increase can be attributed to a 370% surge in repurchase agreements to EUR 28.5 billion. Impairment provisions rose to EUR 1 billion at 31 December2009, up from EUR 0.1 billion at 31 December 2008.

The loans and receivables due from credit institutions of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 39.6 billion, or 45% of the Group's consolidated total, and were comprised mainly of repurchase agreements (EUR 19.6 billion) and demand accounts and loans (EUR 14.3 billion).

(1) As described in Note 8.c, "Business combinations," to the BNP Paribas financial statements at 31 December 2009, the consolidated balance sheet at 30 April 2009 for BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries was prepared under IFRS, including the restatements required by IFRS for business acquisitions, and under BNP Paribas' own Group accounting methods.

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 678.8 billion at 31 December 2009, up 37% from EUR 494.4 billion at 31 December 2008. Loans to customers account for the bulk of this increase, as they grew 36% to EUR 616.9 billion. Demand accounts shrank 7.2% to EUR 26.5 billion. Finance leases totalled EUR 34.9 billion at 31 December 2009, up 39% from the prior year, and repurchase agreements totalled EUR 25.9 billion, up from EUR 0.9 billion the prior year. Impairment provisions rose 77% to EUR 25.4 billion at 31 December 2009, up from EUR 14.3 billion at 31 December 2008.

The loans and receivables due from customers of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 197.0 billion, or 29% of the Group's total, and were comprised mainly of loans to customers (EUR 161.0 billion).

AVAILABLE-FOR-SALE FINANCIAL 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 221.4 billion at 31 December 2009, up 69% from EUR 130.7 billion at 31 December 2008. This increase is due primarily to an 83.1% increase in bonds to EUR 173.8 billion, a 45% rise in negotiable debt securities to EUR 28.3 billion, and a 19% climb in other variable-income securities to EUR 22.5 billion.

In terms of provisions on available-for-sale financial assets, an additional EUR 0.6 billion of impairment provisions were recognised to bring the total from EUR 2.6 billion at 31 December 2008 to EUR 3.2 billion at 31 December 2009. Impairment provisions for available-for-sale financial assets are calculated at each balance sheet date. Unrealised gains on available-for-sale financial assets totalled EUR 4.4 billion at 31 December 2009, compared with an unrealised loss of EUR 1.7 billion the prior year. Of these unrealised gains, EUR 4 billion came from negotiable debt securities and bonds and EUR 2.1 billion from equities and other variable-income securities.

The available-for-sale financial assets of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 69.1 billion, or 31% of the Group's total, and were comprised of EUR 67.7 billion of fixed-income securities and EUR 1.3 billion of equities and other 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 recorded in the balance sheet at amortised cost using the effective interest method. Held-to-maturity financial assets break down into two categories within the balance sheet: bonds and negotiable certificates of deposit.

Total held-to-maturity financial assets remained stable over the year, edging down from EUR 14.1 billion at 31 December 2008 to EUR 14 billion at 31 December 2009.

BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries had no held-to-maturity financial assets 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 grew 26% to EUR 103.4 billion at 31 December 2009, up from EUR 81.9 billion at 31 December 2008. This increase is due primarily to a EUR 21.2 billion or 82% rise in settlement accounts related to securities transactions.

The accrued income and other assets of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 33.5 billion, or 32% of the Group's total, and were comprised mainly of EUR 24.6 billion of 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 rose 43% to EUR 56.1 billion at 31 December 2009, up from EUR 39.2 billion at 31 December 2008. This growth is attributed to a EUR 16.9 billion increase in loans to central banks.

The cash and amounts due from central banks and post office banks of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 4.6 billion, or 8% of the Group's total.

LIABILITIES (EXCLUDING SHAREHOLDERS' EQUITY)

OVERVIEW

The Group's consolidated liabilities (excluding shareholders' equity) totalled EUR 1,977.4 billion at 31 December 2009, down 2% from EUR 2,016.6 billion at 31 December 2008. 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 97.1% of total liabilities (excluding shareholders' equity) at 31 December 2009. The 2% year-on-year decrease was fuelled by a 33% drop in financial liabilities at fair value through profit or loss, partially offset by a 46% increase in amounts due to customers, a 19% rise in amounts due to credit institutions, and a 34% climb in debt securities.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The trading book primarily includes securities borrowing transactions, 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 offset by changes in the value of the hedging instrument.

Total financial liabilities at fair value through profit or loss shrank 33% to EUR 709.3 billion at 31 December 2009, down from EUR 1,054.8 billion at 31 December 2008. This decrease stems from a 35% decline in trading book derivatives to EUR 356.2 billion, and a 43% fall in repurchase agreements to EUR 209.3 billion.

The decline in trading book derivatives is due primarily to a 28% decrease in interest rate derivatives to EUR 210.8 billion, a 57% drop in credit derivatives to EUR 35.5 billion, and a 35% reduction in equity derivatives to EUR 67.8 billion.

The financial liabilities at fair or model value through profit or loss of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 60 billion, or 8%, of the Group's total, and were comprised of EUR 43.4 billion of trading book derivatives, EUR 5.2 billion of debt securities, and EUR 3.5 billion of subordinated debt.

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 grew 19% to EUR 220.7 billion in 2009. This rise mainly reflects a 113% jump in repurchase agreements to EUR 49.4 billion at 31 December 2009.

The amounts due to credit institutions of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 53.4 billion, or 24%, of the Group's total, and included EUR 32.4 billion of repurchase agreements.

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 604.9 billion at 31 December 2009, up 46.1% from EUR 414 billion at 31 December 2008. This reflects the combined impact of a 45% increase in term accounts and saving deposits to EUR 234.5 billion, and a 31% climb in demand deposits to EUR 261 billion.

The amounts due to customers of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 191.4 billion, or 32% of the Group's total, and were comprised mostly of EUR 88.1 billion of term accounts and saving deposits, EUR 52.3 billion of demand deposits, and EUR 50.9 billion of repurchase agreements.

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 5a to the consolidated financial statements).

Debt securities grew 34% to EUR 211 billion at 31 December 2009, up from EUR 157.5 billion at 31 December 2008. This increase was driven by a 47.8% rise in negotiable certificates of deposits to EUR 191.4 billion, partially offset by a 30% decrease in bond issues to EUR 19.6 billion.

The debt securities of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 54.1 billion, or 26% of the Group's total, and were comprised of EUR 51.4 billion of certificates of deposit and negotiable debt securities.

SUBORDINATED DEBT

Subordinated debt grew 54% to EUR 28.2 billion at 31 December 2009, from EUR 18.3 billion the prior year.

The subordinated debt of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 11.6 billion, or 41% of the Group's total, and were comprised of EUR 9.1 billion of redeemable subordinated debt and EUR 2.4 billion of undated subordinated debt.

TECHNICAL RESERVES OF INSURANCE COMPANIES

Technical reserves of insurance companies rose 17% to EUR 101.6 billion at 31 December 2009, up from EUR 86.5 billion the prior year. This increase is due primarily to higher technical reserves at the life insurance business.

BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries had negligible technical reserves of insurance companies at 31 December 2009.

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 13% to EUR 72.4 billion at 31 December 2009, down from EUR 83.4 billion at 31 December 2008. This decrease was driven by a 28% drop in guarantee deposits received to EUR 22.7 billion and a 35% reduction in other creditors and miscellaneous liabilities to EUR 12.9 billion, partially offset by a 39.9% rise in settlement accounts related to securities transactions to EUR 29.4 billion.

The accrued expenses and other liabilities of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 18.7 billion, or 26%, of the Group's total, and included EUR 12.3 billion of other creditors and miscellaneous liabilities.

MINORITY INTERESTS

Minority interests grew to EUR 10.8 billion at 31 December 2009, up from EUR 5.7 billion at 31 December 2008. This increase reflects EUR 4.7 billion of capital transactions carried out in 2009, including the acquisitions of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries for EUR 4.1 billion. These entities contributed EUR 0.6 billion to the Group's net income and EUR 0.2 billion to the Group's unrealised or deferred gains or losses, and received EUR 0.3 billion of dividends and interim dividends.

CONSOLIDATED SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP

Consolidated shareholders' equity attributable to the Group before dividend payouts amounted to EUR 69.5 billion at 31 December 2009, up from EUR 53.2 billion a year earlier.

This increase can be attributed to net income for the year of EUR 5.8 billion and share issues totalling EUR 11.7 billion, partially offset by the repayment of EUR 2.5 billion of undated super-subordinated notes and a EUR 1 billion dividend payout for 2008.

Unrealised or deferred gains or losses grew by EUR 2.7 billion as a result of higher 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 shrank 23% to EUR 238.9 billion at 31 December 2009.

Commitments to credit institutions grew 26% to EUR 34.9 billion at 31 December 2009.

Financing commitments received consist primarily of stand-by letters of credit and commitments relating to repurchase agreements. The financing commitments received fell 36% to EUR 86.1 billion at 31 December 2009, from EUR 134.2 billion the prior year. This decrease reflects the combined effect of a 36% reduction in commitments received from credit institutions to EUR 79.5 billion and a 33% fall in commitments received from customers to EUR 6.6 billion.

The financing commitments given and received by BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 61.2 billion and EUR 1.6 billion, respectively, of the Group's total.

GUARANTEE COMMITMENTS

The amount of guarantee commitments rose 23% to EUR 104.7 billion at 31 December 2009, up from EUR 85 billion a year earlier. This increase can be attributed to a 22% jump in commitments given to customers to EUR 94.3 billion, and a 35% rise in commitments given to credit institutions to EUR 10.4 billion.

For further information concerning the Group's financing and guarantee commitments, see Note 6 to the consolidated financial statements.

The guarantee commitments given and received by BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries at 31 December 2009 accounted for EUR 22.2 billion and EUR 54.8 billion, respectively, of the Group's total.

3.5 Results of operations by nature of income and expense

REVENUES

In millions of euros	2009	2008	Change (2009/2008)
Net interest income	21,021	13,498	+56%
Net commission income	7,467	5,859	+27%
Net gain on financial instruments at fair value through profit or loss	6,085	2,693	+126%
Net gain on available-for-sale financial assets	436	464	-6%
Net income from other activities	5,182	4,862	+7%
REVENUES	**40,191**	**27,376**	**+47%**

OVERVIEW

Group revenues grew 47% in 2009, reflecting a 56% climb in net interest income, a 126% jump in the net gain on financial instruments at fair value through profit or loss, and a 27% rise in net commission income.

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 hedge instruments, interest rate portfolio hedge 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, representing interest plus transaction costs and fees and commissions included in the initial value of the loan, which is 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" and "Available-for-sale financial assets" (in the latter case, calculated using the effective interest method);
- net interest income (as opposed to changes in fair value, which are recognised in the line item "Net gain on financial instruments at fair value through profit or loss", as discussed in further detail below) from the Group's financial instruments at fair value through profit or loss that do not meet the definition of derivative instruments, calculated using the effective interest method (including interest, fees and commissions and transaction costs);
- 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 fixed-rate assets and liabilities. Changes in fair value of the cash flow hedge 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 required to be recorded as profit or loss in the income statement.

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.

Net interest income grew 56% in 2009 to EUR 21,021 million. This growth was primarily driven by a 47% drop in interest expenses on debt securities issued by the Group, which fell from EUR 7,935 million in 2008 to EUR 4,215 million in 2009. This drop in interest expenses came despite a 34% increase in the amount of debt securities outstanding, thanks to lower interest rates.

Interest expenses on interbank items plunged 50%, from EUR 7,848 million in 2008 to 3,894 million in 2009, due to a 50% reduction in net interest expenses paid on demand accounts and loans on borrowings.

Net interest income on customer items rose 12%, from EUR 17,232 million in 2008 to 19,236 EUR million in 2009. This growth reflects a EUR 2,499 million decrease in expenses on deposits, loans, and borrowings. BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries generated EUR 3,451 million of net interest income on customer items for the Group.

Interest and related income from available-for-sale financial assets rose 4% in 2009 to EUR 5,142 million.

Net interest income on the trading book totalled EUR 2,666 million in 2009, compared with EUR 1,707 million in 2008. This increase is due primarily to a EUR 1,293 million growth in revenues from repurchase agreements, as well as a EUR 1,285 decline in interest expenses on debt securities.

These gains were partially offset by a EUR 1,784 million increase in the net expense on interest rate portfolio hedge instruments, which rose from EUR 77 million in 2008 to EUR 1,861 million in 2009.

The principal 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 outstanding loans and receivables due from customers, outstanding 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 2008 and 31 December 2009 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 businesses, either organically or through acquisitions. One such factor is the Group's mix of businesses, such as the relative proportions 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), thereby increasing interest-bearing liabilities without a corresponding increase in interest-earning assets.

The other principal factor affecting net interest income is the spread between lending and funding rates, which is itself 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.

For a further discussion of the factors affecting trends in total customer loans outstanding and total customer deposits during the period under review, see the sections entitled "Division results -- Retail Banking" and "Division results -- Corporate and Investment Banking." For more information on changes in interest rate spreads in Retail Banking during the year, see the sections entitled "Core business results -- Retail Banking -- French Retail Banking," "Core business results -- BancWest," "Core business results -- Emerging Markets," and "Core business results -- Personal Finance."

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 27%, from EUR 5,859 million in 2008 to EUR 7,467 million in 2009. This can be attributed mainly to higher commissions from trusts and similar activities, which grew from EUR 1,777 million in 2008 to EUR 2,215 million in 2009, as well as a EUR 240 million increase in commissions from financial assets and liabilities that are not measured at fair value through profit or loss.

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 expense, which are recorded 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 in turn includes both capital gains and losses on sales and marking to market gains and losses, along with dividends from variable-income securities. Net gains on the trading book also include gains and losses due to the ineffectiveness of fair value hedges, cash flow hedges, and net foreign investment hedges.

The net gain on financial instruments at fair value through profit or loss surged 126%, from EUR 2,693 million in 2008 to EUR 6,085 million in 2009. The gains and losses resulting from cash flows and remeasurement of financial instruments, either cash or derivatives, must be appreciated as a whole, in order to give the fair representation of the profit and loss resulting from trading activities. Profit and loss items related to derivatives and transactions on variable- and fixed-rate securities totalled EUR 5,397 million in 2009, against a negative EUR 128 million in 2008. This increase was partially offset by a decline in income from loans and repurchase agreements, which fell EUR 1,236 million and EUR 1,036 million, respectively, in 2009.

NET GAIN ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

Under IFRS, this line item includes net gains and losses on non-derivative financial assets not classified as either loans and receivables or held-to-maturity investments. Changes in fair value (excluding accrued interest) of the assets included within the available-for-sale category are initially recorded under "Unrealised or deferred gains or losses" in shareholders' equity. Upon the sale of such assets or upon recognition of an impairment loss, these previously unrealised gains or losses are credited or charged to the income statement, as the case may be, under the "Net gain on available-for-sale financial assets" line item.

The net gain on available-for-sale financial assets fell 6%, or EUR 28 million, in 2009. This decline reflects a EUR 311 million drop in the net gain on variable-income assets, partially offset by a EUR 283 million rise in the net gain on fixed-income 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 7%, from EUR 4,682 million in 2008 to EUR 5,182 million in 2009. This increase is due primarily to a EUR 238 million climb in net income from investment property, and a EUR 101 million rise in net income from assets held under operating leases.

In the insurance business, the principal components of net income from insurance activities are gross premiums written, movement in technical reserves, claims and benefit expenses and change in value of admissible investments related to unit-linked businesses. Claims and benefits expenses includes expenses arising from surrenders, maturities and claims relating to insurance contracts, and changes in the value of financial contracts (in particular unit-linked funds). Interest paid on such contracts is recorded under "Interest expense."

The decline in net income from the insurance business stems from a EUR 10,075 million net allocation to technical reserves made during the year, compared with a net withdrawal of EUR 5,284 million from these reserves in 2008. This was due to an increase in the value of admissible investments related to unit-linked businesses, which switched from a EUR 7,996 million loss at 31 December 2008 to a EUR 3,864 gain at 31 December 2009. Gross premiums written increased from EUR 13,473 million in 2008 to EUR 16,876 million in 2009.

OPERATING EXPENSES AND DEPRECIATION

In millions of euros	2009	2008	Change (2009/2008)
Operating expenses	(21,958)	(17,324)	+27%
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(1,382)	(1,076)	+28%
TOTAL OPERATING EXPENSES AND DEPRECIATION	**(23,340)**	**(18,400)**	**+27%**

Operating expenses and depreciation rose 27%, from EUR 18,400 million in 2008 to EUR 23,340 million in 2009. EUR 3,199 million of this growth is due to the acquisitions of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries (including restructuring costs). The rest of the growth can be attributed to a 47% climb in operating expenses and depreciation at CIB, triggered by a 2.5-fold increase in this business' revenues in 2009.

GROSS OPERATING INCOME

The Group's gross operating income leapt 88%, from EUR 8,976 million in 2008 to EUR 16,851 million in 2009, as revenues growth outstripped a slower climb in operating expenses.

COST OF RISK

In millions of euros	2009	2008	Change (2009/2008)
Net additions to impairment provisions	(8,161)	(5,786)	+41%
Recoveries on loans and receivables previously written-off	420	348	+21%
Irrecoverable loans and receivables not covered by impairment provisions	(628)	(314)	x2
TOTAL NET ADDITIONS TO PROVISIONS	**(8,369)**	**(5,752)**	**+45%**

This line item represents the net amount of impairment losses recognized in respect of credit risks inherent in the Group's banking intermediation activities, plus any impairment losses relating to counterparty risks on over-the-counter derivative instruments.

Cost of risk grew in 2009 as a result of a significant increase in impairment provisions, which itself reflects a 73% jump in provisions at Retail Banking to EUR 5,169 million. This includes a 56% rise in provisions at Personal Finance to EUR 1,902 million. The acquisitions of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries lifted the Group's cost of risk by EUR 853 million.

Total doubtful loans and commitments net of guarantees amounted to EUR 31 billion at 31 December 2009, up from EUR 16 billion a year earlier, and provisions totalled EUR 28 billion, up from EUR 15 billion a year earlier. The acquisitions of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries increased the Group's doubtful commitments net of guarantees by EUR 6 billion, and provisions by EUR 7 billion. The Group's coverage ratio was 88% at 31 December 2009, down from 91% the prior year.

For a more detailed discussion of net additions to provisions for each division, see the section entitled "2009 Review of operations – Core business results".

NET INCOME ATTRIBUTABLE TO THE GROUP

In millions of euros	2009	2008	Change (2009/2008)
OPERATING INCOME	**8,482**	**3,224**	**X2.6**
Share of earnings of associates	178	217	-18%
Net gain on non-current assets	87	481	-82%
Change in value of goodwill	253	2	n.s.
Income taxes	(2,526)	(472)	x5.4
Minority interests	642	431	+49%
NET INCOME	**5,832**	**3,021**	**+93%**

OVERVIEW

Net income Group share rose 93% in 2009.

SHARE OF EARNINGS OF ASSOCIATES

The Group's share of earnings of associates (i.e., companies accounted for under the equity method) decreased from EUR 217 million at 31 December 2008 to EUR 178 million at 31 December 2009 as a result of the generally lower net income generated by these companies.

NET GAIN ON NON-CURRENT ASSETS

This item includes net realised gains and losses on sales of property, plant and 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 fell from EUR 481 million at 31 December 2008 to EUR 87 million at 31 December 2009.

CHANGE IN VALUE OF GOODWILL

Change in value of goodwill rose significantly during the year, climbing from EUR 2 million at 31 December 2008 to EUR 253 million at 31 December 2009, reflecting badwill of EUR 835 million on the acquisitions of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries, offset by goodwill impairment losses of EUR 582 million on the acquisitions of Personal Finance, Arval, UkrSibBank, and Sahara Bank.

INCOME TAXES

The Group's income tax expense in 2009 was EUR 2,526 million, up sharply from EUR 472 million in 2008 as a result of higher pre-tax net income. The 2009 income tax expense for BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries was EUR 363 million on EUR 1,308 million of pre-tax income.

MINORITY INTERESTS

The share of earnings attributable to minority interests in companies consolidated by the Group grew to EUR 642 million in 2009, up from EUR 431 million in 2008. The acquisitions of BNP Paribas Fortis, BGL BNP Paribas, and their subsidiaries added EUR 263 million to minority interests.

3.6 Recent events

PRODUCTS AND SERVICES

BNP Paribas regularly offers new products and services to its customers. More information about these products and services can be obtained from press releases on the Group's website at *www.invest.bnpparibas.com*.

ACQUISITIONS AND PARTNERSHIPS

Paris, 15 December 2009

BNP Paribas Securities Services announces the acquisition of ARLIS, a Lagardère Group subsidiary specialising in registrar services to issuers

BNP Paribas Securities Services (BP2S) and the Lagardère Group are pleased to announce an agreement under which PP2S, a wholly-owned BNP Paribas subsidiary, will acquire on 1 January 2010 Arlis, a Lagardère subsidiary providing registrar and related services to listed and non-listed companies.

Arlis manages share registers, AGMs, dividend payments, securities operations, stock options, and employee stock plans for clients. The company was originally established to provide registrar services to Lagardère and its subsidiaries; it now employs 27 people who serve 350,000 shareholders from about a dozen high-profile clients.

BP2S is France's market leader for securities services to CAC 40 companies, and has anchored its position in that market to better face new European-wide challenges.

BP2S will retain Arlis' existing staff in order to capitalise on their know-how and specific skills.

Commenting on the deal, Jacques d'Estais, Chairman and CEO of BP2S, stated: "Arlis' business expansion will benefit from the expertise of Europe's leading provider of securities services – and the fifth-largest provider in the world – and from the strength of an international group."

"We're pleased that this agreement insures the continuity and high quality of registrar services for the Lagardère Group," added Pierre Leroy, Co-Managing Partner of the Lagardère Group.

Rueil-Malmaison, 9 December 2009

BNP Paribas Assurance acquires 100% of Dexia Épargne Pension

BNP Paribas Assurance today announced the acquisition of 100% of Dexia Epargne Pension, a Dexia subsidiary specialised in life insurance for a high-end clientele.

The acquisition will enable BNP Paribas Assurance, France's 4th-largest life insurer, to enhance its distribution network and bolster its expertise in wealth management.

This acquisition makes BNP Paribas Assurance well-positioned to become a leading life insurance partner for private banks and asset management firms seeking products for high net-worth clients.

Dexia Épargne Pension was founded in 2001 and is currently the third-leading life insurance partner for banks in France. It markets primarily savings products and services to over 60 partners, including private banks and asset management firms. At 31 December 2008, Dexia Épargne Pension had approximately EUR 1 billion in annual inflows and EUR 4 billion of assets under management. The firm employs 65 people.

BNP Paribas Assurance operates through BNP Paribas' French retail banking network, and for the past 25 years has also worked through other distribution networks – mainly independent financial advisors (IFAs), brokers, and other banks – via its Cardif subsidiary. In 2008, BNP Paribas Assurance's Networks and Partnerships division, which comprises its non-BNP Paribas distribution channels, collected inflows of EUR 2.6 billion, or one-quarter of the insurer's total inflow in France.

Commenting on the acquisition, Eric Lombard, Chairman and Chief Executive Officer of BNP Paribas Assurance, remarked: "Dexia Épargne Pension is an excellent fit with our Networks and Partnerships division, both in terms of the partners we serve and the products we offer. What's more, this transaction is in line with our development strategy, which aims to strike a balance between our outside partners and BNP Paribas distribution channels."

The transaction, which is subject to regulatory approval, is expected to be concluded by the end of first quarter 2010.

3.7 Outlook

CORE BUSINESSES

In 2010, **FRB** will continue to support individual and corporate customers to help them achieve their financial plans.

In addition, the division will integrate Fortis France's 50,000 individual customers and 20,000 corporate customers with the goal of delivering to them even better service while generating 50 million euros in synergies each year starting in 2012.

FRB will also focus on implementing three projects to grow its annual revenues by 200 million euros as from 2013:

- build a best-in-class online banking service: develop the "Net Branch" created in 2009, introduce new online and cell phone services;
- increase the sales and marketing effectiveness towards small businesses and entrepreneurs by opening 60 *Maisons des entrepreneurs* by 2011;
- reinforce the sale of non-life insurance products through the branch network.

Lastly, in 2010, the division still aims to maintain a 1-point positive jaws effect.

With the integration completed, **BNL bc** is implementing a 3-year business development plan, which entails:

- opening new branches bringing their number to 1,000 in 2012;
- increasing the commercial effectiveness with individual customers by notably expanding the product offering and cross-selling with Findomestic and Investment Solutions and implement the integration of UCB;

- step up cross-selling to corporate customers with CIB;
- integrate Fortis Italy.

This plan is expected to produce a 3-point positive jaws effect in 2010.

In 2010, **BancWest** will strive to step up commercial effectiveness of its network in order to increase cross-selling and boost customer acquisition. Cost-cutting efforts will be stepped up and the cost-cutting programme, which already generated USD 72 million in savings in 2009, will be increased to USD 130 million.

Lastly, a decline in the cost of risk being expected due to less new impairments on the investment portfolio, BancWest's objective is to return to profits in 2010.

Emerging Retail Banking's ambition is to expand in their fast-growing markets. The new Europe Mediterranean operating unit, which is already in place and already includes close to 2,300 branches, including those of BNP Paribas Fortis, is refocusing on three priority regions with high growth potential: Turkey, the Mediterranean where the branch opening programme will continue, and Central and Eastern Europe thanks to business development potential in Poland. In these regions, the retail banking model will be rolled out in a manner that is adapted to the specific needs of each market.

In 2010, **Personal Finance** plans to:

- take advantage of growth levers while engaging in responsible lending in Italy and France and develop partnerships with e-business players (PayPal);
- increase synergies with banking networks in Belgium, Europe Mediterranean and Germany where the longstanding partnership with Dresdner Bank has just been expanded to include Commerzbank customers;
- upgrade and streamline the IT systems.

Taking control of Findomestic in December 2009 will make it possible to implement a new business strategy and strengthen the Group's standing in one of its four domestic markets.

All these measures will enable Personal Finance to produce a 2-point positive jaws effect.

In 2010, **BNP Paribas Lease Group** plans to:

- increase its loan production with customers from the Group's networks in France, Italy, Belgium and Luxembourg;
- form new partnership alliances with equipment manufacturers, drawing on its greater presence around the world in the wake of its tie-up with Fortis Lease;
- speed up the marketing of its added-value leasing service directly to end users.

As the used car market recovers, **Arval** will focus on growing the size of its financed fleet and its market share in Europe.

In 2010, **Investment Solutions** will continue to pursue its strategy to grow cross-selling with the domestic networks as well as to acquire customers.

It will seek to successfully complete the integration of the BNP Paribas Fortis and BGL BNP Paribas's Private Banking, Asset Management and Securities Services businesses, which will make it the eurozone's number one private bank and Europe's fifth largest fund manager.

Lastly, the division will continue expanding businesses in Asian markets in an effort to become one of the pan-Asian leaders in asset management and therefore join the group of major players in Asia with three main centres in Hong Kong, Singapore and India.

In 2010, **CIB** will strive to:

- consolidate its leading position in Europe, notably by improving the penetration of the banking offering to corporates through the new Corporate & Transaction Banking Europe set up;
- pursue selective growth in North America by capitalising on leading positions in energy and commodity finance to expand the offering to the energy and commodity industry;
- take advantage of rapid growth in the Asian market by expanding the product offering in capital markets and bolstering its positions in structured finance.

REINFORCED SOLVENCY

The Group's powerful capacity to generate capital organically was combined with a reduction in risk-weighted assets, which, at 621 billion euros, were down 73 billion for the whole year, primarily in CIB and BNP Paribas Fortis' Merchant Banking whilst they continued to grow in retail banking.

Thus, as at 31 December 2009, the Tier 1 Ratio was 10.1%, up 230bp compared to 31 December 2008. The Equity Tier 1 ratio was 8% compared to 5.4% as at 31 December 2008, or a substantial 260bp rise as a result of the organic capital generation (+85bp), the decline in risk-weighted assets (+75bp) and capital increases carried out in 2009, including the dividend paid in shares (+100bp).

The Group's capacity to reinforce its solvency organically during the years of the crisis, whilst it did not have a single year of losses, confirmed that this level of solvency was appropriate to its diversified business model and its risk profile.

At the dawn of the year 2010 that will be marked by the exit strategies of central banks, the Group is in a favourable liquidity situation due to its limited dependence on the interbank money market thanks to its position as the leading bank in the eurozone by deposits, proactive liquidity management centralised at the Group's corporate headquarters and a competitive refinancing cost thanks to its CDS spread, which is among the lowest of comparable banks. Furthermore, the Group's medium- and long-term issue needs are less than that of 2009.

The Group's balance sheet total, at 2,058 billion euros as at 31 December 2009, was below the level at 31 December 2008 (2,076 billion euros) despite the addition of 518 billion euros due to the acquisition of Fortis: the increase of the banking book was more than offset by the decline in the trading book.

4 CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2009 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 2009 and 31 December 2008. In accordance with Article 20.1 of Annex I of European Commission Regulation (EC) 809/2004, the consolidated financial statements for 2007 are provided in the registration document filed with the Autorité des Marches financiers on 11 March 2009 under number D.09-0114.

4.1 Profit and loss account for the year ended 31 December 2009

In millions of euros	Note	Year to 31 Dec. 2009	Year to 31 Dec. 2008
Interest income	2.a	46,460	58,839
Interest expense	2.a	(25,439)	(45,341)
Commission income	2.b	12,276	10,713
Commission expense	2.b	(4,809)	(4,854)
Net gain/loss on financial instruments at fair value through profit or loss	2.c	6,085	2,693
Net gain/loss on available-for-sale financial assets	2.d	436	464
Income from other activities	2.e	28,781	20,273
Expense on other activities	2.e	(23,599)	(15,411)
REVENUES		**40,191**	**27,376**
Operating expense		(21,958)	(17,324)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	5.m	(1,382)	(1,076)
GROSS OPERATING INCOME		**16,851**	**8,976**
Cost of risk	2.f	(8,369)	(5,752)
OPERATING INCOME		**8,482**	**3,224**
Share of earnings of associates		178	217
Net gain on non-current assets		87	481
Goodwill	5.n	253	2
PRE-TAX INCOME		**9,000**	**3,924**
Corporate income tax	2.g	(2,526)	(472)
NET INCOME		**6,474**	**3,452**
Net income attributable to minority interests		642	431
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		**5,832**	**3,021**
Basic earnings per share	8.a	5.20	2.99
Diluted earnings per share	8.a	5.20	2.97

4.2 Statement of net income and changes in fair value of assets and liabilities recognised directly in equity

In millions of euros	Year to 31 Dec. 2009	Year to 31 Dec. 2008
Net income for the period	**6,474**	**3,452**
Changes in fair value of assets and liabilities recognised directly in equity	2,927	(5,123)
Items related to exchange rate movements	64	(605)
Changes in fair value of available-for-sale financial assets	2,834	(4,701)
Changes in fair value of available-for-sale assets reported in net income	8	5
Deferred gains and losses on hedging instruments	(137)	610
Changes in value of hedging instruments reported in net income	(37)	(27)
Items related to equity-accounted companies	195	(405)
TOTAL	**9,401**	**(1,671)**
Attributable to equity shareholders	8,537	(1,781)
Attributable to minority interests	864	110

4.3 Balance sheet at 31 December 2009

In millions of euros	Note	31 December 2009	31 December 2008
ASSETS			
Cash and amounts due from central banks and post office banks		56,076	39,219
Financial assets at fair value through profit or loss	5.a	828,784	1,192,271
Derivatives used for hedging purposes	5.b	4,952	4,555
Available-for-sale financial assets	5.c	221,425	130,725
Loans and receivables due from credit institutions	5.f	88,920	69,153
Loans and receivables due from customers	5.g	678,766	494,401
Remeasurement adjustment on interest-rate risk hedged portfolios		2,407	2,541
Held-to-maturity financial assets	5.i	14,023	14,076
Current and deferred tax assets	5.j	12,117	6,055
Accrued income and other assets	5.k	103,361	81,926
Policyholders' surplus reserve	5.o	-	531
Investments in associates	5.l	4,761	2,643
Investment property	5.m	11,872	9,920
Property, plant and equipment	5.m	17,056	14,807
Intangible assets	5.m	2,199	1,810
Goodwill	5.n	10,979	10,918
TOTAL ASSETS		**2,057,698**	**2,075,551**
LIABILITIES			
Due to central banks and post office banks		5,510	1,047
Financial liabilities at fair value through profit or loss	5.a	709,337	1,054,802
Derivatives used for hedging purposes	5.b	8,108	6,172
Due to credit institutions	5.f	220,696	186,187
Due to customers	5.g	604,903	413,955
Debt securities	5.h	211,029	157,508
Remeasurement adjustment on interest-rate risk hedged portfolios		356	282
Current and deferred tax liabilities	5.j	4,762	3,971
Accrued expenses and other liabilities	5.k	72,425	83,434
Technical reserves of insurance companies	5.o	101,555	86,514
Provisions for contingencies and charges	5.p	10,464	4,388
Subordinated debt	5.h	28,209	18,323
TOTAL LIABILITIES		**1,977,354**	**2,016,583**
CONSOLIDATED EQUITY			
Share capital and additional paid-in capital		*25,061*	*13,828*
Retained earnings		*37,433*	*37,909*
Net income for the period attributable to shareholders		*5,832*	*3,021*
Total capital, retained earnings and net income for the period attributable to shareholders		**68,326**	**54,758**
Unrealised or deferred gains and losses attributable to shareholders		1,175	(1,530)
Shareholders' equity		**69,501**	**53,228**
Retained earnings and net income for the period attributable to minority interests		11,060	6,179
Change in fair value of assets and liabilities recognised directly in equity		(217)	(439)
Total minority interests		**10,843**	**5,740**
TOTAL CONSOLIDATED EQUITY		**80,344**	**58,968**
TOTAL LIABILITIES AND EQUITY		**2,057,698**	**2,075,551**

4.4 Statement of changes in shareholders' equity between 1 Jan. 2008 and 31 Dec. 2009

➤ SHAREHOLDERS'EQUITY

In millions of euros	Capital and retained earnings				Change in fair value of assets and liabilities recognised directly in equity			Total equity
	Ordinary shares, non-voting shares and additional paid-in capital net of treasury shares	Undated Super Subor-dinated Notes	Non-distributed reserves	Total capital and retained earnings	Exchange rates	Financial assets available for sale	Derivatives used for hedging purposes	
Capital and retained earnings at 31 December 2007	**12,853**	**6,743**	**30,931**	**50,527**	**(1,232)**	**4,466**	**38**	**53,799**
Appropriation of net income for 2007			**(3,016)**	**(3,016)**				**(3,016)**
Increase in share capital and issue	356	3,800		4,156				4,156
Movements in own equity instruments	270	(22)	(37)	211				211
Share-based payment plans	48		74	122				122
Remuneration on Preferred Shares and Undated Super Subordinated Notes			(232)	(232)				(232)
Other movements			(31)	(31)				(31)
Change in fair value of assets and liabilities recognised directly in equity					**(448)**	**(5,034)**	**680**	**(4,802)**
Net income for 2008			**3,021**	**3,021**				**3,021**
Capital and retained earnings at 31 December 2008	**13,527**	**10,521**	**30,710**	**54,758**	**(1,680)**	**(568)**	**718**	**53,228**
Appropriation of net income for 2008			**(1,044)**	**(1,044)**				**(1,044)**
Increase in share capital linked to the acquisition of Fortis	6,197			6,197				6,197
Issue of non-voting shares	5,097			5,097				5,097
Increase in capital with a view to the repurchase of non voting shares	4,253			4,253				4,253
Redemption of non-voting shares	(5,253)			(5,253)				(5,253)
Other increases in capital	1,080	69		1,149				1,149
Redemption of undated floating-rate subordinated notes		(2,550)		(2,550)				(2,550)
Movements in own equity instruments	258	5	(72)	191				191
Share-based payment plans	79		14	93				93
Remuneration on Preferred Shares and Undated Super Subordinated Notes			(335)	(335)				(335)
Other movements	(50)		(12)	(62)				(62)
Change in fair value of assets and liabilities recognised directly in equity				**-**	**121**	**2,729**	**(145)**	**2,705**
Net income for 2009			**5,832**	**5,832**				**5,832**
Capital and retained earnings at 31 December 2009	**25,188**	**8,045**	**35,093**	**68,326**	**(1,559)**	**2,161**	**573**	**69,501**

MINORITY INTERESTS

In millions of euros	Capital and retained earnings	Change in fair value of assets and liabilities recognised directly in equity	Total equity
Capital and retained earnings at 31 December 2007	**5,712**	**(118)**	**5,594**
Appropriation of net income for 2007	**(193)**		**(193)**
Remuneration on preferred shares	(185)		(185)
Interim dividends paid out of net income for the period	(80)		(80)
Other transactions carried out with minority interests	496		496
Other movements	(2)		(2)
Change in fair value of assets and liabilities recognised directly in equity		**(321)**	**(321)**
Net income for 2008	**431**		**431**
Capital and retained earnings at 31 December 2008	**6,179**	**(439)**	**5,740**
Appropriation of net income for 2008	**(226)**		**(226)**
Remuneration on preferred shares	(149)		(149)
Interim dividends paid out of net income for the period	(44)		(44)
Other transactions carried out with minority interests	571		571
Impact of Fortis acquisition	4,087		4,087
Change in fair value of assets and liabilities recognised directly in equity		**222**	**222**
Net income for 2009	**642**		**642**
Capital and retained earnings at 31 December 2009	**11,060**	**(217)**	**10,843**

4.5 Statement of cash flows for the year ended 31 December 2009

In millions of euros	Note	Year to 31 Dec. 2009	Year to 31 Dec. 2008
Pre-tax net income		**9,000**	**3,924**
Non-monetary items included in pre-tax net income and other adjustments		**8,017**	**18,849**
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		3,534	3,074
Impairment of goodwill and other non-current assets		(95)	12
Net addition to provisions		15,794	8,225
Share of earnings of associates		(178)	(217)
Net income from investing activities		(39)	(436)
Net income from financing activities		(1,200)	(114)
Other movements		(9,799)	8,305
Net increase (decrease) in cash related to assets and liabilities generated by operating activities		**14,976**	**7,301**
Net increase in cash related to transactions with credit institutions		(51,299)	8,204
Net increase in cash related to transactions with customers		48,115	34,362
Net decrease in cash related to transactions involving other financial assets and liabilities		22,583	(30,127)
Net decrease in cash related to transactions involving non-financial assets and liabilities		(2,311)	(3,452)
Taxes paid		(2,112)	(1,686)
NET INCREASE IN CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		**31,993**	**30,074**
Net increase (decrease) in cash related to acquisitions and disposals of consolidated entities	8.c	1,763	2,760
Net decrease related to property, plant and equipment and intangible assets		(1,391)	(1,413)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS RELATED TO INVESTING ACTIVITIES		**372**	**1,347**
Decrease in cash and equivalents related to transactions with shareholders		4,342	(3,046)
Increases in cash and equivalents generated by other financing activities		(24,580)	(9,709)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO FINANCING ACTIVITIES		**(20,238)**	**(12,755)**
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS		**(886)**	**257**
NET INCREASE IN CASH AND EQUIVALENTS		**11,241**	**18,923**
Balance of cash and equivalent accounts at the start of the period		**42,961**	**24,038**
Cash and amounts due from central banks and post office banks		39,219	18,542
Due to central banks and post office banks		(1,047)	(1,724)
Demand deposits with credit institutions	5.f	13,514	15,497
Demand loans from credit institutions	5.f	(8,673)	(8,165)
Deduction of receivables and accrued interest on cash and equivalents		(52)	(112)
Balance of cash and equivalent accounts at the end 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	(12,381)	(8,673)
Deduction of receivables and accrued interest on cash and equivalents		(362)	(52)
NET INCREASE IN CASH AND EQUIVALENTS		**11,241**	**18,923**

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 BNP PARIBAS GROUP

1.a APPLICABLE ACCOUNTING STANDARDS

International Financial Reporting Standards (IFRS) were applied to the consolidated financial statements from 1 January 2005 (the date of first-time adoption) in accordance with the requirements of IFRS 1 "First-time Adoption of International Financial Reporting Standards" and of other IFRS, based on the version and interpretations of standards adopted within the European Union [1], and excluding therefore certain provisions of IAS 39 on hedge accounting.

In the consolidated financial statements for 2009, the Group applied the provisions of IAS 1 revised on the presentation of financial statements and the amendment to IFRS 4 and IFRS 7 adopted by the European Union on 27 November 2009 concerning financial instruments disclosures. These changes had no effect on the measurement or recognition of transactions.

The introduction of other standards which are mandatory as of 1 January 2009 had no effect on the 2009 financial statements.

The Group did not choose to early-adopt the new standards, amendments, and interpretations adopted by the European Union and whose application in 2009 was optional, including in particular IFRS 3 "Business Combinations" and IAS 27 revised "Consolidated and Separate Financial Statements".

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 it fails to meet any of the following thresholds: a contribution of more than EUR 8 million to consolidated Revenues, more than EUR 1 million to consolidated gross operating income or net income before tax, or more than EUR 40 million to 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 power to govern the financial and operating policies of the enterprise under an agreement; to appoint or remove the majority of the members of the Board of Directors or equivalent governing body; or to cast the majority of votes at meetings of the Board of Directors or equivalent governing body.

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

(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.*

Jointly-controlled companies are consolidated by 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-making 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 the strategic decision-making 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 in "Investments in associates" on the assets side of the balance sheet, and in the relevant component of shareholders' equity. Goodwill on associates is also included in "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.

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 on the translation of balance sheet items and profit and loss items are recorded in shareholders' equity under "Cumulative translation adjustment" 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 at 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 the interest held in a foreign enterprise, the portion of the cumulative translation adjustment recorded in shareholders' equity in respect of the interest liquidated or disposed of is recognised in the profit and loss account.

1.b.4 Business combinations and measurement of goodwill

Business combinations

Business combinations are accounted for by 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 badwill 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.

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

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.

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

1.c.2 Regulated savings and loan contracts

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

These products contain two types of obligation 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 PEL products) or at a rate reset every six months using an indexation formula set by law (in the case of CEL products); 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 PEL products) or at a rate contingent upon the savings phase (in the case of CEL products).

The Group's future obligations in respect of 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 equate 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 (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.

(1) *As defined by IAS 36.*

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.

Where the sum of the Group's estimated future obligations in respect of 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 in one of four categories.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise:

- financial assets held for trading purposes;
- financial assets that the Group has opted, on initial recognition, to recognise and measure 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 in 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 incidental 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 to fair value, with changes in fair value (excluding accrued interest) shown on a separate line in shareholders' equity, "Unrealised or deferred gains or losses". On 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 derived from fixed-income available-for-sale securities is recorded in "Interest income" in the profit and loss account. Dividend income from variable-income securities is recognised in "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 in the balance sheet except in the case of repurchase agreements contracted for trading purposes, where the corresponding liability is classified in "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 in "Loans and receivables" except in the case of reverse repurchase agreements contracted for trading purposes, where the corresponding receivable is recognised in "Financial assets at fair value through profit or loss".

Securities lending transactions do not result in derecognition of the loaned securities, and securities borrowing transactions do not result in recognition of the borrowed securities in 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 in 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 transferred substantially all the risks and rewards incident 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, depends upon 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 on 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 in "Financial assets at fair value through profit or loss", and in shareholders' equity if the asset is classified in "Available-for-sale financial assets", unless the financial asset in question is designated as an item hedged against foreign exchange risk in a fair value hedging relationship, in which case the translation difference is recognised in the profit and loss account.

1.c.5 Impairment of financial assets

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

An impairment loss is recognised against loans and held-to-maturity financial assets where (i) there is objective evidence of a decrease in value as a result of an event occurring after inception of the loan or acquisition of the asset; (ii) the event affects the amount or timing of future cash flows; and (iii) the consequences of the event can be measured reliably. Loans are assessed for evidence of impairment initially 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 individual level, objective evidence that a financial asset is impaired includes observable data about the following events:

- the existence of accounts 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 is in significant financial difficulty, such that a risk can be considered to have arisen regardless of whether the borrower has missed any payments;
- concessions in respect of the credit terms granted to the borrower that the lender would not have considered had the borrower not been in financial difficulty.

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

Impairment losses taken against 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 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 has been waived.

Counterparties that are not individually impaired are risk-assessed on the basis of portfolios of loans 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 taken to 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 in respect of 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.

(1) Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.

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 permanently impaired 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 two indications of impairment, one being a significant decline in price, defined as a fall of more than 50% of the acquisition price, the other being a prolonged decline over five consecutive years. This is the period which 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 as 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 the securities in question 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 in "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 that is 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 where 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" on 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 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 applicable 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 may be obliged 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 through a choice of 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 taken to 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 used in particular 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 used in particular to hedge interest rate risk on floating-rate assets and liabilities, including rollovers, and foreign exchange risk on highly probable forecast foreign currency revenues.

At the inception of the hedge, the Group prepares formal documentation of 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 covered; the hedging instrument; and the methods used to assess the effectiveness of the hedging relationship.

On inception and at least quarterly, the Group assesses, consistently 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 taken to 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 asset 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 stated 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 asset 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. The gains and losses initially recognised in shareholders' equity are taken to the profit and loss account when the net investment is sold or liquidated in full or in part. Hedging instruments may be currency hedges or any other non-derivative financial instrument.

Embedded derivatives

Derivatives embedded in hybrid financial instruments are extracted 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).

Method of determining fair value

Fair value is determined:

- on the basis of 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.

The distinction between the two valuation methods is made according to whether or not the instrument is traded in 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.

Instruments traded in active markets

If quoted prices in an active market are available, they are used to determine fair value. This method is used for quoted securities and for derivatives traded on organised markets such as futures and options.

The majority of over-the-counter derivatives, swaps, forward rate agreements, caps, floors and plain vanilla options 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.

The valuation derived from these 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.

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

Instruments traded in inactive markets

Products traded in inactive markets and valued using an internal valuation model based on directly observable parameters or on parameters derived from observable data

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 obtained from consensus data or from active over-the-counter markets. Valuations derived from these models are adjusted for liquidity and credit risk.

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

Products traded in inactive markets and valued using an internal valuation model based on parameters that are not observable or only partially observable

Some illiquid complex financial instruments are valued using internally-developed techniques and techniques that are based on data only partially observable on active markets.

In the absence of observable data, 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 by 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.

Unlisted equity securities

The fair value of unlisted equity securities is measured by 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 reference is 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 as calculated using the most recently available information.

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, with effect from 1 January 2005.

This option allows entities to designate any financial asset or financial liability on initial recognition as 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 extracted 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;
- where a group of financial assets and/or financial liabilities is managed and measured on the basis of fair value, under a properly documented management and investment strategy.

BNP Paribas applies this option primarily to financial assets related to unit-linked business (in order to achieve consistency of treatment with the related liabilities), and to structured issues containing significant embedded derivatives.

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 (i) all fees received or paid that are an integral part of the effective interest rate of the contract, (ii) transaction costs, and (iii) premiums and discounts.

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

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

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

1.c.13 Cost of risk

Cost of risk includes movements in provisions for impairment of fixed-income securities and loans and receivables due from customers and credit institutions, movements in financing and guarantee commitments given, losses on irrecoverable loans and amounts recovered on loans written off. This caption also includes impairment losses recorded in respect of 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 (i) when the contractual rights to the cash flows from the asset expire or (ii) 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 Netting of 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.

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 by 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 AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets shown in the consolidated balance sheet comprise 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 be either 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 expense 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.

1.h.1 Short-term benefits

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

1.h.2 Long-term benefits

These 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 employees render the associated 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.

1.h.3 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 a benefit. Termination benefits falling due more than 12 months after the balance sheet date are discounted.

1.h.4 Post-employment benefits

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

Defined-contribution plans do not give rise to an obligation for the Group and consequently do not require a provision. The amount of 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 account of demographic and financial assumptions.

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 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.

Where 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 giving rise to 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 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.

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 cost 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" in respect of defined-benefit plans comprises the current service cost (the rights vested in 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 made 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 of subscribing for specially-issued BNP Paribas shares at a discount on condition that they retain the shares for a specified period.

1.i.1 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 option and share award expense is recorded in salaries and employee benefits, and its credit entry is posted to shareholders' equity. It is 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 account of 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 account of 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 value of BNP Paribas shares.

1.i.2 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 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 take account of any performance conditions and the change in BNP Paribas share price.

1.i.3 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 in measuring the benefit to the employees, which is reduced accordingly. The benefit therefore 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 of offset.

Current and deferred taxes are recognised as tax income or expense in the profit and loss account, except 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 STATEMENT OF CASH FLOWS

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 preparation of the financial statements when making their estimates. The actual future results from operations in respect of which 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 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 2009

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 in "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. In like manner, interest income and expense arising from derivatives used to hedge transactions designated as at fair value through profit or loss is allocated to the same accounts as the interest income and expense relating to the underlying transactions.

In millions of euros	Year to 31 Dec. 2009			Year to 31 Dec. 2008		
	Income	Expense	Net	Income	Expense	Net
Customer items	**27,918**	**(8,682)**	**19,236**	**28,381**	**(11,149)**	**17,232**
Deposits, loans and borrowings	25,955	(8,169)	17,786	26,695	(10,668)	16,027
Repurchase agreements	204	(367)	(163)	19	(349)	(330)
Finance leases	1,759	(146)	1,613	1,667	(132)	1,535
Interbank items	**3,120**	**(3,894)**	**(774)**	**4,685**	**(7,848)**	**(3,163)**
Deposits, loans and borrowings	2,855	(3,388)	(533)	4,371	(6,834)	(2,463)
Repurchase agreements	265	(506)	(241)	314	(1,014)	(700)
Debt securities issued	**-**	**(4,215)**	**(4,215)**	**-**	**(7,935)**	**(7,935)**
Cash flow hedge instruments	**1,896**	**(1,832)**	**64**	**1,669**	**(1,627)**	**42**
Interest rate portfolio hedge instruments	**1,045**	**(2,906)**	**(1,861)**	**1,223**	**(1,300)**	**(77)**
Trading book	**6,576**	**(3,910)**	**2,666**	**17,189**	**(15,482)**	**1,707**
Fixed-income securities	3,481	-	3,481	4,631	-	4,631
Repurchase agreements	2,775	(2,430)	345	12,503	(13,451)	(948)
Loans / Borrowings	320	(895)	(575)	55	(161)	(106)
Debt securities	-	(585)	(585)	-	(1,870)	(1,870)
Available-for-sale financial assets	**5,142**	**-**	**5,142**	**4,954**	**-**	**4,954**
Held-to-maturity financial assets	**763**	**-**	**763**	**738**	**-**	**738**
TOTAL INTEREST INCOME/ (EXPENSE)	**46,460**	**(25,439)**	**21,021**	**58,839**	**(45,341)**	**13,498**

Interest income on individually impaired loans amounted to EUR 567 million at 31 December 2009 and EUR 334 million at 31 December 2008.

The net gain relating to cash flow hedges previously recorded under "Unrealised or deferred gains or losses" and taken to the profit and loss account in 2009 amounted to EUR 28 million, unchanged from 2008.

2.b COMMISSION INCOME AND EXPENSE

Commission income on financial assets and commission expense on financial liabilities which are not measured at fair value through profit or loss amounted to EUR 3,097 million and EUR 447 million respectively in 2009, compared with income of EUR 2,788 million and expense of EUR 378 million in 2008.

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 2,215 million in 2009, compared with EUR 1,777 million in 2008.

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).

	Year to 31 Dec. 2009			Year to 31 Dec. 2008		
In millions of euros	Trading book	Assets designated at fair value through profit or loss	Total	Trading book	Assets designated at fair value through profit or loss	Total
Fixed-income securities	1,739	(3,283)	(1,544)	(5,808)	12,438	6,630
Variable-income securities	4,799	343	5,142	(30,538)	1,040	(29,498)
Derivative instruments	1,799	-	1,799	22,740		22,740
Repurchase agreements	(230)	(168)	(398)	490	148	638
Loans	301	(412)	(111)	395	730	1,125
Borrowings	(284)	462	178	(48)	(685)	(733)
Remeasurement of interest-rate risk hedged portfolios	(400)	-	(400)	2,559		2,559
Remeasurement of currency positions	1,419	-	1,419	(768)		(768)
TOTAL	**9,143**	**(3,058)**	**6,085**	**(10,978)**	**13,671**	**2,693**

Net gain for the year on hedging instruments in fair value hedges and included under derivative instruments amounted to EUR 660 million (net loss of EUR 3,670 million in 2008), while the net loss on the hedged components amounted to EUR 634 million (net gain of EUR 3,652 million in 2008).

Net gains on the trading book in 2009 and 2008 include a non-material amount related to the ineffective portion of cash flow hedges.

Fixed-income securities at fair value through profit or loss (fair value option) are mainly made up of certificates issued to customers by BNP Paribas Arbitrage Issuance BV. These instruments pay an amount indexed to equity market indexes, with the inherent risks hedged by variable-income securities managed in BNP Paribas Arbitrage's trading book. The net gain/loss on remeasurement at fair value of the debt represented by these certificates of deposit, amounting to a loss of EUR 1,237 million in 2009 (versus a gain of EUR 9,151 million in 2008), is offset by the net gain/loss recorded on variable-income securities in the trading book.

2.d NET GAIN/LOSS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

"Net gain/loss on available-for-sale financial assets" includes net gains or losses on non-derivative financial assets not classified as either loans and receivables or held-to-maturity investments.

In millions of euros	Year to 31 Dec. 2009	Year to 31 Dec. 2008
Fixed-income securities [(1)]	**266**	**(17)**
Disposal gains and losses	266	(17)
Equities and other variable-income securities	**170**	**481**
Dividend income	488	637
Additions to impairment provisions	(1,223)	(1,634)
Net disposal gains	905	1,478
TOTAL	**436**	**464**

(1) *Interest income from available-for-sale fixed-income securities 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 "Unrealised or deferred gains and losses" in shareholders' equity) taken to pre-tax income amounted to a loss of EUR 44 million for the year ended 31 December 2009 compared with a gain of EUR 163 million for the year ended 31 December 2008.

Additions to impairment provisions for variable-income securities comprise provisions taken during the period against listed securities whose market value translated into the functional currency has fallen by an amount deemed to be sufficiently significant given the historical prices in euros observed over the past twelve months. This is the case for the Group's holding in South Korean group ShinHan Financial Group, for which a EUR 369 million impairment provision was taken due to a depreciation of the local currency.

The Group has no significant holdings in listed securities whose market value at 31 December 2009 was less than 50% of the acquisition price.

2.e NET INCOME FROM OTHER ACTIVITIES

	Year to 31 Dec. 2009			Year to 31 Dec. 2008		
In millions of euros	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities	21,085	(18,004)	3,081	14,004	(10,874)	3,130
Net income from investment property	1,556	(700)	856	1,048	(430)	618
Net income from assets held under operating leases	4,552	(3,802)	750	4,284	(3,635)	649
Net income from property development activities	168	(49)	119	206	(50)	156
Other	1,420	(1,044)	376	731	(422)	309
TOTAL NET INCOME FROM OTHER ACTIVITIES	**28,781**	**(23,599)**	**5,182**	**20,273**	**(15,411)**	**4,862**

➤ NET INCOME FROM INSURANCE ACTIVITIES

In millions of euros	Year to 31 Dec. 2009	Year to 31 Dec. 2008
Gross premiums written	16,876	13,473
Movement in technical reserves	(10,075)	5,284
Claims and benefits expense	(7,516)	(7,593)
Reinsurance ceded, net	(162)	(245)
Change in value of admissible investments related to unit-linked business	3,864	(7,996)
Other income and expense	94	207
TOTAL NET INCOME FROM INSURANCE ACTIVITIES	**3,081**	**3,130**

"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".

➤ OPERATING LEASES AND INVESTMENT PROPERTY

In millions of euros	31 December 2009	31 December 2008
Future minimum lease payments receivable under non-cancellable leases	**6,202**	**6,676**
Payments receivable within 1 year	2,514	2,741
Payments receivable after 1 year but within 5 years	3,142	3,662
Payments receivable beyond 5 years	546	273

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

2.f COST OF RISK

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

➤ COST OF RISK FOR THE PERIOD

Cost of risk for the period *In millions of euros*	Year to 31 Dec. 2009	Year to 31 Dec. 2008
Net additions to impairment provisions	(8,161)	(5,786)
Recoveries on loans and receivables previously written off	420	348
Irrecoverable loans and receivables not covered by impairment provisions	(628)	(314)
TOTAL COST OF RISK FOR THE PERIOD	**(8,369)**	**(5,752)**

Cost of risk for the period by asset type *In millions of euros*	Year to 31 Dec. 2009	Year to 31 Dec. 2008
Loans and receivables due from credit institutions	12	(30)
Loans and receivables due from customers	(7,818)	(3,783)
Available-for-sale financial assets	(200)	(198)
Financial instruments on trading activities	(130)	(1,779)
Other assets	(7)	1
Off-balance sheet commitments and other items	(226)	37
TOTAL COST OF RISK FOR THE PERIOD	**(8,369)**	**(5,752)**

➤ PROVISIONS FOR IMPAIRMENT: CREDIT RISKS

Movement in impairment provisions during the period *In millions of euros*	Year to 31 Dec. 2009	Year to 31 Dec. 2008
TOTAL IMPAIRMENT PROVISIONS AT START OF PERIOD	**17,216**	**13,508**
Net additions to impairment provisions	8,161	5,786
Impact of the consolidation of Fortis	6,715	-
Utilisation of impairment provisions	(3,256)	(1,792)
Effect of exchange rate movements and other items	(36)	(286)
TOTAL IMPAIRMENT PROVISIONS AT END OF PERIOD	**28,800**	**17,216**

The main changes in impairment provisions in 2009 and 2008 are related to loans and receivables due from customers.

Impairment provisions by asset type, *In millions of euros*	31 December 2009	31 December 2008
Impairment of assets		
Loans and receivables due from credit institutions (*Note 5.f*)	1,028	83
Loans and receivables due from customers (*Note 5.g*)	25,369	14,298
Financial instruments on trading activities	651	1,708
Available-for-sale financial assets (*Note 5.c*)	432	422
Other assets	67	14
TOTAL IMPAIRMENT PROVISIONS AGAINST FINANCIAL ASSETS	**27,547**	**16,525**
Provisions recognised as liabilities		
Provisions for off-balance sheet commitments		
to credit institutions	12	1
to customers	818	224
Other items subject to provisions	423	466
TOTAL PROVISIONS RECOGNISED AS LIABILITIES	**1,253**	**691**
TOTAL IMPAIRMENT PROVISIONS	**28,800**	**17,216**

2.g CORPORATE INCOME TAX

	Year to 31 Dec. 2009		Year to 31 Dec. 2008	
	in millions of euros	*in percentage*	*in millions of euros*	*in percentage*
Corporate income at standard tax rate expense in France	**(2,853)**	**33.3%**	**(1,308)**	**33.3%**
Differential effect in tax rates applicable to foreign entities	339	-4.0%	547	-13.9%
Effect of items taxed at reduced rate in France	26	-0.3%	286	-7.3%
Permanent differences effect	(30)	0.4%	9	-0.2%
Other items	(8)	0.1%	(6)	-0.1%
Corporate income tax expense	**(2,526)**	**29.5%**	**(472)**	**12%**
Of which				
Tax expense of the period	*(2,327)*		*(1,736)*	
Net (Loss) profit of deferred taxes of the period (note 5.j)	*(199)*		*1,264*	

The tax saving arising from the recognition of deferred taxes on unused carryforwards of tax losses and on previous temporary differences was EUR 78 million for the year ended 31 December 2009, compared with EUR 6 million for the year ended 31 December 2008.

Note 3 SEGMENT INFORMATION

The Group is composed of four core businesses:

- Retail Banking, which covers French retail banking (FRB) and Italian Retail Banking (BNL banca commerciale), as well as 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;

- BNP Paribas-Fortis (including BGL BNP Paribas), which covers retail banking in Belgium and Luxembourg. These activities were acquired in the second quarter of 2009 (see Note 8.c) and overlap with the Group's other three operating segments. However, they have been kept separate in 2009 to ensure comparability of the financial performance of the Group's other operating segments. Restructuring costs incurred in the integration of the Fortis Group have also been allocated to this segment.

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

In 2009, they also include the impact of applying the rules on business combinations to the Fortis Group acquisition. The exceptional gain reflecting the negative goodwill arising on the combination (see Note 8.c) is therefore included in other activities.

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 account of 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.

3.a INFORMATION BY BUSINESS SEGMENT

INCOME BY BUSINESS SEGMENT

In millions of euros	Year to 31 Dec. 2009						Year to 31 Dec. 2008					
	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]	**5,801**	(3,921)	(451)	**1,429**	1	**1,430**	**5,717**	(3,868)	(203)	**1,646**	1	**1,647**
BNL banca commerciale [1]	**2,897**	(1,728)	(629)	**540**	-	**540**	**2,775**	(1,737)	(411)	**627**	1	**628**
Personal Finance	**4,302**	(2,071)	(1,902)	**329**	83	**412**	**3,792**	(2,101)	(1,218)	**473**	193	**666**
Other activities Retail Banking	**4,960**	(2,981)	(2,187)	**(208)**	9	**(199)**	**4,990**	(2,932)	(1,160)	**898**	149	**1,047**
Investment Solution	**4,768**	(3,400)	(27)	**1,341**	(51)	**1,290**	**4,935**	(3,423)	(207)	**1,305**	5	**1,310**
Corporate and Investment Banking												
Advisory & Capital Markets	**9,086**	(4,338)	(934)	**3,814**	(2)	**3,812**	**2,066**	(2,607)	(2,122)	**(2,663)**	26	**(2,637)**
Financing	**3,108**	(1,115)	(1,361)	**632**	-	**632**	**2,907**	(1,104)	(355)	**1,448**		**1,448**
BNP Paribas-Fortis	**5,292**	(3,147)	(853)	**1,292**	68	**1,360**				**-**		**-**
Other Activities [2]	**(23)**	(639)	(25)	**(687)**	410	**(277)**	**194**	(628)	(76)	**(510)**	325	**(185)**
TOTAL GROUP	**40,191**	**(23,340)**	**(8,369)**	**8,482**	**518**	**9,000**	**27,376**	**(18,400)**	**(5,752)**	**3,224**	**700**	**3,924**

(1) *French Retail Banking and BNL banca commerciale after the reallocation within Investment Solutions of one-third of Private Banking activities in France and Italy.*
(2) *Including Klépierre and the entities ordinarily known as Principal Investments.*

➤ 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.

	Year to 31 Dec. 2009				Year to 31 Dec. 2008			
In millions of euros	**Assets**	*of which goodwill on acquisitions during the period*	*of which investments in associates*	**Liabilities**	**Assets**	*of which goodwill on acquisitions during the period*	*of which investments in associates*	**Liabilities**
Retail Banking								
French retail Banking [1]	**134,749**	-	*6*	**130,636**	**147,785**		*6*	**143,769**
BNL banca commerciale [1]	**77,855**	-	*10*	**72,405**	**76,454**		*14*	**71,099**
Other activities Retail Banking	**198,756**	*449*	*754*	**182,906**	**201,766**	*406*	*697*	**185,514**
Investment Solution	**173,421**	*154*	*673*	**166,488**	**178,483**	*38*	*415*	**171,911**
Corporate and Investment Banking	**985,451**	*5*	*7*	**976,271**	**1,422,387**	*168*	*7*	**1,410,971**
BNP Paribas-Fortis	**405,045**	*4*	*1,647*	**395,190**	**-**			
Other Activities [2]	**82,421**	-	*1,664*	**77,974**	**48,676**		*1,504*	**44,422**
TOTAL GROUPE	**2,057,698**	***612***	***4,761***	**2,001,870**	**2,075,551**	***612***	***2,643***	**2,027,686**

(1) *French Retail Banking and BNL banca commerciale after the reallocation within Investment Solutions of one-third of Private Banking activities in France and Italy.*
(2) *Including Klépierre and the entities ordinarily known as Principal Investments.*

3.b 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. 2009	Year to 31 Dec. 2008
France	13,824	12,283
Other European Countries	16,984	8,461
Americas	5,763	4,031
Asia - Oceania	1,919	1,255
Other countries	1,701	1,346
TOTAL	**40,191**	**27,376**

➤ ASSETS AND LIABILITIES BY GEOGRAPHIC AREA

	Year to 31 Dec. 2009		31 December 2008	
In millions of euros	Total segment assets	Goodwill on acquisitions during the period	Total segment assets	Goodwill on acquisitions during the period
France	953,332	8	1,224,663	9
Other European Countries	722,068	568	435,592	54
Americas	222,992	12	256,833	465
Asia - Oceania	125,747	23	127,933	84
Other countries	33,559	1	30,530	-
TOTAL	**2,057,698**	**612**	**2,075,551**	**612**

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 of Basel II, 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 the Group BNP Paribas. The information presented in this note reflects the entirety of the risks carried by the Group, which are measured and managed as consistently as possible. However, a few convergence projects have not yet been completed due to their magnitude or complexity and the Group has therefore temporarily retained a hybrid approach, based on methods approved by the French, Belgian and Luxemburgish regulators.

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 divisions, business lines and territories and reports directly to Group Executive Management. The Group Compliance department (GC) monitors operational and reputation risk as part of its responsibility for permanent controls.

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 and Risk Management 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, Group Compliance and Information Technology and Processes). The quality of the validation process is overseen by GRM which reviews identified risks and the resources deployed to mitigate them, as well as defining the minimum criteria to be met to ensure that growth is based on sound business practices. GC has identical responsibilities as regards operational and reputation risk. It plays an important oversight and reporting role in the process of validating new products, new business activities and exceptional transactions.

4.b RISK CATEGORIES

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

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

Reputation risk is 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 new 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 underlying market instrument.

Market risk

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

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

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

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

Operational risk

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

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

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

Compliance and reputation risk

According to French regulations, 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 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

➤ RISK MONITORED BY THE BNP PARIBAS GROUP

Risks affecting the Group's capital adequacy	Risks affecting the Group's value (share price)	Pillar 1		ICAAP [4] (Pillar 2)		Additional risk identified by BNP Paribas
		Risk covered	Measurement method	Risk covered	Measurement and management method	
Credit and counterparty risk		✓	Basel II	✓	Economic Capital	
Equity risk		✓	Basel II	✓	Economic Capital	
Operational risk		✓	Basel II	✓	Economic Capital	
Market risk		✓	Basel II	✓	Economic Capital	
Concentration risk [1]				✓	Economic Capital	
Asset & liability management risk [2]				✓	Economic Capital	
Breakeven risk				✓	Economic Capital	
Insurance risks [3], including insurance subscription risks					Economic Capital	✓
	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 regulatory and economic capital calculations produced by the risk management and accounting functions. It generates and circulates Basel II and economic capital reports both for internal and external communication purposes.

Internal Capital Adequacy Assessment Process (ICAAP)

The second pillar of the new 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 tools for measuring economic capital requirements. 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 tool is regularly embedded into the Group's decision-making and management processes through more extensive use of the concept of regulatory capital and, gradually, economic capital, supported by analyses of the impact of crisis scenarios and business plans. The tool is developed at Group level and adapted to each business as appropriate. Assessments of legal entities are based on simplified approaches.

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), increases or decreases in interest rates, inflation or deflation, 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.

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 are studying an array of measures in response to the financial crisis. The analysis and interpretation of these measures, which are drawn from various and sometimes contradictory sources, may increase compliance risk. Implementation of these new requirements and compliance with them could increase the Bank's costs and its regulatory capital and liquidity requirements and limit its ability to conduct certain types of activities. 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.

In addition, it is difficult to predict what impact these measures (particularly those that are only proposals currently) 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 currently fragile 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 increase substantially 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. 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 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 increases in non-performing assets or for other reasons, as was the case in the second half of 2008 and throughout 2009. 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 private equity, property and other assets. 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 this extreme volatility and market disruption will not return in the future and that the Bank will not incur substantial losses on its capital market activities as a result. Volatility trends that prove substantially different from the Bank's expectations may lead to losses relating to a broad range of other trading and hedging 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 net 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 recent market downturn 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.

Even in the absence of a market downturn, 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 especially the case for assets the Bank holds for which there are not very liquid markets to begin with. 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 sensitive to many factors beyond the Bank's control. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in the Bank's net interest income from its lending activities. In addition, maturity mismatches and increases in the interest rates relating to the Bank's short-term financing may adversely affect the Bank's profitability.

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

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

In addition, misconduct by financial market participants can have a material adverse effect on financial institutions due to the interrelated nature of the financial markets. A recent example is the fraud perpetrated by Bernard Madoff, as a result of which numerous financial institutions globally, including the Bank, have announced losses or exposure to losses in substantial amounts. Potentially significant additional potential exposure is also possible in the form of litigation of various types, 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.

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. The U.S. Department of Justice and the New York County District Attorney's Office, as well as other governmental authorities, are reported to be conducting a review of how certain financial institutions have processed U.S. dollar payments involving U.S. sanctioned countries, persons and entities. The Bank is currently discussing with these authorities a possible retrospective internal review of certain U.S. dollar payments involving countries, persons or entities subject to these sanctions.

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

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

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

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

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

The Bank's hedging strategies may not prevent losses.

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

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

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

Integrating acquired businesses is a long and complex process. Successful integration and the realization of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realization. Moreover, the integration of the Bank's existing operations with those of the acquired operations could interfere with the respective businesses and divert management's attention from other aspects of the Bank's business, which could have a negative impact on the business and results of the Bank. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

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

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

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

4.c RISK MANAGEMENT AND CAPITAL ADEQUACY

The BNP Paribas Group is required to comply with the French regulations 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 Two 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 value adjustments.

➤ AMOUNT OF REGULATORY CAPITAL

In millions of euros	31 December 2009	31 December 2008
Shareholders’ equity before appropriation of income	**69,501**	**53,228**
Share capital, retained earnings and similar	61,456	42,707
Super subordinated notes and similar securities (note 8.a)	8,045	10,521
Minorty interests before appropriation of income	**10,843**	**5,740**
Share capital, retained earnings and similar	8,604	3,492
Preferred Shares (note 8.a)	2,239	2,248
Regulatory deductions and other items	**(17,434)**	**(17,169)**
Intangible assets deductions	(13,316)	(12,854)
of which goodwills	(11,410)	(11,278)
Other regulatory items	(4,118)	(4,315)
of which dividend payment [1]	(1,772)	(1,252)
of which deductions from Tier 1 capital at 50%	(1,146)	(1,003)
TIER 1 CAPITAL	**62,910**	**41,799**
Total Tier 2 capital	**25,298**	**17,951**
of which positive difference between provisions and expected losses	1,314	1,620
Tier 2 regulatory deductions	**(1,146)**	**(1,003)**
Allocated Tier 3 capital	**1,352**	**752**
REGULATORY CAPITAL	**88,414**	**59,499**

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

At 31 December 2009, the positive difference between provisions and expected losses over one year amounted to EUR 1,314 million compared with EUR 1,620 million at 31 December 2008.

Capital ratio

Under the European Union regulation transposed into French law by regulation 91-05, the Group's capital adequacy ratio must at all times be at least 8%, 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 2008 and 2009, 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, 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 by the Group's executive management at monthly intervals and whenever an event occurs or a decision is taken that will materially affect consolidated ratios.

4.d CREDIT AND COUNTERPARTY RISK

The following table shows all the 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.

➤ EXPOSURE TO CREDIT RISK BY BASEL ASSET CLASS

	31 December 2009			31 December 2008		
In millions of euros	IRBA	Standardised Approach	Total	IRBA	Standardised Approach	Total
Central governments and central banks	181,691	31,359	213,050	82,310	16,678	98,988
Corporates	419,000	149,341	568,341	317,213	130,434	447,647
Institutions (*)	109,701	28,661	138,362	95,996	33,828	129,824
Retail	184,382	167,960	352,342	121,128	144,312	265,440
Securitisation positions	52,621	5,260	57,881	25,499	5,412	30,911
Other non credit-obligation assets (**)	261	79,894	80,155	-	76,766	76,766
TOTAL EXPOSURE	**947,656**	**462,475**	**1,410,131**	**642,146**	**407,430**	**1,049,576**

(*) *The Basel II Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities.*
(**) *Other non credit-obligation assets include tangible assets and accrued income and other assets.*

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 represents the gross amount before impairment of deposit accounts with central banks and post office banks (EUR 56 billion), loans granted to customers (EUR 703 billion), and credit institutions (EUR 90 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 104 billion), and financing and guarantee commitments given (EUR 379 billion). Exposure to repo transactions, which is included in the counterparty risk exposures below (EUR - 86 billion) and exposure not included in the prudential covered scope (EUR - 94 billion) have been deducted from these amounts.

The evolution of exposures to credit risk by Basel asset class in 2009 is mainly due to the acquisition of BNP Paribas Fortis and BGL BNP Paribas, as described in Note 8c. The entities comprising these two sub-groups contributed a total of EUR 411 billion to the Group's credit risk exposures at 30 June 2009 (first-time consolidation).

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.

EXPOSURE AT DEFAULT TO COUNTERPARTY RISK BY BASEL ASSET CLASS.

In millions of euros	31 December 2009			31 December 2008		
	IRBA	Standardised Approach	Total	IRBA	Standardised Approach	Total
Central governments and central banks	7,582	1	7,583	11,342	12	11,354
Corporates	46,414	3,869	50,283	56,043	1,489	57,532
Institutions (*)	41,042	1,039	42,081	37,022	966	37 988
Retail	-	14	14	-		
TOTAL EXPOSURE	**95,038**	**4,923**	**99,961**	**104,407**	**2,467**	**106,874**

(*) *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.*

Exposure to counterparty risk declined in 2009 despite the acquisition of BNP Paribas Fortis and BGL BNP Paribas, as described in Note 8c. The entities comprising these two sub-groups contributed a total of EUR 32 billion to the Group's counterparty risk exposure at 30 June 2009 (first-time consolidation). The improvement in market conditions and more particularly the tightening of interest rate spreads explain the sharp decrease on BNP Paribas historical scope which occurred prior to merger with the Fortis Group entities acquired by BNP Paribas.

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 Policy 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 required to be passed up to a higher level for approval. In addition, an industry expert or designated specialist may also be required to sign off on the loan application. 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 Control and Reporting 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 sensitive or problem loans in excess of a certain amount. Its responsibilities include deciding on any adjustments to impairment provisions, based on the recommendations of the business line and GRM. A tailored system is applied in the Retail Banking business.

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 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 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 principles set out below refer to practices within the BNP Paribas historical scope and represent the Group's target practices.

The BNP Paribas Group has been authorised by the French banking supervisor *(Commission bancaire)* to use an advanced internal ratings-based approach (IRBA) to credit risk for the retail, sovereign, bank, corporate and equity asset classes to calculate the regulatory capital requirements for CIB, FRB, Personal Finance France and BNP Paribas Securities Services (BP2S). For other businesses, the Basel II standardised method is used, based on external ratings. Each transaction and each counterparty is rated by the Group using the same methods, regardless of the model used to calculate regulatory capital requirements.

The Bank has a comprehensive internal rating system for determining risk-weighted assets used to compute capital adequacy ratios. A periodic assessment and control process has been deployed to ensure that the system is appropriate and correctly implemented. The system was formally validated by the French banking supervisor *(Commission bancaire)* in December 2007.

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 have the final say. 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 mapping 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]. Base 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 prudent 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.

4

(1) Defined as an external rating from AAA to BBB-.

(2) Within the Group, the "Corporate" book includes institutions, corporates, specialised financing and sovereigns.

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 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 "mid-cycle" ratings and that, the forecast 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 for the rating, 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 consistent with economic downturn conditions and are conservative on an average basis. Benchmarking of recovery rates is based on data pooling initiatives in which the Group takes part.

The credit conversion factor is also backtested annually, although in less detail given the small volumes of available data.

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. For example, apart from calculating capital requirements, they are used 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 approval from its supervisor, the *Commission Bancaire, Financière et des Assurances* (CBFA) in Belgium, to use an 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 and those of BNP Paribas on the other side are due to converge within a consistent methodology used across the entire Group. Work already done in this respect has shown that the concepts developed by the two banks are compatible and has enabled the Group to harmonise ratings for the main counterparties. However, this work has not yet been completed and a hybrid approach has therefore been used at 31 December 2009, based on the methods approved by the French and Belgian supervisors.

Portfolio Policy

In addition to carefully selecting and evaluating individual risks, BNP Paribas follows a portfolio-based policy designed to diversify risks among borrowers, industries and countries. The results of this policy are regularly reviewed by the Risk Policy Committee, which may modify or fine-tune it as required, based on GRM's analyses 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 from crisis scenarios.

Scope and nature of risk reporting and measurement systems

All information processes and systems used by the credit risk reporting function for producing Basel II reports have been submitted for review to the French banking supervisor *(Commission bancaire)*. For BNP Paribas Fortis and BGL BNP Paribas activities where the convergence projects have not yet been completed, the information processes and systems used are those approved by banking supervisory authorities of Belgium and Luxembourg.

The current credit risk 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.

Risk mitigation techniques

Collateral and other security

The BNP Paribas Global Credit Policy sets out how transactions should be structured in order to mitigate risk. Collateral and other security are taken into account at fair value, and only accepted as the main source of repayment in exceptional cases such as commodities financing for example; cash generated by operations is regarded as the primary source of the borrower's ability to repay. Guarantors are subject to the same rigorous upfront assessment process as primary debtors.

Banking regulations set clear guidelines for assessing the risk-mitigating effect of collateral and other security under the Basel II advanced approaches. The Bank's diversified business base means that loans are secured by many different types of collateral and security, particularly asset financing, which may be secured by aircraft, ships or real estate for example. Risk assessments also take into account direct guarantees issued by the counterparty's parent company or other guarantors such as financial institutions. Other guarantees assessed by the Bank include credit derivatives, export credit agencies and credit enhancers. Acceptance of these types of guarantees is governed by strict criteria. A guarantee is considered as mitigating a risk only when the guarantor is rated higher than the counterparty. The value of collateral or other security is only taken into account in measuring exposure if there is no strong correlation with the risk on the first-rank debtor.

BNP Paribas' system for assessing the risk-mitigating effects of collateral and other security has been validated by the French banking supervisor *(Commission bancaire)* as part of the implementation of the new Basel II capital adequacy ratio.

Purchases of credit protection

In order to reduce the credit risk on certain portfolios, the Group carries out synthetic securitisations that transfer part of the risk to the market using credit derivatives (purchases of options or credit default swaps) contracted either via special purpose entities or directly with other banks.

The credit protected loans remain on the consolidated balance sheet. BNP Paribas is exposed to counterparty risk in relation to the sellers of the credit protection. This risk is subject to the same decision-making and management process as that applied to derivatives used for other purposes.

For portfolio transactions, BNP Paribas retains part of the risk in the form of tranches which are generally junior or mezzanine.

Diversification of exposure to credit risk

Under Basel II, the Group's gross credit risk exposure amounted to EUR 1,272 billion at 31 December 2009, compared with EUR 942 billion at 31 December 2008. This portfolio, which is analysed below in terms of diversification, comprises all exposures to credit risk shown in the table at the beginning of the chapter, excluding securitisation positions and other non credit-obligation assets [(1)].

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. Diversification is achieved largely through the extent and variety of the Bank's business activities and the widespread system of discretionary lending authorities.

Diversification of commitments by counterparty is closely and regularly monitored. The risk concentration ratio is designed to ensure that the aggregate risk on beneficiaries whose individual risks each exceed 10% of net consolidated shareholders' equity does not exceed eight times the Group's capital.

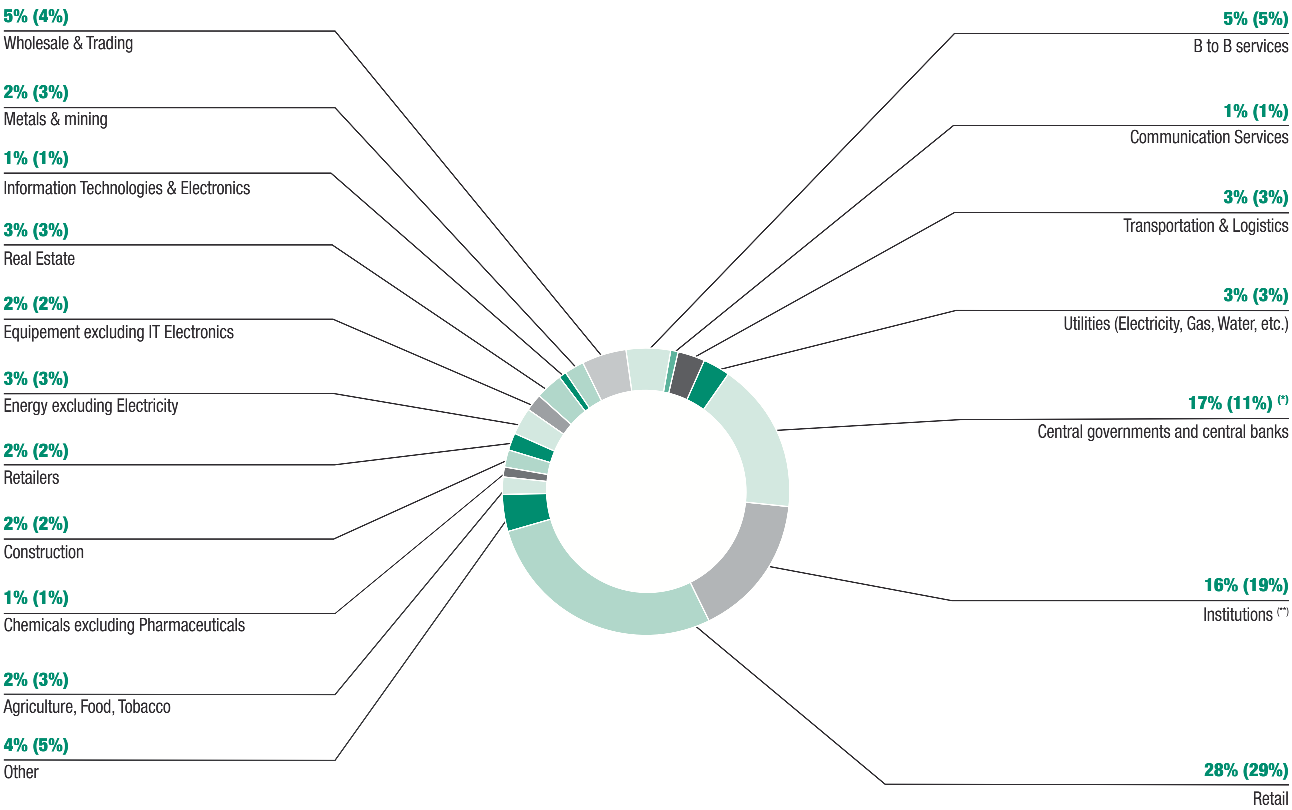
BNP Paribas remains well below the concentration limits set out in the European Directive on Large Exposures. At 31 December 2009, the top ten customer groups accounted for less than 4.7% of total exposure including the Fortis entities acquired by BNP Paribas (compared with 4% at 31 December 2008 excluding the Fortis scope).

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.

(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.

➤ BREAKDOWN OF CREDIT RISK BY BASEL II ASSET CLASS AND BY CORPORATE INDUSTRY



Total exposure: EUR 1,272 billion at 31 December 2009
EUR 942 billion at 31 December 2008

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

(*) *The percentages in brackets reflect the breakdown at 31 December 2008.*

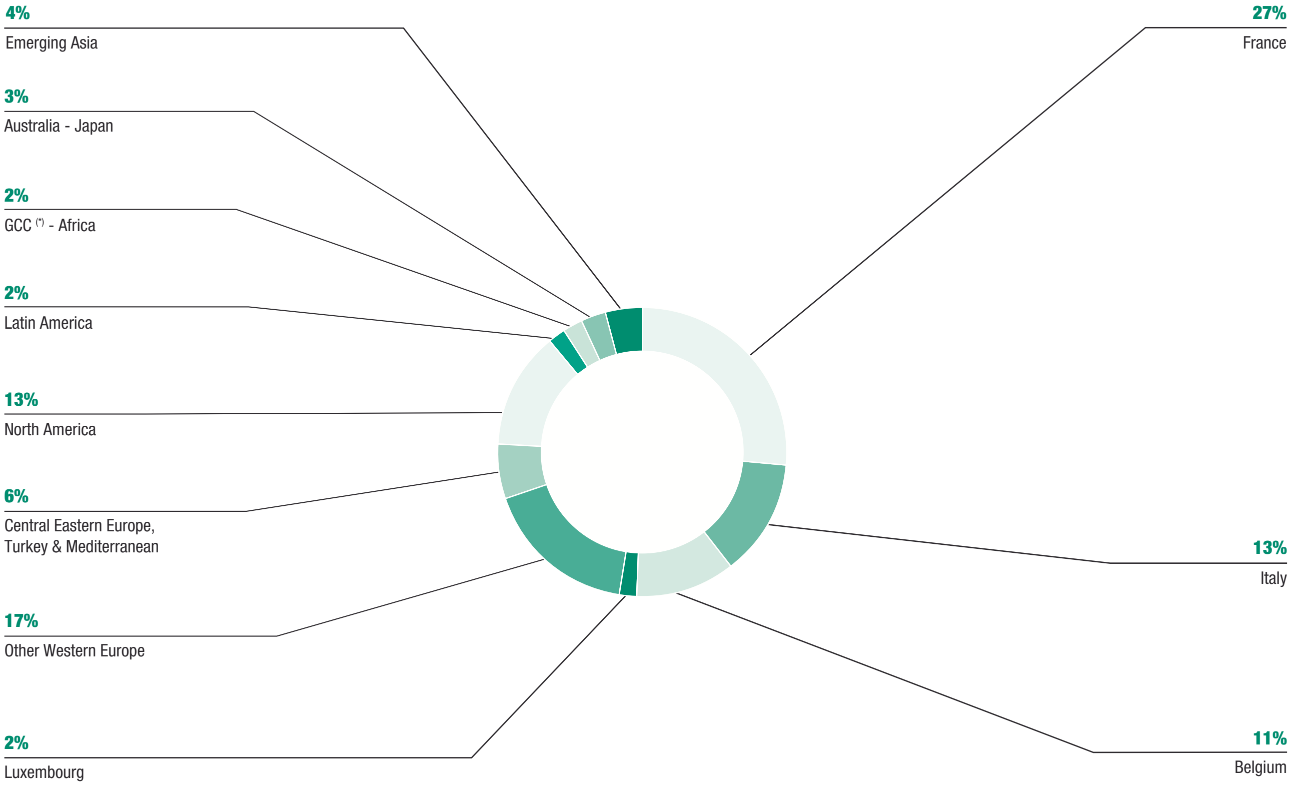
(**) *The Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities.*

Geographic diversification

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

GEOGRAPHICAL BREAKDOWN OF CREDIT RISK AT 31 DECEMBER 2009 BY COUNTERPARTY'S COUNTRY OF BUSINESS

This presentation isolates the share of the Group's exposure on its two new domestic markets namely Belgium and Luxembourg, and consolidates Turkey with Central Eastern Europe and Mediterranean countries.

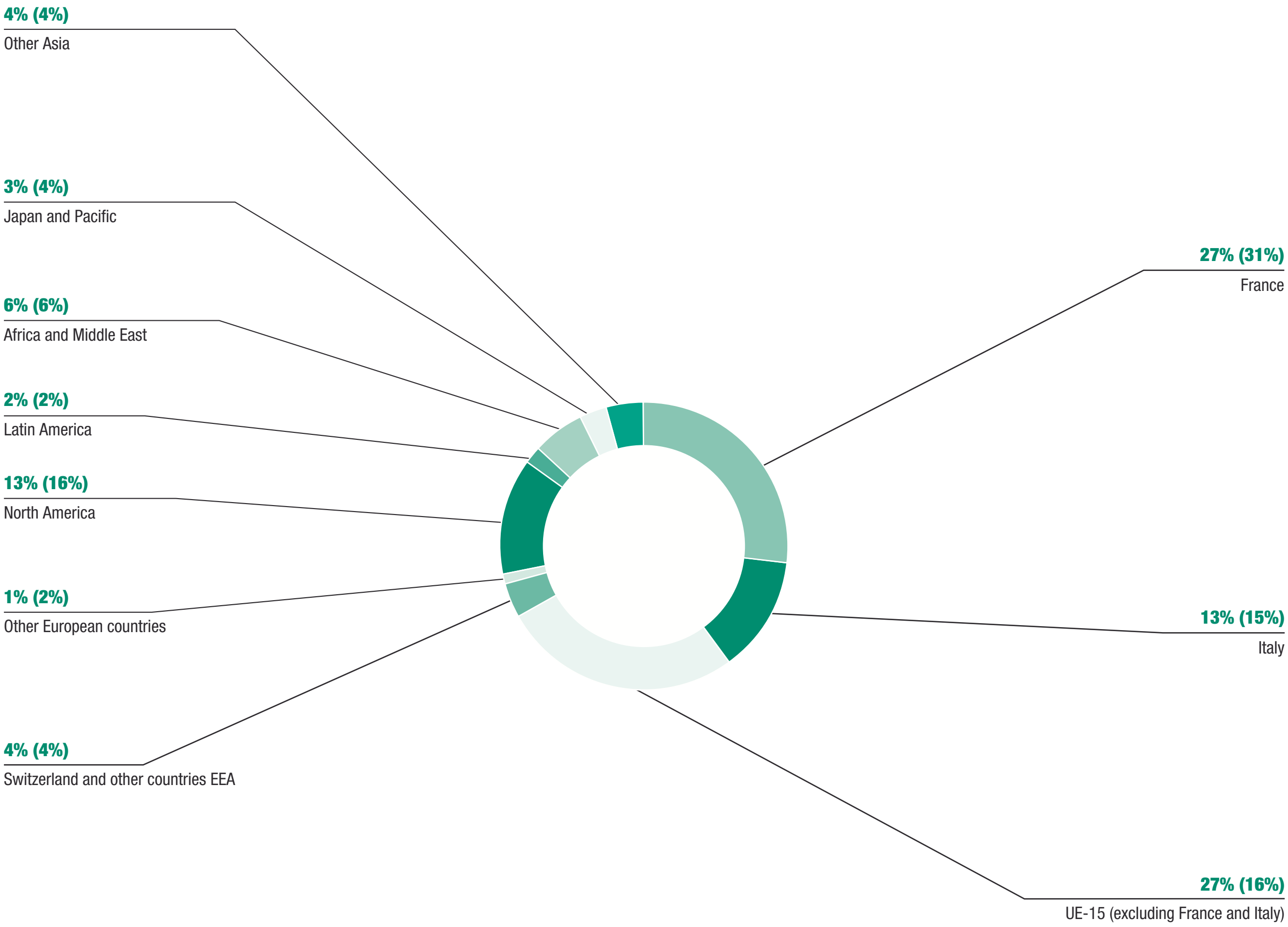


Total exposure: EUR 1,272 billion at 31 December 2009

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

(*) *Gulf Cooperation Council.*

FORMER GEOGRAPHICAL BREAKDOWN OF CREDIT RISK AT 31 DECEMBER 2009 BY COUNTERPARTY'S COUNTRY OF BUSINESS (PRO FORMA 31 DECEMBER 2008)



Total exposure: EUR 1,272 billion at 31 December 2009
EUR 942 billion at 31 December 2008

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

(*) *The percentages in brackets reflect the breakdown at 31 December 2008.*

Geographic diversification of exposure remains balanced. The acquisition of the Fortis Group entities has strengthened the Group's predominantly European dimension (72% at 31 December 2009 versus 68% at 31 December 2008).

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 Investment Banking (CIB) portfolio, the French Retail Banking (FRB) portfolio, as well BP2S and part of Personal Finance. Convergence projects are currently in progress with a view to harmonising methods, processes and systems in the scope resulting from the acquisition of BNP Paribas Fortis and BGL BNP Paribas.

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 as regards 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 is also a fundamental 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.

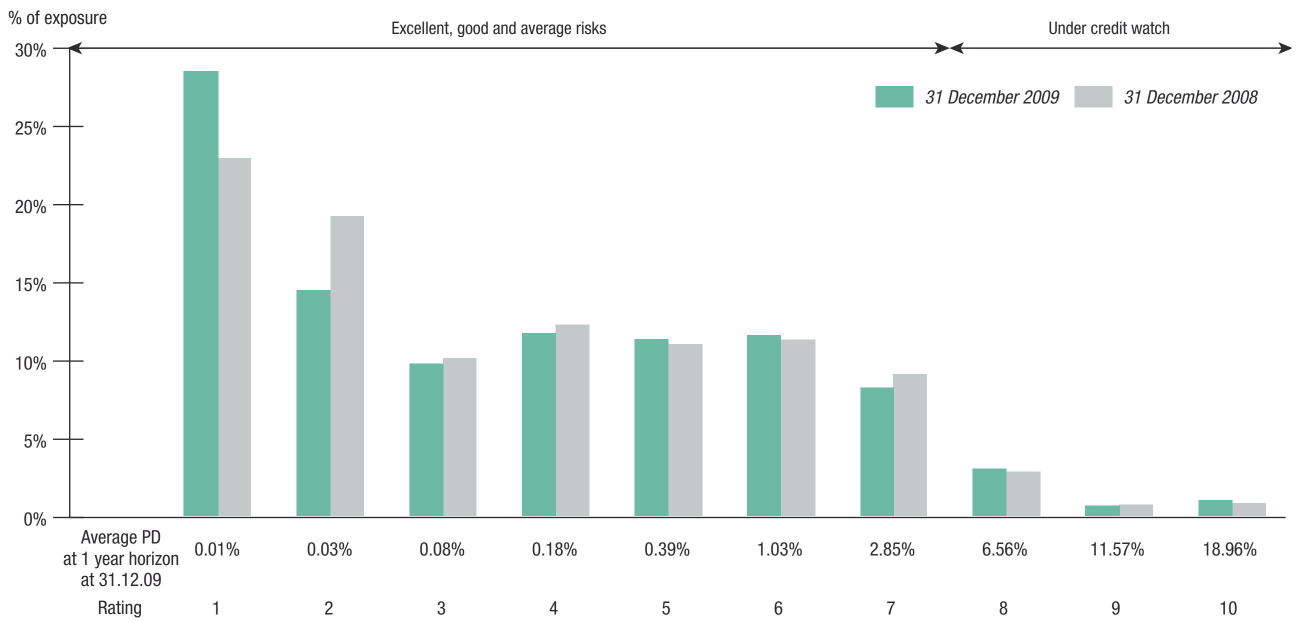
The method of measuring risk parameters is based on a set of common principles, and particularly the "two pairs of eyes" principle which requires at least two people, one of whom has no commercial involvement, to give their opinion on each counterparty rating and each transaction global recovery rate (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 696 billion of the gross credit risk at 31 December 2009 compared with EUR 491 billion at 31 December 2008.

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.

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 remains globally steady in 2009, with the exception of exposures rated 1 and 2. The growth in exposures rated 1 is due to an increase in central government and central bank exposures coupled with the integration of the BNP Paribas Fortis and BGL BNP Paribas portfolios.

The relative decrease in exposures rated 2 compared with the Group's total portfolio is due mainly to integration of these portfolios.

Retail banking operations

Retail banking operations are carried out either by the BNP Paribas network of branches in France, or by certain subsidiaries and notably Personal Finance, or by the Fortis Group entities acquired by BNP Paribas through their branch network in Belgium and Luxembourg.

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.

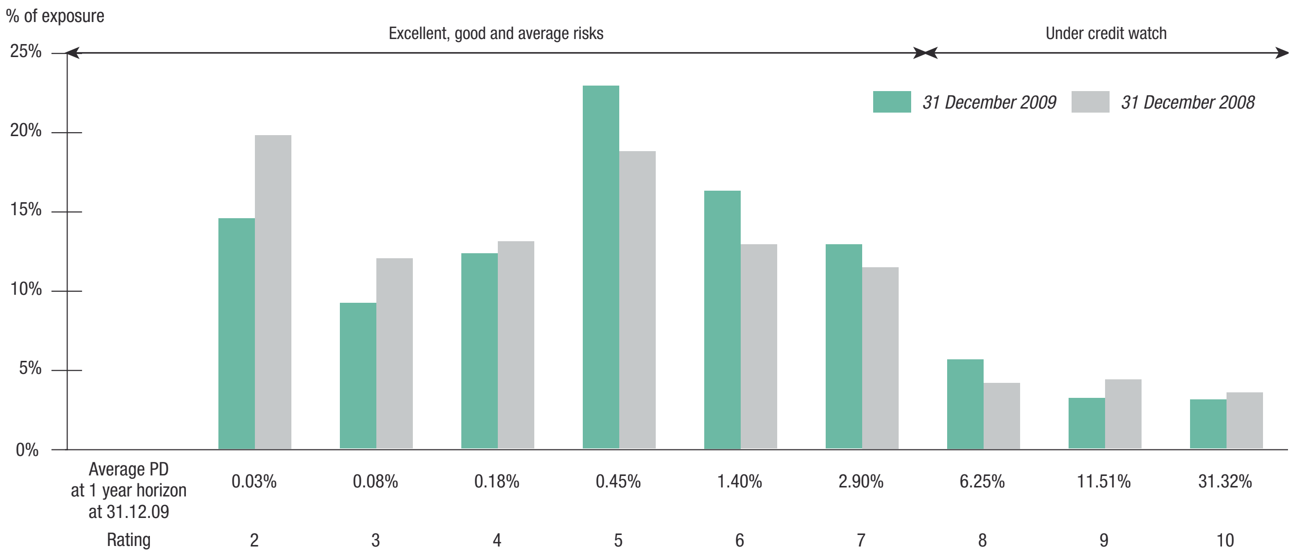
The majority of FRB's retail borrowers are assigned a behavioural score which serves as a basis to determine the probability of default and, for each transaction, the global recovery rate (GRR) and exposure at default (EAD). These parameters are calculated monthly on the basis of the latest available 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 177 billion of the gross credit risk at 31 December 2009 compared with EUR 116 billion at 31 December 2008.

➤ BREAKDOWN OF IRBA RETAIL EXPOSURES BY CREDIT RATING



Compared with 31 December 2008, the increase in the proportion of exposures rated 5 and 7 relative to those rated 2 and 3 is mainly due to the structure of the retail portfolio of the Fortis Group entities acquired by BNP Paribas.

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 *(Commission bancaire).*

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.

This exposure represents 30% of the BNP Paribas Group's total gross exposure. The main entities using the standardised approach at 31 December 2009 are BNL, BancWest, Cetelem excluding France, UCB, BPLG, TEB, UkrSibbank, the emerging country subsidiaries of both BNP Paribas and BNP Paribas Fortis, and Banque de la Poste.

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 203 billion of the gross credit risk at 31 December 2009 compared with EUR 176 billion at 31 December 2008.

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 consolidation of the Fortis Group entities acquired by BNP Paribas did not lead to any material shift in this portfolio.

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.

	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**

	31 December 2008								
	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)	18	15	-	-	3	-	18	-	-
Available-for-sale financial assets (excl. variable-income securities)	1	1	-	-	-	114	115		4
Loans and receivables due from credit institutions	137	87	2	18	30	33	170	18	1
Loans and receivables due from customers	9,518	8,796	547	94	81	8,407	17,925	5,550	3,945
Past-due assets, net of individual impairment provisions	**9,674**	**8,899**	**549**	**112**	**114**	**8,554**	**18,228**	**5,568**	**3,950**
Financing commitments given						223	223		10
Guarantee commitments given						460	460		67
Off-balance sheet non-performing commitments, net of provisions						**683**	**683**	**-**	**77**
TOTAL	**9,674**	**8,899**	**549**	**112**	**114**	**9,237**	**18,911**	**5,568**	**4,027**

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). The BNP Paribas Group also participates in EchoNetting, enabling it to use multilateral netting for transactions with other participants within the organisation.

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 allowing to simulate several thousand possible market trend scenarios 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 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;

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- 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 be 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:

In millions of euros	31 December 2009		31 December 2008	
BNP Paribas role	Securitisation exposures originated by BNP Paribas (1)	Securitisation positions held or acquired (EAD) (2)	Securitisation exposures originated by BNP Paribas (1)	Securitisation positions held or acquired (EAD) (2)
Originator	18,219	5,433	4,831	357
Sponsor	548	18,289	35	17,132
Investor	0	28,354	0	13,422
TOTAL	**18,767**	**52,076**	**4,866**	**30 911**

(1) Securitisation 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 2009 by BNP Paribas subsidiaries, Personal Finance in France, BNL in Italy, UCI in Spain and BNP Paribas Fortis in Belgium. The total amount securitised was EUR 16.7 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 as regards securitising its retail loans has been to carry out proprietary transactions that may serve as collateral for refinancing operations.

In 2009, 35 transactions were carried out representing a total Group exposure of EUR 55.4 billion, including EUR 12.6 billion for Personal Finance, EUR 0.6 billion for Equipment Solutions, EUR 11.7 billion for BNL and EUR 30.5 billion for BNP Paribas Fortis. Only five of these transactions, representing a total securitised exposure of EUR 4.4 billion, have been excluded from the calculation of Basel II credit risk-weighted assets, as shown in the table above. Securitisation positions retained in these transactions amount to EUR 0.7 billion at 31 December 2009 compared with EUR 0.4 billion at 31 December 2008.

When BNP Paribas acquired the Fortis Group entities, the riskiest portion of their structured asset portfolio was sold to a dedicated SPV. The SPV's securitised exposures amount to EUR 12.1 billion. The Group retained a EUR 4.1 billion securitisation exposures in the SPV including EUR 0.2 billion of the equity tranche, EUR 0.5 billion of the senior tranche and EUR 3.4 billion of the super senior tranche.

The exposures retained in securitisation transactions originated by BNP Paribas and the Fortis Group entities acquired by BNP Paribas amount to an additional EUR 0.6 billion.

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 2009, 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. The Group has issued letters of credit guaranteeing the secondary default risk on securitised receivables managed for clients by these entities up to an amount of EUR 0.4 billion (EUR 0.7 billion at 31 December 2008) and has granted liquidity facilities to these entities. 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 15.2 billion at 31 December 2008 to EUR 11.1 billion at 31 December 2009).

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. Liquidity facilities are also granted to non consolidated funds, arranged by the Group, for receiving securitised customers assets (these funds are not managed by the Bank). The total of these facilities amounts to EUR 1.3 billion at 31 December 2009 compared with EUR 1.9 billion at 31 December 2008.

Some of the Fortis Group entities acquired by BNP Paribas have also granted liquidity facilities to the Scaldis multiseller conduit, totalling EUR 5.8 billion at 31 December 2009.

During 2009, BNP Paribas Structured Finance continued to manage CLO 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 24 million at 31 December 2009.

Securitisation as investor

The Group's business in securitisation as investor is mainly carried out by Fortis, CIB, Investment Solutions and BancWest.

BNP Paribas Fortis structured credit portfolio amounts to EUR 18.5 billion. This portfolio carries guarantee by the Belgian State on the second level of loss. Beyond a first tranche of final loss, against the notional value of 3,5 billion euros largely provisioned in the purchase accounting, the Belgian State guarantees on demand a second loss tranche up to 1,5 billion euros.

CIB Fixed Income is responsible for monitoring and managing the portfolio of ABS (either held or covered by CDOs) , which represented a total of EUR 4.8 billion of ABS at 31 December 2009 compared with EUR 5.9 billion at 31 December 2008. It also manages liquidity facilities granted by banking syndicates to ABCP conduits managed by a number of major international industrial groups – clients of BNP Paribas – representing a total of EUR 0.5 billion at 31 December 2009 compared with EUR 1.3 billion at 31 December 2008.

CIB Loan & Portfolio Management (LPM) did not set up any new transactions during 2009. At 31 December 2009, the portfolio managed by LPM had shrunk to EUR 79 million from EUR 148 million at 31 December 2008 following the sale of some programmes.

In 2009, Investment Solutions invested a total of EUR 600 millions in securitisation programmes, mainly during the first quarter. These investments were made in strict compliance with the Group's risk management rules and totalled EUR 3.1 billion at 31 December 2009. Meanwhile, repayments and disposals reduced exposure from EUR 3.1 billion at 31 December 2008 to EUR 3 billion at 31 December 2009.

BancWest invests exclusively in securitisation positions in listed securities as a core component of its refinancing and own funds investment policy. At 31 December 2009, its exposure amounted to EUR 1.6 billion compared with EUR 2.1 billion at 31 December 2008.

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, 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 dedicated unit on behalf of all businesses;
- a dedicated Debtors Committee to review trends in ABS related provisions on a quarterly basis.

4.e MARKET RISK

Market risk related to financial instruments

Definitions

Market risk is the risk of incurring a loss due to adverse changes in prices or market parameters, whether directly observable or not. Market risks arise mainly from trading book transactions carried out by the Fixed Income and Equity teams with Corporate Investment Banking. The parameters are 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. Other meetings may also be chaired 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 and other representatives of Group Development and Finance and 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 committee is chaired by the Senior Trader and other members include representatives from trading, GRM, Group Product Control, and Group Development and Finance. The Valuation Review Committee also acts as the referee in any disagreements between trading and control functions;
- created in 2009, 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.

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 checks the parameters where processes can be automated, while GRM checks the risk and market parameters requiring an in-depth analysis and an informed opinion. 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 always be strictly in line with accounting standards such as penalties for large positions. In this case, the reserves are eliminated from the financial statements.

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

Day-one-profit

Some structured transactions require the use of parameters considered unobservable, which means that the day-one profit cannot be recognised under IAS 39.

GRM works with Group Development and Finance, middle-offices, and business units to calculate the day-one profit, and most notably performs the following:

- determines whether a parameter is observable;
- documents evidence of observability; 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 adjustments to the day-one profit and checks the observability criteria of each transaction.

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;
- geographical dashboards such as "UK Risk Dashboard" reports; and
- 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 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 specific credit risk.

The algorithms, methodologies and sets of indicators are reviewed and improved regularly to take into account 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, apart from a few slight methodological differences.

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 scenarios and adjusted to reflect changes in the economic environment. GRM uses 15 stress test scenarios covering all market activities: fixed-income, currency, equity derivatives, commodities and treasury. These scenarios 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 2009

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 2009, total average VaR for the BNP Paribas scope excluding Fortis was EUR 188 million (with a minimum of EUR 107 million and a maximum of EUR 441 million), after taking into account the EUR 258 million netting effect between the different types of risks. These amounts break down as follows:

➤ VALUE AT RISK (10 DAYS - 99%): BREAKDOWN BY RISK TYPE FOR THE BNP PARIBAS SCOPE EXCLUDING BNP PARIBAS FORTIS

Type of risk	Year to 31 Dec. 2009			31 December 2009	Year to 31 Dec. 2008	31 December 2008
	Average	Minimum	Maximum		Average	
Interest rate risk	132	106	261	147	129	261
Credit risk	141	95	219	138	176	198
Foreign exchange risk [1]	44	14	84	35	42	69
Equity price risk	113	19	482	89	169	119
Commodity price risk	16	9	37	18	17	13
Netting Effect	*(258)*			*(235)*	*(255)*	*(357)*
TOTAL VALUE AT RISK	**188**	**107**	**441**	**192**	**278**	**303**

[1] The VaR for foreign exchange risk is outside the scope of Pillar I of Basel II.

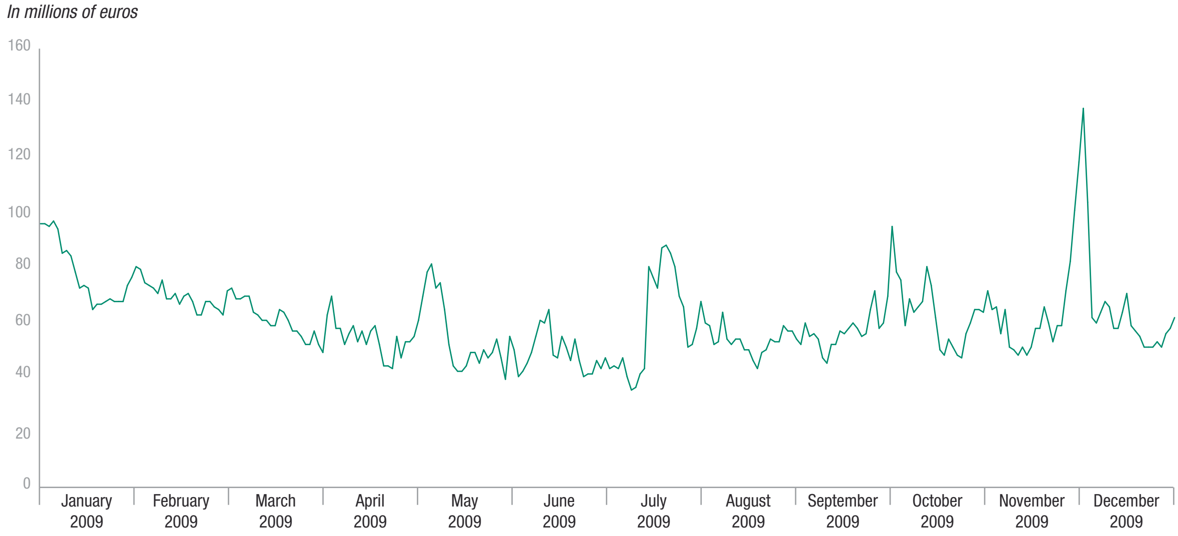
In 2009, total average VaR for the BNP Paribas Fortis scope is EUR 79 million (with a minimum of EUR 21 million and a maximum of EUR 163 million), after taking into account the EUR 23 million netting effect between the different types of risk. These amounts break down as follows:

➤ VALUE AT RISK (10 DAYS - 99%): BREAKDOWN BY RISK TYPE FOR THE BNP PARIBAS FORTIS SCOPE

Type of risk	Year to 31 Dec. 2009			31 December 2009
	Average	Minimum	Maximum	
Interest rate risk	54	17	89	17
Credit risk				
Foreign exchange risk	9	4	20	6
Equity price risk	31	8	59	13
Commodity price risk	8	3	17	3
Netting Effect	*(23)*			*(15)*
TOTAL VALUE AT RISK	**79**	**21**	**163**	**24**

Risk exposure in 2009

➤ CHANGE IN VAR (1 DAY, 99%) IN MILLIONS OF EUROS FOR THE BNP PARIBAS SCOPE EXCLUDING FORTIS



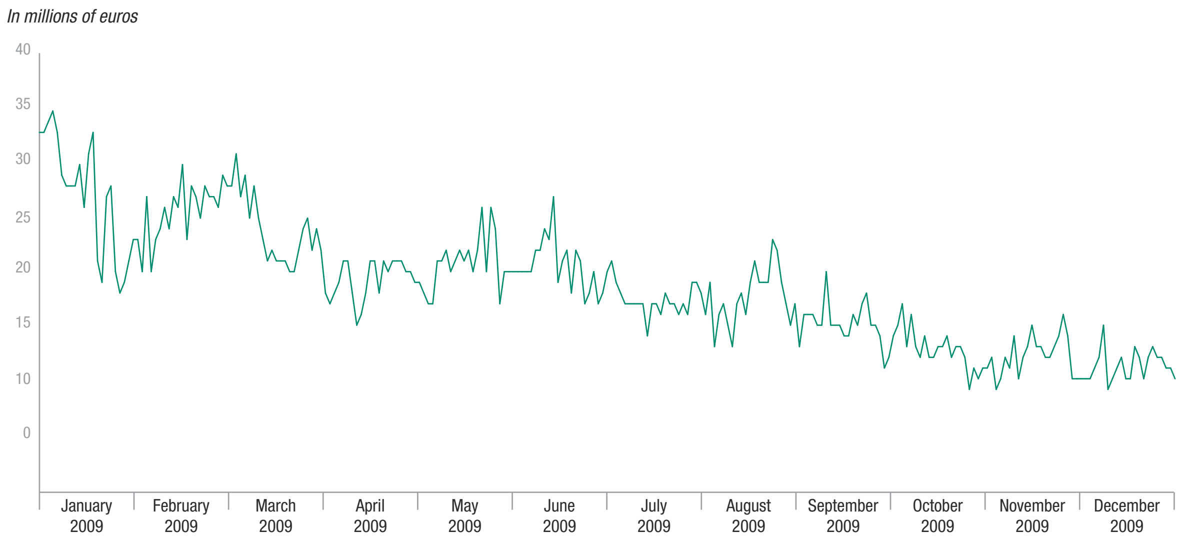
GRM continuously tests the accuracy of its internal model through a variety of techniques, including a regular comparison over a long-term horizon between actual daily losses on capital market transactions and 1-day VaR.

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.

2009 saw a reduction in volatilities thanks to the various economic and financial support measures taken to overcome the 2008 crisis. VaR therefore declined. However, it rose sharply for a few days in early December, reaching EUR 139 million (1-day VaR) on 2 December 2009. This was due to a position in barrier options. After the sharp rise in the stock markets and indices in 2009, these options were close to maturity and their underlyings close to the barrier level, but the barriers were not ultimately triggered.

Daily losses did not exceed VaR in 2009 and have only exceeded VaR nine times in the past three years, in conditions of unprecedented shock and exceptionally high volatility in the financial markets.

➤ CHANGE IN VAR (1-DAY, 99%) IN MILLIONS OF EUROS FOR THE BNP PARIBAS FORTIS SCOPE



VaR has fallen considerably due to lower volatility in the market in 2009 and a number of positions reaching 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 Luxembourg), 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

For 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 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.

EXPOSURE (*) TO EQUITY RISK

*In millions of euros (Exposure *)*	31 December 2009	31 December 2008
Internal model method	**12,463**	**14,409**
Listed equities	4,727	4,793
Other equity exposures (**)	5,114	6,596
Private equity in diversified portfolios	2,622	3,020
Simple risk weight method	**1,273**	
Listed equities	278	
Other equity exposures	416	
Private equity in diversified portfolios	579	
Standardised approach	**1,777**	**350**
TOTAL	**15,513**	**14,759**

(*) *Fair value (on and off-balance sheet).*
(**) *Other equity exposures at 31 December 2008 include EUR 4,281 million of off-balance sheet exposure not included in this line in the published document on this date.*

The increase in exposures at 31 December 2009 includes the consolidation of positions held by BNP Paribas Fortis and BGL BNP Paribas, measured using the simple risk weight approach or standardised approach. The market value of exposures measured using the internal model amounted to EUR 12.5 billion at 31 December 2009, down EUR 1.9 billion compared to 31 December 2008, due to the sale of a number of assets while the equity markets were rising sharply.

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.

Group policy is usually to borrow the investment currency in order to protect the investment against foreign exchange risk. Such borrowings are documented as hedges of net investments in foreign operations. However, for most of soft currencies, the investment may also be financed by purchasing the currency in question.

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 Luxembourg) 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 the value of banking intermediation books

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. To comply with the financial reporting rules prescribed by IFRS, BNP Paribas determines the value of the financial instruments that make up these books (see Note 8.g) and the sensitivity of that value to interest rate fluctuations.

The table below shows the sensitivity of the value of consolidated banking intermediation books, by currency and by maturity band, to an instantaneous movement of one basis point across the entire yield curve. This analysis takes into account all future cash flows generated by transactions outstanding at the reporting date, irrespective of maturity. The sensitivity data shown take account of the replication portfolios and models used to generate theoretical maturities, especially on the Bank's equity.

The sensitivity of the value of banking intermediation books to an instantaneous change of one basis point in interest rates was an increase in value in the event of a fall and a decrease in value in the event of a rise of approximately EUR 117,000 at 31 December 2009, compared with EUR 3,629,000 at 31 December 2008.

➤ INTEREST RATE SENSITIVITY OF THE VALUE OF THE GROUP'S CUSTOMER BANKING AND EQUITY INTERMEDIATION BOOKS:

	31 December 2009					
In thousands of euros	less than 3 months	3 to 12 months	1 to 3 years	3 to 5 years	more than 5 years	Total
EUR	235	(93)	(2,742)	1,265	3,776	2,441
USD	343	351	78	(239)	(3,527)	(2 994)
GBP	40	35	(50)	(13)	54	66
Other currencies	236	(148)	(271)	40	513	370
TOTAL	**854**	**145**	**(2,985)**	**1,053**	**816**	**(117)**

	31 December 2008					
In thousands of euros	less than 3 months	3 to 12 months	1 to 3 years	3 to 5 years	more than 5 years	Total
EUR	(20)	(445)	(833)	(1,098)	2,128	(268)
USD	33	57	1,125	(693)	(3,825)	(3,303)
GBP	(1)	7	5	2	11	24
Other currencies	13	(41)	(148)	(69)	163	(82)
TOTAL	**25**	**(422)**	**149**	**(1,858)**	**(1,523)**	**(3,629)**

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, forwards or futures.

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 for each portfolio - customer activities and own funds - and currency.

In 2009, despite the impact of the crisis, fixed-rate customer loan origination continued to grow faster than fixed-rate deposits or was not especially correlated with market rates in most retail banking units, particularly France and Italy. Belgium, by contrast, saw strong inflows of customer deposits, recapturing the market share lost in 2008. In France, there was a shift in the savings product mix, with a decrease in term deposits and an increase in savings accounts (due to the greater availability of the Livret A tax-efficient passbook account) and non-intermediated savings.

The market environment in 2009 was marked by a sharp steepening of the euro and dollar yield curves following the decrease in short-term interest rates and a return to more normal swap spreads on the shorter maturities. This was due both to massive central bank intervention designed to provide the market with liquidity and to uncertainty over the post-crisis outlook in terms of both growth and inflation.

The hedges put in place by the Bank in 2009 are based mainly on a fixed-rate borrowing strategy. They include derivatives and options typically accounted for as fair value hedges or cash flow hedges. Government securities are mostly recorded in the "Available for sale" category.

No hedging relationship was disqualified from hedge accounting in 2009.

Structural foreign exchange risk

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

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

A similar hedging relationship is set up to hedge the foreign exchange risk on net foreign currency assets of consolidated branches and subsidiaries. Fair value hedges are used to hedge the foreign exchange risk on equity investments in non-consolidated companies. No hedging relationship was disqualified from hedge accounting in 2009.

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.

In 2008, only one hedge of forecast transactions was disqualified on the grounds that the related future event was no longer highly probable.

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 Paris' 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.

In millions of euros	31 December 2009				31 December 2008			
Period to realisation	less than 1 year	1 to 5 year	more than 5 years	Total	less than 1 year	1 to 5 year	more than 5 years	Total
Hedged cash flows	115	244	332	691	892	1,027	1,543	3,462

In the year ended 31 December 2009, no hedges of forecast transactions were requalified as ineligible for hedge accounting on the grounds that the related future event would be no longer highly probable.

4.f OPERATIONAL RISK

Risk management framework

Regulatory framework

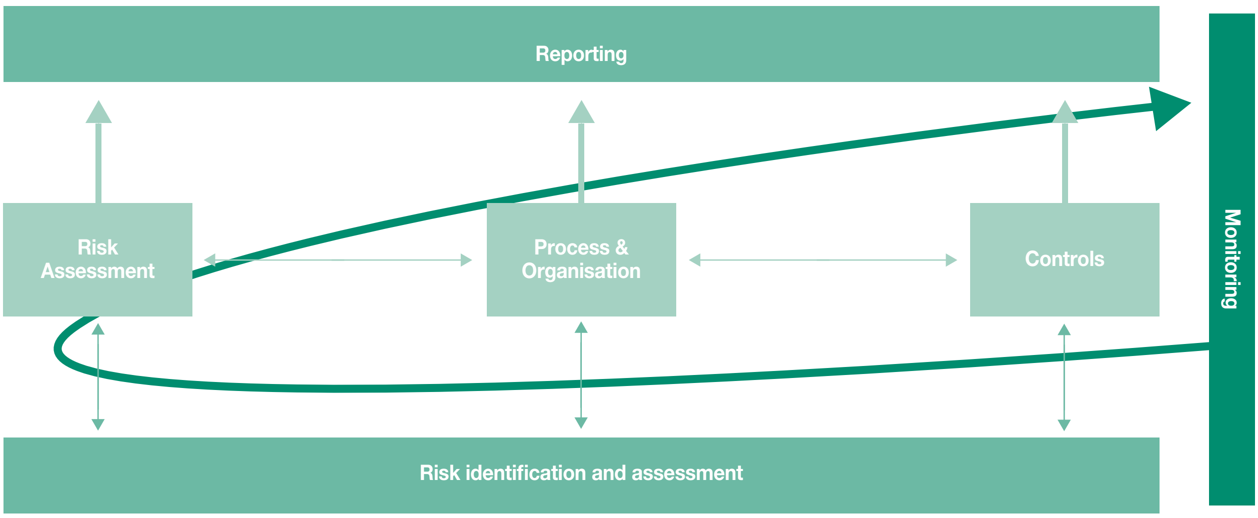
Operational risk management is governed by a strict regulatory framework:

- Basel II, which requires the allocation of capital to operational risk;
- regulation CRBF 97-02 as amended, which requires 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 for measuring and managing operational risk, BNP Paribas has developed a risk management process that operates in a five-stage loop:

- identifying and assessing 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 covering 69% of the Group's revenues excluding Fortis at 31 December 2009 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 *(Commission bancaire)* 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 and Group functions.

Key players and governance

The risk management framework relies on teams of operational risk analysts at all levels of the Group (core businesses, functions, business lines, subsidiaries and territories), coordinated centrally by an Oversight of Operational Permanent Control team which reports to Group Compliance. The teams have been substantially bolstered over the past few years and now comprise more than 600 dedicated full-time equivalents (ETP), including some who focus entirely on supervising business continuity. They have two key responsibilities:

- coordinating implementation of the system, its standards and methodologies, reporting and tools across the areas falling within their remit;
- flagging issues to management and ensuring that the system works properly.

The entire system therefore requires significant involvement of operational staff, who have front-line responsibility for managing their risk. Issues that arise in relation to operational risk management and business continuity are discussed with the Group's Executive Committee three times a year, 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 divisions, business lines and functions tailor this governance structure to their own organisations, with the participation of Executive Management. Other Group entities, particularly the major subsidiaries, are also required to set up a similar structure.

Scope and nature of risk reporting and measurement

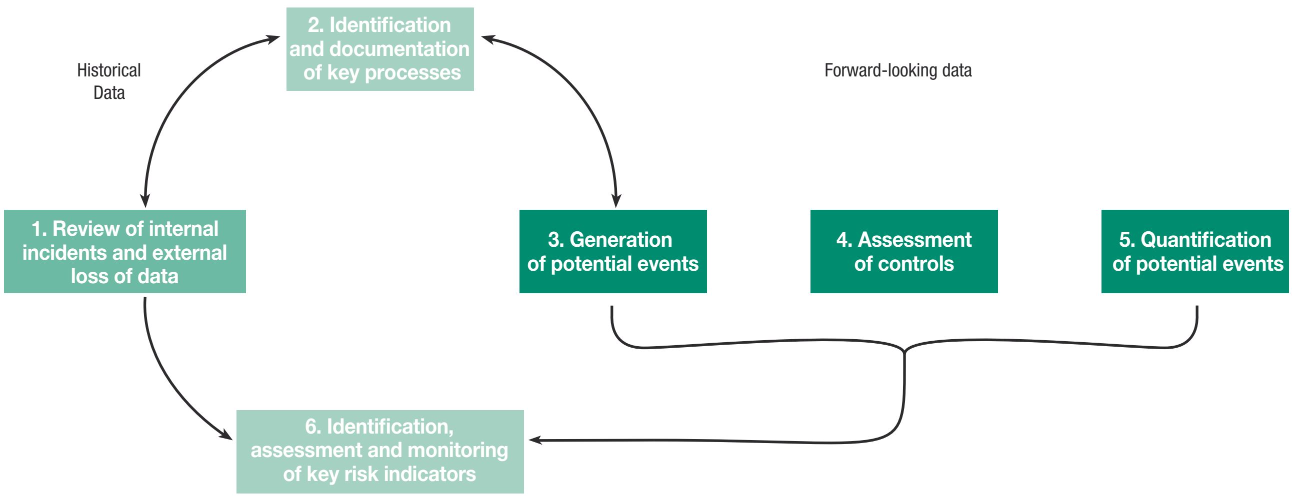
Group Executive Committees, core businesses and operational entities are tasked with ensuring that operational risk is effectively managed and controlled in the areas falling within their remit, in accordance with the Group's operational risk framework. The committees validate the quality and consistency 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.

A Risk Analysis Protocol has been drawn up to structure the method for implementing these regulatory requirements and assessing key processes (see diagram below).

It led to a number of fine-tunings as the system was being built and to the development of a suite of intranet-based tools (FORECAST) for all Group users, meeting the overall system requirements.

These tools now include modules for recording and managing events, describing and managing key processes, prospective analysis of events and compiling action plans.

The Bank has thus developed a comprehensive and consistent analysis and reporting system by compiling both historical and potential event data based on the structure of BNP Paribas key processes and the organisation of its operational entities, business lines and countries.



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, like 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.

In practice, this permanent operational control system complies with Belgian regulations and is overseen by centralised Operational Risk & Management Control (ORMC) teams, which also have an officer in each of the business lines of BNP Paribas Fortis and BGL BNP Paribas. The Fortis system provides a good overview of the major issues, but takes less of a structured, systematic, formal approach than BNP Paribas and will therefore have to converge with the one of the Group.

Components of operational risk related to legal, tax and information security risks

Legal risk

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

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

- Specific committees:
  - the Executive Legal Affairs Committee,
  - the Global Legal Committee, which coordinates the activities of the legal function throughout the Group in all countries that have their own legal staff, and ensures that the Group's legal policies are consistent and applied in a uniform manner,

- the Legislation Tracking Committee, which analyses, interprets and distributes throughout the Group the texts of new laws and regulations, and 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 Legal function is a permanent member of the Compliance Committee and the Internal Control Coordination Committee;

- internal procedures and databases providing a framework for (i) managing legal risk, in close 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 in English and French and is now also available in Italian;
- 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, document templates 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.

One of the major projects in 2009 was to integrate BNP Paribas Fortis Legal function into the Group's legal risk management system. The work consisted of identifying the main sources of vulnerability and proposing corrective measures to be implemented in 2010, including the appointment of a legal risk officer in accordance with the framework set out by the Group Legal Department.

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 15 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 and making appropriate decisions. Group Development and Finance is obliged to consult the Group Tax Department on any tax issues arising on transactions processed.

The Group Tax Department has also drawn up procedures covering all core businesses, designed to ensure that tax risks are identified, addressed and controlled appropriately. Tax risks may arise at Group level or from specific customer product or service offerings developed by the Group's entities. To ensure these risks are addressed effectively, the Group Tax Department relies among other on:

- the tax risk management framework. The tax risk charter is presented in the form of a mission letter for the territory tax manager when there is one or in the form of a mission letter for the Group Tax Department authority to the head of core business with regard to entities that do not have a dedicated tax manager. The letter is updated regularly to reflect changes in the charter applicable to Territory Chief Executives;
- procedures for validation by the Group Tax Department for all new products featuring a material tax component, together with all new activities and "specific" transactions structured in France or abroad;
- procedures for procuring independent tax advice;
- definition of operational tax risk incidents and their common filing and reporting;
- definition and disclosure of groupwide tax rules and regulations, and validation of any framework agreement or internal circular/document presenting specific tax issues;
- tax audit reporting procedures;
- control procedures relating to the delivery of tax opinions and advice.

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 its 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; publishing accurate and complete information, 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 and Risk Management Committee.

The function includes a central structure in Paris responsible for overseeing and supervising all compliance matters, and local teams within the different divisions and business lines acting under delegated authority from the central team. The Compliance function has grown continuously 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;
- 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.

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, which was created in 2009. The Internal Control, Risk Management and Compliance Committee reports quarterly to the Board of Directors on liquidity policy principles and the Bank's position.

Group ALM Committee proposes procedures for implementing the liquidity policy set by the Executive Committee. These proposals are then reviewed and approved by the ALM-CIB Committee. The Executive Committee is 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. It is also owner of the systems used to manage liquidity risk.

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 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 and business lines, and investing their surplus cash.

Liquidity risk management and supervision

Day-to-day liquidity management is based on a full range of internal standards and warning flags 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 does business.

The refinancing capacity needed 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 liable to be renewed.

BNP Paribas uses indicators to monitor the diversification of its sources of short-term funds on a worldwide basis to ensure that it is not over-dependent on a limited number of providers of capital.

Medium- and long-term liquidity management is based mainly on an analysis of the medium- and long-term sources of funds available to finance assets with the same maturity.

Over a one-year maturity, the ratio of sources to uses of funds must be more than 80%. The ratio is also monitored over two to five-year maturities. These ratios are based on maturity schedules of balance sheet and off-balance sheet items for all Group entities, whether contractual or theoretical, i.e. based on customer behaviour (prepayment in the case of loans, modelling customer behaviour in the case of regulated savings accounts, etc.).

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.

In addition, regular stress tests are performed, based on market factors and factors specific to BNP Paribas that would adversely affect its liquidity position.

Regulatory ratios represent the final plank in the liquidity risk management system.

These include the 1-month liquidity ratio and observation ratios, which are 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.

Risk exposure in 2009

Movements in the consolidated balance sheet

The Group had total assets of EUR 2,058 billion at 31 December 2009. A total of EUR 1,215 billion in assets were refinanced in cash, an increase of EUR 320 billion on 2008, including EUR 184 billion relating to loans to customers and EUR 95 billion relating to securities portfolios.

This increase was refinanced primarily by customer deposits for EUR 182 billion and debt for EUR 79 billion.

Regulatory liquidity ratios

The average one-month regulatory liquidity ratio for BNP Paribas SA (French operations and branches) was 131% in 2009 compared with a minimum requirement of 100%.

Internal medium and long-term liquidity ratios

The ratio between sources and uses of funds due in more than one year was 87% at the end of December 2009 for the entire BNP Paribas Group, versus 84% at end-December 2008.

Risk mitigation techniques

As part of the day-to-day management of liquidity, in the event of a temporary liquidity crisis, the Group's most liquid assets constitute a financing reserve enabling the Bank to adjust its treasury position by selling them on the repo market or discounting them with the central bank. If there is a prolonged liquidity crisis, the Bank may have to gradually reduce its total balance sheet position by selling assets outright.

Less liquid assets may be converted into liquid assets or collateralised as part of the day-to-day management of liquidity, by securitising pools of consumer loans granted to retail banking customers, as well as pools of corporate loans.

Liquidity risk is also reduced by the diversification of financing sources in terms of structure, investors, and secured/unsecured financing.

Hedging strategies

In 2009, the Group continued its policy of diversifying its sources of financing in terms of structures, investors and collateralised financing. The "deposit" product line created in 2007 has contributed to diversifying the corporate and institutional investor base and reduce interbank borrowings. A new certificate of deposit programme offers funds the opportunity to increase their investment in the BNP Paribas Group, thereby improving its liquidity. For the year 2008, the collect of "deposit" product line increased by 11%, and amounted for EUR 14 billion.

The creation of a new EUR 10 billion certificate of deposit program offers funds new opportunities for investing in BNP Paribas Group, thereby improving its liquidity. The amount outstanding at 31 December 2009 was EUR 2 billion.

The Group has also expanded its sources of funds through the use of asset collateralisation (increased volumes and pool allocation strategy). In late 2008, the Group set up a special purpose vehicle called BNP Paribas SCF to raise liquidity by using loans guaranteed by export credit agencies and public sector loans. In the final quarter of 2008, the creation of SFEF gave the Bank access to collateralised refinancing unconditionally and irrevocably guaranteed by the French State.

The Group continued to substantially increase its capacity for discounting securities and receivables with various central banks, both to obtain finance and to increase its liquidity reserve.

The loan to deposit ratio improved further in 2009, as customer deposits rose faster than customer loans and receivables (EUR +191 billion and EUR +49 billion respectively). The ratio reached 112% in December 2009 compared to 119% in December 2008.

Senior debt

Senior debt with an economic life of more than one year issued by BNP Paribas SA and its subsidiaries in 2009 totalled EUR 45.7 billion, versus EUR 48.7 billion in 2008.

New issues of collateralised debt securities included:

- BNP Paribas covered bonds: EUR 6 billion;
- CRH (Caisse de Refinancement de l'Habitat): EUR 0.7 billion;
- SFEF (Société de Financement de l'Economie Française): EUR 11 billion;
- SCF (Société de Crédit Foncier): EUR 1 billion.

Subordinated debt and hybrid securities

In 2009, the Group issued non-voting shares for a total of EUR 5.1 billion, mainly to the Société de Prise de Participation de l'Etat (SPPE) as part of the French economic support plan. Half of the proceeds were used to redeem the super subordinated notes issued previously. These non-voting shares were redeemed at the year end with the proceeds of a EUR 4.3 billion rights issue.

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 2009 or 2008 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

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 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.

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 19 million at 31 December 2009 (versus EUR 27 million at 31 December 2008).

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 2009

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 trading account 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.

Financial assets

Trading book assets include proprietary securities transactions, repurchase agreements, and derivative instruments contracted for position management purposes. 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.

Financial liabilities

Trading book liabilities comprise securities borrowing and short selling transactions, repurchase agreements, and derivative instruments contracted for position management purposes. 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 at fair value through profit or loss at 31 December 2009 was EUR 65,703 million (EUR 68,291 million at 31 December 2008). Their fair value takes into account any change attributable to issuer risk relating to the BNP Paribas Group itself insofar as this change is considered material in respect of the Group's conditions of issuance. The Group has recognised a EUR 362 million reduction in the fair value of its debt (EUR 734 million at 31 December 2008).

In millions of euros	31 December 2009			31 December 2008		
	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	**59,260**	**398**	**59,658**	**64,736**	**410**	**65,146**
Treasury bills and other bills eligible for central bank refinancing	41,695	3	41,698	45,155	7	45,162
Other negotiable certificates of deposit	17,565	395	17,960	19,581	403	19,984
Bonds	**88,421**	**6,608**	**95,029**	**115,374**	**5,774**	**121,148**
Government bonds	56,876	501	57,377	80,857	413	81,270
Other bonds	31,545	6,107	37,652	34,517	5,361	39,878
Equities and other variable-income securities	**58,393**	**38,892**	**97,285**	**52,840**	**33,944**	**86,784**
Repurchase agreements	**208,810**	**47**	**208,857**	**350,282**	**106**	**350,388**
Loans	**858**	**3,392**	**4,250**	**465**	**1,420**	**1,885**
Trading book derivatives	**363,705**		**363,705**	**566,920**		**566,920**
Currency derivatives	29,426		29,426	50,586		50,586
Interest rate derivatives	217,983		217,983	297,600		297,600
Equity derivatives	70,239		70,239	116,679		116,679
Credit derivatives	35,528		35,528	85,531		85,531
Other derivatives	10,529		10,529	16,524		16,524
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**779,447**	**49,337**	**828,784**	**1,150,617**	**41,654**	**1,192,271**
of which loaned securities	*25,545*		*25,545*	*30,592*		*30,592*
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						
Borrowed securities and short selling	**83,214**	**-**	**83,214**	**83,736**	**-**	**83,736**
Repurchase agreements	**209,293**	**-**	**209,293**	**369,315**		**369,315**
Borrowings	**1,884**	**2,962**	**4,846**	**1,276**	**1,501**	**2,777**
Debt securities	**-**	**52,228**	**52,228**	**-**	**53,781**	**53,781**
Subordinated debt	**-**	**3,604**	**3,604**	**-**	**159**	**159**
Trading book derivatives	**356,152**	**-**	**356,152**	**545,034**		**545,034**
Currency derivatives	29,492		29,492	45,151		45,151
Interest rate derivatives	210,798		210,798	291,457		291,457
Equity derivatives	67,762		67,762	104,195		104,195
Credit derivatives	35,466		35,466	82,380		82,380
Other derivatives	12,634		12,634	21,851		21,851
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**650,543**	**58,794**	**709,337**	**999,361**	**55,441**	**1,054,802**

Subordinated debt measured at fair value through profit or loss

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 associated derivatives and securities.

Subordinated debt mainly comprises an issue of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) made by Fortis Banque (now BNP Paribas Fortis) in December 2007, for a nominal amount of EUR 3 billion and a market value of EUR 1,620 million at 31 December 2009. The interest rate on these securities is Euribor 3 months plus 2% and interest is paid quarterly in arrears.

The CASHES are undated but may be exchanged for Fortis SA/NV 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 Banque 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 328 million at 31 December 2009. Fortis SA/NV and Fortis Banque have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on Fortis Banque of the relative difference between changes in the value of the CASHES and changes in the value of the Fortis SA/NV shares. At 31 December 2009, the value of the RPN was EUR 641 million 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.

Derivative financial instruments held for trading

The derivative instruments included in the trading book mostly relate to transactions initiated for position management purposes, and may be contracted in connection with market-making or arbitrage activities. 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 2009	31 December 2008
Trading book derivatives	**41,557,195**	**36,349,436**
Currency derivatives	1,746,509	1,688,447
Interest rate derivatives	36,509,248	30,477,544
Equity derivatives	1,540,515	2,248,303
Credit derivatives	1,591,712	1,770,439
Other derivatives	169,211	164,703

Derivatives traded on organised markets represented 42% of the Group's derivatives transactions at 31 December 2009 (38% at 31 December 2008).

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 2009		31 December 2008	
	Negative fair value	Positive fair value	Negative fair value	Positive fair value
DERIVATIVES USED AS FAIR VALUE HEDGES OF NON-DERIVATIVE FINANCIAL INSTRUMENTS				
Currency derivatives	10	6	5	2
Interest rate derivatives	7,554	3,306	5,195	2,409
Other derivatives	94	36	-	52
FAIR VALUE HEDGES	**7,658**	**3,348**	**5,200**	**2,463**
DERIVATIVES USED AS CASH FLOW HEDGES OF NON-DERIVATIVE FINANCIAL INSTRUMENTS				
Currency derivatives	40	47	378	313
Interest rate derivatives	375	1,210	542	1,719
Other derivatives	30	334	52	-
CASH FLOW HEDGES	**445**	**1,591**	**972**	**2,032**
DERIVATIVES USED AS NET FOREIGN INVESTMENT HEDGES				
Currency derivatives	5	13	-	60
NET INVESTMENT HEDGES	**5**	**13**	**-**	**60**
DERIVATIVES USED FOR HEDGING PURPOSES	**8,108**	**4,952**	**6,172**	**4,555**

The total notional amount of derivatives used for hedging purposes stood at EUR 482,932 million at 31 December 2009, compared with EUR 459,134 million at 31 December 2008.

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

5.c AVAILABLE-FOR-SALE FINANCIAL ASSETS

In millions of euros	31 December 2009	31 December 2008
Negotiable certificates of deposit	**28,309**	**19,487**
Treasury bills and other bills eligible for central bank refinancing	20,408	14,110
Other negotiable certificates of deposit	7,901	5,377
Bonds	**173,839**	**94,946**
Government bonds	122,959	61,014
Other bonds	50,880	33,932
Equities and other variable-income securities	**22,475**	**18,849**
of which listed securities	*11,275*	*9,717*
of which unlisted securities	*11,200*	*9,132*
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS, BEFORE IMPAIRMENT PROVISIONS	**224,623**	**133,282**
of which loaned securities	*651*	*374*
Provisions for impairment of available-for-sale financial assets	**(3,198)**	**(2,557)**
Fixed-income securities	(432)	(422)
Variable-income securities	(2,766)	(2,135)
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS, NET OF IMPAIRMENT PROVISIONS	**221,425**	**130,725**
of which unrealised gains and losses on negotiable certificates of deposit and bonds	*2,100*	*(1,893)*
of which unrealised gains and losses on equities and other variable-income securities	*2,299*	*162*

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 prices quoted 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 in 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 regular transactions can be observed 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 of which has been suspended, complex derivatives with multiple underlyings (hybrid instruments, synthetic CDOs, etc.) and the structured debt underlying these derivatives.

Changes to the classification of financial instruments used at 31 December 2008

With effect from 31 December 2009, the BNP Paribas Group has applied the amendment to IFRS 7 entitled "Improving Disclosures about Financial Instruments" published in March 2009. This amendment introduces a hierarchy for the classification of financial instruments based on the methods used to measure fair value adopted by the Group rather than on the active market concept, which predominates in IAS 39 and on which the classification of financial instruments presented until 31 December 2008 was based. The contents of each of the three levels defined in IFRS 7 is therefore no longer comparable with that of the three categories of financial instruments disclosed in previous reports.

Accordingly, certain instruments traded in active markets but not quoted presented in Category 1 in the report at 31 December 2008 were classified in Level 2 in the comparative presentation of the financial statements for 2008. This chiefly applies to repurchase agreements, the vast majority of which were classified in Category 1 in the report published for the year to 31 December 2008, but which now appear in Level 2. The repurchase agreements reclassified amounted to EUR 350 billion on the asset side and EUR 369 billion on the liability side.

At 31 December 2008, Level 3 primarily comprised instruments subject to day one profit deferred in the balance sheet upon initial recognition as well as some asset classes whose market had become inactive in 2008 (certain convertible bonds and certain securities linked to CDOs and ABSs). At 31 December 2009, in accordance with IFRS 7, all financial instruments whose valuation on the reporting date was based to a significant degree on unobservable parameters were included in Level 3.

Lastly, available-for-sale financial assets, as well as hedging derivatives, were included in the scope of the classification.

The Group's financial statements at 31 December 2008 were restated for comparability purposes.

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

	31 December 2009				31 December 2008			
In millions of euros,	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)	182,584	571,245	25,618	**779,447**	226,565	887,725	36,327	**1,150,617**
Financial instruments designated as at fair value through profit or loss (Note 5.a)	31,723	15,784	1,830	**49,337**	27,921	10,920	2,813	**41,654**
Derivatives used for hedging purposes (Note 5.b)	-	4,952	-	**4,952**	-	4,555	-	**4,555**
Available-for-sale financial assets (Note 5.c.)	156,736	57,396	7,293	**221,425**	89,031	29,577	12,117	**130,725**
FINANCIAL LIABILITIES								
Financial instruments at fair value through profit or loss held for trading (Note 5.a)	107,975	514,237	28,331	**650,543**	132,693	846,335	20,333	**999,361**
Financial instruments designated as at fair value through profit or loss (Note 5.a)	5,390	42,831	10,573	**58,794**	5,608	39,743	10,090	**55,441**
Derivatives used for hedging purposes (Note 5.b)	-	8,108	-	**8,108**	-	6,172	-	**6,172**

Table of changes in Level 3 financial instruments

For Level 3 financial instruments, the following movements took place between 1 January 2009 and 31 December 2009:

	Financial Assets				Financial Liabilities		
In millions of euros at 31 December 2009	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.*
(2) *For the assets, includes redemptions of principal, interest payments as well as cash inflows and outflows relating to derivatives whose fair value is positive. For the liabilities, includes principal redemptions, interest payments as well as cash inflows and outflows relating to derivatives whose fair value is negative.*
(3) *These are financial instruments initially recognised at fair value and reclassified as loans and receivables.*

The Level 3 financial instruments may be hedged by other Level 1 and/or Level 2 instruments, the gains and losses on which are not shown in this table. Accordingly, 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 10,163 million and EUR 4,409 million, 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 assumptions

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

These 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.

When measuring 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 require any value adjustments for Level 3 risks and an unfavourable scenario in which all valuations entail a double model value adjustment on Level 3 risks.

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.

In millions of euros at 31 December 2009	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)]	+/- 1,418	
Available-for-sale financial assets		+/- 81

(1) *Financial instruments at fair value through profit or loss are presented under the same heading to reflect the manner in which these instruments are accounted for, 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

Changes in the margin not taken to the profit and loss account ("day one profit") merely reflect the scope of market activities eligible for Level 3.

They are 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 as yet 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 margin not taken to the profit and loss account and contained in the price of derivatives sold to clients and measured using internal models based on non-observable parameters ("day one profit") can be analysed as follows over 2008 and 2009:

In millions of euros	Year to 31 Dec. 2009	Year to 31 Dec. 2008
Deferred margin at 1 January	**710**	**673**
Deferred margin on transactions during the year	580	542
Margin taken to the profit and loss account during the year	(430)	(505)
Deferred margin at 31 December	**860**	**710**

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 crisis that shook financial markets worldwide in the second half of 2007 continued throughout 2008 and the first half of 2009, reaching an unprecedented scale and intensity in the fourth quarter of 2008. The effects of the crisis were particularly visible in the volume and duration of interbank financing transactions, the volume and conditions of syndicated leveraged loans, and the trading of structured instruments arising from securitisation transactions. The crisis also made liquidity scarce in numerous markets and market segments, and did away with almost all reliable market transactions or reference points for a large number of financial instruments.

These exceptional circumstances prompted the Group to change its accounting treatment of financial instruments initially held for trading or available for sale. While the Group originally intended to sell these assets, they are now being held within customer loan portfolios or as securities available for sale. The Group has therefore reclassified these assets into the corresponding categories allowed by the amendments to IAS 39 and IFRS 7 adopted by the European Union on 15 October 2008.

These reclassifications were made during the fourth quarter of 2008 and during the first half of 2009 and are summarised in the following table:

In millions of euros	Amount on the reclassification date		31 December 2009		31 December 2008	
	1st half of 2009	4th quarter of 2008	Carrying value	Market or model value	Carrying value	Market or model value
Financial assets reclassified from the trading portfolio	**2,760**	**7,844**	**6,943**	**6,921**	**7,816**	**7,405**
Into loans and receivables due from customers	2,760	7,077	6,913	6,891	7,079	6,668
Into available-for-sale assets	-	767	30	30	737	737
Financial assets reclassified from the available-for-sale financial portfolio	**1,158**	**-**	**874**	**977**	**-**	**-**
Into loans and receivables due from customers	1,158	-	874	977	-	-

The cash flows expected and deemed recoverable by the Group as of the reclassification date were EUR 4,824 million in 2009 for assets reclassified as "Loans and receivables due from customers" (EUR 7,904 million in assets were reclassified as "Loans and receivables due from customers" and EUR 790 million as "Available-for-sale assets" in 2008). The average effective interest rates for these assets stood at 8.4% (during the fourth quarter of 2008, 7.6% for assets reclassified as "Loans and receivables due from customers" and 6.7% for assets reclassified as Available-for-sale assets").

The following table shows the profit or loss items related to the reclassified assets, both as they were recorded over the period and as they would have been recorded if the reclassification had not taken place:

In millions of euros	Year to 31 Dec. 2009 [(1)]	Year to 31 Dec. 2008 after the reclassification	Year to 31 Dec. 2009 up to the reclassification	Year to 31 Dec. 2008 up to the reclassification
Profit or loss and equity (before tax)	**248**	**43**	**(473)**	**(487)**
related to reclassified assets in 2009	**18**		**(473)**	
■ profit or loss item	(96)		(218)	
Gains or losses on financial assets at fair value through profit or loss	*5*		*(75)*	
Interest expense	*98*			
Gains or losses on available-for-sale financial assets	*(18)*			
Cost of risk	*(181)*		*(143)*	
■ equity items	114		(255)	
related to reclassified assets in 2008	**230**	**43**		**(487)**
■ profit or loss item	188	78		(487)
Gains or losses on financial assets at fair value through profit or loss	*142*	*42*		*(487)*
Interest expense	*354*	*64*		
Gains or losses on available-for-sale financial assets	*(70)*	*-*		
Cost of risk	*(238)*	*(28)*		
■ equity items	42	(35)		-
Income (before tax) that would have been generated by the instruments reclassified in 2008 had the reclassification not taken place	**697**	**(387)**		
■ profit or loss item	564	(387)		
Gains or losses on financial assets at fair value through profit or loss	*343*	*(424)*		
Interest expense	*298*	*37*		
Gains or losses on available-for-sale financial assets	*54*	*-*		
Cost of risk	*(131)*	*-*		
■ equity items	133	-		

[(1)] *Profit or loss and equity items related to the reclassified instruments over the year as a whole for instruments reclassified in 2008 and for the period following their reclassification for instruments reclassified in 2009.*

5.f INTERBANK AND MONEY-MARKET ITEMS

➤ LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

In millions of euros	31 December 2009	31 December 2008
Demand accounts	16,379	13,514
Loans	45,045	49,648
Repurchase agreements	28,524	6,074
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS, BEFORE IMPAIRMENT PROVISIONS	**89,948**	**69,236**
Provisions for impairment of loans and receivables due from credit institutions (Note 2.f)	(1,028)	(83)
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS, NET OF IMPAIRMENT PROVISIONS	**88,920**	**69,153**

➤ DUE TO CREDIT INSTITUTIONS

In millions of euros	31 December 2009	31 December 2008
Demand accounts	12,380	8,673
Borrowings	158,908	154,292
Repurchase agreements	49,408	23,222
TOTAL DUE TO CREDIT INSTITUTIONS	**220,696**	**186,187**

5.g CUSTOMER ITEMS

➤ LOANS AND RECEIVABLES DUE FROM CUSTOMERS

In millions of euros	31 December 2009	31 December 2008
Demand accounts	26,474	28,519
Loans to customers	616,908	454,237
Repurchase agreements	25,866	885
Finance leases	34,887	25,058
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS, BEFORE IMPAIRMENT PROVISIONS	**704,135**	**508,699**
Impairment of loans and receivables due from customers (Note 2.f)	(25,369)	(14,298)
TOTAL LOANS AND RECEIVABLES DUE FROM CUSTOMERS, NET OF IMPAIRMENT PROVISIONS	**678,766**	**494,401**

➤ BREAKDOWN OF FINANCE LEASES

In millions of euros	31 December 2009	31 December 2008
Gross investment	**39,228**	**28,313**
Receivable within 1 year	*11,666*	*7,753*
Receivable after 1 year but within 5 years	*18,985*	*15,140*
Receivable beyond 5 years	*8,577*	*5,420*
Unearned interest income	**(4,341)**	**(3,255)**
Net investment before impairment provisions	**34,887**	**25,058**
Receivable within 1 year	*10,549*	*6,946*
Receivable after 1 year but within 5 years	*16,833*	*13,256*
Receivable beyond 5 years	*7,505*	*4,856*
Impairment provisions	**(779)**	**(508)**
Net investment after impairment provisions	**34,108**	**24,550**

➤ DUE TO CUSTOMERS

In millions of euros	31 December 2009	31 December 2008
Demand deposits	260,962	198,926
Term accounts and short-term notes	234,506	161,705
Regulated savings accounts	46,342	42,226
Repurchase agreements	63,093	11,098
TOTAL DUE TO CUSTOMERS	**604,903**	**413,955**

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 2009	31 December 2008
Negotiable certificates of deposit	191,421	129,506
Bond issues	19,608	28,002
TOTAL DEBT SECURITIES	**211,029**	**157,508**

Subordinated debt measured at amortised cost

In millions of euros	31 December 2009	31 December 2008
Redeemable subordinated debt	25,114	17,209
Undated subordinated debt	3,095	1,114
TOTAL SUBORDINATED DEBT AT AMORTISED COST	**28,209**	**18,323**

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 regulator 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.

Undated subordinated debt

In millions of euros	31 December 2009	31 December 2008
Undated floating-rate subordinated notes (TSDIs)	420	780
Other undated subordinated notes	1,708	63
Undated subordinated debt	740	-
Undated participating subordinated notes	223	270
Issue costs and fees, accrued interest	4	1
TOTAL	**3,095**	**1,114**

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 2009	31 December 2008
Paribas SA	September 1984	USD	24 million	3-month Libor + 3/8%	-	17
BNP SA	October 1985	EUR	305 million	TMO - 0.25%	229	290
Paribas SA	July 1986	USD	165 million	3-month Libor + 1/8%	-	115
BNP SA	September 1986	USD	500 million	6-month Libor + 0.75%	191	358
TOTAL					**420**	**780**

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.

The TSDIs issued in US dollars 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. In December 2009, BNP Paribas made a public offer for these securities comprising an exchange offer for Undated Super Subordinated Notes (see Note 8a) and a cash offer. The transaction generated a gross gain of EUR 104 million over the book value of the TSDIs tendered to the offer.

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.

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	Redemption option/ interest step up date	Rate	Interest step up (basis points)	31 December 2009	31 December 2008
Fortis Luxembourg Finance SA	February 1995	USD	22 million	February 2013	6-month Libor + 0.835%	6-month Libor + 250 bp	11	-
Fortis Luxembourg Finance SA	August 1995	EUR	23 million	August 2015	6-month Euribor + 104 bp	6-month Euribor + 250 bp	15	-
Fortis Luxembourg Finance SA	February 1996	USD	35 million	February 2021	6-month Libor + 77 bp	6-month Libor + 250 bp	6	-
Laser	May 1999	EUR	110 million (1)	May 2009	5.935%	+250 bp (2)	-	55
Fortis Bank SA	September 2001	EUR	1,000 million	September 2011	6.500%	3-month Euribor +237 bp	928	
Fortis Bank SA	October 2004	EUR	1,000 million	September 2014	4.625%	3-month Euribor +170 bp	688	
Fortis Bank SA	June 2008	EUR	75 million	July 2018	7.500%	3-month Euribor + 350 bp	52	-
Others							8	8
TOTAL							**1,708**	**63**

(1) *Before application of the proportionate consolidation rate.*
(2) *Above the 3-month Eurolibor.*

The EUR 110 million in undated notes issued by Laser in May 1999 were redeemed prior to maturity in May 2009, on the first possible redemption date indicated in the issue particulars.

Undated subordinated debt

Fortis Banque 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.

Undated participating subordinated notes

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 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.

4

5.i HELD-TO-MATURITY FINANCIAL ASSETS

In millions of euros	31 December 2009	31 December 2008
Negotiable certificates of deposit	**3,103**	**3,089**
Treasury bills and other bills eligible for central bank refinancing	3,044	3,031
Other negotiable certificates of deposit	59	58
Bonds	**10,920**	**10,987**
Government bonds	10,692	10,733
Other bonds	228	254
TOTAL HELD-TO-MATURITY FINANCIAL ASSETS	**14,023**	**14,076**

5.j CURRENT AND DEFERRED TAXES

In millions of euros	31 December 2009	31 December 2008
Current taxes	2,067	2,036
Deferred taxes	10,050	4,019
Current and deferred tax assets	**12,117**	**6,055**
Current taxes	2,669	2,166
Deferred taxes	2,093	1,805
Current and deferred tax liabilities	**4,762**	**3,971**

Deferred taxes on temporary differences relate to the following items:

Change in deferred taxes over the year *In millions of euros*	Year to 31 Dec. 2009	Year to 31 Dec. 2008
NET DEFERRED TAXES AT START OF PERIOD	**2,214**	**382**
Profit (loss) of defered taxes	(199)	1,264
Impact of the 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	(982)	1,197
Change in deferred taxes linked to the remeasurement and reversal through profit or loss of remeasurement adjustments on hedging derivatives	79	(367)
Effect of exchange rate and other movements	669	(262)
NET DEFERRED TAXES AT END OF PERIOD	**7,957**	**2,214**

Breakdown of net deferred taxes by temporary differences *In millions of euros*	31 December 2009	31 December 2008
Available-for-sale financial assets	(577)	557
Unrealised finance lease reserve	(666)	(801)
Provisions for employee benefit obligations	940	363
Provision for credit risk	3,939	1,453
Other items	984	(524)
Tax loss carryforwards	3,337	1,166
NET DEFERRED TAXES	**7,957**	**2,214**
of which		
Deferred tax assets	10,050	4,019
Deferred tax liabilities	(2,093)	(1,805)

Unrecognised deferred tax assets amounted to EUR 1,785 million at 31 December 2009 (EUR 552 million at 31 December 2008).

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

In millions of euros	31 December 2009	31 December 2008
Guarantee deposits and bank guarantees paid	25,506	24,249
Settlement accounts related to securities transactions	46,843	25,677
Collection accounts	3,092	4,416
Reinsurers' share of technical reserves	2,403	2,226
Accrued income and prepaid expenses	3,297	5,731
Other debtors and miscellaneous assets	22,220	19,627
TOTAL ACCRUED INCOME AND OTHER ASSETS	**103,361**	**81,926**
Guarantee deposits received	22,698	31,423
Settlement accounts related to securities transactions	29,424	21,036
Collection accounts	1,217	3,362
Accrued expenses and deferred income	6,157	7,743
Other creditors and miscellaneous liabilities	12,929	19,870
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	**72,425**	**83,434**

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

In millions of euros	31 December 2009	31 December 2008
REINSURERS' SHARE OF TECHNICAL RESERVES AT START OF PERIOD	**2,226**	**2,554**
(Decrease) increase in technical reserves borne by reinsurers	824	(18)
Amounts received in respect of claims and benefits passed on to reinsurers	(652)	(301)
Effect of changes in exchange rates and scope of consolidation	5	(9)
REINSURERS' SHARE OF TECHNICAL RESERVES AT END OF PERIOD	**2,403**	**2,226**

5.I INVESTMENTS IN ASSOCIATES

The following table shows the Group's investments in associates (companies carried under the equity method), which represent amounts in excess of EUR 100 million at 31 December 2009:

In millions of euros	31 December 2009	31 December 2008
AG Insurance	1,135	-
Erbe	1,256	1,121
Verner Investissement	361	334
BNL Vita	243	152
Société de Paiement Pass	195	194
Bank of Nanjing	175	172
CCAC Brasil	134	87
Other associates	1,262	583
INVESTMENTS IN ASSOCIATES	**4,761**	**2,643**

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
AG Insurance [(1)]	IFRS Gaap	56,527	897	344
Erbe [(2)]	IFRS Gaap	2,405		(75)
Verner Investissement [(2)]	IFRS Gaap	6,890	401	65
BNL Vita	IFRS Gaap	11,705	3,050	133
Societe de Paiement Pass [(2)]	French Gaap	3,106	281	70
Bank of Nanjing [(2)]	Chinese Gaap	9,583	338	153
CCAC Brasil [(2)]	Brazilian Gaap	174	332	55

[(1)] *Data at 30 September 2009.*
[(2)] *Data for full-year 2008 or at 31 December 2008.*

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

In millions of euros	31 December 2009			31 December 2008		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
INVESTMENT PROPERTY	**13,536**	**(1,664)**	**11,872**	**11,125**	**(1,205)**	**9,920**
Land and buildings	6,719	(1,131)	5,588	4,955	(998)	3,957
Equipment, furniture and fixtures	6,157	(3,756)	2,401	4,376	(2,583)	1,793
Plant and equipment leased as lessor under operating leases	11,252	(3,998)	7,254	10,343	(3,377)	6,966
Other property, plant and equipment	2,426	(613)	1,813	2,685	(594)	2,091
PROPERTY, PLANT AND EQUIPMENT	**26,554**	**(9,498)**	**17,056**	**22,359**	**(7,552)**	**14,807**
Purchased software	2,116	(1,538)	578	1,668	(1,156)	512
Internally-developed software	2,172	(1,501)	671	1,332	(815)	517
Other intangible assets	1,821	(871)	950	943	(162)	781
INTANGIBLE ASSETS	**6,109**	**(3,910)**	**2,199**	**3,943**	**(2,133)**	**1,810**

The main changes in investment and owner-occupied property in the year to 31 December 2009 are attributable to the acquisition of BNP Paribas Fortis and BGL BNP Paribas.

Investment property

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

The estimated fair value of investment property accounted for at cost at 31 December 2009 was EUR 17,137 million, compared with EUR 16,437 million at 31 December 2008.

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 2009 was EUR 1,372 million, compared with EUR 1,062 million for the year ended 31 December 2008.

The net increase in impairment losses on property, plant and equipment and intangible assets taken to the profit and loss account in the year ended 31 December 2009 amounted to EUR 10 million, compared with a net increase of EUR 14 million for the year ended 31 December 2008.

5.n GOODWILL

In millions of euros	Year to 31 Dec. 2009	Year to 31 Dec. 2008
CARRYING AMOUNT AT START OF PERIOD	**10,918**	**10,244**
Acquisitions	612	612
Divestments	(3)	(14)
Impairment losses recognised during the period	(582)	-
Translation adjustments	47	(222)
Subsidiaries previously accounted for by the equity method	-	302
Other movements	(13)	(4)
CARRYING AMOUNT AT END OF PERIOD	**10,979**	**10,918**
In which		
Gross value	11,574	10,932
Accumulated impairment recognised at the end of period	(595)	(14)

Impairment losses have been taken against the goodwill on some business activities due to the deterioration in their markets in an economic climate already weakened by the crisis that hit in late 2007. The emerging markets, consumer finance and business equipment management have all been affected by the economic climate prevailing today and their medium-term prospects are no longer as good as their business plan forecasts. In 2009, therefore, goodwill impairment losses were recognised in respect of four business units: Personal Finance, Arval, UkrSibBank and Banque du Sahara.

Goodwill by core business is as follows:

In millions of euros	Carrying amount		Impairment losses recognised in 2009
	31 December 2009	31 December 2008	
Goodwill impairment losses recognised in the first half of 2009			
Retail Banking	**2,709**	**2,730**	**(582)**
Personal Finance	*2,270*	*2,003*	*(257)*
Arval	*439*	*509*	*(105)*
UkrSibBank	-	*119*	*(123)*
Sahara Bank	-	*99*	*(97)*
Other goodwill			
Retail Banking	**5,606**	**5,695**	
BancWest	*3,482*	*3,574*	
Italian Retail Banking (BNL bc)	*1,698*	*1,698*	
Investment Solutions	**1,829**	**1,673**	
BNP Paribas Personal Investors	*418*	*400*	
Corporate and Investment Banking	**624**	**624**	
Other businesses	**207**	**196**	
Fortis	**4**	**-**	
TOTAL GOODWILL	**10,979**	**10,918**	**(582)**
Badwill on the Fortis acquisition			**835**
CHANGE IN VALUE OF GOODWILL			**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 out to ten years and the inflation rate thereafter.

The tests take account of 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 table below shows the goodwill impairment that would have been recognised or the additional goodwill impairment that would have been required in the event of a adverse change of 10 basis points for the cost of capital and 1% for the other key parameters, as well as the goodwill impairment that would not have been recognised in the event of a favourable change of the same magnitude.

➤ SENSITIVITY OF GOODWILL IMPAIRMENT TO A + OR - 1% CHANGE IN THE COST/INCOME RATIO AND THE SUSTAINABLE GROWTH RATE AND A + OR - 10 BP CHANGE IN THE COST OF CAPITAL ON THE DATE OF RECOGNITION

In millions of euros	Cost of capital	Cost / income ratio	Sustainable growth rate
Unfavourable change	-92	-401	-299
Favourable change	+97	+413	+395

At 31 December 2009, the sensitivity of goodwill impairment to a change in the parameters as described above was immaterial.

5.o TECHNICAL RESERVES OF INSURANCE COMPANIES

In millions of euros	31 December 2009	31 December 2008
Liabilities related to insurance contracts	**89,986**	**77,465**
Gross technical reserves		
Unit-linked contracts	29,357	26,307
Other insurance contracts	60,629	51,158
Liabilities related to financial contracts	**9,513**	**9,049**
Liabilities related to financial contracts with discretionary participation feature	9,513	9,049
Policyholders' surplus	**2,056**	**-**
TOTAL TECHNICAL RESERVES OF INSURANCE COMPANIES	**101,555**	**86,514**
Policyholders' loss reserve	-	(531)
Liabilities related to unit-linked financial contracts [1]	2,257	3,520
Liabilities related to general fund financial contracts	179	-
TOTAL LIABILITIES RELATED TO CONTRACTS WRITTEN BY INSURANCE COMPANIES	**103,991**	**89,503**

[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 (92.5% in 2008), is an average derived from stochastic analyses of unrealised gains and losses attributable to policyholders in various scenarios.

At 31 December 2008, market conditions arising from the escalation of the financial crisis in 2008 led to the build-up of an overall unrealised net loss on portfolios classified as "Available-for-sale financial assets" and "Financial assets at fair value through profit or loss". Accordingly, a policyholders' loss reserve has been recognised as an asset in an amount of EUR 531 million. This amount is deemed to be recoverable based on a stochastic analysis of future cash flows over 15 years and consistent assumptions as regards rates paid to customers and new business inflows.

At 31 December 2009, the overall net loss recognised at the end of 2008 was absorbed due to improved conditions in the financial markets and the policyholders' surplus reserve stood at EUR 2,056 million.

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

In millions of euros	Year to 31 Dec. 2009	Year to 31 Dec. 2008
LIABILITIES RELATED TO CONTRACTS AT START OF PERIOD	**89,503**	**98,770**
Additions to insurance contract technical reserves and deposits taken on financial contracts related to life insurance	18,067	7,386
Claims and benefits paid	(7,502)	(7,686)
Contracts portfolio disposals	(487)	(338)
Effect of changes in scope of consolidation	319	(18)
Effect of movements in exchange rates	227	(615)
Effect of changes in value of admissible investments related to unit-linked business	3,864	(7,996)
LIABILITIES RELATED TO CONTRACTS AT END OF PERIOD	**103,991**	**89,503**

Please refer to 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. 2009	Year to 31 Dec. 2008
TOTAL PROVISIONS AT START OF PERIOD	**4,388**	**4,738**
Additions to provisions	1,491	1,123
Reversals of provisions	(611)	(905)
Provisions utilised	(1,001)	(769)
Impact of the consolidation of Fortis	6,183	-
Effect of movements in exchange rates and other movements	14	201
TOTAL PROVISIONS AT END OF PERIOD	**10,464**	**4,388**

At 31 December 2009 and 31 December 2008, 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 – home savings accounts (CEL) and home savings plans (PEL)

In millions of euros	31 December 2009	31 December 2008
Deposits collected under home savings accounts and plans	**14,086**	**14,366**
of which deposits collected under home savings plans	11,252	11,330
Aged more than 10 years	*3,424*	*3,929*
Aged between 4 and 10 years	*5,254*	*5,343*
Aged less than 4 years	*2,574*	*2,058*
Outstanding loans granted under home savings accounts and plans	**589**	**586**
of which loans granted under home savings plans	160	161
Provisions recognised for home savings accounts and plans	**202**	**128**
of which home savings plans	166	91
Aged more than 10 years	*61*	*45*
Aged between 4 and 10 years	*60*	*33*
Aged less than 4 years	*45*	*13*

Change in provisions for regulated savings products

	31 December 2009		31 December 2008	
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	**91**	**37**	**97**	**38**
Additions to provisions during the period	75	8	2	-
Provision reversals during the period	-	(9)	(8)	(1)
TOTAL PROVISIONS AT END OF PERIOD	**166**	**36**	**91**	**37**

Note 6 FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS

6.a FINANCING COMMITMENTS

Contractual value of financing commitments given and received:

In millions of euros	31 December 2009	31 December 2008
Financing commitments given:		
- to credit institutions	**34,882**	**27,659**
- to customers:	**238,882**	**194,082**
Confirmed letters of credit	211,563	166,127
Other commitments given to customers	27,319	27,955
TOTAL FINANCING COMMITMENTS GIVEN	**273,764**	**221,741**
Financing commitments received:		
- from credit institutions	**79,471**	**124,411**
- from customers	**6,584**	**9,756**
TOTAL FINANCING COMMITMENTS RECEIVED	**86,055**	**134,167**

6.b GUARANTEE COMMITMENTS

Financial instruments given and received as guarantees

Financial instruments given by the Group as guarantees of liabilities or contingent liabilities amounted to EUR 125,380 million at 31 December 2009 (EUR 75,145 million at 31 December 2008), financial instruments given by the Group as collateral in respect of notes, securities and receivables from central banks amounted to EUR 44,454 million at 31 December 2009 (EUR 48,169 million at 31 December 2008) and financial instruments given in respect of repos transactions amounted to EUR 340,669 million at 31 December 2009 (EUR 412,848 million at 31 December 2008).

Financial instruments given as guarantees by the Group which the beneficiary is authorised to sell or give as guarantees amounted to EUR 366,771 million at 31 December 2009 (EUR 429,164 million at 31 December 2008).

Financial instruments received as guarantees by the Group which it is authorised to sell or give as guarantees amounted to EUR 44,062 million at 31 December 2009 (EUR 42,594 million at 31 December 2008). Financial instruments received in respect of repo transactions amounted to EUR 276,370 million at 31 December 2009 (EUR 356,421 million at 31 December 2008).

Financial instruments actually sold or given as guarantees amounted to EUR 235,750 million at 31 December 2009 (EUR 309,776 million at 31 December 2008).

➤ GUARANTEE COMMITMENTS GIVEN

In millions of euros	31 December 2009	31 December 2008
Guarantee commitments given:		
- to credit institutions	**10,367**	**7,680**
- to customers:	**94,283**	**77,287**
Property guarantees	1,313	1,590
Sureties provided to tax and other authorities, other sureties	59,808	40,072
Other guarantees	33,162	35,625
TOTAL GUARANTEE COMMITMENTS GIVEN	**104,650**	**84,967**

Note 7 SALARIES AND EMPLOYEE BENEFITS

7.a SALARY AND EMPLOYEE BENEFIT EXPENSES

Salary and employee benefit expenses for the year to 31 December 2009 came to EUR 13,998 million (EUR 10,227 million for the year to 31 December 2008).

Fixed and variable remuneration, incentive bonuses and profit-sharing amounted to EUR 9,795 million (EUR 7,275 million in 2008); retirement bonuses, pension costs and social security taxes to EUR 3,529 million (EUR 2,588 million in 2008); and payroll taxes to EUR 674 million (EUR 364 million in 2008).

7.b EMPLOYEE BENEFIT OBLIGATIONS

Post-employment benefits under defined-contribution plans

In France, the BNP Paribas Group 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 the rest of the world, defined-benefit plans have been closed to new employees in most of the countries in which the Group operates (the United States, Germany, Luxembourg, the United Kingdom, Ireland, Norway, Australia and Belgium for almost all plans). 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. However, in Belgium and Switzerland, the employer is required by law to guarantee a minimum rate on these plans.

The amount paid into defined-contribution post-employment plans in France and other countries for the year to 31 December 2009 was approximately EUR 422 million EUR compared with 418 million for the year to 31 December 2008.

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 account of 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 at 31 December 2009 totalled EUR 4,548 million (EUR 1,365 million at 31 December 2008), comprising EUR 257 million for French plans and EUR 4,291 million for other plans.

Plan assets recognised (reimbursement rights or surpluses) rose from EUR 91 million at 31 December 2008 to EUR 2,636 million at 31 December 2009, due to the consolidation of all provisions and assets related to BNP Paribas Fortis and BGL BNP Paribas employee benefit plans, which amounted to EUR 3,543 million and EUR 2,549 million respectively at 31 December 2009. The plan assets for these two sub-groups are managed mainly by AG Insurance.

Pension plans and other post-employment benefits

Pension plans

In France, BNP Paribas pays a top-up banking industry pension arising from rights acquired to 31 December 1993 by ex-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 breaks down as 84% bonds, 8% equities and 8% property assets.

There are some thirty plans outside France, mainly in Belgium, the United Kingdom, the United States and Switzerland.

In Belgium, BNP Paribas Fortis provides a pension 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 has an 18.73% interest. Senior managers have a pension plan that provides a capital sum based on number of years' service and final salary, which is partially funded through AXA Belgium and AG Insurance.

In the 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 top-up schemes linked to statutory pensions (Norway). Some plans are managed by an insurance company (Netherlands), a foundation (Switzerland) or by independent fund managers (United Kingdom). In Turkey, the pension plan replaces the national pension scheme and is fully funded by financial assets held with a foundation external to the Group.

At 31 December 2009, Belgium, the United Kingdom, the United States, Switzerland and Turkey accounted for 93% of the total gross obligations outside France. The fair value of the related plan assets was split as follows: 61% bonds, 14% equities, 25% other financial instruments (including 14% in insurance contracts).

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. In other countries, the bulk of the Group's obligations are in Italy (88%), where pension reforms changed Italian termination indemnity schemes (TFR) into defined-contribution plans with effect from 1 January 2007. Rights vested up to 31 December 2006 continue to be classified as defined benefit obligations.

The tables below provide details relating to the Group's obligations for both pensions and other post-employment benefits:

➤ RECONCILIATION OF ASSETS AND LIABILITIES RECOGNISED IN THE BALANCE SHEET

In millions of euros	31 December 2009	31 December 2008
Present value of obligation	**8,009**	**4,113**
Present value of obligations wholly or partially funded by plan assets	7,166	3,247
Present value of unfunded obligations	843	866
Fair value of plan assets	**(3,474)**	**(2,129)**
of which fair value of surplus assets	*(70)*	*(76)*
Fair value of segregated assets [(1)]	**(2,566)**	**(15)**
Cost not yet recognised in accordance with IAS 19	**(325)**	**(751)**
Past service cost	(185)	(193)
Net actuarial losses/gains	(140)	(558)
Limit on assets recognised	**162**	**5**
NET OBLIGATION RECOGNISED IN THE BALANCE SHEET FOR DEFINED-BENEFIT PLANS	**1,806**	**1,223**
Asset recognised in the balance sheet for defined-benefit plans	(2,636)	(91)
Obligation recognised in the balance sheet for defined-benefit plans	4,442	1,314

(1) *Segregated assets are ring-fenced assets held in the balance sheets of Group insurance companies to cover post-employment benefit obligations transferred to the insurance companies for certain categories of employees of other Group entities.*

➤ MOVEMENTS IN THE PRESENT VALUE OF THE OBLIGATION AND SURPLUS ASSETS

In millions of euros	31 December 2009	31 December 2008
PRESENT VALUE OF OBLIGATION AT START OF PERIOD	**4,113**	**3,979**
Service cost for the period	280	149
Expense arising on discounting of the obligation	289	181
Effect of plan amendments	1	(40)
Effect of plan curtailments or settlements	(53)	16
Net actuarial gains and losses	(206)	240
Contributions by plan participants	23	11
Benefits paid	(598)	(285)
Effect of movements in exchange rates	47	(117)
Effect of changes in scope of consolidation	4,088	(3)
Other movements	25	(18)
PRESENT VALUE OF OBLIGATION AT END OF PERIOD	**8,009**	**4,113**

MOVEMENTS IN THE FAIR VALUE OF PLAN ASSETS AND SEGREGATED ASSETS

In millions of euros	31 December 2009	31 December 2008
FAIR VALUE OF ASSETS AT START OF PERIOD	**2,144**	**2,488**
Fair value of plan assets at start of period	*2,129*	*2,474*
Fair value of segregated assets at start of period	*15*	*14*
Expected return on plan assets	223	119
Effect of plan curtailments or settlements	(40)	(2)
Net actuarial gains and losses	201	(327)
Contributions by plan participants	23	11
BNP Paribas contributions to plan assets	615	81
Benefits paid to recipients of funded benefits	(463)	(139)
Effect of movements in exchange rates	30	(83)
Effect of changes in scope of consolidation	3,306	1
Other movements	1	(5)
FAIR VALUE OF ASSETS AT END OF PERIOD	**6,040**	**2,144**
Fair value of plan assets at end of period	*3,474*	*2,129*
Fair value of segregated assets at end of period	*2,566*	*15*

COMPONENTS OF PENSION COST

In millions of euros	Year to 31 Dec. 2009	Year to 31 Dec. 2008
Service cost for the period	280	149
Expense arising on discounting of the obligation	289	181
Expected return on plan assets	(223)	(119)
Amortisation of actuarial gains and losses	28	1
Amortisation of past service cost	10	11
Effect of plan curtailments or settlements	(13)	18
Other items	15	-
TOTAL EXPENSE RECORDED IN "SALARY AND EMPLOYEE BENEFIT EXPENSES"	**386**	**241**

MAIN ACTUARIAL ASSUMPTIONS USED IN EMPLOYEE BENEFIT CALCULATIONS AT THE BALANCE SHEET DATE

The Group discounts its obligation at the government bond yield in the eurozone and the yield on first-class private bonds with a similar maturity to the obligation in other currency areas. When the market for such bonds is not sufficiently liquid, the obligation is discounted at the government bond yield. The rates used are as follows:

	31 December 2009				31 December 2008			
In %	France	Euro zone excl. France	UK	USA	France	Euro zone excl. France	UK	USA
Discounting rate	3.06%-4.25%	3.06%-4.50%	4.50%-4.95%	5.75%	3.11%-4.05%	2.75%-4.19%	4.50%	6.00%
Future rate of salary increases	3.00%-4.50%	2.00%-4.00%	3.50%-5.15%	4.00%	3.00%-5.00%	2.00%-4.00%	3.50%-4.40%	4.00%

EFFECTIVE RATE OF RETURN ON PLAN ASSETS DURING THE YEAR

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

In %	Year to 31 Dec. 2009				Year to 31 Dec. 2008			
	France	Euro zone excl. France	UK	USA	France	Euro zone excl. France	UK	USA
Expected return on plan assets [(1)]	4.00%	3.25%-5.75%	4.85%-6.40%	5.00%-6.00%	4.20%	3.25%-5.15%	4.50%-6.60%	6.00%-7.00%
Actual return on plan assets [(1)]	3.95%	(4.00)%-22.00%	10.00%-21.00%	14.00%-30.00%	4.00%-4.15%	(33.00)%-0.00%	(20.00)%-(1.38)%	(32.00)%-(15.60)%

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

At 31 December 2009, unrecognised actuarial losses totalled EUR 140 million (including 91 million for international and EUR 49 million for France).

In France, actuarial gains arising in 2009 amounted to EUR 78 million. These were mainly due to experience adjustments (actual number of retirements observed during the year, trends in salaries) and, to a lesser extent, updating the assumptions used for calculating employee benefits and particularly the discount rate.

In other countries, actuarial gains arising in 2009 decreased the value of the Group's net obligation by approximately EUR 329 million. These gains were due to a rise in the rate of return on plan assets (EUR 203 million) and to updating the assumptions used for calculating employee benefits. In Belgium, the actuarial gains amounted to EUR 261 million, due mainly to updating the discount rates used to measure the obligation, the very low inflation rates in 2009 and the difference between the forecast and actual salary increases in 2009.

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. Provisions for obligations under these plans at 31 December 2009 amounted to EUR 105 million compared with EUR 51 million at 31 December 2008.

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

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 an agreement or a draft bilateral agreement. In 2009, these plans in France mainly concerned BNP Paribas French operations, BNP Paribas Arbitrage, BNP Paribas Personal Finance, BNP Paribas Lease Group and BNP Paribas Fortis. In other countries, similar plans have been implemented by BNL and BNP Paribas Fortis.

Provisions for voluntary redundancy and early retirement plans amounted to EUR 232 million at 31 December 2009 (EUR 150 million at 31 December 2008), including EUR 222 million related to the Group's operations outside France (EUR 108 million at 31 December 2008) and EUR 10 million in France.

7.c SHARE-BASED PAYMENT

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 implemented as part of 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.

Deferred share price-linked, cash-settled compensation plans

As part of the Group's variable remuneration policy, certain high-performing employees are offered a deferred compensation plan, entitling them to variable remuneration settled in cash but linked to the share price, payable over several years.

Deferred variable compensation loyalty schemes

These annual deferred plans are designed to retain the loyalty of employees by accruing variable compensation in respect of future service over a vesting period. The corresponding expense is therefore recognised over the vesting period.

Variable deferred compensation in 2009 contingent on performance conditions

The 2009 variable compensation plan for the Group employees concerned, mainly trading staff, 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 of 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.

Payment is deferred over time and is contingent on the performance achieved by the business units, core businesses and Group.

Sums are paid in cash and are linked to the negative or positive change in the BNP Paribas share price.

Global Share-Based Incentive Plan

Until 2005, various stock option plans were granted to Group employees by BNP, by Paribas and its subsidiaries, and subsequently by BNP Paribas, 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 issue 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 second, third and fourth years of the compulsory holding period and, at each measurement date, applies to one third of the options subject to the performance condition.

The portion that vested in 2009 differed according to employee category and was set at 60% of the total award for members of the BNP Paribas Group Executive Committee, 40% for BNP Paribas Group senior managers and 20% for other beneficiaries.

The performance of the BNP Paribas share relative to the index is determined by comparing (i) the percentage ratio between the average of the opening prices of the BNP Paribas share in each compulsory holding year and the average of the opening prices in the previous compulsory holding year, with (ii) 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 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 ten 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 with share awards. Under this plan, senior managers are exclusively granted stock options, whereas managers in key positions receive both stock options and share awards. High-potential managers and major contributors are exclusively granted share awards.

Employees' rights under share awards made until 2009 vest after a period of 2 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. Share awards were made to Group employees outside France as of 2009. 20% of the share awards made since 2009 are subject to a performance condition.

This performance condition is met if the Group's earnings per share increase by 5% or more compared with the previous year and, if not, it depends on the BNP Paribas share's performance relative to the Dow Jones Euro Stoxx Bank index, measured in the same way as for the stock option plans.

If this condition is not met, the relevant portion of the share awards will become null and void.

All unexpired plans involve potential settlement in BNP Paribas shares.

Expense for the year

The expense recognised in the year to 31 December 2009 in respect of all the plans granted amounted to EUR 1,233 million (EUR 116 million in the year to 31 December 2008).

	2009				2008
In millions of euros	Stock option plans	Share award plans	Other plans	Total expense	Total expense
Loyalty schemes			435	435	13
Plan for the year			710	710	-
Global Share-Based Incentive Plan	51	37		88	103
TOTAL	**51**	**37**	**1,145**	**1,233**	**116**

Description of the plans

The tables below give details of the characteristics and terms of all unexpired plans at 31 December 2009:

➤ 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)* [5]	Number of options [1]	Remaining period until expiry of options (years)
BNL [5]	13/09/1999	137	614,763	13/09/2001	13/09/2011	82.05	410,557	2
BNP [1] [4]	07/04/2000	1,214	1,754,200	08/04/2005	07/04/2010	41.09	297,001	1
BNL [5]	20/10/2000	161	504,926	20/10/2003	20/10/2013	103.55	440,443	4
BNP Paribas SA [1] [2]	15/05/2001	932	6,069,000	15/05/2005	14/05/2011	47.37	2,904,153	2
BNL [5]	26/10/2001	223	573,250	26/10/2004	26/10/2014	63.45	4,739	5
BNL [5]	26/10/2001	153	479,685	26/10/2004	26/10/2012	63.45	2,073	3
BNP Paribas SA [2]	31/05/2002	1,384	2,158,570	31/05/2006	30/05/2012	58.02	1,042,931	3
BNP Paribas SA [3]	21/03/2003	1,302	6,693,000	21/03/2007	20/03/2013	35.87	3,300,623	4
BNP Paribas SA [3]	24/03/2004	1,458	1,779,850	24/03/2008	21/03/2014	48.15	1,378,182	5
BNP Paribas SA [3]	25/03/2005	2,380	4,332,550	25/03/2009	22/03/2013	53.28	4,154,846	4
BNP Paribas SA [3]	05/04/2006	2,583	3,894,770	06/04/2010	04/04/2014	73.40	3,716,134	5
BNP Paribas SA [3]	08/03/2007	2,023	3,630,165	08/03/2011	06/03/2015	80.66	3,592,348	6
BNP Paribas SA [3]	06/04/2007	219	405,680	06/04/2011	03/04/2015	76.57	381,495	6
BNP Paribas SA [3]	18/04/2008	2,402	3,985,590	18/04/2012	15/04/2016	64.47	3,997,034	7
BNP Paribas SA [3]	06/04/2009	1,397	2,376,600	08/04/2013	05/04/2017	35.11	2,419,134	8
TOTAL OPTIONS OUTSTANDING AT END OF PERIOD							**28,041,693**	

[1] *The number of options and the exercise price have been adjusted 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 prevailing regulations.*

[2] *These options were subject to vesting conditions related to the financial performance of the Group as measured by the ratio of net income 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 164,364 options under the 5 April 2006 plan, outstanding at the year-end.

[4] *Plans granted to employees of the two pre-merger groups, BNP and Paribas. The options vested only in the event that no payments were due in respect of the Contingent Value Rights Certificates attached to the shares issued at the time of the merger. This condition has been met for the two plans concerned.*

[5] *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	05/04/2006	2,034	544,370	07/04/2008	07/04/2010	344
BNP Paribas SA	05/04/2006	253	64,281	06/04/2009	06/04/2011	53
BNP Paribas SA	08/03/2007	2,145	834,110	09/03/2009	09/03/2011	1,888
BNP Paribas SA	08/03/2007	327	76,813	28/06/2010	28/06/2012	68,348
BNP Paribas SA	18/04/2008	2,124	820,890	19/04/2010	19/04/2012	802,242
BNP Paribas SA	06/04/2009	2,247	359,930	10/04/2012	19/04/2014	368,942
BNP Paribas SA	06/04/2009	1,686	278,325	08/04/2013	08/04/2013	283,505
TOTAL SHARES OUTSTANDING AT END OF PERIOD						**1,525,322**

[1] The vesting date for some 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

	2009		2008	
	Number of options	Weighted average exercise price *(euros)*	Number of options	Weighted average exercise price *(euros)*
OPTIONS OUTSTANDING AT 1 JANUARY	**27,302,391**	**59.60**	**24,648,283**	**59.07**
Options granted during the period	2,376,600	35.11	3,985,590	66.10
Options arising from October 2009 capital increase	705,521			
Options exercised during the period	(1,898,604)	54.01	(1,040,223)	65.23
Options expired during the period	(444,215)		(291,259)	
OPTIONS OUTSTANDING AT 31 DECEMBER	**28,041,693**	**58.15**	**27,302,391**	**59.60**
OPTIONS EXERCISABLE AT 31 DECEMBER	**13,935,548**	**49.95**	**10,666,992**	**45.20**

The average quoted stock market price for the option exercise period in 2009 was EUR 43.22 (EUR 42.08 in 2008).

➤ SHARE AWARD PLANS

	2009	2008
	Number of shares	Number of shares
SHARES OUTSTANDING AT 1 JANUARY	**1,773,186**	**1,483,630**
Shares granted during the period	638,255	820,890
Shares vested during the period	(873,826)	(524,208)
Shares expired during the period	(52,662)	(7,126)
Adjustment linked to the increase in capital through the subscription of preferential subscription rights	40,369	-
SHARES OUTSTANDING AT 31 DECEMBER	**1,525,322**	**1,773,186**

Value attributed to 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 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 to 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 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 2009 were valued at between EUR 11.70 and EUR 13.57 depending on whether or not they are subject to performance conditions according to the various secondary award tranches (compared with EUR 15.35 and EUR 17.32, respectively in 2008).

	Year to 31 Dec. 2009	Year to 31 Dec. 2008
	6 April 2009 Plan	18 April 2008 Plan
BNP Paribas share price on the grant date *(in euros)*	36.00	67.98
Option exercise price *(in euros)*	35.11	66.10
Implied volatility of BNP Paribas shares	39.9%	29.5%
Expected option holding period	8 years	8 years
Expected dividend on BNP Paribas shares [(1)]	2.5%	4.0%
Risk-free interest rate	3.2%	4.5%
Expected proportion of options that will be forfeited	1.5%	1.5%

[(1)] *The dividend rate shown above is an average of the estimated annual dividends over the life of the option.*

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 date of acquisition, discounted at the grant date.

The value of shares awarded free of consideration by BNP Paribas on 6 April 2009 was EUR 32.55 for those with a four-year vesting period and EUR 33.20 for those with a three-year vesting period (EUR 60.94 for the shares awarded in 2008 whose holding period expires on 19 April 2012).

	Year to 31 Dec. 2009		Year to 31 Dec. 2008
	Plan granted on 6 April 2009 available in 2014	Plan granted on 6 April 2009 available in 2013	18 April 2008 Plan
BNP Paribas share price on the grant date *(in euros)*	36.00	36.00	67.98
Vesting date	10/04/2012	08/04/2013	19/04/2010
Date of availability	10/04/2014	08/04/2013	19/04/2012
Expected dividend on BNP Paribas shares [(1)]	2.50%	2.50%	4.00%
Risk-free interest rate	2.65%	2.39%	4.44%
Expected proportion of options that will be forfeited	2.00%	2.00%	2.00%
THEORETICAL UNIT VALUE	**33.20 €**	**32.55 €**	**60.94 €**

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

Shares subscribed or purchased by employees under the company savings plan

	Year to 31 Dec. 2009	Year to 31 Dec. 2008
	6 April 2009 Plan	18 April 2008 Plan
Date plan announced	5 May 2009	13 May 2008
Quoted price of BNP Paribas shares at date plan announced *(in euros)*	41.85	67.75
Number of shares issued or transfered	8,999,999	5,360,439
Purchase or subscription price *(in euros)*	29.40	54.90
Five-year risk-free interest rate	2.69%	4.20%
Five-year borrowing cost	8.50%	8.00%
Borrowing cost during the holding period	24.06%	16.40%

The Group did not recognise an expense in relation to the Company Savings Plan as the discount granted to employees subscribing or purchasing 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 2009, 42% accepted the offer and 58% 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 2009

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 2009:

Shareholders' General Meeting at which authorisation was granted to the Board of Directors		Use of authorisation in 2009
Shareholders' General Meeting of 21 May 2008 (13th 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.*	The issue of 107,650,488 new ordinary shares with a par value of EUR 2 was recorded on 26 October 2009
Shareholders' General Meeting of 21 May 2008 (14th 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.*	This authorisation was not used during the year
Shareholders' General Meeting of 21 May 2008 (15th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, in consideration for securities tendered to public exchange offers. *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 250 million (representing 125 million shares).* *This authorisation was granted for a period of 26 months.*	This authorisation was not used during the year

Shareholders' General Meeting at which authorisation was granted to the Board of Directors		Use of authorisation in 2009
Shareholders' General Meeting of 21 May 2008 (16th 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 maximum size 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.*	The issue of 88,235,294 new ordinary shares with a par value of EUR 2 in connection with the Fortis merger (First Contribution) was recorded on 13 May 2009
Shareholders' General Meeting of 21 May 2008 (17th 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 14th to 16th resolutions of the Shareholders' General Meeting of 21 May 2008 may not exceed EUR 350 million for shares immediately and/or in the future and EUR 7 billion for debt instruments.*	-
Shareholders' General Meeting of 21 May 2008 (19th resolution)	Blanket limit on authorisations to issue shares with pre-emptive rights for existing shareholders maintained or waived. *The maximum par value of all issues with pre-emptive rights for existing shareholders maintained or waived may not exceed EUR 1 billion for capital increases to be carried out immediately and/or in the future by virtue of authorisations granted under the 13th to 16th resolutions of the Shareholders' General Meeting of 21 May 2008, and secondly, the maximum par value of debt instruments may not exceed EUR 10 billion by virtue of the authorisations granted under the 13th to 16th resolutions of the Shareholders' General Meeting of 21 May 2008.*	-
Shareholders' General Meeting of 21 May 2008 (21th 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.*	638,255 free ordinary shares awarded at the Board meeting of 6 March 2009
Shareholders' General Meeting of 21 May 2008 (22th 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.*	2,376,600 stock subscription options granted at the Board meeting of 27 March 2009
Shareholders' General Meeting of 27 March 2009 (2nd resolution)	Authorisation granted to the Board of Directors to increase the share capital through the issue of non-voting shares subscribed by Société de Prise de Participation de l'État (SPPE). *BNP Paribas' share capital was increased by EUR 374,449,338 through the issue of 187,224,669 so-called "class B" non-voting shares. This issue gave rise to EUR 4,725,550,645.56 in additional paid-in capital.*	The issue of 187,224,669 non-voting shares with a par value of EUR 2 was recorded on 31 March 2009
	After the repurchase of these non-voting shares from Société de Prise de Participation de l'État (SPPE) on 28 October 2009, BNP Paribas SA's share capital was reduced on 26 November 2009 through the cancellation of 187,224,669 class B non-voting shares with a par value of EUR 2, by virtue of a Board of Directors' decision on 4 November 2009 and in accordance with the powers granted to the Board by Article 6 of the Articles of Association.	Cancellation of all non-voting shares after their repurchase, recorded on 26 November 2009

Shareholders' General Meeting at which authorisation was granted to the Board of Directors		Use of authorisation in 2009
Shareholders' General Meeting of 27 March 2009 (3rd resolution)	Authorisation was given 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 36 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 nullifies as 27 March 2009 the authorisation granted by the 20th resolution of the Shareholder's General Meeting of 21 May 2008.*	The Issue of 9,000,000 new shares with a par value of EUR 2 was recorded on 10 July 2002
Shareholders' General Meeting of 27 March 2009 (4th 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 given for a period of 26 months and nullifies with effect from 27 March 2009, the authorisation granted by the 18th resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the year
Shareholders' General Meeting of 13 May 2009 (3rd resolution)	Decision by the Shareholders' General Meeting of proposing to the shareholders payment of a dividend in cash or in new ordinary shares. *The dividend payment in new ordinary shares would entailed an increase in the Company's share capital by EUR 42,840,508 representing 21,420,254 ordinary shares.* *This issue gave rise to EUR 706,225,774.38 in additional paid-in capital.*	The issue of 21,420,254 new ordinary shares with a par value of EUR 2 was recorded on 16 June 2009
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 would 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, which was granted for a period of 18 months, replaces that given by the 5th resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the year
Shareholders' General Meeting of 13 May 2009 (11th resolution)	Contribution-in-kind for shares in Fortis Banque SA/NV. *BNP Paribas ordinary shares were issued for use in a contribution-in-kind transaction for shares in Fortis Banque SA/NV.*	The issue of 32,982,760 new ordinary shares with a par value of EUR 2 in connection with the Fortis merger (Second Contribution) was recorded on 13 May 2009

Shareholders' General Meeting at which authorisation was granted to the Board of Directors		Use of authorisation in 2009
Shareholders' General Meeting of 13 May 2009 (12th resolution)	Contribution-in-kind for shares in BGL SA. *BNP Paribas ordinary shares were issued for use in a contribution-in-kind transaction for shares in BGL SA.*	The issue of 11,717,549 new ordinary shares with a par value of EUR 2 in connection with the Fortis merger (Third Contribution) was recorded on 13 May 2009
Shareholders' General Meeting of 13 May 2009 (13th resolution)	Authorisation to issue ordinary shares and share equivalents in consideration for securities tendered to contributions of unlisted shares (up to a maximum of 10% of the capital). *The maximum blanket limit on the par value of the capital increases that may be carried out on one or more occasions by virtue of this authorisation stands at 10% of the number of shares comprising the share capital of BNP Paribas.* *This authorisation was given for a period of 26 months and nullifies the authorisation granted by the 16th resolution of the Shareholders' General Meeting of 21 May 2008.*	The issue of 500,000 new ordinary shares with a par value of EUR 2 in connection with the Fortis merger (Fourth Contribution) was recorded on 13 May 2009
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 replaces that given by the 23rd resolution of the Shareholders' General Meeting of 21 May 2008.*	The cancellation of 219,294 new ordinary shares with a par value of EUR 2 was recorded on 3 August 2009

Capital increases linked to the acquisition of Fortis Banque 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 consists in the transfer by SFPI of 263,586,083 Fortis Banque SA/NV shares, representing around 54.55% of the latter's share capital and voting rights. The Board of Directors approved on 12 May 2009 this First Contribution by using the authorisation granted to it by the Shareholders' General Meeting of 21 May 2008 under its 16th resolution. The shares issued in consideration for this contribution are 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 Banque 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, which consists 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 on 13 May 2009 this Fourth Contribution, formally recorded its definitive completion and that of the corresponding issue of shares, by 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.

Share capital transactions

Operations affecting share capital	Number of shares	Par value *(in euros)*	in €	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 2007	**905,260,308**	**2**	**1,810,520,616**			
Increase in share capital by exercise of stock subscription options	1,115,091	2	2,230,182	(1)	(1)	01 January 07
Increase in share capital by exercise of stock subscription options	360,269	2	720,538	(1)	(1)	01 January 08
Capital increase reserved for members of the Company Savings Plan	5,360,439	2	10,720,878	23 May 06	13 May 08	01 January 08
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	5 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	3 August 09	01 January 09
Capital increase	107,650,488	2	215,300,976	21 May 08	25 September 09	-
Capital decrease arising on the cancellation of non-voting shares	(187,224,669)	2	(374,449,338)	-	4 November 09	-
Number of shares outstanding at 31 December 2009	**1,185,281,764**	**2**	**2,370,563,528**			

(1) *Various resolutions voted in 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 BNP Paribas Fortis and BGL BNP Paribas.*

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 13 May 2009 replacing and superseding the fifth resolution of the Shareholders' General Meeting of 21 May 2008, 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 68 per share. The shares could 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; 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.

At 31 December 2009, the BNP Paribas Group was a net borrower of 755,993 BNP Paribas shares representing an amount EUR 35 million, which was recognised as an increase in equity.

Own equity instruments (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	Number of shares	Carrying amount *(in millions of euros)*
Shares held at 31 December 2007	**9,136,114**	**630**	**(163,462)**	**(11)**	**8,972,652**	**619**
Acquisitions	1,304,072	91			1,304,072	91
Shares delivered to employees	(802,472)	(54)			(802,472)	(54)
Shares delivery for Banco BGN purchase	(3,646,292)	(288)			(3,646,292)	(288)
Other movements	(542,574)	(34)	(1,287,370)	(33)	(1,829,944)	(67)
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)**

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 127,087 shares during 2009 at an average share price of EUR 45.85, and sold 141,931 treasury shares at an average share price of EUR 48.05. At 31 December 2009, 147,007 shares worth EUR 6.5 million were held by BNP Paribas under this agreement.

From 1 January to 31 December 2009, 870,611 BNP Paribas shares were delivered following the definitive award of free shares to their beneficiaries.

Non-voting shares issued by the Group

Following the authorisation granted by the Shareholders' General Meeting on 27 March 2009, BNP Paribas issued on 31 March 2009 187,224,669 non-voting shares 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 of 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 prorata temporis.

These non-voting shares were bought back on 28 October 2009 and were subsequently cancelled on 26 November 2009.

Preferred shares and Undated Super Subordinated Notes (TSSDI)

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 paid a fixed rate dividend for a period of ten years. Thereafter, the shares were 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 had the option of not paying dividends on these preferred shares if no dividends were paid on BNP Paribas SA ordinary shares and no coupons were paid on preferred share equivalents (Undated Super Subordinated Notes) in the previous year. Unpaid dividends were not carried forward.

In October 2001, a EUR 500 million undated non-cumulative preferred share issue was carried out through a subsidiary under the exclusive control of the Group, BNP Paribas Capital Trust III. Shares in the issue pay a fixed rate dividend for a period of ten years. The shares 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 and June 2002, two undated non-cumulative preferred share issues, of EUR 660 million and USD 650 million respectively, were carried out by two subsidiaries under the exclusive control of the Group, BNP Paribas Capital Trust IV and V. Shares in the first issue pay a fixed rate annual dividend over ten years, and shares in the second issue paid a fixed rate quarterly dividend over five years. Shares in the first issue 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. Shares in the second issue were redeemed by the issuer in June 2008 at the end of the contractual five-year period.

In January 2003, a non-cumulative preferred share issue of EUR 700 million was carried out by BNP Paribas Capital Trust VI, a subsidiary under the exclusive control of the Group. 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 – carried out 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	Rate and term before 1st call date		Rate after 1st call date
BNPP Capital Trust	October 2000	USD	500 million	9.003%	10 years	3-month Libor + 3.26%
BNPP Capital Trust III	October 2001	EUR	500 million	6.625%	10 years	3-month Euribor + 2.6%
BNPP Capital Trust IV	January 2002	EUR	660 million	6.342%	10 years	3-month Euribor + 2.33%
BNPP Capital Trust VI	January 2003	EUR	700 million	5.868%	10 years	3-month Euribor + 2.48%
Cofinoga Funding I LP	March 2003	EUR	100 million (1)	6.820%	10 years	3-month Euribor + 3.75%
Cofinoga Funding II LP	January and May 2004	EUR	80 million (1)	TEC 10 (2) + 1.35%	10 years	TEC 10 (2) + 1.35%
TOTAL EURO-EQUIVALENT VALUE			**2,239 MILLION (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 2009, the BNP Paribas Group held EUR 60 million in preferred shares, deducted from minority interests.

Undated Super Subordinated Notes issued by BNP Paribas SA

From 2005 to 2009, BNP Paribas SA carried out nineteen issues of Undated Super Subordinated Notes representing a total amount of EUR 10,612 million. The notes pay a fixed 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.

The EUR 69 million in issues carried out in December 2009 resulted from the public exchange offer for the Undated Subordinated Notes and participating notes described in Note 5h.

The table below sets out the characteristics of these various issues:

UNDATED SUPER SUBORDINATED NOTES

Date of issue	Currency	Amount	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
June 2005	USD	1,350 million	semi-annual	5.186%	10 years	USD 3-month Libor + 1.680%
October 2005	EUR	1,000 million	annual	4.875%	6 years	4.875%
October 2005	USD	400 million	annual	6.250%	6 years	6.250%
April 2006	EUR	750 million	annual	4.730%	10 years	3-month Euribor + 1.690%
April 2006	GBP	450 million	annual	5.945%	10 years	GBP 3-month Libor + 1.130%
July 2006	EUR	150 million	annual	5.450%	20 years	3-month Euribor + 1.920%
July 2006	GBP	325 million	annual	5.945%	10 years	GBP 3-month Libor + 1.810%
April 2007	EUR	750 million	annual	5.019%	10 years	3-month Euribor + 1.720%
June 2007	USD	600 million	quarterly	6.500%	5 years	6.50%
June 2007	USD	1,100 million	semi-annual	7.195%	30 years	USD 3-month Libor + 1.290%
October 2007	GBP	200 million	annual	7.436%	10 years	GBP 3-month Libor + 1.850%
June 2008	EUR	500 million	annual	7.781%	10 years	3-month Euribor + 3.750%
September 2008	EUR	650 million	annual	8.667%	5 years	3-month Euribor + 4.050%
September 2008	EUR	100 million	annual	7.570%	10 years	3-month Euribor + 3.925%
December 2009	EUR	2 million	quarterly	3-month Euribor + 3.750%	10 years	3-month Euribor + 3.750%
December 2009	EUR	17 million	annual	7.028%	10 years	7.028%
December 2009	USD	70 million	quarterly	USD 3-month Libor + 3.750%	10 years	USD 3-month Libor + 3.750%
December 2009	USD	0.5 million	annual	7.384%	10 years	7.384%
TOTAL EURO-EQUIVALENT VALUE		**8,045 MILLION[(1)]**				

[(1)] *Net of shares held in treasury by Group entities.*

BNP Paribas has the option of not paying interest due on these Undated Super Subordinated Notes if no dividends were paid on BNP Paribas SA ordinary shares or on Undated Super Subordinated Note equivalents in the previous year. Unpaid interest is not carried forward.

The contracts relating to these Undated Super Subordinated Notes contain a loss absorption clause. Under the terms of this clause, in the event of insufficient regulatory capital–which is not fully offset by a capital increase or any other equivalent measure–the nominal value of the notes may be reduced in order to serve as a new basis for the calculation of the related coupons until the capital deficiency is made up and the nominal value of the notes is increased to its original amount. However, in the event of the liquidation of BNP Paribas, 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 2009, the BNP Paribas Group held EUR 17 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. 2009	Year to 31 Dec. 2008
Net income used to calculate basic and diluted earnings per ordinary share *(in millions of euros)* [1]	**5,504**	**2,762**
Weighted average number of ordinary shares outstanding during the year	**1,057,526,241**	**925,249,465**
Effect of potentially dilutive ordinary shares	1,710,915	3,813,197
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,059,237,156**	**929,062,662**
Basic earnings per share *(in euros)*	**5.20**	**2.99**
Diluted earnings per share *(in euros)*	**5.20**	**2.97**

(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.*

The increase in capital with preferential subscription rights completed on 26 October 2009 led, in accordance with the recommendations of IAS 33, to a change in earnings per share for 2008 as reported (EUR 3.07 for basic earnings per share and EUR 3.06 for diluted earnings per share) to make earnings per share comparable for the two years presented.

The dividend per share paid in 2009 out of 2008 net income amounted to EUR 1 compared with EUR 3.35 per share paid in 2008 out of 2007 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%
French Retail Banking						
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			Equity	33.33%	33.33%
Retail Banking - Italy (BNL Banca Commerciale)						
Artigiancassa SPA	Italy			Full	73.86%	73.86%
Artigiansoa - Org. Di Attestazione SPA	Italy			Equity (1)	80.00%	59.08%
BNL Broker Assicurazioni SPA	Italy	31/12/2009	Disposal			
		31/12/2008		Full	100.00%	100.00%
BNL Edizioni SRL	Italy	31/12/2009	Merger			
		31/12/2008		Equity (1)	100.00%	100.00%
BNL Finance SPA	Italy			Full	100.00%	100.00%
BNL Partecipazioni SPA	Italy	31/12/2009	Merger			
		31/12/2008		Full	100.00%	100.00%
BNL Positivity SRL	Italy			Full	51.00%	51.00%
Banca Nazionale del Lavoro SPA	Italy			Full	100.00%	100.00%
Creaimpresa SPA (Groupe)	Italy	31/12/2009	Disposal			
		31/12/2008		Equity (1)	76.90%	56.80%
Elep SPA	Italy	31/12/2008	Deconsolidation			
International Factors Italia SPA - Ifitalia	Italy			Full	99.64%	99.64%
Serfactoring SPA	Italy			Equity	27.00%	26.94%
Special Purpose Entities						
Vela ABS	Italy			Full		
Vela Home SRL	Italy			Full		
Vela Public Sector SRL	Italy			Full		
Retail Banking in United States of America						
1897 Services Corporation	USA			Full	100.00%	100.00%
AmerUS Leasing, Inc.	USA	31/12/2009	Deconsolidation			
		31/12/2008		Full	100.00%	100.00%
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	31/12/2009		Full	100.00%	80.45%
		31/12/2008	Incorporation	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 Home Mortgage	USA	31/12/2008	Deconsolidation			
Community First Insurance, Inc.	USA			Full	100.00%	100.00%
Community Service, Inc.	USA			Full	100.00%	100.00%
Contractors Insurance Services	USA	31/12/2008	Merger			
Equity Lending Inc.	USA			Full	100.00%	100.00%
Essex Crédit 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%
First Savings Investment Corporation	USA	31/12/2008	Deconsolidation			
HBC Aviation, LLC	USA	31/12/2008	Merger			
KIC Technology1, Inc.	USA			Full	100.00%	100.00%
KIC Technology2, Inc.	USA			Full	100.00%	100.00%
KIC Technology3, Inc.	USA			Full	100.00%	100.00%
Liberty Leasing Company	USA			Full	100.00%	100.00%
Mountain Fall Acquisition	USA			Full	100.00%	100.00%
ORE, Inc.	USA	31/12/2008	Deconsolidation			
Real Estate Delivery 2 Inc.	USA	31/12/2009	Incorporation	Full	100.00%	100.00%
Roxborough Acquisition Corporation	USA	31/12/2009	Deconsolidation			
		31/12/2008		Full	100.00%	100.00%
St Paul Agency Inc.	USA	31/12/2008	Deconsolidation			
The Bankers Club, Inc.	USA			Full	100.00%	100.00%
The Voyager HR Group	USA	31/12/2008	Deconsolidation			
Ursus Real Estate inc	USA	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Incorporation	Full	100.00%	100.00%
Special Purpose Entities						
CFB Capital 3	USA	31/12/2009	Deconsolidation			
		31/12/2008	Passing qualifying thresholds	Full		
CFB Capital 4	USA	31/12/2009	Deconsolidation			
		31/12/2008		Full		
Commercial Federal Capital Trust 1	USA	31/12/2009	Deconsolidation			
		31/12/2008		Full		
Commercial Federal Capital Trust 2	USA			Full		
Commercial Federal Capital Trust 3	USA			Full		
C-One Leasing LLC	USA	31/12/2009		Full		
		31/12/2008	Incorporation	Full		
First Hawaiian Capital 1	USA			Full		
BNP Paribas Personal Finance						
Axa Banque Financement	France			Equity	35.00%	35.00%
Banco BGN SA	Brazil	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Purchase	Full	100.00%	100.00%
Banco Cetelem Argentina	Argentina	31/12/2009	Additional purchase	Full	100.00%	100.00%
		31/12/2008		Full	60.00%	60.00%
Banco Cetelem Portugal	Portugal			Full	100.00%	100.00%
Banco Cetelem SA	Spain			Full	100.00%	100.00%
BGN Holding Financeira Limitada	Brazil	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Purchase	Full	100.00%	100.00%
Bieffe 5 SPA	Italy	31/12/2009	Additional purchase	Full	100.00%	75.00%
		31/12/2008		Equity	50.00%	50.00%
BNP Paribas Invest Immo	France	31/12/2008	Merger			
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			Full	100.00%	100.00%
BNP Paribas Personal Finance Pays-Bas (ex-UCB Hypotheken)	Netherlands			Full	100.00%	100.00%
BNP Paribas Personal Finance SA de CV	Mexico			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) Simplified consolidation by the equity method (non-material entities).
(2) Business transfers due to the creation of Italian retail banking segment.
(3) Entities excluded from prudential scope of consolidation.
(4) Entities consolidated under the equity method for prudential purpose.

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
BNP Paribas Personal Finance SPA	Italy			Full	100.00%	100.00%
Cafineo	France	31/12/2009	Passing qualifying thresholds	Full	50.99%	50.78%
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			Full	100.00%	100.00%
Cetelem Bank SA (Palier Laser)	Poland	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	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Purchase	Full	100.00%	100.00%
Cetelem IFN SA	Romania			Full	100.00%	100.00%
Cetelem Latin America Holding Participaçoes Limitada	Brazil	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	Prop.	50.00%	50.00%
		31/12/2008		Full	100.00%	100.00%
Cetelem Processing Services (Shanghai) Limited	China			Full	100.00%	100.00%
Cetelem Serviços Limitada	Brazil			Equity (1)	100.00%	100.00%
Cetelem Servicios SA de CV	Mexico	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	Deconsolidation			
		31/12/2008		Full	100.00%	100.00%
Cofica Bail (*)	France			Full	100.00%	100.00%
Cofidis France	France	31/12/2008	Disposal			
Cofiparc SNC	France			Full	100.00%	100.00%
Compagnie Médicale de financement de Voitures et matériels - CMV Médiforce (*)	France			Full	100.00%	100.00%
Credial Italie SPA	Italy	31/12/2009	Merger			
		31/12/2008		Prop.	50.00%	50.00%
Credifin Banco SA (ex-palier Laser)	Portugal	31/12/2009	Additional purchase	Full	100.00%	100.00%
		31/12/2008		Prop.	50.00%	50.00%
Credirama SPA	Italy	31/12/2009	Additional purchase	Full	51.00%	38.25%
		31/12/2008		Prop.	50.00%	25.50%
Credisson Holding Limited	Cyprus			Full	100.00%	100.00%
Crédit Moderne Antilles Guyane (*)	France			Full	100.00%	100.00%
Crédit Moderne Guyane	France	31/12/2008	Merger			
Crédit Moderne Océan Indien (*)	France			Full	97.81%	97.81%
Direct Services	Bulgaria			Full	100.00%	100.00%
Dresdner-Cetelem Kreditbank	Germany			Full	50.10%	50.10%
Effico Iberia	Spain			Full	100.00%	100.00%
Effico Participation SA	France	31/12/2008	Passing thresholds & Merger			
Effico Portugal	Portugal	31/12/2009		Equity (1)	100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	Equity (1)	100.00%	100.00%
Effico (ex-Effico Soreco)	France			Full	99.96%	99.96%
Eurocredito	Spain			Full	100.00%	100.00%
Facet (*)	France			Full	100.00%	100.00%
Fideicomiso Financiero Cetelem 1	Argentina	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%
Findomestic Banca SPA	Italy	31/12/2009	Additional purchase	Full	75.00%	75.00%
		31/12/2008		Prop.	50.00%	50.00%
Findomestic Banka a.d	Serbia	31/12/2009	Additional purchase	Full	100.00%	75.00%
		31/12/2008		Prop.	50.00%	50.00%
Findomestic Leasing SPA	Italy	31/12/2008	Merger			
KBC Pinto Systems	Belgium			Equity	39.99%	39.99%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
LaSer - Cofinoga (Groupe)	France			Prop.	50.00%	50.00%
Loisirs Finance (*)	France			Full	51.00%	51.00%
Magyar Cetelem	Hungary			Full	100.00%	100.00%
Métier Regroupement de Crédits	France	31/12/2008	Merger			
Monabank	France			Equity	34.00%	34.00%
Natixis Financement	France			Equity	33.00%	33.00%
Norrsken Finance (*)	France			Full	51.00%	51.00%
Prestacomer SA de CV	Mexico	31/12/2009	Passing qualifying thresholds	Full	100.00%	100.00%
		31/12/2008		Equity (1)	100.00%	100.00%
Projeo (*)	France			Full	51.00%	51.00%
SA Domofinance	France	31/12/2009	Change of control	Full	55.00%	55.00%
		31/12/2008		Prop.	55.00%	55.00%
SAS Prêts et Services (*)	France			Full	100.00%	100.00%
Servicios Financieros Carrefour EFC	Spain			Equity	37.28%	40.00%
SGPS Cofinoga Portugal (ex-palier Laser)	Portugal	31/12/2009	Additional purchase	Full	100.00%	100.00%
		31/12/2008		Prop.	50.00%	50.00%
Société de Paiement Pass	France			Equity	40.01%	40.01%
Submarino Finance Promotora de Credito Limitada	Brazil			Prop.	50.00%	50.00%
Sundaram Home Finance Limited	India			Prop.	49.90%	49.90%
UCB	France	31/12/2008	Merger			
UCB Ingatlanhitel RT	Hungary	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	Full	100.00%	100.00%
UCB Suisse	Switzerland			Full	100.00%	100.00%
Union de Creditos Immobiliarios - UCI (Groupe)	Spain			Prop.	50.00%	50.00%
Debt Investment Funds						
FCC Retail ABS Finance - Noria 2005	France			Full		
FCC Retail ABS Finance - Noria 2008	France			Full		
FCC Retail ABS Finance - Noria 2009	France	31/12/2009	Incorporation	Full		
European Mortgage Finance IT-2008-1 SRL	Italy	31/12/2009		Full		
		31/12/2008	Purchase	Full		
FCC Domos 2003	France	31/12/2008	Deconsolidation			
FCC Domos 2008	France	31/12/2009		Full		
		31/12/2008	Incorporation	Full		
FCC Master Domos	France			Full		
FCC Master Domos 4	France	31/12/2008	Deconsolidation			
FCC Master Domos 5	France			Full		
FCC U.C.I 18	Spain	31/12/2009		Prop.		
		31/12/2008	Incorporation	Prop		
FCC U.C.I 19	Spain	31/12/2009	Incorporation	Prop		
FCC U.C.I 5-17	Spain			Prop.		
Fundo de Investimento EM Direitos Creditorios BGN Life	Brazil	31/12/2009		Full		
		31/12/2008	Purchase	Full		
Fundo de Investimento EM Direitos Creditorios BGN Premium	Brazil	31/12/2009		Full		
		31/12/2008	Purchase	Full		
UCB Service SRL	Italy	31/12/2009		Full		
Viola Finanza SRL (ex-FCC Master Dolphin)	Italy	31/12/2009	Additional purchase	Full		
		31/12/2008		Prop		
Equipment Solutions						
Albury Asset Rentals Limited	UK			Full	100.00%	100.00%
All In One Allemagne	Germany			Full	100.00%	100.00%
All In One Vermietung GmbH	Austria			Full	100.00%	100.00%
Antin Bail (*)	France			Full	100.00%	100.00%
Aprolis Finance	France			Full	51.00%	51.00%
Arius SA	France			Full	100.00%	100.00%
Artegy Limited	UK			Full	100.00%	100.00%
Artegy SAS	France			Full	100.00%	100.00%
Arval Austria GmbH	Austria			Full	100.00%	100.00%
Arval Belgium	Belgium			Full	100.00%	100.00%
Arval Benelux BV	Netherlands			Full	100.00%	100.00%

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(1) *Simplified consolidation by the equity method (non-material entities).*
(2) *Business transfers due to the creation of Italian retail banking segment.*
(3) *Entities excluded from prudential scope of consolidation.*
(4) *Entities consolidated under the equity method for prudential purpose.*

Name	Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Arval Brasil Limitada	Brazil	31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
		31/12/2008		Equity	1	100.00%	100.00%
Arval Business Services Limited	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	31/12/2009		Equity	1	100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	Equity	1	100.00%	100.00%
Arval India Private Limited	India			Equity	1	100.00%	100.00%
Arval Limited	UK			Full		100.00%	100.00%
Arval Luxembourg	Luxembourg			Full		100.00%	100.00%
Arval Maroc	Morocco	31/12/2009	Passing qualifying thresholds	Full		100.00%	88.91%
		31/12/2008		Equity	1	88.73%	88.73%
Arval NV	Belgium			Full		100.00%	100.00%
Arval PHH Holding SAS	France			Full		100.00%	100.00%
Arval PHH Holdings Limited	UK			Full		100.00%	100.00%
Arval PHH Holdings UK Limited	UK			Full		100.00%	100.00%
Arval PHH Service Lease CZ	Czech Republic			Full		100.00%	100.00%
Arval Portugal	Portugal			Full		100.00%	100.00%
Arval Russie	Russia	31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
		31/12/2008		Equity	1	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 Espagne	Spain			Full		99.99%	99.99%
Arval Service Lease Italia	Italy			Full		100.00%	100.00%
Arval Service Lease Polska SP	Poland			Full		100.00%	100.00%
Arval Service Lease Romania SRL	Romania			Equity	1	100.00%	100.00%
Arval Slovakia	Slovakia	31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
		31/12/2008		Equity	1	100.00%	100.00%
Arval Trading	France			Full		100.00%	100.00%
Arval UK Group Limited	UK			Full		100.00%	100.00%
Arval UK Limited	UK			Full		100.00%	100.00%
Barloword Heftruck BV	Netherlands			Equity		50.00%	50.00%
BNP Paribas Fleet Holdings Limited	UK			Full		100.00%	100.00%
BNP Paribas Lease Group (*)	France			Full		100.00%	100.00%
BNP Paribas Lease Group (Rentals) Limited (ex-Bureau Services Limited)	UK			Full		100.00%	100.00%
BNP Paribas Lease Group BV	Netherlands			Full		100.00%	100.00%
BNP Paribas Lease Group GmbH & Co KG	Austria			Full		100.00%	100.00%
BNP Paribas Lease Group Holding SPA	Italy	31/12/2008	Merger				
BNP Paribas Lease Group KFT	Hungary			Full		100.00%	100.00%
BNP Paribas Lease Group Netherlands BV	Netherlands			Full		100.00%	100.00%
BNP Paribas Lease Group Polska SP z.o.o	Poland			Full		100.00%	100.00%
BNP Paribas Lease Group RT	Hungary			Full		100.00%	100.00%
BNP Paribas Lease Group SA Belgium	Belgium			Full		100.00%	100.00%
BNP Paribas Lease Group SPA	Italy	31/12/2008	Merger				
BNP Paribas Lease Group SPA (ex-Locafit SPA)	Italy			Full		100.00%	100.00%
BNP Paribas Lease Group UK PLC	UK			Full		100.00%	100.00%
BNP Paribas Leasing Gmbh	Germany	31/12/2009	Merger				
		31/12/2008		Full		100.00%	100.00%
Claas Financial Services (*)	France			Full		60.11%	60.11%
Claas Financial Services Inc.	USA			Full		100.00%	60.11%
Claas Financial Services Limited	UK			Full		51.00%	51.00%
Claas Leasing Gmbh	Germany	31/12/2009	Merger				
		31/12/2008		Full		100.00%	60.11%
CNH Capital Europe (*)	France			Full		50.10%	50.10%
CNH Capital Europe BV (ex-Leaseco International BV)	Netherlands	31/12/2009	Deconsolidation				
		31/12/2008		Full		100.00%	100.00%
CNH Capital Europe GmbH	Austria	31/12/2009	Passing qualifying thresholds	Full		100.00%	50.10%
CNH Capital Europe Limited	UK			Full		100.00%	50.10%
Cofiplan (*)	France			Full		99.99%	99.99%
Commercial Vehicle Finance Limited	UK			Full		100.00%	100.00%
Dexia Location Longue Durée	France	31/12/2009		Equity	1	51.00%	51.00%
		31/12/2008	Passing qualifying thresholds	Equity	1	51.00%	51.00%
Dialcard Fleet Information Services Limited	UK			Full		100.00%	100.00%
Dialcard Limited	UK	31/12/2008	Deconsolidation				
Diamond Finance UK Limited	UK			Full		60.00%	60.00%
Equipment Lease BV	Netherlands			Full		100.00%	100.00%
Gestion et Location Holding	France			Full		100.00%	100.00%
Greenval Insurance Company Limited	Ireland	31/12/2009		Full	4	100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	Full	4	100.00%	100.00%
H.F.G.L Limited	UK			Full		100.00%	100.00%
Harpur UK Limited	UK			Full		100.00%	100.00%
Humberclyde Commercial Investments Limited	UK			Full		100.00%	100.00%
Humberclyde Commercial Investments n° 4 Limited	UK			Full		100.00%	100.00%
Humberclyde Commercial Investments n°1 Limited	UK			Full		100.00%	100.00%
Humberclyde Finance Limited	UK			Full		100.00%	100.00%
Humberclyde Industrial Finance Limited	UK			Full		100.00%	100.00%
Humberclyde Investments Limited	UK			Full		100.00%	100.00%
JCB Finance (*)	France			Full		100.00%	50.10%
JCB Finance Holdings Limited	UK	31/12/2009		Full		50.10%	50.10%
		31/12/2008	Incorporation	Full		50.10%	50.10%
Locatrice Italiana SPA	Italy			Full		100.00%	100.00%
Manitou Finance Limited	UK			Full		51.00%	51.00%
Natiobail 2	France			Full		100.00%	100.00%
Natiocrédibail (*)	France			Full		100.00%	100.00%
Natiocrédimurs (*)	France			Full		100.00%	100.00%
Natioénergie (*)	France			Full		100.00%	100.00%
Overdrive Business Solutions Limited	UK			Full		100.00%	100.00%
Overdrive Credit Card Limited	UK	31/12/2009	Deconsolidation				
		31/12/2008		Full		100.00%	100.00%
Paricomi (*)	France			Full		100.00%	100.00%
PHH Financial services Limited	UK			Full		100.00%	100.00%
PHH Holdings (1999) Limited	UK	31/12/2009	Deconsolidation				
		31/12/2008		Full		100.00%	100.00%
PHH Investment Services Limited	UK			Full		100.00%	100.00%
PHH Leasing (n°9) Limited	UK	31/12/2009	Deconsolidation				
		31/12/2008		Full		100.00%	100.00%
PHH Treasury Services Limited	UK			Full		100.00%	100.00%
PHH Truck Management Services Limited	UK	31/12/2009	Deconsolidation				
		31/12/2008		Full		100.00%	100.00%
Pointeuro Limited	UK	31/12/2009	Deconsolidation				
		31/12/2008		Full		100.00%	100.00%
Same Deutz Fahr Finance Limited	UK			Full		100.00%	100.00%
Same Deutz-Fahr Finance (*)	France			Full		100.00%	100.00%
SAS MFF (*)	France			Full		51.00%	51.00%
SREI Équipement Finance Private Limited	India	31/12/2009		Prop.		50.00%	50.00%
		31/12/2008	Purchase	Prop.		50.00%	50.00%
TEB Arval Arac Filo Kiralama	Turkey	31/12/2009	Additional purchase	Full		75.00%	75.00%
		31/12/2008		Prop.		50.00%	50.00%
The Harpur Group UK Limited	UK	31/12/2009	Deconsolidation				
		31/12/2008		Full		100.00%	100.00%
UFB Asset Finance Limited	UK			Full		100.00%	100.00%
United Care (Cheshire) Limited	UK			Full		100.00%	100.00%
United Care Group Limited	UK			Full		100.00%	100.00%
Special Purpose Entities							
Vela Lease SRL	Italy			Full			

Name	Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Emerging Markets							
Banque de Nankin	China			Equity		12.61%	12.61%
Banque de Wallis et Futuna	France	31/12/2009		Full		50.98%	50.98%
		31/12/2008	Reconsolidation	Full		50.98%	50.98%
Banque du Sahara LSC	Libya			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	31/12/2009	Loss of control	Equity		46.67%	46.67%
		31/12/2008		Full		46.67%	46.67%
Banque Internationale du Commerce et de l'Industrie Guinée	Guinea			Equity		30.83%	30.83%
Banque Internationale du Commerce et de l'Industrie Mali	Mali			Full		85.00%	85.00%
Banque Internationale du Commerce et de l'Industrie Senegal	Senegal			Full		54.11%	54.11%
Banque Malgache de l'Ocean Indien	Madagascar			Full		75.00%	75.00%
Banque Marocaine du Commerce et de l'Industrie	Morocco			Full		66.74%	66.74%
Banque Marocaine du Commerce et de l'Industrie Crédit Conso	Morocco			Full		100.00%	79.74%
Banque Marocaine du Commerce et de l'Industrie Gestion	Morocco			Equity	1	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 Cyprus Limited	Cyprus			Full		100.00%	100.00%
BNP Paribas Egypt (ex-BNP Paribas Le Caire)	Egypt			Full		95.19%	95.19%
BNP Paribas El Djazair	Algeria			Full		100.00%	100.00%
BNP Paribas Guadeloupe (*)	France			Full		100.00%	100.00%
BNP Paribas Guyane (*)	France			Full		100.00%	100.00%
BNP Paribas Martinique (*)	France			Full		100.00%	100.00%
BNP Paribas Mauritanie	Mauritania	31/12/2009		Equity	1	59.99%	59.99%
		31/12/2008	Passing qualifying thresholds	Equity	1	59.99%	59.99%
BNP Paribas Nouvelle Caledonie (*)	France			Full		100.00%	100.00%
BNP Paribas Réunion (*)	France			Full		100.00%	100.00%
BNP Paribas Vostok Holdings	France	31/12/2008	Merger				
BNP Paribas Vostok LLC	Russia			Full		100.00%	100.00%
JSC IC Axa Insurance (ex-Vesko)	Ukraine	31/12/2009	Additional purchase	Equity	1	49.67%	40.44%
		31/12/2008	Purchase	Equity	1	49.63%	25.31%
JSC IC Axa Ukraine (ex-Ukrainian Insurance Alliance)	Ukraine			Equity	1	50.00%	40.71%
Orient Commercial Bank	Vietnam	31/12/2009	Passing qualifying thresholds	Equity		15.00%	15.00%
TEB Mali Yatirimlar Anonim Sirketi (Groupe)	Turkey			Prop.		50.00%	50.00%
Ukrainian Leasing Company	Ukraine	31/12/2009	Additional purchase	Full		100.00%	81.42%
		31/12/2008	Purchase	Equity	1	100.00%	51.00%
Ukrsib Asset Management	Ukraine	31/12/2009	Additional purchase	Equity	1	99.94%	81.37%
		31/12/2008		Equity	1	99.94%	50.97%
Ukrsib Asset Management PI Fund	Ukraine	31/12/2009	Additional purchase	Equity	1	99.94%	81.37%
		31/12/2008		Equity	1	99.94%	50.97%

Name	Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
UkrSibbank	Ukraine	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			Full		75.40%	37.70%
Investment Solutions							
Parvest ABS	Luxembourg	31/12/2009	Passing qualifying thresholds	Full		80.74%	80.74%
Insurance							
Assu-Vie SA	France			Equity	1	50.00%	50.00%
BNL Vita SPA	Italy			Equity		49.00%	49.00%
BNP Paribas Assurance	France			Full	4	100.00%	100.00%
BNP Paribas Assurance BV (ex-Cardif Nederland Holding BV)	Netherlands			Full	4	100.00%	100.00%
Cardif Assicurazioni SPA	Italy			Full	4	100.00%	100.00%
Cardif Assurance Vie	France			Full	4	100.00%	100.00%
Cardif Assurance Vie Polska	Poland			Full	4	100.00%	100.00%
Cardif Biztosito Magyarorszag	Hungary	31/12/2009		Equity	1	100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	Equity	1	100.00%	100.00%
Cardif Colombia Seguros Generales	Colombia	31/12/2009	Passing qualifying thresholds	Equity	1	100.00%	100.00%
Cardif Compania de Seguros	Peru			Equity	1	100.00%	100.00%
Cardif Compania de Seguros de Vida	Argentina			Full	4	100.00%	100.00%
Cardif do Brasil Seguros	Brazil			Full	4	100.00%	100.00%
Cardif do Brasil Seguros e Garantias	Brazil			Equity	1	100.00%	100.00%
Cardif Forsaking AB	Sweden	31/12/2009		Equity	1	100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	Equity	1	100.00%	100.00%
Cardif Holdings Inc.	USA			Full	4	99.60%	99.60%
Cardif Insurance Company	Russia	31/12/2009		Equity	1	100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	Equity	1	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 Corporation	USA			Full	4	100.00%	99.60%
Cardif Life Insurance Company Limited (ex-Shinan et Life Corée)	South Korea	31/12/2009	Additional purchase	Full	4	85.00%	85.00%
		31/12/2008		Prop.	4	50.00%	50.00%
Cardif Luxembourg International (ex-Investlife Luxembourg SA)	Luxembourg			Full	4	100.00%	100.00%
Cardif Mexico Seguros de Vida	Mexico			Equity	1	100.00%	100.00%
Cardif Mexico Seguros Generales SA	Mexico			Equity	1	100.00%	100.00%
Cardif Nordic AB	Sweden			Full	4	100.00%	100.00%
Cardif Pinnacle Insurance Holding Limited	South Africa	31/12/2009	Disposal				
		31/12/2008		Full	4	100.00%	100.00%
Cardif RD	France			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%
Cardivida Correduria de Seguros	Spain			Equity	1	100.00%	100.00%
Centro Vita Assicurazioni SPA	Italy			Prop.	4	49.00%	49.00%
Closed Joint Insurance Company	Ukraine	31/12/2009		Equity	1	100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	Equity	1	100.00%	100.00%
Compagnie Bancaire Uk Fonds C	UK			Full	4	100.00%	100.00%
Compania de Seguros Generales	Chile			Full	4	100.00%	100.00%
Compania de Seguros Vida SA	Chile			Full	4	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) Simplified consolidation by the equity method (non-material entities).
(2) Business transfers due to the creation of Italian retail banking segment.
(3) Entities excluded from prudential scope of consolidation.
(4) Entities consolidated under the equity method for prudential purpose.

Name	Country		Change in the scope of consolidation	Method		Group voting interest (%)	Group ownership interest (%)
Darnell Limited	Ireland			Full	4	100.00%	100.00%
Direct Life & Pensions Services - DLPS	UK	31/12/2009		Equity	1	100.00%	100.00%
		31/12/2008	Purchase	Equity	1	100.00%	100.00%
European Reinsurance Limited	UK			Equity	1	100.00%	100.00%
F & B Insurance Holdings SA (Groupe)	Belgium	31/12/2009	Incorporation	Equity		50.00%	50.00%
Financial Telemarketing Services	UK			Equity	1	100.00%	100.00%
Fonds d'Investissement Immobilier pour le Commerce et la Distribution - Fondis	France	31/12/2009		Prop.	4	25.00%	25.00%
		31/12/2008	Passing qualifying thresholds	Prop.	4	25.00%	25.00%
GIE BNP Paribas Assurance	France			Full	4	100.00%	99.00%
Global Euro	France			Full	4	99.89%	99.89%
Luizaseg	Brazil	31/12/2009		Equity	1	50.00%	50.00%
		31/12/2008	Passing qualifying thresholds	Equity	1	50.00%	50.00%
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 SA	Brazil	31/12/2009		Full	4	100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	Full	4	100.00%	100.00%
Patrimoine Management & Associés	France	31/12/2009	Dilution	Full	4	58.50%	58.50%
		31/12/2008		Full	4	61.50%	61.50%
Pinnacle Insurance Holding PLC	UK			Full	4	100.00%	100.00%
Pinnacle Insurance Management Services PLC	UK			Full	4	100.00%	100.00%
Pinnacle Insurance PLC	UK			Full	4	100.00%	100.00%
Pinnafrica Insurance Company Limited	South Africa	31/12/2009	Disposal				
		31/12/2008		Equity	1	100.00%	100.00%
Pinnafrica Insurance Life Limited	South Africa	31/12/2009	Disposal				
		31/12/2008		Equity	1	100.00%	100.00%
Pocztylion Arka Powszechne	Poland	31/12/2009		Equity		33.33%	33.33%
		31/12/2008	Reconsolidation	Equity		33.33%	33.33%
Pojistovna Cardif Pro Vita	Czech Republic			Full	4	100.00%	100.00%
Pojistovna Cardif Slovakia A.S	Slovakia			Equity	1	100.00%	100.00%
SARL Carma Grand Horizon	France			Full	4	100.00%	100.00%
SARL Reumal Investissements	France			Full	4	100.00%	100.00%
Rubin SARL	Luxembourg	31/12/2009		Prop.	4	50.00%	50.00%
		31/12/2008	Passing qualifying thresholds	Prop.	4	50.00%	50.00%
SAS Hibernia France	France			Prop.	4	60.14%	60.14%
SCA Capital France Hotel	France			Prop.	4	60.14%	60.14%
SCI 104-106 rue Cambronne	France			Full	4	100.00%	100.00%
SCI 14 rue Vivienne	France			Full	4	100.00%	100.00%
SCI 100 rue Lauriston	France			Full	4	100.00%	100.00%
SCI 6 Square Foch	France			Full	4	100.00%	100.00%
SCI 8-10 place du Commerce	France			Full	4	100.00%	100.00%
SCI Alpha Park	France	31/12/2009		Prop.	4	50.00%	50.00%
		31/12/2008	Passing qualifying thresholds	Prop.	4	50.00%	50.00%
SCI Asnieres 1	France			Full	4	100.00%	100.00%
SCI Beausejour	France			Full	4	100.00%	100.00%
SCI BNP Paribas Pierre 2	France			Full	4	100.00%	100.00%
SCI Boulevard Malesherbes	France			Full	4	100.00%	100.00%
SCI Boulogne Centre	France			Full	4	100.00%	100.00%
SCI Boulogne Nungesser	France			Full	4	100.00%	100.00%
SCI Corosa	France			Full	4	100.00%	100.00%
SCI Courbevoie	France			Full	4	100.00%	100.00%
SCI Défense Étoile	France	31/12/2009	Disposal				
		31/12/2008		Full	4	100.00%	100.00%
SCI Défense Vendôme	France	31/12/2009	Disposal				
		31/12/2008		Full	4	100.00%	100.00%
SCI Étoile	France			Full	4	100.00%	100.00%
SCI Immeuble Demours	France			Full	4	100.00%	100.00%
SCI Levallois 2	France			Full	4	100.00%	100.00%
SCI Malesherbes Courcelles	France			Full	4	100.00%	100.00%
SCI Paris Cours de Vincennes	France			Full	4	100.00%	100.00%
SCI Moussorgski	France			Full	4	100.00%	100.00%
SCI Odysée	France	31/12/2009		Full	4	99.90%	99.90%
		31/12/2008	Passing qualifying thresholds	Full	4	99.90%	99.90%

Name	Country		Change in the scope of consolidation	Method		Group voting interest (%)	Group ownership interest (%)
SCI Residence le Châtelard	France	31/12/2008	Deconsolidation				
SCI rue Médéric	France			Full	4	100.00%	100.00%
SCI Rueil Ariane	France	31/12/2009	Disposal				
		31/12/2008		Full	4	100.00%	100.00%
SCI Rueil Caudron	France			Full	4	100.00%	100.00%
SCI Suresnes 3	France			Full	4	100.00%	100.00%
SCI Vendôme Athènes	France	31/12/2009		Prop.	4	50.00%	50.00%
		31/12/2008	Passing qualifying thresholds	Prop.	4	50.00%	50.00%
SCPI Opera Rendement	France	31/12/2009		Full	4	99.12%	99.12%
		31/12/2008	Passing qualifying thresholds	Full	4	99.12%	99.12%
State Bank India Life Cy	India			Equity		26.00%	26.00%
Thai Cardif Insurance Life Company Limited	Thailand			Equity		25.00%	25.00%
Valtitres	France			Full	4	100.00%	100.00%
Warranty Direct Ltd	UK	31/12/2009	Passing qualifying thresholds	Equity	1	90.29%	90.29%
Wealth Management							
Bank Insinger de Beaufort NV	Netherlands	31/12/2009	Purchase	Full		59.08%	59.08%
Bank Insinger de Beaufort Safe Custody	Netherlands	31/12/2009	Purchase	Full		100.00%	59.08%
Bergues Finance Holding	Bahamas			Full		100.00%	99.99%
BNP Paribas Bahamas Limited	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 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%
Insinger de Beaufort Asset Management AG	Switzerland	31/12/2009	Purchase	Full		100.00%	29.54%
Insinger de Beaufort Asset Management NV	Netherlands	31/12/2009	Purchase	Full		100.00%	59.08%
Insinger de Beaufort Associates	Netherlands	31/12/2009	Purchase	Full		100.00%	59.08%
Insinger de Beaufort Consulting	Netherlands	31/12/2009	Purchase	Full		100.00%	59.08%
Klein Haneveld Consulting BV	Netherlands	31/12/2009	Purchase	Full		100.00%	59.08%
Nachenius, Tjeenk et Co NV	Netherlands	31/12/2009	Merger				
		31/12/2008		Full		100.00%	100.00%
Sodefi Holding AG	Switzerland	31/12/2009	Purchase	Full		50.00%	29.54%
Personal Investors							
B*Capital (*)	France			Full		99.96%	99.96%
Cortal Consors France (*)	France			Full		100.00%	100.00%
Cortal Consors Select	France	31/12/2009		Equity	1	85.00%	85.00%
		31/12/2008	Incorporation	Equity	1	85.00%	85.00%
FundQuest	France			Full		100.00%	100.00%
Geojit BNP Paribas Financial Services Ltd (ex-Geojit Financial Services Limited) -Groupe	India	31/12/2009	Additional purchase	Prop.		34.16%	34.16%
		31/12/2008		Prop.		27.11%	27.11%
Geojit Technologies Private - ex palier Geojit	India	31/12/2009	Additional purchase	Full		57.20%	57.20%
		31/12/2008		Prop.		27.11%	27.11%
Portzamparc Gestion	France	31/12/2009	Purchase	Full		100.00%	50.98%
Portzamparc société de Bourse	France	31/12/2009	Purchase	Full		51.00%	50.98%
Investment Partners							
Antin Infrastructure Partners	France			Equity	1	56.50%	56.50%
Banco Estado Administradora General de Fondos	Chile	31/12/2009	Passing qualifying thresholds	Equity	1	49.99%	49.99%
Bergere 2009 (ex-Cooper Neff Alternative Managers)	France	31/12/2009	Merger				
		31/12/2008		Equity	1	99.40%	99.40%
BNP Paribas Asset Management	France			Full		100.00%	100.00%
BNP Paribas Asset Management Uruguay SA	Uruguay			Equity	1	100.00%	100.00%
BNP Paribas Asset Management Australia Limited	Australia	31/12/2009		Full		100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	Full		100.00%	100.00%
BNP Paribas Asset Management Asia	Hong-Kong			Equity	1	100.00%	100.00%
BNP Paribas Asset Management Brasil Limitada	Brazil			Full		100.00%	100.00%
BNP Paribas Asset Management BSC	Bahrain	31/12/2009	Passing qualifying thresholds	Equity	1	99.58%	99.58%
BNP Paribas Asset Management GmbH	Germany	31/12/2009	Deconsolidation				
		31/12/2008		Equity	1	100.00%	100.00%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
BNP Paribas Asset Management Japan Limited	Japan			Full	100.00%	100.00%
BNP Paribas Asset Management Luxembourg	Luxembourg			Full	99.66%	99.66%
BNP Paribas Asset Management SGIIC	Spain			Equity (1)	100.00%	99.59%
BNP Paribas Asset Management SGR Milan	Italy			Full	100.00%	100.00%
BNP Paribas Asset Management Singapore Limited	Singapore			Equity (1)	100.00%	100.00%
BNP Paribas Asset Management UK Limited	UK			Full	100.00%	100.00%
BNP Paribas Investment Partners	France			Full	100.00%	100.00%
BNP Paribas Financière AMS (Fin'AMS) (*)	France			Full	100.00%	100.00%
BNP Paribas Fund Services France	France			Full	100.00%	100.00%
BNP Paribas Private Equity	France			Equity (1)	100.00%	100.00%
BNP Paribas Real Estate Investment Management Italy (ex-BNL Fondi Immobiliari)	Italy			Full	100.00%	100.00%
CamGestion (ex-Cardif Asset Management)	France			Full	100.00%	100.00%
Cardif Gestion d'Actifs	France	31/12/2009	Merger			
		31/12/2008		Full	100.00%	100.00%
Charter Atlantic Capital corporation	USA			Full	100.00%	100.00%
Charter Atlantic Corporation	USA			Full	100.00%	100.00%
Fauchier Partners Management Limited (Groupe)	UK	31/12/2009	Additional purchase	Prop.	47.61%	75.00%
		31/12/2008		Prop.	42.17%	62.50%
Fischer Francis Trees & Watts UK	UK			Full	100.00%	100.00%
Fischer Francis Trees & Watts Inc.	USA			Full	100.00%	100.00%
Fischer Francis Trees & Watts Kabushiki Kaisha	Japan			Full	100.00%	100.00%
Fischer Francis Trees & Watts Limited	UK			Full	100.00%	100.00%
Fischer Francis Trees & Watts Pte Limited	Singapore			Full	100.00%	100.00%
FundQuest Holdings Limited (Groupe)	UK	31/12/2009	Passing qualifying thresholds	Equity (1)	100.00%	100.00%
FundQuest Inc.	USA			Full	100.00%	100.00%
Gestion Obligataire Diversifiée (ex-BNP Paribas ABS Euribor)	France	31/12/2009	Passing qualifying thresholds	Full	100.00%	100.00%
Impax Group PLC	UK	31/12/2009		Equity	27.88%	27.88%
		31/12/2008	Passing qualifying thresholds	Equity	26.82%	26.82%
Malbec Partners Inc.	USA	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Purchase	Full	100.00%	100.00%
Malbec Partners LLP	UK	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Purchase	Full	100.00%	100.00%
Malbec UK Limited	UK	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Purchase	Full	100.00%	100.00%
Overlay Asset Management	France	31/12/2009	Beneath thresholds	Equity (1)	100.00%	100.00%
		31/12/2008		Full	100.00%	100.00%
SAIB BNP Paribas Asset Management Cy Limited	Saudi Arabia	31/12/2009	Passing qualifying thresholds	Equity	25.00%	25.00%
Shenying & Wanguo BNP Paribas Asset Management Company Limited	China	31/12/2009		Equity	33.00%	33.00%
		31/12/2008	Passing qualifying thresholds	Equity	33.00%	33.00%
Shinan BNP Paribas Asset Management Co Ltd (ex-Shinhan BNP Paribas Investment Trust Management Co Ltd)	South Korea	31/12/2009	Dilution	Prop.	35.00%	35.00%
		31/12/2008		Prop.	50.00%	50.00%
Sundaram BNP Paribas Asset Management Company Limited	India			Equity	49.90%	49.90%
Securities Services						
BNP Paribas Fund Services	Luxembourg	31/12/2008	Merger			
BNP Paribas Fund Services Australasia Limited	Australia			Full	100.00%	100.00%
BNP Paribas Fund Services Dublin Limited	Ireland			Full	100.00%	100.00%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
BNP Paribas Fund Services Holdings	UK	31/12/2009	Deconsolidation			
		31/12/2008		Full	100.00%	100.00%
BNP Paribas Fund Services UK Limited	UK	31/12/2009	Deconsolidation			
		31/12/2008		Full	100.00%	100.00%
BNP Paribas Securities Services - BP2S	France			Full	100.00%	100.00%
BNP Paribas Securities Services Custody Bank Limited	Jersey	31/12/2009	Deconsolidation			
		31/12/2008		Full	100.00%	100.00%
BNP Paribas Trust Company (Guernesey) Limited	Guernsey			Equity (1)	100.00%	100.00%
BNP Paribas Securities Services (Holdings) Limited	Jersey			Full	100.00%	100.00%
Real Estate Services						
Aberdeen Property Investors Belgium	Belgium	31/12/2009	Purchase & Merger			
Asset Partenaires	France			Full	100.00%	96.77%
Atisreal Holding France	France	31/12/2008	Merger			
Auguste Thouard Expertise	France	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 Promotion Sud Ouest	France			Full	100.00%	100.00%
BNP Paribas Immobilier Promotion Var	France	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	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 Résidences Services	France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel Résidences Services BSA (ex-BSA Immobilier)	France			Full	100.00%	100.00%
BNP Paribas Immobilier Résidentiel Résidences Services Sofiane (ex-SAS 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	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Incorporation	Full	100.00%	100.00%
BNP Paribas Participations Financières Immobilières	France			Full	100.00%	100.00%
BNP Paribas Real Estate Facilities Management Limited (ex-Chancery Lane Management Services Limited)	UK			Full	100.00%	100.00%
BNP Paribas Real Estate (ex-BNP Paribas Immobilier)	France			Full	100.00%	100.00%
BNP Paribas Real Estate Advisory Belgium SA (ex-Atisreal Belgium SA)	Belgium			Full	100.00%	100.00%
BNP Paribas Real Estate Advisory Italy SPA (ex-Atisreal Italia SPA)	Italy			Full	100.00%	100.00%
BNP Paribas Real Estate Advisory & Property Management Ireland Limited (ex-Atisreal Ireland Limited)	Ireland			Full	100.00%	100.00%
BNP Paribas Real Estate Advisory & Property Management International (ex-Atisreal International)	France			Full	100.00%	100.00%

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(1) *Simplified consolidation by the equity method (non-material entities).*
(2) *Business transfers due to the creation of Italian retail banking segment.*
(3) *Entities excluded from prudential scope of consolidation.*
(4) *Entities consolidated under the equity method for prudential purpose.*

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
BNP Paribas Real Estate Advisory & Property Management LLC	United Arab Emirates	31/12/2009	Incorporation	Full	49.00%	49.00%
BNP Paribas Real Estate Advisory & Property Management Luxembourg SA (ex-Atisreal Luxembourg SA)	Luxembourg			Full	100.00%	100.00%
BNP Paribas Real Estate Advisory & Property Management UK Limited (ex-Atisreal Limited)	UK			Full	100.00%	100.00%
BNP Paribas Real Estate Advisory Spain SA (ex-Atisreal Espana SA)	Spain			Full	100.00%	100.00%
BNP Paribas Real Estate Advisory USA Inc. (ex-Atisreal USA Inc.)	USA			Full	100.00%	100.00%
BNP Paribas Real Estate Consult France (ex-Atisreal Consult)	France			Full	100.00%	100.00%
BNP Paribas Real Estate Consult GmbH (ex-Atisreal Consult GmbH)	Germany			Full	100.00%	100.00%
BNP Paribas Real Estate GmbH (ex-Atisreal GmbH)	Germany			Full	100.00%	100.00%
BNP Paribas Real Estate Holding Benelux SA (ex-Atisreal Benelux SA)	Belgium			Full	100.00%	100.00%
BNP Paribas Real Estate Holding GmbH (ex-Atisreal Holding GmbH)	Germany			Full	100.00%	100.00%
BNP Paribas Real Estate Hotels France (ex-Atisreal Hotels)	France			Full	95.91%	95.91%
BNP Paribas Real Estate & Infrastructure Advisory Service Private Limited (ex-Atisreal Redwoods)	India	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 Limited	UK	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Incorporation	Full	100.00%	100.00%
BNP Paribas Real Estate Investment Management UK Limited (ex-BNP Paribas Real Estate Investments Services Limited)	UK			Full	100.00%	100.00%
BNP Paribas Real Estate Jersey Limited (ex-Atisreal Jersey Limited)	Jersey	31/12/2009	Purchase	Full	100.00%	100.00%
BNP Paribas Real Estate Project Solutions GmbH (ex-Atisreal Project Solutions GmbH)	Germany			Full	100.00%	100.00%
BNP Paribas Real Estate Property Management International (ex-BNP Paribas Immobilier Property Management)	France			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 (ex-Atisreal Property Management Services)	Belgium			Full	100.00%	100.00%
BNP Paribas Real Estate Property Management GmbH (ex-Atisreal Property Management GmbH)	Germany			Full	100.00%	100.00%
BNP Paribas Real Estate Property Management Italy SrL	Italy			Full	100.00%	100.00%
BNP Paribas Real Estate Transaction France (ex-Atisreal Auguste-Thouard)	France			Full	95.91%	95.91%
BNP Paribas Real Estate Valuation France (ex-Atisreal Expertise)	France			Full	100.00%	100.00%
Cabinet Claude Sanchez	France	31/12/2009	Disposal			
		31/12/2008		Full	100.00%	100.00%
F G Ingenierie et Promotion Immobilière	France			Full	100.00%	100.00%
Immobilière des Bergues	France			Full	100.00%	100.00%
Partner's & Services	France			Full	100.00%	100.00%
SA Gerer	France			Full	100.00%	100.00%
SA Meunier Hispania	Spain			Full	100.00%	100.00%
SARL Pyrotex	Luxembourg	31/12/2009	Passing qualifying thresholds	Full	100.00%	100.00%
SAS BNP Paribas Real Estate Investment Services	France			Full	100.00%	100.00%
BNP Paribas Real Estate Property Management Spain SA	Spain			Full	100.00%	100.00%
SAS BNP Paribas Real Estate Property Management France	France			Full	100.00%	100.00%
SAS BRSI	France	31/12/2009	Disposal			
		31/12/2008		Full	100.00%	100.00%
SAS Cristolienne de Participations	France	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Reconsolidation	Full	100.00%	100.00%
SAS Multi Vest (France) 4	France			Full	100.00%	100.00%
SAS Newport Management	France			Full	100.00%	100.00%
S.C BNP Paribas Real Estate Advisory S.A (ex-S.C Atisreal S.A)	Romania	31/12/2009	Purchase	Full	88.00%	88.00%
SNC Lot 2 Porte d'Asnières	France			Full	100.00%	100.00%
SRL *Via* Crespi 26	Luxembourg	31/12/2009	Passing qualifying thresholds	Full	100.00%	100.00%
Tasaciones Hipotecarias SA	Spain			Full	100.00%	100.00%
Valuation Consulting Limited	UK	31/12/2008	Deconsolidation			
Weatheralls Consultancy Services Limited	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	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			
		31/12/2008		Full	100.00%	100.00%
Harewood Asset Management	France			Full	100.00%	100.00%
Laffitte Participation 22	France	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%
SAS Esomet	France			Full	100.00%	100.00%
SAS Parilease [*]	France			Full	100.00%	100.00%
Taitbout Participation 3	France	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	Full	100.00%	100.00%
Europe						
BNP Paribas Ireland	Ireland			Full	100.00%	100.00%
BNP Paribas (Bulgaria) AD	Bulgaria	31/12/2008	Deconsolidation			
BNP Paribas Bank (Hungaria) RT	Hungary	31/12/2008	Deconsolidation			
BNP Paribas Bank (Polska) SA	Poland	31/12/2008	Deconsolidation			
BNP Paribas Bank NV	Netherlands			Full	100.00%	100.00%
BNP Paribas Capital Investments Limited	UK			Full	100.00%	100.00%
BNP Paribas CMG Limited (ex-BNP Paribas Capital Markets Group Limited)	UK			Full	100.00%	100.00%
BNP Paribas Commodity Futures Limited	UK			Full	100.00%	100.00%
BNP Paribas E & B Limited	UK			Full	100.00%	100.00%
BNP Paribas Finance PLC	UK			Full	100.00%	100.00%
BNP Paribas Luxembourg SA	Luxembourg			Full	100.00%	100.00%
BNP Paribas Net Limited	UK			Full	100.00%	100.00%
BNP Paribas Suisse SA	Switzerland			Full	99.99%	99.99%
BNP Paribas UK Holdings Limited	UK			Full	100.00%	100.00%
BNP Paribas UK Limited	UK			Full	100.00%	100.00%
BNP PUK Holding Limited	UK			Full	100.00%	100.00%
BNP Paribas ZAO	Russia			Full	100.00%	100.00%
Calilux SARL	Luxembourg			Full	60.00%	60.00%
Capstar Partners Limited	UK			Full	100.00%	100.00%
Euraussie Finance SARL	Luxembourg	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Incorporation	Full	100.00%	100.00%
Fidex Holdings Limited	UK	31/12/2009	Passing qualifying thresholds	Full	100.00%	100.00%
Harewood Holdings Limited	UK			Full	100.00%	100.00%
Landspire Limited	UK			Full	100.00%	100.00%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Paribas Trust Luxembourg SA	Luxembourg			Full	100.00%	100.00%
Utexam Limited	Ireland			Full	100.00%	100.00%
Utexam Logistics Limited	Ireland	31/12/2009	Passing qualifying thresholds	Full	100.00%	100.00%
Vartry Reinsurance Limited (ex-Delta Reinsurance Limited)	Ireland			Full [4]	100.00%	100.00%
Americas						
BNP Paribas Asset Management Inc.	USA			Full	100.00%	100.00%
BNP Paribas Brasil SA	Brazil			Full	100.00%	100.00%
BNP Paribas Canada	Canada			Full	100.00%	100.00%
BNP Paribas Capstar Partners Inc.	USA			Full	100.00%	100.00%
BNP Paribas Commodity Futures Inc.	USA			Full	100.00%	100.00%
BNP Paribas Leasing Corporation	USA			Full	100.00%	100.00%
BNP Paribas Mortgage Corporation	USA	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	Full	100.00%	100.00%
BNP Paribas North America Inc.	USA			Full	100.00%	100.00%
BNP Paribas Prime Brokerage Inc.	USA	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Purchase	Full	100.00%	100.00%
BNP Paribas Prime Brokerage International Limited	Cayman Islands	31/12/2009		Full	100.00%	100.00%
		31/12/2008	Purchase	Full	100.00%	100.00%
BNP Paribas Principal Inc.	USA	31/12/2009	Deconsolidation			
		31/12/2008		Full	100.00%	100.00%
BNP Paribas RCC Inc.	USA			Full	100.00%	100.00%
BNP Paribas Securities Corporation	USA			Full	100.00%	100.00%
Capstar Partners LLC	USA			Full	100.00%	100.00%
CooperNeff Group Inc.	USA			Full	100.00%	100.00%
French American Banking Corporation - F.A.B.C	USA			Full	100.00%	100.00%
Harewood Asset Management (US) Inc.	USA			Full	100.00%	100.00%
Innocap Investment Management Inc.	Canada	31/12/2009		Equity	25.00%	25.00%
		31/12/2008	Purchase	Equity	25.00%	25.00%
Paribas North America	USA			Full	100.00%	100.00%
Petits Champs Participaçoes e Serviços SA	Brazil			Full	100.00%	100.00%
Asia - Oceania						
BPP Holdings Pte Limited	Singapore	31/12/2009	Passing qualifying thresholds	Full	100.00%	100.00%
BNP Equities Asia Limited	Malaysia			Full	100.00%	100.00%
BNP Pacific (Australia) Limited	Australia			Full	100.00%	100.00%
BNP Paribas (China) Limited	China			Full	100.00%	100.00%
BNP Paribas Arbitrage (Hong-Kong) Limited	Hong-Kong			Full	100.00%	100.00%
BNP Paribas Capital (Asia Pacific) Limited	Hong-Kong			Full	100.00%	100.00%
BNP Paribas Capital (Singapore) Limited	Singapore			Full	100.00%	100.00%
BNP Paribas Finance (Hong-Kong) Limited	Hong-Kong			Full	100.00%	100.00%
BNP Paribas Futures (Hong-Kong) Limited	Hong-Kong			Full	100.00%	100.00%
BNP Paribas India Solutions Private Limited	India			Full	100.00%	100.00%
BNP Paribas Japan Limited	Japan			Full	100.00%	100.00%
BNP Paribas Principal Investments Japan Limited	Japan			Full	100.00%	100.00%
BNP Paribas SCM Asia (Hong Kong) Limited	Hong-Kong			Full	100.00%	100.00%
BNP Paribas Securities (Asia) Limited	Hong-Kong			Full	100.00%	100.00%
BNP Paribas Securities India Private Limited	India	31/12/2009	Incorporation	Full	100.00%	67.08%
BNP Paribas Securities (Japan) Limited	Hong-Kong			Full	100.00%	100.00%
BNP Paribas Securities (Taiwan) Co Limited	Taiwan			Full	100.00%	100.00%
BNP Paribas Securities Korea Company Limited	South Korea			Full	100.00%	100.00%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
BNP Paribas Securities (Singapore) Pte Limited	Singapore			Full	100.00%	100.00%
BNP Paribas Services (Hong Kong) Limited	Hong-Kong			Full	100.00%	100.00%
Paribas Asia Equities Limited	Hong-Kong			Full	100.00%	100.00%
PT Bank BNP Paribas Indonésia	Indonesia			Full	100.00%	99.99%
PT BNP Paribas Securities Indonesia	Indonesia			Full	99.00%	99.00%
Special Purpose Entities						
54 Lombard Street Investments Limited	UK			Full		
2009 Koala Finance - MSN 36742	France	31/12/2009	Incorporation	Full		
Alectra Finance PLC	Ireland			Full		
APAC Finance Limited	New Zealand			Full		
APAC Investments Limited	New Zealand			Full		
APAC NZ Holdings Limited	New Zealand			Full		
Aquarius Capital Investments Limited (ex-Altels Investments Limited)	Ireland			Full		
ARV International Limited	Cayman Islands			Full		
Austin Finance	France			Full		
Black Kite Investment Limited	Ireland	31/12/2009	Incorporation	Full		
BNP Paribas Arbitrage Issuance BV	Netherlands			Full		
BNP Paribas Complex Fundo Investment Multimercado	Brazil	31/12/2009	Passing qualifying thresholds	Full		
BNP Paribas Emissions und Handel. GmbH	Germany			Full		
BNP Paribas Finance Inc.	USA			Full		
BNP Paribas Islamic Issuance BV	Netherlands	31/12/2009		Full		
		31/12/2008	Passing qualifying thresholds	Full		
BNP Paribas Singapore Funding Partnership	Singapore	31/12/2009	Deconsolidation			
		31/12/2008		Full		
Boug BV	Netherlands			Full		
Compagnie Financière de la Porte Neuve SA (ex Royal Neuve IV Sarl)	Luxembourg	31/12/2009		Full		
		31/12/2008	Incorporation	Full		
Crisps Limited	Cayman Islands			Full		
Epping Funding Limited	Cayman Islands	31/12/2009	Deconsolidation			
		31/12/2008		Full		
Epsom Funding Limited	Cayman Islands			Full		
European Hedged Equity Limited	Cayman Islands	31/12/2008	Deconsolidation			
Fidex Limited	UK			Full		
Financière Paris Haussmann	France			Full		
Financière Taitbout	France			Full		
Fintrack Bayamo	France	31/12/2009	Merger			
		31/12/2008	Purchase	Full		
Fintrack Foehn	France	31/12/2009	Merger			
		31/12/2008	Purchase	Full		
Fintrack Sirocco	France	31/12/2009	Purchase	Full		
Global Guaranteed Equity Limited	Cayman Islands	31/12/2008	Deconsolidation			
Global Liberté	Ireland			Full		
Global Protected Alternative Investments Limited	Cayman Islands	31/12/2008	Deconsolidation			
Global Protected Equity Limited	Cayman Islands	31/12/2008	Deconsolidation			
Grenache et Cie SNC	Luxembourg			Full		
Harewood Investments N°2 à 5 Limited	Cayman Islands			Full		
Henaross Pty Limited	Australia			Full		
Highbridge Limited	Cayman Islands	31/12/2009	Deconsolidation			
		31/12/2008		Full		
Iliad Investments PLC	Ireland			Full		
Laffitte Participation 2	France	31/12/2009	Merger			
		31/12/2008		Full		
Laffitte Participation 10	France	31/12/2009	Merger			
		31/12/2008		Full		
Laffitte Participation 12	France	31/12/2009	Merger			
		31/12/2008		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) *Simplified consolidation by the equity method (non-material entities).*
(2) *Business transfers due to the creation of Italian retail banking segment.*
(3) *Entities excluded from prudential scope of consolidation.*
(4) *Entities consolidated under the equity method for prudential purpose.*

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Leveraged Finance Europe Capital V BV	Netherlands	31/12/2009		Full		
		31/12/2008	Passing qualifying thresholds	Full		
Lock-In Global equity Limited	Cayman Islands	31/12/2009	Deconsolidation			
		31/12/2008		Full		
Marc Finance Limited	Cayman Islands			Full		
BNP Paribas Proprietario Fundo de Investimento Multimercado Credito Privado (ex-Memphis Mutimercado Fundo de Investimento)	Brazil	31/12/2009	Passing qualifying thresholds	Full		
Muscat Investments Limited	Jersey	31/12/2009	Deconsolidation			
		31/12/2008		Full		
Omega Capital Investments Plc	Ireland			Full		
Omega Capital Europe PLC	Ireland			Full		
Omega Capital Funding Limited	Ireland			Full		
Optichamps	France			Full		
Parritaye Pty Limited	Australia			Full		
Participations Opéra	France			Full		
Renaissance Fund III	Japan	31/12/2009	Passing qualifying thresholds	Full		
Renaissance Fund IV	Japan	31/12/2009	Passing qualifying thresholds	Full		
Ribera del Loira Arbitrage SL	Spain	31/12/2009		Full		
		31/12/2008	Incorporation	Full		
Robin Flight Limited	Ireland			Full		
Royale Neuve I Sarl	Luxembourg			Full		
Royale Neuve II Sarl	Luxembourg	31/12/2009		Full		
		31/12/2008	Incorporation	Full		
Royale Neuve V Sarl	Luxembourg			Full		
Royale Neuve VI Sarl	Luxembourg			Full		
Royale Neuve Finance SARL	Luxembourg	31/12/2009		Full		
		31/12/2008	Incorporation	Full		
Royale Neuve Investments	Luxembourg	31/12/2009	Incorporation	Full		
SAS China Jenna Finance 1 à 3	France			Full		
SAS China Lucie Finance 1 à 3	France			Full		
SAS China Marie Finance 1 et 2	France			Full		
SAS China Newine Finance 1 à 4	France			Full		
SAS 2007 Panda Finance 2	France	31/12/2009		Full		
		31/12/2008	Incorporation	Full		
SAS 2008 Marie Finance	France	31/12/2009		Full		
		31/12/2008	Incorporation	Full		
SAS 2008 Newine Finance 5	France	31/12/2009		Full		
		31/12/2008	Incorporation	Full		
SAS 2008 Panda Finance 6	France	31/12/2009		Full		
		31/12/2008	Incorporation	Full		
SAS 2008 Panda Finance 7	France	31/12/2009		Full		
		31/12/2008	Incorporation	Full		
SAS 2008 Panda Finance 11	France	31/12/2009		Full		
		31/12/2008	Incorporation	Full		
SAS China Samantha Finance 1 à 10	France			Full		
SAS Esra 1 à 3	France			Full		
SAS Financière des Italiens	France			Full		
SAS Swan 1 à 3	France	31/12/2009		Full		
		31/12/2008	Incorporation	Full		
Singapore Emma Finance 1 SAS	France			Full		
Singapore Emma Finance 2 SAS	France			Full		
SNC Atargatis	France			Full		
SNC Compagnie Investissement Italiens	France			Full		
SNC Compagnie Investissement Opéra	France			Full		
SNC Méditerranéa	France			Full		
Sunny Funding Limited	Cayman Islands			Full		
Swallow Flight Limited	Ireland			Full		
Tender Option Bond Municipal program	USA			Full		
Thunderbird Investments PLC	Ireland			Full		

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Other Business Units						
Private Equity (BNP Paribas Capital)						
Clairville	Belgium	31/12/2008	Merger			
Cobema	Belgium			Full	100.00%	100.00%
Cobepa Technology	Belgium	31/12/2008	Merger			
Compagnie Financière Ottomane	Luxembourg			Full	96.85%	96.85%
Erbe	Belgium			Equity	47.01%	47.01%
Gepeco	Belgium			Full	100.00%	100.00%
Paribas Participation Limitée	Canada			Full	100.00%	100.00%
Property companies (property used in operations)						
Ejesur	Spain			Full	100.00%	100.00%
SAS 5 Avenue Kleber	France	31/12/2008	Merger			
SAS 37 La Perouse	France	31/12/2008	Merger			
SAS Foncière de la Compagnie Bancaire	France			Full	100.00%	100.00%
SAS Noria	France			Full	100.00%	100.00%
SCI Immobilière Marché Saint-Honoré	France			Full	100.00%	100.00%
Société d'Études Immobilières de Constructions - Setic	France			Full	100.00%	100.00%
Antin Participation 5	France			Full	100.00%	100.00%
Investment companies and other subsidiaries						
Ardi Immo	Luxembourg	31/12/2009		Full	4 100.00%	100.00%
		31/12/2008	Passing qualifying thresholds	Full	4 100.00%	100.00%
BNL International Investment SA	Luxembourg			Full	100.00%	100.00%
BNL Multiservizi SRL	Italy			Equity	1 100.00%	100.00%
BNP Paribas Home Loan Covered Bonds (*)	France			Full	100.00%	100.00%
BNP Paribas de Réassurance au Luxembourg	Luxembourg	31/12/2009	Disposal			
		31/12/2008		Full	4 100.00%	100.00%
BNP Paribas International BV	Netherlands			Full	100.00%	100.00%
BNP Paribas Mediterranée Innovation & Technologies	Morocco			Full	100.00%	96.67%
BNP Paribas Partners for Innovation (Group)	France			Equity	50.00%	50.00%
BNP Paribas Public Sector (*)	France	31/12/2009	Incorporation	Full	100.00%	100.00%
BNP Paribas SB Ré	Luxembourg	31/12/2009	Incorporation	Full	4 100.00%	100.00%
BNP Paribas UK Treasury Limited	UK			Full	100.00%	100.00%
Compagnie Bancaire Uk Fonds B	UK	31/12/2008	Deconsolidation			
Compagnie d'Investissements de Paris - C.I.P	France			Full	100.00%	100.00%
Financière BNP Paribas	France			Full	100.00%	100.00%
Financière Marché Saint Honoré	France			Full	100.00%	100.00%
GIE Groupement Auxiliaire et de Moyens - GAM	France			Full	100.00%	100.00%
Le Sphinx Assurances Luxembourg SA	Luxembourg			Equity	1 100.00%	100.00%
Omnium Gestion Developpement Immobilier	France			Full	100.00%	100.00%
Placement, Gestion & Finance Holding - Plagefin	Luxembourg			Full	100.00%	100.00%
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	1 100.00%	100.00%
Verner Investissements (Group)	France			Equity	40.00%	50.00%
Special Purpose Entities						
BNP Paribas Capital Trust LLC 1 - 3 - 4 - 6	USA			Full		
BNP Paribas US Medium Term Notes Program	USA			Full		
BNP Paribas US Structured Medium Term Notes LLC	USA			Full		
Vela Mortgages SRL	Italy	31/12/2009		Full		
		31/12/2008	Incorporation	Full		

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(1) *Simplified consolidation by the equity method (non-material entities).*
(2) *Business transfers due to the creation of Italian retail banking segment.*
(3) *Entities excluded from prudential scope of consolidation.*
(4) *Entities consolidated under the equity method for prudential purpose.*

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Klépierre						
Akciova Spolocnost Arcol	Slovakia			Full	100.00%	51.21%
Amanda Storsenter AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Anpartsselskabet AF	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Arken Drift AS	Norway	31/12/2009		Prop.	49.90%	14.33%
		31/12/2008	Purchase	Prop.	49.90%	14.87%
Arken Holding AS	Norway	31/12/2009	Merger			
		31/12/2008	Purchase	Full	100.00%	29.79%
Asane Storsenter DA	Norway	31/12/2009		Prop.	49.90%	14.33%
		31/12/2008	Purchase	Prop.	49.90%	14.87%
Besloten Vennotschap Capucine BV	Netherlands			Full	100.00%	51.21%
Bestes	Czech Republic			Full	100.00%	51.21%
BPSA 10	Portugal	31/12/2009	Purchase & Merger			
Bruun's Galleri APS	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Bryggen, Vejle AS	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Camato AS	Norway	31/12/2009	Merger			
		31/12/2008	Purchase	Full	100.00%	29.79%
Carré Jaude 2	France	31/12/2009		Full	100.00%	51.21%
		31/12/2008	Incorporation	Full	100.00%	53.10%
Clivia SPA	Italy	31/12/2009		Prop.	50.00%	25.60%
		31/12/2008	Purchase	Prop.	50.00%	26.55%
Corvin Retail	Hungary			Full	100.00%	51.21%
Detaljhandelshuset i Hyllinge AB	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Down Town Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Duna Plaza Offices z.o.o	Hungary			Full	100.00%	51.21%
Ejendomsselskabet Klampenborgvej I/S	Denmark	31/12/2009		Prop.	50.00%	14.36%
		31/12/2008	Purchase	Prop.	50.00%	14.89%
Entertainment Plaza	Czech Republic			Full	100.00%	51.21%
Entreprenorselskabet AF	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB Allum	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB Borlange KolPentrum	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB Centrum Vasterort	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB CentrumInvest	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB Emporia	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB Hageby Centrum	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB Lantmateribacken	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB Marieberg Centrum	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB Molndal Centrum	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB Overby KolPentrum	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB P Akanten	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB P Brodalen	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB P Porthalla	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB Sollentuna Centrum	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB Uddevallatorpet	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fastighets AB Viskaholm	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Farmandstredet ANS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Farmandstredet Eiendom AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Farmanstredet Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Fayesgate 7 Eiendom AS	Norway	31/12/2009	Merger			
		31/12/2008	Purchase	Full	100.00%	29.79%
Fields Copenhagen I/S	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Field's Eier I APS	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Field's Eier II APS	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fritzoe Brygge Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Galeries Dranceennes	France	31/12/2009		Full	100.00%	51.21%
		31/12/2008	Purchase	Full	100.00%	53.10%
Gallleria Commerciale Il Destriero SRL	Italy	31/12/2009	Purchase	Prop.	50.00%	25.60%
GIE Klépierre Services	France	31/12/2008	Merger			
Grytingen Nya AB	Sweden	31/12/2009		Full	64.79%	18.61%
		31/12/2008	Purchase	Full	64.79%	19.30%
Gulskogen Prosjekt & Eiendom AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Gulskogen Senter ANS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Hamar Panorama AS	Norway	31/12/2009	Merger			
		31/12/2008	Purchase	Full	100.00%	29.79%
Hamar Storsenter AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Hamar Storsenterdrift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Holmen Senterdrift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Hovlandbanen AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
I G C SPA	Italy	31/12/2009	Additional purchase	Full	71.30%	36.51%
		31/12/2008		Prop.	50.00%	26.55%
ICD SPA	Luxembourg	31/12/2009	Merger			
		31/12/2008		Full	100.00%	53.10%
Immo Dauland	France	31/12/2009		Full	100.00%	43.07%
		31/12/2008	Purchase	Full	100.00%	44.61%
K2 Fund	Italy	31/12/2009		Full	85.00%	43.53%
		31/12/2008	Incorporation	Full	85.00%	45.14%
Karl Johansgate 16 AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Kleaveiro Immobiliaria SA	Portugal	31/12/2009		Full	100.00%	51.21%
		31/12/2008	Purchase	Full	100.00%	53.10%
Klecar Italia SPA	Italy			Full	100.00%	42.50%
Klefin Italia SPA	Italy			Full	100.00%	51.21%
Klementine BV	Netherlands	31/12/2009	Incorporation	Full	100.00%	51.21%
Klépierre Corvin	Hungary			Full	100.00%	51.21%
Klépierre Creteil	France	31/12/2009		Full	100.00%	51.21%
		31/12/2008	Incorporation	Full	100.00%	53.10%
Klépierre CZ SRO	Czech Republic			Full	100.00%	51.21%
Klépierre Galeria Krakow	Poland			Full	100.00%	51.21%
Klépierre Galeria Poznan	Poland			Full	100.00%	51.21%
Klépierre Krakow SP z.o.o	Poland			Full	100.00%	51.21%
Klépierre Larissa Limited	Greece			Full	100.00%	51.21%
Klépierre Lublin	Poland			Full	100.00%	51.21%
Klépierre Luxembourg	Luxembourg			Full	100.00%	51.21%
Klépierre Matera	Italy	31/12/2009		Full	100.00%	51.21%
		31/12/2008	Incorporation	Full	100.00%	53.10%
Klépierre Meteores (ex-Leg II Hellenic Holdings)	Luxembourg			Full	100.00%	51.21%
Klépierre Nordica BV	Netherlands	31/12/2009		Full	100.00%	51.21%
		31/12/2008	Incorporation	Full	100.00%	53.10%
Klépierre Novo	Czech Republic	31/12/2008	Merger			
Klépierre Plzen	Czech Republic	31/12/2009		Full	100.00%	51.21%
		31/12/2008	Incorporation	Full	100.00%	53.10%
Klépierre Poznan SP z.o.o	Poland			Full	100.00%	51.21%
Klépierre Rybnik	Poland			Full	100.00%	51.21%
Klépierre Sadyba SP z.o.o	Poland			Full	100.00%	51.21%
Klépierre Sosnowiec	Poland			Full	100.00%	51.21%
Klépierre Tourville	France	31/12/2009		Full	100.00%	51.21%
		31/12/2008	Purchase	Full	100.00%	53.10%
Klépierre Trading Energia Kereskedelmi es Szolgaltato KFT	Hungary	31/12/2009		Full	100.00%	51.21%
		31/12/2008	Incorporation	Full	100.00%	53.10%

Name	Country		Change in the scope of consolidation	Method	Group voting interest (%)	Group ownership interest (%)
Klépierre Warsaw Sp z.o.o	Poland			Full	100.00%	51.21%
Krakow Plaza SP z.o.o	Poland			Full	100.00%	51.21%
Krokstadelva Senterdrift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
KS Down Town Senter	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
KS Down Town Senter II	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
KS Markedet	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Kvadrat Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
La Marquayssonne	France	31/12/2009	Merger			
		31/12/2008		Full	100.00%	40.26%
Les Boutiques de Saint Maximin	France			Equity	42.50%	21.76%
Lille Eiendom AS	Norway	31/12/2009		Full	66.00%	18.96%
		31/12/2008	Purchase	Full	66.00%	19.66%
Lokketangen Torv AS	Norway	31/12/2009	Merger			
		31/12/2008	Purchase	Full	100.00%	29.79%
Masscenter Torp AB	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Metro Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Metro Senter ANS	Norway	31/12/2009		Prop.	50.00%	14.36%
		31/12/2008	Purchase	Prop.	50.00%	14.89%
Mitt i City i Karlstad FAB	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Molndal Centrum Byggnads FAB	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Mosseporten Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Movement Poland SA	Poland			Full	100.00%	51.21%
Nerstranda AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Nerstranda Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Noblespecialiste	France	31/12/2009	Merger			
		31/12/2008		Full	100.00%	40.26%
Nordahl ANS	Norway	31/12/2009		Prop.	50.00%	14.36%
		31/12/2008	Purchase	Prop.	50.00%	14.89%
Nordbyen Senterforening AS	Norway	31/12/2009		Full	69.20%	19.88%
		31/12/2008	Purchase	Full	69.20%	20.61%
Nordica Holdco AB	Sweden	31/12/2009		Full	56.10%	28.73%
		31/12/2008	Incorporation	Full	56.10%	29.79%
Norsk Automatdrift AS	Norway	31/12/2009	Merger			
		31/12/2008	Purchase	Full	100.00%	29.79%
Norsk Kjopesenterforvaltning AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
North Man Suède AB	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Novak Eiendom AS	Norway	31/12/2009	Merger			
		31/12/2008	Purchase	Full	100.00%	29.79%
Okern Eiendom ANS	Norway	31/12/2009		Prop.	50.00%	14.36%
		31/12/2008	Purchase	Prop.	50.00%	14.89%
Okern Holding AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Okern Sentrum ANS	Norway	31/12/2009		Prop.	50.00%	14.36%
		31/12/2008	Purchase	Prop.	50.00%	14.89%
Okern Sentrum AS	Norway	31/12/2009		Prop.	50.00%	14.36%
		31/12/2008	Purchase	Prop.	50.00%	14.89%
Okern Sentrum Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Os Alle 3 AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Os Alle Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Ostfoldhallen Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Partille Lexby AB	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Pilsen Plaza	Czech Republic	31/12/2009		Full	100.00%	51.21%
		31/12/2008	Incorporation	Full	100.00%	53.10%
Progest	France			Full	100.00%	51.21%
Prosjektselskabet af 10.04.2001 APS	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Restorens	France	31/12/2009	Merger			
		31/12/2008		Full	100.00%	40.36%

Name	Country		Change in the scope of consolidation	Method	Group voting interest (%)	Group ownership interest (%)
Ruda Slaska Plaza SP z.o.o	Poland			Full	100.00%	51.21%
Rybnik Plaza SP z.o.o	Poland			Full	100.00%	51.21%
SA Cap Nord	France	31/12/2008	Merger			
SA Cinéma de l'Esplanade	Belgium			Full	100.00%	51.21%
SA Coimbra	Belgium			Full	100.00%	51.21%
SA Delcis CR	Czech Republic	31/12/2008	Merger			
SA Finascente	Portugal	31/12/2009	Deconsolidation			
		31/12/2008		Full	100.00%	53.10%
SA Foncière de Louvain la Neuve	Belgium			Full	100.00%	51.21%
SA Galeria Parque Nascente	Portugal			Full	100.00%	51.21%
SA Gondobrico	Portugal			Full	100.00%	51.21%
SA Klecar Foncier Espana	Spain			Full	100.00%	42.50%
SA Klecar Foncier Iberica	Spain			Full	100.00%	42.50%
SA Klege Portugal	Portugal	31/12/2009		Prop.	50.00%	25.60%
		31/12/2008	Incorporation	Prop.	50.00%	26.55%
SA Klelou Immobiliare	Portugal			Full	100.00%	51.21%
SA Kleminho	Portugal			Full	100.00%	51.21%
SA Klenor Immobiliaria	Portugal			Full	100.00%	51.21%
SA Klépierre	France	31/12/2009	Dilution	Full	55.21%	51.21%
		31/12/2008		Full	57.31%	53.10%
SA Klépierre Athinon AE	Greece			Full	100.00%	42.50%
SA Klépierre Foncier Makedonia	Greece			Full	100.00%	42.50%
SA Klépierre NEA Efkarpia AE	Greece			Full	100.00%	42.50%
SA Klépierre Peribola Patras AE	Greece			Full	100.00%	42.50%
SA Klépierre Portugal SGPS	Portugal			Full	100.00%	51.21%
SA Klépierre Vallecas	Spain			Full	100.00%	51.21%
SA Klépierre Vinaza	Spain			Full	100.00%	51.21%
SA Kletel Immobiliaria	Portugal			Full	100.00%	51.21%
SA Place de l'accueil	Belgium			Full	100.00%	51.21%
SA Poznan Plaza	Poland			Full	100.00%	51.21%
SA Reze Sud	France			Equity	15.00%	7.68%
SA Sadyba Center	Poland			Full	100.00%	51.21%
Sandens Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
SARL Belvedere Invest	France			Full	75.00%	38.40%
SARL Bois des Fenêtres	France			Equity	20.00%	10.24%
SARL Csepel 2002	Hungary			Full	100.00%	51.21%
SARL Debrecen 2002	Hungary			Full	100.00%	51.21%
SARL Duna Plaza	Hungary			Full	100.00%	51.21%
SARL Effe Kappa	Italy	31/12/2009	Merger			
		31/12/2008		Full	100.00%	53.10%
SARL Forwing	France			Full	90.00%	46.09%
SARL Galleria Commerciale Assago	Italy			Full	100.00%	51.21%
SARL Galleria Commerciale Cavallino	Italy			Full	100.00%	51.21%
SARL Galleria Commerciale Collegno	Italy			Full	100.00%	51.21%
SARL Galleria Commerciale Klépierre	Italy			Full	100.00%	51.21%
SARL Galleria Commerciale Seravalle	Italy			Full	100.00%	51.21%
SARL Galleria Commerciale Solbiate	Italy			Full	100.00%	51.21%
SARL Györ 2002	Hungary			Full	100.00%	51.21%
SARL Holding Klege	Luxembourg	31/12/2009		Prop.	50.00%	25.60%
		31/12/2008	Incorporation	Prop.	50.00%	26.55%
SARL Immobiliare Magnolia	Luxembourg	31/12/2009	Merger			
		31/12/2008		Full	100.00%	53.10%
SARL Kanizsa 2002	Hungary			Full	100.00%	51.21%
SARL Kaposvar 2002	Hungary			Full	100.00%	51.21%
SARL Miskolc 2002	Hungary			Full	100.00%	51.21%
SARL Novate	Luxembourg	31/12/2009	Merger			
		31/12/2008		Full	100.00%	53.10%
SARL Nyiregyhaza Plaza	Hungary			Full	100.00%	51.21%
SARL Proreal	France			Full	51.00%	26.12%
SARL Szeged Plaza	Hungary			Full	100.00%	51.21%
SARL Szolnok Plaza	Hungary			Full	100.00%	51.21%
SARL Uj Alba	Hungary			Full	100.00%	51.21%
SARL Zalaegerszeg Plaza	Hungary			Full	100.00%	51.21%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
SAS CB Pierre	France			Full	100.00%	51.21%
SAS Cecobil	France			Prop.	50.00%	25.60%
SAS Cecoville	France			Full	100.00%	51.21%
SAS Centre Jaude Clermont	France			Full	100.00%	51.21%
SAS Holding Gondomar 1	France			Full	100.00%	51.21%
SAS Holding Gondomar 2	France	31/12/2008	Merger			
SAS Holding Gondomar 3	France			Full	100.00%	51.21%
SAS Holding Gondomar 4	France			Full	100.00%	51.21%
SAS KLE 1	France			Full	100.00%	51.21%
SAS Kle Projet 1	France			Full	100.00%	51.21%
SAS Kle Projet 2	France	31/12/2009	Merger			
		31/12/2008		Full	100.00%	53.10%
SAS Klecapnor	France			Full	100.00%	43.07%
SAS Klecar Participations Italie	France			Full	83.00%	42.50%
SAS Klemurs	France			Full	84.11%	43.07%
SAS Klépierre Finance	France			Full	100.00%	51.21%
SAS Klépierre Participations et Financements	France			Full	100.00%	51.21%
SAS Klépierre Pologne	Poland			Full	100.00%	51.21%
SAS LP7	France			Full	100.00%	51.21%
SAS Odysseum Place de France	France			Prop.	50.00%	25.60%
SAS Poitiers Alienor	France	31/12/2008	Merger			
SAS Soaval	France			Full	100.00%	51.21%
SAS Vannes Coutume	France			Full	100.00%	51.21%
SC Centre Bourse	France			Full	100.00%	51.21%
SC Solorec	France			Full	80.00%	40.96%
SCI Acheres 2000	France			Equity	30.00%	15.36%
SCI Albert 31	France	31/12/2009		Full	100.00%	42.50%
		31/12/2008	Purchase	Full	100.00%	44.07%
SCI Aulnes Developpement	France			Prop.	50.00%	13.06%
SCI Bassin Nord	France			Prop.	50.00%	25.60%
SCI Beausevran	France			Full	100.00%	42.50%
SCI Bègles Papin	France			Full	100.00%	51.21%
SCI Besançon Chalezeule	France			Full	100.00%	51.21%
SCI Champs de Mais	France			Equity	40.00%	20.48%
SCI Champs des Haies	France			Full	60.00%	30.72%
SCI Combault	France			Full	100.00%	51.21%
SCI Des Dunes	France			Prop.	50.00%	25.60%
SCI Des Salines	France			Prop.	50.00%	25.60%
SCI Du Plateau	France			Equity	30.00%	12.42%
SCI Edamarzy	France	31/12/2009	Merger			
		31/12/2008	Purchase	Full	100.00%	53.10%
SCI Girardin	France			Prop.	33.40%	17.10%
SCI Haies Hautes Pommeraie	France			Full	53.00%	27.14%
SCI Halles Plerin	France	31/12/2008	Deconsolidation			
SCI Immobilière de la Pommeraie	France			Prop.	50.00%	25.60%
SCI La Française	France			Prop.	50.00%	25.60%
SCI La Plaine du Moulin à vent	France			Prop.	50.00%	25.60%
SCI La Rive	France			Full	47.30%	24.22%
SCI La Rocade	France			Equity	38.00%	19.46%
SCI La Rocade Ouest	France			Equity	36.73%	18.81%
SCI La Roche Invest	France			Full	100.00%	51.21%
SCI LC	France			Full	60.00%	18.43%
SCI Le Grand Pré	France			Full	60.00%	30.72%
SCI Le Mais	France			Full	60.00%	30.72%
SCI l'Emperi	France			Equity	15.00%	7.68%
SCI Les Bas Champs	France			Prop.	50.00%	25.60%
SCI Les Boutiques d'Osny	France			Full	67.00%	19.60%
SCI Maximeuble	France			Full	100.00%	51.21%
SCI Nancy Bonsecours	France	31/12/2009	Passing qualifying thresholds	Full	100.00%	51.21%
SCI Osny Invest	France			Full	57.12%	29.25%
SCI Plateau de Plerin	France	31/12/2008	Deconsolidation			
SCI Plateau des Haies	France			Full	90.00%	46.09%
SCI Pommeraie Parc	France			Full	60.00%	30.72%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
SCI Rebecca	France			Full	70.00%	35.84%
SCI Saint Maximin Construction	France			Full	55.00%	28.16%
SCI Sandri-Rome	France			Equity	15.00%	7.68%
SCI Secovalde	France			Full	55.00%	28.16%
SCI Société des Centres d'Oc et d'Oil - SCOO	France			Full	100.00%	73.82%
SCI Sogegamar	France			Equity	33.12%	16.96%
SCS Begles Arcins	France	31/12/2009	Additional purchase	Full	52.00%	26.63%
		31/12/2008		Prop.	50.00%	26.55%
SCS Klecar Europe Sud	France			Full	83.00%	42.50%
SCS Ségécé	France			Full	100.00%	51.21%
Ségécé Ceska Republika (ex-SRO FMC Central Europe)	Czech Republic			Full	100.00%	51.21%
Ségécé Espana (ex-SL Centros Shopping Gestion)	Spain			Full	100.00%	51.21%
Ségécé Hellas Real Estate Management	Greece			Full	100.00%	51.21%
Ségécé India Private Limited	India			Full	100.00%	51.21%
Ségécé Italia (ex-SARL P S G)	Italy			Full	100.00%	51.21%
Ségécé Magyarorszag	Hungary			Full	100.00%	51.21%
Ségécé Polska	Poland			Full	100.00%	51.21%
Ségécé Portugal (ex-SA Sogecaec)	Portugal			Full	100.00%	51.21%
Ségécé Slovensko sro (ex-AMAC Sro)	Slovakia			Full	100.00%	51.21%
Senterdrift Asane Senter AS	Norway	31/12/2009		Prop.	49.90%	14.33%
		31/12/2008	Purchase	Prop.	49.90%	14.87%
Sjosiden AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Sjosiden Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Skarer Stormarked AS	Norway	31/12/2009	Merger			
		31/12/2008	Purchase	Full	100.00%	29.79%
SNC Angoumars	France			Full	100.00%	51.21%
SNC Fonciere Saint Germain	France			Full	100.00%	51.21%
SNC Galae	France			Full	100.00%	51.21%
SNC General Leclerc 11-11bis Levallois	France			Full	100.00%	51.21%
SNC Jardins des Princes	France			Full	100.00%	51.21%
SNC KC 1 à 12	France			Full	100.00%	42.50%
SNC KC20	France			Full	100.00%	42.50%
SNC Kleber la Perouse	France			Full	100.00%	51.21%
SNC Klecar France	France			Full	83.00%	42.50%
SNC Klegestion	France	31/12/2008	Merger			
SNC Klépierre Conseil	France			Full	100.00%	51.21%
SNC Kletransactions	France			Full	100.00%	51.21%
SNC Le Barjac Victor	France			Full	100.00%	51.21%
SNC Le Havre Lafayette	France			Prop.	50.00%	25.60%
SNC Le Havre Vauban	France			Prop.	50.00%	25.60%
SNC Parc de Coquelles	France			Prop.	50.00%	25.60%
SNC Pasteur	France			Full	100.00%	51.21%
SNC Ségécé Loisirs Transactions	France	31/12/2008	Merger			
SNC Soccendre	France			Full	100.00%	51.21%
SNC Sodevac	France			Full	100.00%	51.21%
SNC Sodirev	France	31/12/2009	Merger			
		31/12/2008		Full	100.00%	40.26%
Société des Centres Toulousains	France	31/12/2009	Merger			
		31/12/2008		Full	100.00%	64.45%
Sosnowiec Plaza z.o.o	Poland			Full	100.00%	51.21%
Stavanger Storsenter AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom ASA	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom CenterDrift AS	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Centerudvikling IV AS	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Centerudvikling V AS	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%

Name	Country		Change in the scope of consolidation	Method	Group voting interest (%)	Group ownership interest (%)
Steen & Strom CenterUdvikling VI AS	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom CenterUdvikling VII AS	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Danemark AS	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Drammen AS	Norway	31/12/2009	Merger			
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Eiendomsforvaltning AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Holding AB	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Holding AS	Denmark	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Invest Amanda Senterdrift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Invest AS	Norway	31/12/2009	Merger			
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Invest Gulskogen Senterdrift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Invest Lillestrom Senterdrift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Invest Lillestrom Torv AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Invest Markedet Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Narvik AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Norge AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Norges Storste Senterkjede AS	Norway	31/12/2009	Merger			
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Senterservice AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Stavanger Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Steen & Strom Sverige AB	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Storm Holding Norway AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Incorporation	Full	100.00%	29.79%
Stovner Senter AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Stovner Senter Holding AS	Norway	31/12/2009	Merger			
		31/12/2008	Purchase	Full	100.00%	29.79%
Stovner Senterdrift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Svenor AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Tillertorget Drift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Torvbyen Drift AS	Norway	31/12/2009		Full	38.00%	10.92%
		31/12/2008	Purchase	Full	38.00%	11.32%
Torvbyen Senter AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Torvbyen Utvikling AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Torvhjornet Lillestrom ANS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Vastra Torp Mark AB	Sweden	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Vintebro Senter DA	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Vinterbro Eiendomsdrift AS	Norway	31/12/2009		Full	100.00%	28.73%
		31/12/2008	Purchase	Full	100.00%	29.79%
Fortis Banque SA / NV Group						
3D Güvenlik Sistemleri ve Org Tic. AS	Turkey	31/12/2009	Purchase	Full	99.00%	69.82%
ABN AMRO Asset Management (Asia) Limited	Hong-Kong	31/12/2009	Purchase	Full	100.00%	71.19%
ABN AMRO Asset Management (Singapore) Limited	Singapore	31/12/2009	Purchase	Full	100.00%	71.19%
ABN AMRO Asset Management Investments (Asia) Limited	Cayman Islands	31/12/2009	Purchase	Full	100.00%	71.19%
ABN AMRO Asset Management Real Estate (Asia)	Cayman Islands	31/12/2009	Purchase	Full	100.00%	71.19%

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ABN AMRO Asset Management Real Estate, Korea (Cayman)	Cayman Islands	31/12/2009	Purchase	Full	100.00%	71.19%
ABN AMRO Emerging Europe Private Equity (Curaçao)	Dutch West Indies	31/12/2009	Purchase	Full	100.00%	71.19%
ABN AMRO Investment Trust Company	USA	31/12/2009	Purchase	Full	100.00%	71.19%
ABN AMRO Teda Fund Management CO. Ltd	China	31/12/2009	Purchase	Equity	49.00%	34.88%
Ace Equipment Leasing	Belgium	31/12/2009	Purchase	Full	100.00%	53.43%
Ace Leasing	Belgium	31/12/2009	Purchase	Full	100.00%	53.43%
Ace Leasing BV	Netherlands	31/12/2009	Purchase	Full	100.00%	53.43%
ACG Capital Partners LLC	USA	31/12/2009	Purchase	Equity	50.00%	37.47%
ACG Investment Capital Partners LLC	USA	31/12/2009	Purchase	Equity	50.00%	37.47%
AFL Lease BV	Netherlands	31/12/2009	Purchase	Full	100.00%	53.43%
AG Insurance - Group (ex-Fortis Insurance Belgium SA)	Belgium	31/12/2009	Purchase	Equity	25.00%	18.73%
Agrilease BV	Netherlands	31/12/2009	Purchase	Full	100.00%	53.43%
Alfred Berg Administration A/S	Denmark	31/12/2009	Purchase	Full	100.00%	71.19%
Alfred Berg Asset Management AB	Sweden	31/12/2009	Purchase	Full	100.00%	71.19%
Alfred Berg Asset Management Finland	Finland	31/12/2009	Purchase	Full	100.00%	71.19%
Alfred Berg Asset Management Services AB	Sweden	31/12/2009	Purchase	Full	100.00%	71.19%
Alfred Berg Fonder AB	Sweden	31/12/2009	Purchase	Full	100.00%	71.19%
Alfred Berg Fondsmaeglerselskab A/S	Denmark	31/12/2009	Purchase	Full	100.00%	71.19%
Alfred Berg Forvaltning AS	Norway	31/12/2009	Purchase	Full	100.00%	71.19%
Alfred Berg Funds	Finland	31/12/2009	Purchase	Full	100.00%	71.19%
Alfred Berg Kapitalförvaltning AB	Sweden	31/12/2009	Purchase	Full	100.00%	71.19%
Alfred Berg Kapitalforvaltning AS	Norway	31/12/2009	Purchase	Full	100.00%	71.19%
Alleray	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%
Alpha Card SCRL	Belgium	31/12/2009	Purchase	Equity	50.00%	37.47%
Alpha Crédit SA	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
Alsabail	France	31/12/2009	Purchase	Equity	40.68%	21.74%
Aramea Asset Management AG	Germany	31/12/2009	Purchase	Equity	30.00%	21.36%
Argance	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%
Artemis Asset Management Limited	UK	31/12/2009	Purchase	Full	100.00%	74.93%
Artemis Fund Managers Limited	UK	31/12/2009	Purchase	Full	100.00%	74.93%
Artemis Investment Management Limited	UK	31/12/2009	Purchase	Full	100.00%	74.93%
Artemis Ocean Racing 2 Limited	UK	31/12/2009	Purchase	Full	100.00%	74.93%
Artemis Ocean Racing Limited	UK	31/12/2009	Purchase	Full	100.00%	74.93%
Artemis Strategic Asset Management Limited	UK	31/12/2009	Purchase	Full	100.00%	74.93%
Artemis Unit Trust Managers Limited	UK	31/12/2009	Purchase	Full	100.00%	74.93%
ASPIS International Mutual Funds Management Co.	Greece	31/12/2009	Purchase	Equity	45.00%	32.03%
Astir BV	Netherlands	31/12/2009	Purchase	Full	100.00%	74.93%
Athymis Gestion SA	France	31/12/2009	Purchase	Equity	34.00%	24.20%
Banking Funding Company SA	Belgium	31/12/2009	Purchase	Equity	33.47%	25.08%
Banque de La Poste SA	Belgium	31/12/2009	Purchase	Prop.	50.00%	37.47%
BCC Corporate	Belgium	31/12/2009	Purchase	Equity	49.99%	37.46%
Belgolaise SA	Belgium	31/12/2009	Purchase	Equity	1 100.00%	74.93%
BGL BNP Paribas (ex-Fortis Bank Luxembourg SA)	Luxembourg	31/12/2009	Purchase	Full	65.96%	53.43%
BNP Paribas Fortis Factor	Belgium	31/12/2009	Incorporation	Full	100.00%	74.91%
Brand & Licence Company SA	Belgium	31/12/2009	Purchase	Equity	20.00%	14.99%
CA Motor Finance Limited	UK	31/12/2009	Purchase	Full	100.00%	53.43%
Cadogan Associates LLC	USA	31/12/2009	Purchase & Disposal			
Cadogan Management (UK) Limited	UK	31/12/2009	Purchase & Disposal			

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Cadogan Management LLC	USA	31/12/2009	Purchase & Disposal			
Camomile Alzette Investments (UK) Limited	Cayman Islands	31/12/2009	Purchase	Full	100.00%	74.93%
Camomile Asset Finance (n°5) Partnership	UK	31/12/2009	Incorporation	Full	100.00%	74.93%
Camomile Canopia Trading (UK) Limited	Cayman Islands	31/12/2009	Purchase	Full	100.00%	74.93%
Camomile Investments UK Limited	UK	31/12/2009	Purchase	Full	100.00%	74.93%
Camomile Pearl (UK) Limited	Cayman Islands	31/12/2009	Purchase	Full	100.00%	74.93%
Camomile Ulster Investments (UK) Limited	Cayman Islands	31/12/2009	Purchase	Full	100.00%	74.93%
Captive Finance Limited	Hong-Kong	31/12/2009	Purchase	Full	100.00%	53.43%
Captive Finance Taiwan Co. Limited	Taiwan	31/12/2009	Purchase	Full	100.00%	53.43%
Certifimmo V SA	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
CF Leasing Limited	Bermuda	31/12/2009	Purchase	Equity	1 50.00%	51.93%
Cofhylux SA	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%
Comptoir Agricole de Wallonie	Belgium	31/12/2009	Purchase	Equity	1 100.00%	74.93%
Continuing Care Retirement Community	Belgium	31/12/2009	Purchase	Full	99.96%	74.90%
Credissimo	Belgium	31/12/2009	Purchase	Equity	1 100.00%	74.93%
Crédit pour Habitations Sociales	Belgium	31/12/2009	Purchase	Equity	1 77.56%	61.19%
Dalgarno	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%
Delvino	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%
Demetris NV	Belgium	31/12/2009	Purchase	Equity	1 100.00%	74.93%
Dikodi BV	Netherlands	31/12/2009	Purchase	Full	100.00%	74.93%
Dominet Bank Spolka Akcyjna	Poland	31/12/2009	Purchase & Merger			
Dominet Finanse SA	Poland	31/12/2009	Purchase	Full	100.00%	74.93%
Dominet SA	Poland	31/12/2009	Purchase	Full	100.00%	74.93%
Dominet SPV-II Sp z.o.o.	Poland	31/12/2009	Purchase	Full	100.00%	74.93%
Dreieck One Limited	Cayman Islands	31/12/2009	Purchase	Full	100.00%	53.43%
Eiser Infrastructure Limited (ex-ABN AMRO Infrastructure Capital Management Limited)	UK	31/12/2009	Purchase	Full	100.00%	71.19%
Elfa Auto	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%
Eos Aremas Belgium SA	Belgium	31/12/2009	Purchase	Equity	49.97%	37.44%
Eris Investissements	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%
ES-Finance	Belgium	31/12/2009	Purchase	Full	100.00%	53.43%
Europay Belgium	Belgium	31/12/2009	Purchase	Equity	39.80%	29.88%
Euro-Scribe SAS	France	31/12/2009	Purchase	Equity	50.00%	26.71%
Euro Fashion Center SA	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
F.A.M. Fund Advisory	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%
F.L. Zeebrugge	Belgium	31/12/2009	Purchase	Full	75.00%	40.07%
Fastnet Nederland	Netherlands	31/12/2009	Purchase	Equity	47.84%	25.55%
FB Energy Canada Corp	Canada	31/12/2009	Purchase	Full	100.00%	74.93%
FB Energy Holdings LLC	USA	31/12/2009	Purchase	Full	100.00%	74.93%
FB Energy Trading S.à R.L.	Luxembourg	31/12/2009	Purchase	Full	100.00%	74.93%
FB Funding Company	Canada	31/12/2009	Purchase & Deconsolidation			
FB Holdings Canada Corp	Canada	31/12/2009	Purchase	Full	100.00%	74.93%
FB Transportation Capital LLC	USA	31/12/2009	Purchase	Full	100.00%	74.93%
FBC Limited	Bermuda	31/12/2009	Purchase	Full	100.00%	74.93%
FCM Private Equity II SL	Spain	31/12/2009	Purchase & Disposal			
FCM Private Equity SL	Spain	31/12/2009	Purchase	Full	100.00%	74.93%
Fimagen Holding SA	France	31/12/2009	Purchase	Full	100.00%	74.93%
Fimapierre	France	31/12/2009	Purchase	Full	100.00%	71.19%
Finalia	Belgium	31/12/2009	Purchase	Full	51.00%	38.22%
Fintrimo SA	Belgium	31/12/2009	Purchase	Equity	50.00%	46.83%
Flexifund Associates	Luxembourg	31/12/2009	Purchase	Full	100.00%	71.19%
Folea Grundstucksverwaltungs und Vermietungs GmbH & Co. Objekt Burtenbach KG	Germany	31/12/2009	Purchase	Full	90.00%	3.21%
Folea Grundstucksverwaltungs und Vermietungs GmbH & Co. Objekt Leverkusen KG	Germany	31/12/2009	Purchase	Full	90.00%	3.21%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Folea Grundstucksverwaltungs und Vermietungs GmbH & Co. Objekt Thalfingen	Germany	31/12/2009	Purchase	Full	100.00%	53.43%
Folea II Verwaltungs GmbH	Germany	31/12/2009	Purchase	Full	100.00%	53.43%
Folea III Verwaltungs GmbH	Germany	31/12/2009	Purchase	Full	100.00%	53.43%
Folea Verwaltungs GmbH	Germany	31/12/2009	Purchase	Full	100.00%	53.43%
Fondo Nazca I FCR	Spain	31/12/2009	Purchase	Full	100.00%	74.93%
Fondo Nazca II FCR	Spain	31/12/2009	Purchase & Disposal			
Fortis / KFH Scof Advisor Limited	Virgin Islands	31/12/2009	Purchase	Equity	50.00%	37.47%
Fortis (USA) Financial Markets LLC	USA	31/12/2009	Purchase & Deconsolidation			
Fortis Asset Management Japan CO Limited	Japan	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Bank Anonim Sirketi	Turkey	31/12/2009	Purchase	Full	94.11%	70.52%
Fortis Bank Malta Limited	Malta	31/12/2009	Purchase	Full	100.00%	70.52%
Fortis Bank Polska SA	Poland	31/12/2009	Purchase	Full	99.87%	74.84%
Fortis Bank Reinsurance SA	Luxembourg	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Bank Suisse SA	Switzerland	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Banque SA	Belgium	31/12/2009	Purchase	Full	74.93%	74.93%
Fortis Banque France SA	France	31/12/2009	Purchase	Full	99.98%	74.92%
Fortis Banque Monaco	Monaco	31/12/2009	Purchase & Merger			
Fortis Capital (Canada) Limited	Canada	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Capital Corporation	USA	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Clean Energy Fund GP Limited	UK	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Clearing Americas LLC	USA	31/12/2009	Purchase & Disposal			
Fortis Direct Real Estate Management	Luxembourg	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Energy Leasing X2	Netherlands	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Energy Leasing XI	Netherlands	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Energy Leasing X3 BV	Netherlands	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Energy Leasing XIV BV	Netherlands	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Energy Marketing & Trading GP	USA	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Epargne Retraite	France	31/12/2009	Purchase	Full	69.99%	51.45%
Fortis Film Fund SA	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Finance Belgium S.C.R.L.	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Financial Services LLC	USA	31/12/2009	Purchase & Merger			
Fortis Finansal Kiralama AS	Turkey	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Finanz GmbH	Germany	31/12/2009	Purchase & Merger			
Fortis Funding LLC	USA	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Funds (Nederland) NV (ex-ABN AMRO Investment Management Funds BV)	Netherlands	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Gesbeta SA	Spain	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Gestao de Investimentos Brasil Limitada	Brazil	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Gestion Privée	France	31/12/2009	Purchase	Full	99.99%	74.91%
Fortis Haitong Investment Management Co Limited	China	31/12/2009	Purchase	Equity	49.00%	34.88%
Fortis Holding Malta BV	Netherlands	31/12/2009	Purchase	Full	100.00%	70.52%
Fortis Holding Malta Limited	Malta	31/12/2009	Purchase	Full	100.00%	70.52%
Fortis Ifico	Cayman Islands	31/12/2009	Purchase & Deconsolidation			
Fortis International Finance Luxembourg SARL	Luxembourg	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis International Finance (Dublin)	Ireland	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Intertrust Group Holding (Group)	Switzerland	31/12/2009	Purchase & Disposal			
Fortis Investment Finance	France	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management (Cayman) Limited.	Cayman Islands	31/12/2009	Purchase	Full	99.99%	71.19%
Fortis Investment Management (India) Limited	India	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management (Schweiz) A.G.	Switzerland	31/12/2009	Purchase	Full	100.00%	71.19%

Name	Country		Change in the scope of consolidation	Method	Group voting interest (%)	Group ownership interest (%)
Fortis Investment Management Argentina Soc. Gerente de FCI SA	Argentina	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management Australia Holdings Pty Limited	Australia	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management Australia Limited	Australia	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management Belgium	Belgium	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management Canada Limited	Canada	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management Chile SA	Chile	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management France	France	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management Holdings UK Limited	UK	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management Hong Kong Limited	Hong-Kong	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management Luxembourg SA	Luxembourg	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management Netherlands NV	Netherlands	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management SA	Belgium	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management UK Limited	UK	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Management USA Inc.	USA	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment NL Holding NV	Netherlands	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Investment Partners Pty Limited	Australia	31/12/2009	Purchase	Equity	40.00%	28.48%
Fortis Investments Japan Holding Limited	Japan	31/12/2009	Purchase & Deconsolidation			
Fortis Lease	Belgium	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease (China) Co Limited	China	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease (France)	France	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease (Malaysia) Sdn. Bhd	Malaysia	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Car & Truck	Belgium	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Czech	Czech Republic	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Danmark AS	Denmark	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Deutschland AG	Germany	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Finland Oy	Finland	31/12/2009	Purchase & Deconsolidation			
Fortis Lease Group SA	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Group Services	Belgium	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Holding Norge AS	Norway	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Holdings UK Limited	UK	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Hong Kong Limited	Hong-Kong	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Hungaria Equipment Financing Financial Leasing Company	Hungary	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Hungaria Real estate	Hungary	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Hungaria Vehicle Financing Financial Leasing Company	Hungary	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Iberia	Spain	31/12/2009	Purchase	Full	100.00%	58.01%
Fortis Lease Immobilier Suisse	Switzerland	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Luxembourg	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Nederland NV	Netherlands	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Norge AS	Norway	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Operativ Lizing Zartkoruen Mukodo Reszvenytarsasag	Hungary	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Polska Sp.z.o.o.	Poland	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Portugal	Portugal	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Romania IFN SA	Romania	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease S.p.A.	Italy	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Singapore Pte Limited	Singapore	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Suisse	Switzerland	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease Sweden AB	Sweden	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease UK (1) Limited	UK	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease UK (2) Limited	UK	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease UK (3) Limited	UK	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease UK (4) Limited	UK	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease UK (5) Limited	UK	31/12/2009	Purchase	Full	90.00%	48.09%
Fortis Lease UK Limited	UK	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Lease UK Retail Limited	UK	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Liquidity High Grade USD	Luxembourg	31/12/2009	Purchase & Disposal			
Fortis Luxembourg Finance SA	Luxembourg	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Luxembourg - Vie SA	Luxembourg	31/12/2009	Purchase	Equity	50.00%	26.71%
Fortis Mediacom Finance	France	31/12/2009	Purchase	Full	99.99%	74.91%
Fortis Money Short Term Fund	France	31/12/2009	Purchase	Full	100.00%	73.34%
Fortis Park Lane Ireland Limited	Ireland	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis PF Investments (UK) Limited	UK	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Portfoy Yonetimi AS	Turkey	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Prime Fund Solutions (USA) LLC	USA	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Private Equity Asia Fund SA	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Private Equity Belgium NV	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Private Equity Expansion Belgium NV	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Private Equity France Fund	France	31/12/2009	Purchase	Full	99.91%	74.87%
Fortis Private Equity France SAS	France	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Private Equity Management NV	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Private Equity Venture Belgium SA	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Private Investment Management Limited	UK	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Private Investment Polska	Poland	31/12/2009	Purchase	Full	100.00%	74.84%
Fortis Private Real Estate Holding	Luxembourg	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Proprietary Capital Inc.	USA	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Proprietary Investment Ireland Limited	Ireland	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Securities Investment Consultant Co Limited	Taiwan	31/12/2009	Purchase	Full	100.00%	71.19%
Fortis Securities LLC	USA	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Vastgoedlease BV	Netherlands	31/12/2009	Purchase	Full	100.00%	53.43%
Fortis Wealth Management Hong Kong Limited	Hong-Kong	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Wealth Management Taiwan Co Limited	Taiwan	31/12/2009	Purchase	Full	100.00%	74.93%
Fortis Yatirim Menkul Degerler AS	Turkey	31/12/2009	Purchase	Full	100.00%	70.52%
FPRE Management (Belgium) SA	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
FPRE Second Résidences	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
Friedland Participation et Gestion	France	31/12/2009	Purchase	Full	100.00%	53.43%
Frynaco	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
FSI Holdings Inc.	USA	31/12/2009	Purchase	Full	100.00%	74.93%
Fund Administration Services & Technology Network Belgium	Belgium	31/12/2009	Purchase	Equity	47.80%	25.53%
Fund Administration Services & Technology Network Luxembourg	Luxembourg	31/12/2009	Purchase	Equity	47.79%	25.53%
Fundamentum Asset Management (FAM)	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
FV Holding N.V.	Belgium	31/12/2009	Purchase	Equity	40.00%	29.97%
G I Finance	Ireland	31/12/2009	Purchase	Full	100.00%	74.93%
G.I.E. Services Groupe Fortis France	France	31/12/2009	Purchase	Full	80.33%	59.51%
General Corp 10	Luxembourg	31/12/2009	Purchase	Full	100.00%	74.93%
Generale Bank Pref II NV	Netherlands	31/12/2009	Purchase & Deconsolidation			
Generale Belgian Finance Cy Limited	Hong-Kong	31/12/2009	Purchase	Full	100.00%	74.93%
Genfinance International SA	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
Gesellschaft fur Capital & Vermogensverwaltung GmbH	Germany	31/12/2009	Purchase	Full	100.00%	74.93%
GIE Immobilier Groupe Fortis France	France	31/12/2009	Purchase	Full	92.48%	68.10%
Global Management Services	Romania	31/12/2009	Purchase	Full	100.00%	53.43%
Groeivermogen NV	Netherlands	31/12/2009	Purchase	Full	100.00%	71.19%
Haitong - Fortis Private Equity Fund Management Limited	China	31/12/2009	Purchase	Equity	33.00%	23.49%
Het Werkmanshuis NV	Belgium	31/12/2009	Purchase	Equity	41.04%	30.75%
Immobilière Sauvenière SA	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
Industrifinans Forskningsparken Eiendom AS	Norway	31/12/2009	Purchase	Full	100.00%	71.19%
Inkasso Kodat GmbH & Co. KG	Germany	31/12/2009	Purchase	Full	100.00%	74.93%
Internaxx Bank	Luxembourg	31/12/2009	Purchase	Equity	25.00%	13.35%
Isabel SA	Belgium	31/12/2009	Purchase	Equity	25.33%	18.98%
KIT Fortis Investment Management Consulting LLC	Russia	31/12/2009	Purchase	Equity	50.00%	35.60%
KIT Fortis Investment Management Holding BV	Netherlands	31/12/2009	Purchase	Equity	50.00%	35.60%
KIT Fortis Investment Management	Kazakhstan	31/12/2009	Purchase	Equity	50.00%	35.60%
KIT Fortis Investment Management	Russia	31/12/2009	Purchase	Equity	50.00%	35.60%
Kota Jaya Limited	Hong-Kong	31/12/2009	Purchase	Full	100.00%	53.43%
Kota Juta Limited	Hong-Kong	31/12/2009	Purchase	Full	100.00%	53.43%
La Maison Sociale de Tournai-Ath SA	Belgium	31/12/2009	Purchase	Equity	1 99.72%	74.72%
La Propriété Sociale de Binche-Morlanwelz SA	Belgium	31/12/2009	Purchase	Equity	20.81%	16.10%
Landbouwkantoor van Vlaanderen NV	Belgium	31/12/2009	Purchase	Equity	1 100.00%	74.93%
Marie Lease SARL	Luxembourg	31/12/2009	Purchase	Equity	50.00%	26.71%
MeesPierson Private Belgian Offices	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
Merconter SA	Argentina	31/12/2009	Purchase	Full	100.00%	71.19%
Merkur Beteiligungs und Verwaltungsgesellschaft mit Beschränkter Haftung	Germany	31/12/2009	Purchase	Full	100.00%	74.93%
Mermoz Jet Finance	Spain	31/12/2009	Purchase	Full	100.00%	74.93%
Montag & Caldwell Inc	USA	31/12/2009	Purchase	Full	100.00%	74.93%
Money Alpha	France	31/12/2009	Purchase	Full	100.00%	74.93%
Money Beta	France	31/12/2009	Purchase	Full	100.00%	74.93%
Nazca Capital S.G.E.C.R. SA	Spain	31/12/2009	Purchase & Disposal			
Nazca Directorships I, S.L.	Spain	31/12/2009	Purchase & Disposal			
Nazca Directorships II, S.L.	Spain	31/12/2009	Purchase & Disposal			
Nazca Directorships III, S.L.	Spain	31/12/2009	Purchase & Disposal			
Nazca Inversiones SA	Spain	31/12/2009	Purchase	Full	100.00%	74.92%
Nieuwe Maatschappij Rond Den Heerd NV	Belgium	31/12/2009	Purchase	Equity	23.26%	17.43%
Nissan Finance Belgium NV	Belgium	31/12/2009	Purchase	Full	100.00%	69.55%
Ostara Partners Inc.	Cayman Islands	31/12/2009	Purchase	Equity	50.00%	35.82%
Ostara Partners Inc. Korea	Cayman Islands	31/12/2009	Purchase	Equity	50.00%	35.82%
Otis Vehicle Rentals Limited	UK	31/12/2009	Purchase	Equity	40.00%	21.37%
Pad Gas Leasing Monroe LLC	USA	31/12/2009	Purchase & Deconsolidation			
Pattison	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%
Postbank Ireland Limited	Ireland	31/12/2009	Purchase	Equity	50.00%	26.71%
Prestibel Left Village	Belgium	31/12/2009	Purchase	Equity	1 70.06%	52.50%
PT ABN AMRO Manajemen Investasi	Indonesia	31/12/2009	Purchase	Full	84.99%	60.50%
PT Fortis Investments	Indonesia	31/12/2009	Purchase	Full	99.00%	70.47%
Quainton Funding SARL.	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%
RFH Limited	Bermuda	31/12/2009	Purchase	Equity	50.00%	49.57%
SA FPRE Second Résidences	Belgium	31/12/2009	Purchase	Full	100.00%	74.93%
SCI Champvernier	France	31/12/2009	Purchase	Full	100.00%	53.43%
SCI FLIF Azur	France	31/12/2009	Purchase	Full	100.00%	53.43%
SCI FLIF Château Landon	France	31/12/2009	Purchase	Full	100.00%	53.43%
SCI FLIF Evry 2	France	31/12/2009	Purchase	Full	100.00%	53.43%
SCI FLIF Le Gallo	France	31/12/2009	Purchase	Full	100.00%	53.43%
SCI FLIF Le Port	France	31/12/2009	Purchase	Full	100.00%	53.43%
SCI FLIF Sainte Marie	France	31/12/2009	Purchase	Full	100.00%	53.43%
Société Alsacienne de développement et d'expansion	France	31/12/2009	Purchase	Full	100.00%	53.43%
Sowo Investment SA	Belgium	31/12/2009	Purchase	Full	87.50%	65.57%
Tabor Funding	Luxembourg	31/12/2009	Purchase	Full	100.00%	53.43%
TCG Fund I, L.P	Cayman Islands	31/12/2009	Incorporation	Full	100.00%	74.68%
Textainer Marine Containers Limited	Bermuda	31/12/2009	Purchase	Equity	25.00%	18.73%
Upper Hatch Securities Limited	Ireland	31/12/2009	Purchase	Full	100.00%	74.93%
Versiko AG	Germany	31/12/2009	Purchase	Equity	25.10%	17.87%
Visa Belgium SRCL	Belgium	31/12/2009	Purchase	Equity	24.86%	18.84%
Von Essen GmbH & Co KG Bankgesellschaft	Germany	31/12/2009	Purchase	Full	100.00%	74.93%
Wa Pei Finance Company Limited	Hong-Kong	31/12/2009	Purchase	Full	100.00%	74.93%
Wa Pei Properties Limited	Hong-Kong	31/12/2009	Purchase	Full	100.00%	74.93%
Special Purpose Entities						
Alandes BV	Netherlands	31/12/2009	Purchase	Full		
BASS Master Issuer NV	Belgium	31/12/2009	Purchase	Full		
Esmée Master Issuer	Belgium	31/12/2009	Incorporation	Full		
Scaldis Capital (Ireland) Limited	Ireland	31/12/2009	Purchase	Full		
Scaldis Capital Limited	Jersey	31/12/2009	Purchase	Full		
Lisia I Limited	Jersey	31/12/2009	Purchase	Full		
Park Mountain Lease 2008-I BV	Netherlands	31/12/2009	Purchase & Deconsolidation			
Park Mountain SME 2007-I BV	Netherlands	31/12/2009	Purchase	Full		

8.c BUSINESS COMBINATIONS

Acquisition of Fortis Banque SA (now BNP Paribas Fortis) and BGL SA (now BGL BNP Paribas) in the first half of 2009

Under the Protocol Agreements entered into on 10 October 2008 and 8 March 2009, BNP Paribas acquired Fortis Banque 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 Banque 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 Banque 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 Banque 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 Banque 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 Banque 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 Banque 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 Banque to Fortis SA/NV, guaranteed by the Belgian government, principally to finance the acquisition of its interest in RPI.

The acquisition of Fortis Banque 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 Banque 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 Banque SA and its subsidiaries have a postal bank business in Belgium (Banque de La Poste) and Ireland (Postbank), enabling then to provide a broader range of products through these respective postal networks. Fortis Banque 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 Banque SA and BGL SA are first-class player in private banking in both Belgium and Luxembourg and has a well-established position in Switzerland;
- in asset management, Fortis Banque SA operates mainly through its subsidiary Fortis Investments. Its activities range from institutional asset management through 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 Banque 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 Banque SA's corporate and investment banking activities.

The consolidated balance sheets of Fortis Banque 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 (6,663) 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 (2,701) million;
- measurement of loans, securities and other assets, as well as financial and other liabilities, at market value or its equivalent (EUR (3,315) 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 account of 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 212 million);
- recognition of tax assets, mainly related to tax loss carryforwards and temporary differences, net of contingent liabilities (EUR 1,253 million), as well as the tax effects of the restatements made (EUR 2,716 million), making a total of EUR 3,969 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.

The analysis and appraisal work required to measure the fair value of identifiable assets, liabilities, off-balance sheet items and contingent liabilities acquired has not yet been completed and the restatements made are therefore likely to be adjusted within twelve months of the acquisition date in accordance with IFRS 3 § 62.

These restatements led the Group to reduce the shareholders' equity of Fortis Banque SA, BGL SA and their subsidiaries by EUR 4,977 million on the acquisition date, thereby generating provisional negative goodwill of EUR 835 million, which was expensed through profit or loss under the line item "Change in value of goodwill".

The table below shows the consolidated IFRS balance sheet for Fortis Banque SA, BGL SA and their subsidiaries groups 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	107,135	109,366
Available-for-sale assets	69,655	96,526
Loans and receivables due from credit institutions	50,763	39,793
Loans and receivables due from customers	231,792	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	55,890	51,420
TOTAL ASSETS	**519,124**	**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	203,210	202,616
Debt securities	39,384	39,177
Subordinated debt	18,090	18,246
Other liabilities	25,487	19,904
TOTAL LIABILITIES	**507,589**	**502,442**
TOTAL CONSOLIDATED EQUITY	**11,535**	**17,794**
TOTAL LIABILITIES AND EQUITY	**519,124**	**520,236**

Fortis Banque 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 Banque SA, BGL SA and their subsidiaries would have made in 2009 (on a 100% basis) 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 1 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**
Net income attributable to minority interests	328
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS	**749**

The restatements made to the income statement of Fortis Banque 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 1 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 1 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 Banque 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 of 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

				In millions of euros						
							Balance sheet key figure at the acquisition date [(2)]			
Acquired subsidiaries	Segment	Country	Acquired percentage	Acquisition price	Goodwill [(1)]	Net cash inflow	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 [(4)]	93 [(4)]	(146) [(4)]	Loans and receivables due from customers	597	Due to credit institutions [(3)]	526
Findomestic										
	Retail Banking	Italia	25%	517 [(4)]	351 [(4)]	(404) [(4)]	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) Provisional data in market value or equivalent.
(3) Debt mostly subscribed by BNP Paribas SA.
(4) 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.

➤ BUSINESS COMBINATIONS IN 2008

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 [(2)] Assets		Liabilities	
SREI Equipment Finance Private Limited										
	IRS	India	50%	136	70	(113)	Loans to customers	483	Amounts due to credit institutions	423
									Debt securities	85
Banco BGN										
	IRS	Brazil	100%	318	246	(75)	Loans to customers	617	Amounts due to credit institutions	338
									Customers demand accounts	250
Groupe Steen & Strøm										
	Other activities	Norway, Sweden and Denmark	56.1%	628	-	(578)	Investment property	2,849	Amounts due to credit institutions	1,478
Bank of America's prime brokerage business										
	CIB	United States	100%	455	181	480	Financial assets at fair value through profit or loss	28,973	Financial assets at fair value through profit or loss	12,537
							Loans to customers	6,005	Amounts due to credit institutions	2,551
									Customers demand accounts	19,142

(1) *In euro equivalent value at the year-end.*

(2) *Provisional data in market value or equivalent.*

SREI Equipment Finance Private Limited

In April 2008, BNP Paribas Lease Group, a subsidiary of BNP Paribas, acquired 50% of the capital of Indian infrastructure financing company SREI Equipment Finance Private Limited.

SREI Equipment Finance Private Limited was proportionately consolidated in the second half of 2008. Its contribution to the BNP Paribas Group's net income was not material in 2008.

Banco BGN

In October 2008, BNP Paribas SA acquired 100% of Banco BGN, a leading supplier of consumer credit in Brazil with some one hundred branches plus approximately one thousand banking correspondents throughout the country, and a portfolio of 600,000 customers.

Banco BGN was consolidated as of its acquisition date. Its contribution to the BNP Paribas Group's net income was not material in 2008.

Steen & Strøm Group

In October 2008, Klépierre, a subsidiary of BNP Paribas, acquired 56.1% of the Steen & Strøm Group, Scandinavia's leading integrated shopping centre investor. The Steen & Strøm Group comprises 120 companies, including 77 in Norway, 27 in Sweden and 16 in Denmark.

The Steen & Strøm Group was consolidated as of its acquisition date (111 entities fully consolidated and 9 proportionately consolidated). The excess of cost over the book value of the underlying assets acquired was allocated in full to fair value adjustments to property assets. The Steen & Strøm Group's contribution to the BNP Paribas Group's net income was not material in 2008.

Bank of America's prime brokerage business

In September 2008, BNP Paribas SA acquired the Bank of America's prime brokerage business, which provides a broad range of services to hedge funds, including secured financing, settlement/delivery and custody of securities, stock lending, investor presentations and customised information technology solutions.

These activities are primarily housed within two subsidiaries, BNP Paribas Prime Brokerage Inc. and BNP Paribas Prime Brokerage International Ltd, which were consolidated as of their acquisition date. Their contribution to the BNP Paribas Group's net income was not material in 2008.

8.d REMUNERATION AND BENEFITS AWARDED TO THE GROUP'S CORPORATE OFFICERS

Remuneration and benefits policy relating to the Group's corporate officers

Remuneration paid to the Group's corporate officers

The remuneration paid to the Group's corporate officers is determined by the method recommended by the compensation committee and approved by the Board of Directors [(1)].

This remuneration 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. BNP Paribas' corporate officers decided to waive all the variable components of their remuneration in respect of 2008. The amounts not paid were stated for indicative purposes in the 2008 registration document and annual report.

When determining corporate officers' variable remuneration in respect of 2009, the Board of Directors reiterated the principles that were applied previously.

The variable component is determined by reference to a basic bonus which is calculated as a proportion of the officer's fixed remuneration and varies in line with Group performance criteria as well as the attainment of personal objectives. It is intended to reflect the actual contribution made by corporate officers to BNP Paribas' success, with regard to the Chairman, notably in respect of his contribution to the development of the Group's relationships with its major customers and with the national and international financial and monetary authorities, and with regard to the Chief Executive Officer and Chief Operating Officers, notably in respect of their respective duties as senior executives of an international financial services group.

Group performance criteria

Group performance criteria [(2)] account for 75% of the basic bonus and are used to calculate the corresponding portion of the variable remuneration based on the change in the relevant indicators.

- Chairman and Chief Executive Officer
  - Change in earnings per share (37.5% of basic bonus).
  - Achievement of budgeted Group gross operating income (37.5% of basic bonus).
- Chief Operating Officers
  - Change in earnings per share (18.75% of basic bonus).
  - Achievement of budgeted Group gross operating income (18.75% of basic bonus).
  - Change in net income before tax of businesses for which they are responsible (18.75% of basic bonus).
  - Achievement of budgeted gross operating income of businesses for which they are responsible (18.75% of basic bonus).

Personal objective-based criteria [(3)] concern managerial performance as assessed by the Board of Directors in terms of foresight, decision-making and leadership skills:

- foresight: define a vision, prepare for the future, foster a spirit of innovation, carry out succession planning for and open up the international horizons of senior executives;
- decision-making: determine, with the relevant managers, and take the requisite measures for the Group's development, its internal efficiency and the adequacy of its risk management, internal control and capital management policy;
- leadership: recognise behaviour consistent with the Group's values (commitment, ambition, creativity, responsiveness). Promote initiative-taking and internal cooperation. Instil a culture of change and performance.

The variable component of corporate officers' remuneration, determined based on quantitative and personal objective-based criteria, was capped at 80% of the base pay of Michel Pébereau and 120% of the base pay of Baudouin Prot, Jean-Laurent Bonnafé and Georges Chodron de Courcel.

To take into account the one-off impact of the acquisition of Fortis by BNP Paribas, the Board retained the option of granting Baudouin Prot, Jean-Laurent Bonnafé and Georges Chodron de Courcel an additional reward, provided that the total amount thereof and of the variable remuneration granted in respect of the quantitative and personal objective-based criteria does not exceed 150% of their base pay.

Michel Pébereau, Baudouin Prot and Georges Chodron de Courcel do not receive any remuneration from Group companies other than BNP Paribas SA. In an exception to this rule, Jean-Laurent Bonnafé has retained the benefit of the directors' fees paid by BNP Paribas Fortis owing to the responsibilities he holds at this company.

Post-employment benefits

Termination benefits [(4)]

Corporate officers are not entitled to any contractual compensation on termination of office.

(1) AFEP-MEDEF corporate governance code (point 20-1).

(2) AFEP-MEDEF corporate governance code (point 20-2-2).

(3) AFEP-MEDEF corporate governance code (point 20-2).

(4) AFEP-MEDEF corporate governance code (point 20-2-4).

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 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.

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, these three corporate officers now belong to a contingent collective top-up pension plan. Under this plan, their pensions will be calculated (subject to their still being part of the Group on retirement) on the basis of the fixed and variable remuneration received in 1999 and 2000, with no possibility of acquiring any subsequent rights.

The amount of retirement benefits, including the pensions paid out by the general French Social Security scheme and the ARRCO and AGIRC top-up schemes, plus any additional banking industry pension arising from the industry-wide agreement that took effect on 1 January 1994 and pension rights acquired as a result of payments by the employer into top-up funded schemes, is capped at 50% of the above-mentioned remuneration amounts.

These retirement benefits will be revalued from 1 January 2002 until their actual payment date, based on the average annual rate of increase in pension benefits paid by the French Social Security, ARRCO and AGIRC schemes. The increase in potential pension rights for 2009 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 the 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 scheme described above have always been taken into account by the Board of Directors when determining the overall remuneration of corporate officers. During 2009, the Board of Directors formally recorded that this plan was compliant with the provisions of the AFEP-MEDEF corporate governance code.

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 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 or Georges Chodron de Courcel die before the age of 60, their 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 PÉBEREAU		✓	✓			✓		✓
M. Baudouin PROT	✓ [(1)]		✓		✓ [(2)]			✓
M. Jean-Laurent BONNAFÉ	✓		✓ [(3)]		✓ [(2)]			✓
M. Georges CHODRON de COURCEL	✓		✓		✓ [(2)]			✓

(1) Chairman's report on the conditions for the preparation and organisation of the work of the Board. See the Corporate governance section.
(2) See above. Post-employment benefits. Retirement bonuses.
(3) Pension scheme under Article 83 of the French General Tax Code for the benefit of all BNP Paribas SA's employees.

(1) Baudouin Prot's employment contract: see Chairman's report on corporate governance.
(2) AFEP-MEDEF corporate governance code (point 20-2-5).

The tables below show gross remuneration payable for the year to 31 December 2009, including benefits in kind and directors' fees for 2009.

Remuneration payable for 2009	Remuneration				
In euros	Fixed [1]	Variable [2]	Directors' fees [3]	Benefits in kind [4]	Total Remuneration
Michel PÉBEREAU Chairman of the Board of Directors					
2009	700,000	[6]	29,728	3,598	733,326
(2008)	*(700,000)*	-	*(29,728)*	*(1,671)*	*(731,399)*
Baudouin PROT Chief Executive Officer					
2009	950,000	[6]	90,318	5,212	1,045,530
(2008)	*(945,833)*	-	*(118,907)*	*(5,064)*	*(1,069,804)*
Georges CHODRON de COURCEL Chief Operating Officer					
2009	600,000	[6]	112,302	4,273	716,575
(2008)	*(595,833)*	-	*(117,628)*	*(4,370)*	*(717,831)*
Jean-Laurent BONNAFÉ Chief Operating Officer					
2009	563,172	[6]	51,638	3,329	618,139
(2008) [5]	*(166,667)*	-	*(18,958)*	*(1,445)*	*(187,070)*
Total remuneration payable to the Group's corporate officers for 2009					3,113,570
(for 2008)					*(2,706,104)*

(1) *Remuneration actually paid in 2009.*
(2) *Variable remuneration payable for 2008 and 2009.*
(3) *The Chairman of the Board of Directors and the Chief Executive Officer do not receive directors' fees from any Group companies other than from BNP Paribas SA, and from Erbé in the case of the Chief Executive Officer. Directors' fees received by the Chief Executive Officer from Erbé are deducted from his variable remuneration.*
Georges Chodron de Courcel receives fees in his capacity as a director of BNP Paribas Suisse, Erbé and BNP Paribas Fortis. These fees are deducted from his variable remuneration.
Jean-Laurent Bonnafé receives fees in his capacity as a director of BNL and BNP Paribas Fortis. Given the executive duties he plays at BNP Paribas Fortis, the fees he receives in his capacity as a director are not deducted from his variable remuneration. Conversely, the fees received by Jean-Laurent Bonnafé in his capacity as a director of BNL are deducted from his variable remuneration.
(4) *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.*
(5) *For the period from 1st September to 31 December 2008.*
(6) *At the date of the AMF's approval of the 2009 registration document, the Board of Directors of BNP Paribas had not yet determined the variable component of corporate officers' remuneration for 2009. The Board of Directors' decision will be presented in an update of the registration document and this report in due course.*

The tables below show gross remuneration payable for the year to 31 December 2009, including benefits in kind and directors' fees. The variable remuneration paid in 2009 relates to 2008.

Remuneration paid in 2009	Remuneration					Total
In euros	Fixed	Variable	Deferred	Directors' fees	Benefits in kind	Remuneration [1]
Michel PÉBEREAU Chairman of the Board of Directors						
2009	700,000	-	-	29,728	3,598	733,326
(2008)	*(700,000)*	*(875,000)*	*(109,200)*	*(29,728)*	*(1,671)*	*(1,715,599)*
Baudouin PROT Chief Executive Officer						
2009	950,000	-	-	90,318	5,212	1,045,530
(2008)	*(945,833)*	*(2,158,918)*	*(159,200)*	*(118,907)*	*(5,064)*	*(3,387,922)*
Georges CHODRON de COURCEL Chief Operating Officer						
2009	*600,000*	*-*	*-*	*112,302*	*4,273*	*716,575*
(2008)	*(595,833)*	*(1,623,002)*	*(124,000)*	*(117,628)*	*(4,370)*	*(2,464,833)*
Jean-Laurent BONNAFÉ Chief Operating Officer						
2009	563,172	602,876 [2]	39,896 [2]	51,638	3,329	1,260,911
(2008) [3]	*(166,667)*	-	-	*(18,958)*	*(1,445)*	*(187,070)*
Total remuneration payable to the Group's corporate officers for 2009						3,756,342
(for 2008)						(7,755,424)

(1) *The average payroll tax rate on this remuneration was 34.9% in 2009 (39.4% in 2008).*
(2) *Variable remuneration received for the duties performed by Jean-Laurent Bonnafé prior to his appointment as a corporate officer on 1st September 2008.*
(3) *For the period from 1st September to 31 December 2008.*

BENEFITS AWARDED TO THE GROUP'S CORPORATE OFFICERS

Benefits awarded to the Group's corporate officers	2009	2008
Post-employment benefits		
Retirement bonuses		
Present value of the benefit obligation	*496,031 €*	*470,347 €*
Contingent collective defined-benefit top-up pension plan		
Total present value of the benefit obligation	*29.5 M€* [1]	*28.6 M€*
Defined contribution pension plan		
Contributions paid by the company during the year	*1,510 €*	*1,464 €*
Welfare benefits		
Flexible personal risk plan		
Premiums paid by the company during the year	*10,992 €*	*10,662 €*
Garantie Vie Professionnelle Accidents death/disability cover plan		
Premiums paid by the company during the year	*8,095 €*	*9,376 €*
Supplementary personal risk plan		
Premiums paid by the company during the year	*84,212 €*	*209,761 €*

(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 2008 and 2009 reflects the discounting charge for the year, as well as the update of the assumptions underpinning the calculations.

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 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 the options to be awarded to corporate officers. On 27 March 2009, Michel Pébereau told the shareholders of BNP Paribas at the Shareholders' General Meeting that corporate officers would not receive any stock subscription options in 2009. Upon the redemption of the non-voting 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.

➤ OPTIONS GRANTED AND EXERCISED IN 2009

Stock subscription options granted to and/or exercised by the Group's corporate officers	Number of options granted/ exercised	Exercise price *(in euros)*	Grant date	Plan expiry date	Individual allocation valuation		Individual allocation as a % of share capital
					in euros	as a % of the recognised expense [1]	
OPTIONS GRANTED IN 2009	-	-	-	-	-	-	-
OPTIONS EXERCISED IN 2009							
Michel PÉBEREAU	223,855	43.67	22/12/1999	22/12/2009			
Baudouin PROT	132,296	43.67	22/12/1999	22/12/2009			
OPTIONS GRANTED IN 2008							
Michel PÉBEREAU	51,265	64.47	18/04/2008	15/04/2016	836,450	0.745%	0.005%
Baudouin PROT	174,299	64.47	18/04/2008	15/04/2016	2,843,930	2.534%	0.018%
Georges CHODRON de COURCEL	102,529	64.47	18/04/2008	15/04/2016	1,672,900	1.491%	0.010%
Aggregate					**5,353,280**	**4.770%**	**0.033%**
OPTIONS EXERCISED IN 2008							
Michel PÉBEREAU	61,072	36.95	13/05/1998	13/05/2008			
Baudouin PROT	30,626	36.95	13/05/1998	13/05/2008			
Georges CHODRON de COURCEL	4,000	36.78	21/03/2003	20/03/2013			

[1] *Percentage of the expense recognised for the Global Share-based Incentive Plan, which combines stock options with share awards.*

SUMMARY OF REMUNERATION AND STOCK OPTIONS PAID TO INDIVIDUAL CORPORATE OFFICERS

	2009	2008
Michel PÉBEREAU		
Chairman of the Board of Directors		
Remuneration for the year	733,326 [1]	731,399
Value of stock options granted during the year	Nil	836,450
TOTAL	**733,326**	**1,567,849**
Baudouin PROT		
Chief Executive Officer		
Remuneration for the year	1,045,530 [1]	1,069,804
Value of stock options granted during the year	Nil	2,843,930
TOTAL	**1,045,530**	**3,913,734**
Georges CHODRON de COURCEL		
Chief Operating Officer		
Remuneration for the year	716,575 [1]	717,831
Value of stock options granted during the year	Nil	1,672,900
TOTAL	**716,575**	**2,390,731**
Jean-Laurent BONNAFÉ		
Chief Operating Officer		
Remuneration for the year	618,139 [1]	187,070 [2]
Value of stock options granted during the year	Nil	Nil
TOTAL	**618,139**	**187,070**

(1) *At the date of the AMF's approval of the 2009 registration document, the Board of Directors of BNP Paribas had not yet determined the variable component of corporate officers' remuneration for 2009. The Board of Directors' decision will be presented in an update of the registration document and this report in due course.*

(2) *For the period from 1 September to 31 December 2008.*

The table shows the number of outstanding options held by the Group's corporate officers at 31 December 2009.

Originating company	BNP	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
Michel PÉBEREAU	227,571	232,717	103,418	102,521	51,265	51,265	Nil
Baudouin PROT	144,818	201,688	155,125	184,537	174,300	174,299	Nil
Georges CHODRON de COURCEL	-	4,675	62,052	92,269	92,277	102,529	Nil
Jean-Laurent BONNAFÉ	-	-	41,368	51,261	61,518	61,517	Nil
NUMBER OF OPTIONS OUTSTANDING AT END-2009 [1]	**372,389**	**439,080**	**361,963**	**430,588**	**379,360**	**389,610**	**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). This obligation must be complied with by 13 February 2010 at the latest.

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 no later than five years after the date of his appointment as corporate officer, i.e. 1 September 2013.

The Chairman of the Board of Directors, Chief Executive Officer and Chief Operating Officers are also required to hold a quantity 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.

Remuneration and benefits awarded to employee-elected directors

Total remuneration paid in 2009 to employee-elected directors – calculated based on their actual attendance – amounted to EUR 96,512 (EUR 98,864 in 2008), excluding directors' fees. The total amount of directors' fees paid in 2009 to employee-elected directors was EUR 69,295 (EUR 68,275 in 2008). 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. The total amount of premiums paid into these schemes by BNP Paribas in 2009 on behalf of the employee-elected directors was EUR 1,340 (EUR 1,041 in 2008).

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 2009 on behalf of the corporate officers was EUR 660 (EUR 660 in 2008). 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 2009, total outstanding loans granted directly or indirectly to the Group's corporate officers amounted to EUR 3,771,634 (EUR 7,337,398 at 31 December 2008). 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.e 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 BNP Paribas 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 (i) companies over which BNP Paribas exercises joint control (accounted for by the proportionate consolidation method), showing only the proportion not eliminated on consolidation, and (ii) 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 2009		31 December 2008	
	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	193	2	49	13
Loans	3,975	2,128	9,509	1,440
Securities	209	1,416	127	-
Finance leases	-	-	-	29
Other assets	**23**	**66**	**9**	**17**
TOTAL	**4,400**	**3,612**	**9,694**	**1,499**
LIABILITIES				
Deposits				
Demand accounts	146	1,924	21	216
Other borrowings	35	330	55	326
Debt securities	**132**	**57**	**36**	**29**
Other liabilities	**49**	**76**	**5**	**39**
TOTAL	**362**	**2,387**	**117**	**610**
FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS				
Financing commitments given	**44**	**275**	**126**	**-**
Guarantee commitments given	**4**	**1,702**	**2**	**-**
TOTAL	**48**	**1,977**	**128**	**-**

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) and financial instruments (equities, bonds etc.). These transactions are carried out on an arm's length basis.

RELATED-PARTY PROFIT AND LOSS ITEMS

In millions of euros	Year to 31 Dec. 2009		Year to 31 Dec. 2008	
	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	**174**	**106**	**413**	**95**
Interest expense	*(10)*	*(23)*	*(9)*	*(11)*
Commission income	**49**	**207**	**18**	**74**
Commission expense	*(70)*	*(67)*	*(66)*	*(18)*
Services provided	**4**	**46**	**6**	**48**
Services received	-	*(277)*	-	*(320)*
Lease income	**-**	**2**	**1**	**1**
TOTAL	**147**	**(6)**	**363**	**(131)**

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 France, some of these benefits are paid by the BNP and Paribas pension funds (Caisses de retraite) and the BNP welfare benefit fund (Caisse de Prévoyance).

The entire obligations of these three institutions have either been transferred to a non-Group insurance company or assumed in full by BNP Paribas SA. The BNP pension fund was liquidated in the first half of 2007, the Paribas pension fund in the second half of 2008 and the BNP welfare benefit fund and at the end of 2009.

In Belgium, BNP Paribas Fortis funds a number of pension schemes managed by AG Insurance in which 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 benefit plans for BNP Paribas Switzerland's employees.

At 31 December 2009, the value of plan assets managed by Group companies or by companies over which the Group exercises significant influence was EUR 3,275 million (EUR 827 million at 31 December 2008). Amounts received relating to services provided by Group companies in the year to 31 December 2009 totalled EUR 3.5 million, and mainly comprised management and custody fees (2008: EUR 0.7 million).

8.f BALANCE SHEET BY MATURITY

The table below gives a breakdown of the balance sheet by contractual maturity. The maturities of financial assets and liabilities measured at fair value through profit or loss within the trading portfolio are regarded as "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 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			61,556	55,989	36,582	49,929	6,973	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**	**340,210**	**123,857**	**115,378**	**113,668**	**67,329**	**1,788,148**

At 31 December 2008 *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		39,219						39,219
Financial assets at fair value through profit or loss	1,192,271							1,192,271
Derivatives used for hedging purposes	4,555							4,555
Available-for-sale financial assets	16,714		3,033	6,935	18,233	22,280	63,530	130,725
Loans and receivables due from credit institutions	40	22,455	12,314	15,010	5,554	6,500	7,280	69,153
Loans and receivables due from customers		41,844	41,834	40,495	58,571	128,952	182,705	494,401
Remeasurement adjustment on interest-rate risk hedged portfolios	2,541							2,541
Held-to-maturity financial assets			5	322	21	3,239	10,489	14,076
FINANCIAL ASSETS BY MATURITY	**1,216,121**	**103,518**	**57,186**	**62,762**	**82,379**	**160,971**	**264,004**	**1,946,941**
Due to central banks and post office banks		1,047						1,047
Financial liabilities at fair value through profit or loss	1,000,809		567	1,528	7,693	28,562	15,643	1,054,802
Derivatives used for hedging purposes	6,172							6,172
Due to credit institutions		19,365	78,749	33,945	25,076	15,376	13,676	186,187
Due to customers		233,319	107,234	39,856	15,604	9,856	8,086	413,955
Debt securities			44,984	47,558	23,201	30,628	11,137	157,508
Subordinated debt	1,096		2	542	410	3,749	12,524	18,323
Remeasurement adjustment on interest-rate risk hedged portfolios	282							282
FINANCIAL LIABILITIES BY MATURITY	**1,008,359**	**253,731**	**231,536**	**123,429**	**71,984**	**88,171**	**61,066**	**1,838,276**

The majority of the financing and guarantee commitments given, which amounted to EUR 273,764 million and EUR 104,650 million, respectively, at 31 December 2009 (EUR 221,741 million and EUR 84,967 million, respectively, at 31 December 2008), can be drawn at sight.

8.g 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 2009. 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 2009		31 December 2008	
	Carrying value [(1)]	Estimated fair value	Carrying value [(1)]	Estimated fair value
FINANCIAL ASSETS				
Loans and receivables due from credit institutions	88,920	89,770	69,153	68,944
Loans and receivables due from customers	678,766	693,126	494,401	484,798
Held-to-maturity financial assets	14,023	15,033	14,076	15,017
FINANCIAL LIABILITIES				
Due to credit institutions	220,696	222,000	186,187	185,481
Due to customers	604,903	606,661	413,955	414,111
Debt securities	211,029	210,987	157,508	156,871
Subordinated debt	28,209	27,752	18,323	15,874

(1) *The carrying amount does not include the remeasurement of portfolios of financial instruments in fair value hedging relationships. At 31 December 2009, this is included within "Remeasurement adjustment on interest-rate risk hedged portfolios" as EUR 2,407 million under assets, and EUR 356 million under liabilities (EUR 2,541 million and EUR 282 million, respectively, at 31 December 2008).*

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.h 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, 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. At end-2009, the complaint was still being served to defendants outside the United States. The discovery phase is expected to begin in the near future. No hearing is scheduled before the end of 2010.

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.

On 28 January 2009, a writ of summons to appear before the Brussels Commercial Court was served to Fortis Banque SA (as well as to Fortis and to other companies of the Fortis group, in the Netherlands, to SFPI, to BNP Paribas and to the Dutch central bank – De Nederlandsche Bank) by minority shareholders of Fortis represented by Mr. Michaël Modrikamen. In the first instance, the claimants request the Court to order the Kingdom of the Netherlands and the Dutch central bank to pay an indemnity of EUR 5 per share held by the claimants (plus accrued interest since 3 October 2008). The claimants have also requested the Court to order SFPI and BNP Paribas to pay an indemnity of EUR 4 per held share held by the claimants (plus accrued interest since 3 October 2008). It should be noted that in the course of the proceedings, which are still pending the claimants have recently abandoned their request that the Court cancel the takeover of Fortis Banque SA by BNP Paribas S.A. and have opted to limit their claim to compensation for the damages alleged by them. The Bank intends to vigorously defend itself against this unjustified claim.

There is no other government, legal or arbitration proceeding, including any proceeding of which the Company is aware, which is pending or with which it is threatened, 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.i FEES PAID TO THE STATUTORY AUDITORS

In thousand of euros, in 2009	Deloitte & Associés		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%
of which BNP Paribas Fortis	*2,799*	*16%*	*5,081*	*24%*	*442*	*5%*	*8,322*	*17%*
Other reviews and services directly related to the statutory audit engagement, including:								
Issuer	15	0.1%	63	0.3%	41	0.4%	119	0.2%
Consolidated subsidiaries	224	1%	1,296	6%	166	2%	1,686	4%
of which BNP Paribas Fortis	*65*	*0.4%*	*155*	*1%*	-	-	*220*	*0.5%*
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%
of which BNP Paribas Fortis	*1,185*	*7%*	*414*	*2%*	-	-	*1,599*	*3%*
Others	3,567	20%	1,158	6%	62	1%	4,787	10%
of which BNP Paribas Fortis	*3,005*	*17%*	*892*	*4%*	-	-	*3,897*	*8%*
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%**

In thousand of euros, in 2008	Deloitte & Associés		PricewaterhouseCoopers		Mazars		Total	
	Total	%	Total	%	Total	%	Total	%
Audit								
Statutory audits and contractual audits, including:								
Issuer	3,610	33%	5,395	35%	1,125	13%	10,130	29%
Consolidated subsidiaries	6,033	55%	7,939	51%	7,102	82%	21,074	60%
Other reviews and services directly related to the statutory audit engagement, including:								
Issuer	55	1%	990	6%	75	1%	1,120	3%
Consolidated subsidiaries	*1,112*	*10%*	*1,088*	*7%*	*284*	*3%*	*2,484*	*7%*
Sub-total	**10,810**	**99%**	**15,412**	**99%**	**8,586**	**99%**	**34,808**	**99%**
Other services provided by the networks to fully-or proportionally-consolidated subsidiaries								
Tax and legal	-	-	32	-	25	-	57	-
Others	*104*	*1%*	*132*	*1%*	*53*	*1%*	*289*	*1%*
Sub-total	**104**	**1%**	**164**	**1%**	**78**	**1%**	**346**	**1%**
TOTAL	**10,914**	**100%**	**15,576**	**100%**	**8,664**	**100%**	**35,154**	**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 4,825 thousand for the year 2009 (EUR 1,274 thousand in 2008). The majority of this amount concerns the KPMG firm, which was one of the statutory auditors of Fortis Group up until the date of the business combination in 2009.

It also includes EUR 568 thousand paid for other reviews and services directly related to the statutory audit engagement (EUR 315 thousand in 2008).

Furthermore, the amount relating to other services provided by the audit networks to consolidated subsidiaries essentially corresponds to services effected by Deloitte for entities belonging to the BNP Paribas Fortis sub-group which were engaged prior to the takeover of some Fortis Group entities by BNP Paribas.

4.7 BNP Paribas statutory auditors' report on the consolidated financial statements

Deloitte & Associés
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Regnault
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.

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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 2009, on:

- the audit of the accompanying consolidated financial statements of BNP Paribas;
- the justification of our assessments;
- 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 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 2009 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

Accounting estimates

The deterioration in market conditions and the economic environment continues to have wide-ranging ramifications for credit institutions, notably in terms of business activity, results and risks, as described in note 4.b to the consolidated financial statements. This situation has created specific conditions this year for the preparation of the financial statements, especially as regards accounting estimates. In this context, and in accordance with the requirements 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, 1.c.13, 2.f, 4.a, 4.d, 5.c, 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, 2.f 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 2009, 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 Bank SA and BGL SA, provisionally allocating the cost of acquisition using the purchase method as required by IFRS 3 and as described in notes 1.a, 1.b.4, 5.n and 8.c to the consolidated financial statements. In this context, we examined the methods used for identifying and measuring assets, liabilities, contingent liabilities and badwill recorded at the acquisition date.

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, 8 March 2010

The Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
Pascal Colin	Gérard Hautefeuille	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 such as scope of application, capital, exposure to different types of risk, risk assessment procedures, and, consequently, capital adequacy.

Most of the information about BNP Paribas required under Pillar 3 is given 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.

This 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 the Article 6-II of French regulation CRBF 90-02 modified by the Decree of 20 February 2007;
- the transactions involving the transfer of risks or assets' ownership are evaluated based on the resulting transfer of risks. Therefore, securitisation vehicles are excluded from the prudential scope if the securitisation transaction is deemed effective under Basel II criteria (i.e., the transaction entails a significant transfer of risk);
- lastly, BNP Paribas Dérivés Garantis is excluded from the prudential scope as it is monitored individually by the French banking supervisor (*Commission bancaire*).

(See Note 1.b. to the Financial Statements, "Consolidation")

(See Note 8.b. to the Financial Statements, "Scope of consolidation")

[1] *Issued by the French Ministry of the Economy, Finance and Industry.*
[2] *Regulation CRBF 2000-03 of 6 September 2000.*

The Group holds a share greater than 10% in the following credit and financial institutions:

Accea Finance
AMP Partners SA
Associatie Cassa BV
Atlanticomnium SA
Baiduri Bank Berhad
BAII Recouvrement
Banca Impresa Lazio Spa
Banco Cofidis SA
Banco de Servicios Financieros SA
Banexi (UK) Limited
Banque Franco Yougoslave
Banque pour l'Industrie et le Commerce Comores
Bewaarvedrijf Ameuro NV
BGN Leasing
BIAO Recouvrement
BICI Bourse
BICI Cameroun
BMCI Bourse
BNP Asset Management UK Limited
BNP Capital Markets Limited
BNP Equities Mauritius
BNP Nominees Limited
BNP PAM Malaysia SDN BHD
BNP Paribas (BVI) Trust Corporation
BNP Paribas (Canada) Valeurs Mobilières Inc.
BNP Paribas (Montevideo) SA - Oficina de Representacion de BNP Paribas
BNP Paribas Andes
BNP Paribas Asset Management (Part II) (Luxembourg) SA
BNP Paribas Asset Management Argentina SA, Sociedad de Fondos Comunes de inversion
BNP Paribas Asset Management GmbH
BNP Paribas Asset Management Monaco
BNP Paribas Asset Management Services Luxembourg
BNP Paribas Bank & Trust Cayman
BNP Paribas Fund Services (Guernsey) Limited
BNP Paribas Fund Services UK Limited
BNP Paribas Futures Singapore Pte Ltd
BNP Paribas International Trustee Guernsey
BNP Paribas Investment Management CI Limited
BNP Paribas Lease Group IFN SA
BNP Paribas Panama SA
BNP Paribas Securities (Australia) Limited
BNP Paribas Securities Services AM Limited
BNP Paribas Securities Services Custody Bank Limited
BNP Paribas Securities Services Fund Administration 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 Representive Office (Nigeria) Ltd
BNPP (NZ) Limited
BPI
CET Altalanos Szolgaltato KFT
Cetelem (UK) Limited
Cetelem Expansion Société en Nom Collectif
Cetelem Gestion SA (Argentina)
Cetelem Renting
Coppefis
Corporacion Franco Americana de Finanzas (Costa Rica) SA
Credifarma Spa
Crédit Logement
Crédit Social de la Province du Brabant Wallon
CTN Promotora de Negocios Ltda
Domus Flandria NV
eCommerce Holding GmbH
Elimmo SARL
Emirates Lebanon Bank
Fastnet Belgium
Fimaser
Financière de la rue Meyerbeer
Financière du Navire JLZ 020401
Findomestic Network Spa
Finest
Fingraf SA
Fortis Foreign Services AG
Fortis L Capital SA
France Titrisation
Fridson Investment Advisors, LLC
GIM Vastgoed Management BV
Insinger De Beaufort (SA) Pty Ltd
Insinger De Beaufort UK Holding BV
Integro Finance BV
Integro Property BV
Integra Securities BV
Investment Fund Services Limited
Istituto per il Credito Sportivo
Landwaarts Sociaal Woonkrediet
Le Credit Social De Tubize
Le Crédit Social et les Petits Propriétaires Réunis
Le Petit Propriétaire
Leval 16
Leval 3
Liquiditäts- und Konsortialbank GmbH

Maintenance et Prestation Informatique (MPI)
Massilia Bail 2
Nachenius Tjeenk & Co Global Custody NV
Neuilly Contentieux
ONEY Magyarorszag ZRT
Orange - BNP Paribas Services
Par 3 SA
Parcadia Asset Management SA
Paribas Petroleum Participations BV
Personal Finance Solutions SA
Premier Bank ZRT
Primonial Fundquest
Rothesay
Saving And Real Estate Investment Bank
Select Manager Ltd
Sicovam Holding
Sint Jozefkredietmaatschappij
SNC Gestimur
Societa Regionale per la Promozione dello Sviluppo Economico dell'Umbria Spa
Société Belge d'Investissement (SBI)
Société Financière de Beyrouth BNP Paribas
Sofracem
Soservi Société en Nom Collectif
Strategic Alpha Fund Mgt Cpy Ltd
The Financial Services Companies
Tous Propriétaires
Tradegate AG Wertpapierhandelsbank
Tuileries Financement 2
Tuileries Financement 3
UEB Investment Management Inc.
Union Méditerranéenne de Finance
Watamar & Partners SA

Due to the classification of these entities as credit and financial institutions those shares were deducted from the prudential equity as of 31 December 2009.

SIGNIFICANT SUBSIDIARIES

The capital requirements of BNP Paribas' significant subsidiaries are given in Appendix 5.7, in accordance with the regulation. The capital requirements listed in the Appendix correspond to each subsidiary's contribution to the Group's capital requirement after intragroup risk transfers, where applicable.

The following subsidiaries 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 on 31 December 2009:

- BNP Paribas Fortis and BGL BNP Paribas;
- Banca Nazionale del Lavoro (BNL);
- BancWest;
- Personal Finance;
- BNP Paribas Suisse SA.

The risk-weighted assets reported for BNP Paribas Fortis and BGL BNP Paribas, BNL, Bancwest and Personal Finance correspond to the sub-consolidation scope of these groups.

Informations related to the concerned perimeters are described in Note 8.b to the Financial Statements under the heading: Fortis Bank SA/NV Group, Retail Banking in Italy (BNL banca commerciale), Retail Banking in the USA and BNP Paribas Personal Finance.

(See Note 8.b to the Financial Statements, Scope of consolidation).

The differences mentioned at the beginning of Section 5.1 between consolidation and prudential perimeter apply to the significant subsidiaries.

INDIVIDUAL MONITORING BY THE FRENCH BANKING SUPERVISOR

Two entities, Personal Finance and BNP Paribas Dérivés Garantis, are monitored individually by the French banking supervisor (*Commission bancaire*), according to the supervisor's guidelines and pursuant to discussions between the supervisor and BNP Paribas.

5.2 Risk management

The strategies and processes to manage risks of BNP Paribas are described in Note 4 to the Financial Statements.

(See Note 4.a. to the Financial Statements, "Risk management organisation")

(See Note 4.d. to the Financial Statements, "Credit and counterparty risk")

(See Note 4.e. to the Financial Statements, "Market risk" and "Equity risk")

(See Note 4.f. to the Financial Statements, "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 to the Financial Statements.

(See Note 4.c. to the Financial Statements, "Regulatory capital")

CAPITAL ADEQUACY

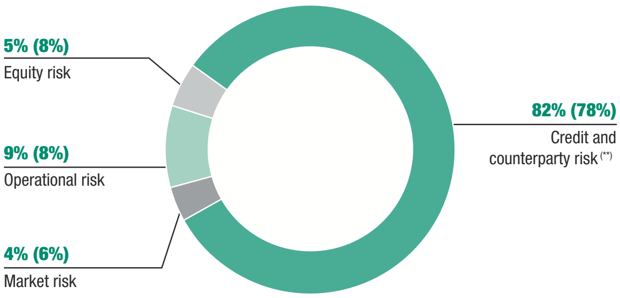
PILLAR 1 RISK-WEIGHTED ASSETS AT 31 DECEMBER 2009

At 31 December 2009, the total amount of Pillar 1 risk-weighted assets was EUR 621 billion, versus EUR 528 billion as of 31 December 2008, broken down as follows by type of risk, calculation approach, and asset class:

	Risk-weighted assets	
In millions of euros	31 Dec. 2009	31 Dec. 2008
CREDIT AND COUNTERPARTY RISK	**510,379**	**417,750**
Credit risk	**482,944**	**387,960**
Credit risk - IRBA	**233,300**	**161,962**
Central governments and central banks	3,250	2,274
Corporates	151,589	120,547
Institutions	18,280	11,535
Retail	37,167	19,678
Mortgages	*9,257*	*4,230*
Revolving exposures	*7,451*	*6,111*
Other exposures	*20,459*	*9,337*
Securitisation positions	22,753	7,928
Other non credit-obligation assets	261	0
Credit risk - Standardised approach	**249,644**	**225,999**
Central governments and central banks	6,599	2,751
Corporates	108,247	101,303
Institutions	7,535	12,642
Retail	79,132	68,680
Mortgages	*25,638*	*24,507*
Revolving exposures	*2,803*	*1,730*
Other exposures	*50,691*	*42,443*
Securitisation positions	7,483	3,297
Other non credit-obligation assets	40,648	37,327
Counterparty risk	**27,435**	**29,789**
Counterparty risk - IRBA	**23,377**	**28,089**
Central governments and central banks	253	66
Corporates	16,844	23,975
Institutions	6,280	4,049
Counterparty risk - Standardised approach	**4,058**	**1,700**
Central governments and central banks	0	2
Corporates	3,745	1,465
Institutions	302	232
Retail	11	0
Other exposures	*11*	*0*
EQUITY RISK	**29,447**	**40,584**
Internal model	23,102	40,479
Private equity exposures in diversified portfolios	*6,575*	*4,286*
Listed equities	*11,112*	*19,654*
Other equity exposures	*5,415*	*16,539*
Simple weighting method	3,446	0
Private equity exposures in diversified portfolios	*1,099*	*0*
Listed equities	*807*	*0*
Other equity exposures	*1,540*	*0*
Standardised approach	2,899	105
MARKET RISK	**23,665**	**29,727**
Internal model	13,577	25,028
Standardised approach	10,088	4,699
OPERATIONAL RISK	**57,223**	**39,582**
Advanced Measurement Approach (AMA)	36,563	22,911
Standardised approach	13,015	13,417
Basic indicator approach	7,645	3,254
TOTAL	**620,714**	**527,643**

The change in risk-weighted assets between 31 December 2008 and 31 December 2009 results primarily from the acquisition of BNP Paribas Fortis and BGL BNP Paribas as described in Note 8.c to the Financial Statements. As of 30 June 2009 (first-time consolidation), the entities of these two sub-groups contributed for EUR 165 billion to Group BNP Paribas's total risk-weighted assets (total impact of the Fortis transaction as of 30 June: EUR 166 billion).

➤ RISK-WEIGHTED ASSETS BY TYPE OF RISK AS OF 31 DECEMBER 2009 (*)



Total: EUR 621 billion on 31 December 2009
EUR 527 billion on 31 December 2008

(*) *The percentages between brackets correspond to the breakdown as of 31 December 2008.*
(**) *Including other non credit-obligation assets.*

Credit and counterparty risk

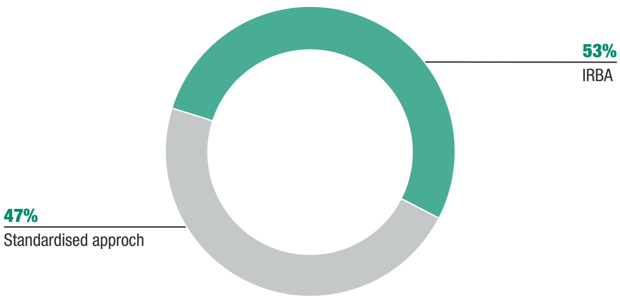
BNP Paribas has opted for the most advanced approaches allowed under Basel II. In accordance with the EU Directive and its transposition into French law, in 2007 the French banking supervisor (*Commission bancaire*) allowed the Group to use internal models to calculate capital requirements starting on 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 banking supervisor. Prior to the 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 rating policies and procedures of the BNP Paribas Fortis and BGL BNP Paribas sub-groups on the one hand and BNP Paribas on the other hand will converge within the framework of a uniform methodology adopted throughout the 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 as of 31 December 2009, 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 82% of the Group's Basel II risk-weighted assets, of which 78% for credit risk alone.

For credit risk alone (excluding other non-credit obligation assets), the share of risk-weighted assets using the IRBA approach was 53% on 31 December 2009, versus 46% on 31 December 2008. This significant scope of consolidation, which included in particular CIB, French Retail Banking, Cetelem, in France and abroad, as well as BNP Paribas Securities Services (BP2S), expanded sharply as a result of the consolidation of BNP Paribas Fortis and BGL BNP Paribas from 30 June 2009. However some entities, such as BNL and BancWest, are temporarily excluded from the scope of consolidation. Other smaller subsidiaries, such as those 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 29% of the risk exposure, because the standardised approach treats the corresponding assets with heavier weights.

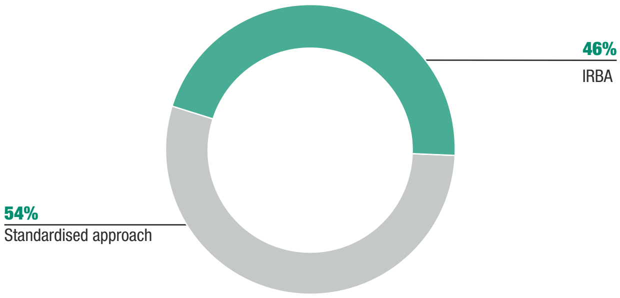
CREDIT RISK-WEIGHTED ASSETS AND EXPOSURE BY APPROACH (*)

Credit risk - Risk-weighted assets on 31 December 2009



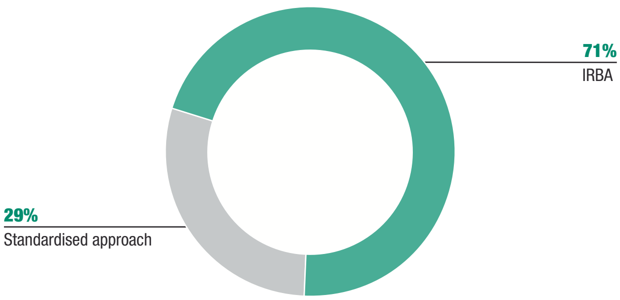
Total: EUR 442 billion

Credit risk - Risk-weighted assets on 31 December 2008



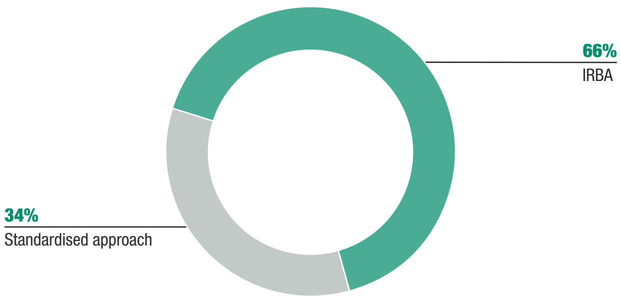
Total: EUR 351 billion

Exposure to credit risk on 31 December 2009



Total: EUR 1,330 billion

Exposure to credit risk on 31 December 2008



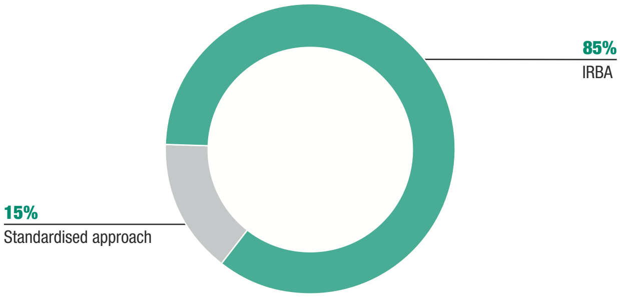
Total: EUR 973 billion

(*) *Excluding other non-credit obligation assets.*

Looking at counterparty risk, the share of risk-weighted assets using the IRBA approach accounted for 85% as of 31 December 2009, versus 94% as of 31 December 2008. The drop resulted from the combined impact of the consolidation of BNP Paribas Fortis and BGL BNP Paribas and the decline in exposure at default (modelled EAD, weighted using the IRBA approach) following the tightening of interest rate spreads in 2009. However, the share of exposure at default (EAD) using the IRBA approach remained very significant (95% as of 31 December 2009).

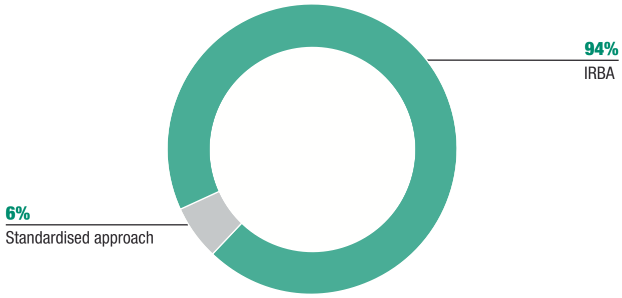
COUNTERPARTY RISK-WEIGHTED ASSETS AND EXPOSURE BY APPROACH

Counterparty risk - Risk-weighted assets
on 31 December 2009



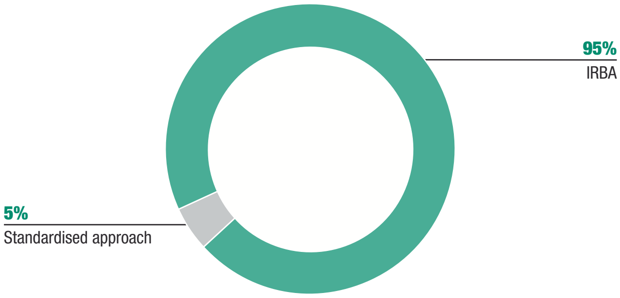
Total: EUR 27 billion

Counterparty risk - Risk-weighted assets
on 31 December 2008



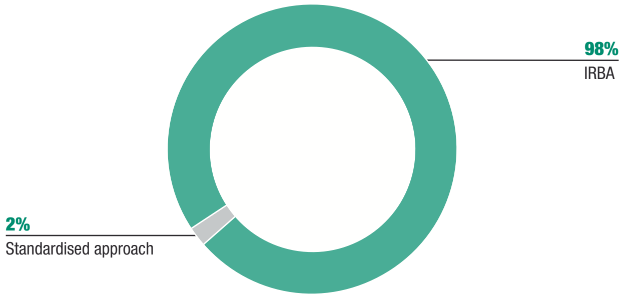
Total: EUR 30 billion

Counterparty risk - Exposure at Defaut (EAD)
on 31 December 2009



Total: EUR 100 billion

Counterparty risk - Exposure at Defaut (EAD)
on 31 December 2008



Total: EUR 107 billion

Equity risk

The share of equity risk in the Group's risk-weighted assets in 2009 including BNP Paribas Fortis and BGL BNP Paribas (calculated using the simple risk weight approach or the standardised approach) declined to 5% as of 31 December 2009 (vs. 8% as of 31 December 2008) due to the positive performance of equity markets during the year and to numerous asset disposals on 2009.

Market risk

Market risk accounted for 4% of the Group's Basel II risk-weighted assets as of 31 December 2009, down from 6% on 31 December 2008. The end of 2008 had seen exceptional market conditions, particularly after the bankruptcy of Lehman Brothers.

Regulatory capital requirements fell sharply in 2009. The capital markets activities gradually adjusted their risk profiles to these new market conditions. Moreover, the end of the markets crisis has led to a gradual decline in volatility, this had two effects: first on sensitivity, with a drop in risk at constant exposure, and second on historical volatility, with a direct impact on the covariance matrices used to calculate VaR.

The regulatory capital requirement is mainly covered by the internal model (VaR), except for a part of the foreign exchange risk and a few risk factors related to the BNP Paribas Fortis and BGL BNP Paribas scope of consolidation.

Operational risk

The share of operational risk in the Group's total risk-weighted assets rose from 8% on 31 December 2008 to 9% on 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 December 2009	1 January 2009	31 December 2008
TIER 1 CAPITAL	**62,910**	**41,799**	**41,799**
Tier 2 capital	**25,298**	**17,951**	**17,951**
Tier 2 regulatory deductions	**(1,146)**	**(1,003)**	**(1,003)**
Allocated Tier 3 capital	**1,352**	**752**	**752**
REGULATORY CAPITAL	**88,414**	**59,499**	**59,499**
Credit risk	482,944	387,960	387,960
Counterparty risk	27,435	29,790	29,790
Equity risk	29,446	40,584	40,584
Market risk	23,666	29,727	29,727
Operational risk	57,223	39,582	39,582
Impact of Basel I floor (*)			*7,504*
RISK-WEIGHTED ASSETS	**620,714**	**527,643**	**535,147**
TIER 1 RATIO	**10.1%**	**7.9%**	**7.8%**
TOTAL CAPITAL RATIO	**14.2%**	**11.3%**	**11.1%**

(*) *90% of Basel I risk-weighted assets in 2008 and 80% in 2009.*

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.

Starting 1 January 2009, the banking supervisor's floor for calculating risk-weighted assets decreased to 80% of the Basel I risk-weighted assets. As on 31 December 2009 this floor was below the level of the Basel II risk-weighted assets, the Group calculates its solvency ratios using Basel II risk-weighted assets, which amounted to EUR 621 billion.

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, "Management of credit risk - lending activities")

CREDIT RISK DIVERSIFICATION

INDUSTRY DIVERSIFICATION

(See Note 4.d. to the Financial Statements, "Industry diversification")

GEOGRAPHIC DIVERSIFICATION

(See Note 4.d. to the Financial Statements, "Geographic diversification")

CREDIT RISK: INTERNAL RATINGS BASED APPROACH (IRBA)

INTERNAL RATING SYSTEM

(See Note 4.d. to the Financial Statements, "Internal rating system")

The tables below give the breakdown by internal rating of the loans and commitments for all the Group's business lines using the advanced IRBA. 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 of the Group's business lines using the advanced IRBA. As of 31 December 2009, this exposure represented EUR 710 billion of the gross credit risk and concerns CIB, FRB, BNP Paribas Securities Services (BP2S) in the Investment Solutions Division as well as most of the BNP Paribas Fortis and BGL BNP Paribas scope, versus EUR 496 billion on 31 December 2008.

The increase between 31 December 2008 and 31 December 2009 was mainly due to the integration of BNP Paribas Fortis and BGL BNP Paribas, which represented EUR 267 billion as of 30 June 2009 (first time consolidation).

(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 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**

Compared to 31 December 2008, the share of the Group's exposure to central governments and central banks expanded significantly due to the strong proportion of these exposures in the portfolios of BNP Paribas Fortis and BGL BNP Paribas and the increase in outstanding loans and commitments of this exposure category in the historical scope of consolidation.

The integration of BNP Paribas Fortis and BGL BNP Paribas entailed no other major changes in the other exposure categories of the "Corporate" portfolio.

A capital charge for the non-performing assets (Internal rating 11 and 12 in 2009) was recognised in accordance with Article 129 of 20 February 2007.

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 2008
Central governments and central banks	1	70,435	70,360	75	55%	70,512	1%	0%	0
	2	6,047	5,896	151	55%	5,987	1%	0%	0
	3	1,622	1,584	38	95%	1,623	20%	9%	0
	4	259	47	211	100%	259	19%	11%	0
	5	1,448	1,298	150	55%	1,382	42%	49%	2
	6	665	309	356	55%	505	9%	23%	0
	7	830	616	214	58%	741	8%	22%	2
	8	350	288	62	53%	319	10%	36%	2
	9	269	181	88	50%	225	23%	100%	6
	10	373	150	222	83%	327	64%	194%	22
	11	12	12	0	55%	11	80%	0%	8
TOTAL		**82,310**	**80,742**	**1,567**	**66%**	**81,891**	**3%**	**3%**	**42**
Institutions	1	32,368	26,326	6,042	65%	30,319	9%	2%	1
	2	38,809	31,427	7,382	64%	36,252	15%	4%	2
	3	7,101	5,693	1,408	62%	6,589	28%	14%	1
	4	4,976	3,900	1,076	67%	4,632	32%	21%	2
	5	3,970	3,518	452	73%	3,855	33%	38%	4
	6	3,225	1,997	1,228	75%	2,940	32%	63%	9
	7	1,250	948	302	67%	1,154	38%	108%	13
	8	2,435	1,711	724	57%	2,124	25%	87%	33
	9	353	158	195	52%	261	50%	222%	15
	10	872	385	487	51%	640	18%	91%	20
	11	594	240	354	86%	550	56%	0%	232
	12	43	36	7	98%	43	69%	0%	22
TOTAL		**95,996**	**76,339**	**19,657**	**65%**	**89,359**	**17%**	**13%**	**354**
Corporates	1	9,361	2,784	6,577	66%	7,141	27%	7%	1
	2	49,081	14,653	34,428	61%	35,712	36%	13%	4
	3	40,744	17,722	23,022	54%	30,269	38%	22%	9
	4	54,828	27,707	27,121	56%	42,995	37%	33%	26
	5	48,447	29,998	18,449	62%	41,555	35%	47%	50
	6	51,450	33,627	17,823	65%	45,272	30%	64%	136
	7	42,335	27,745	14,590	71%	38,186	26%	78%	291
	8	11,051	7,171	3,880	80%	10,296	25%	96%	173
	9	2,838	1,866	972	75%	2,594	30%	143%	86
	10	2,799	1,251	1,548	80%	2,500	21%	114%	96
	11	3,182	2,844	338	84%	3,130	49%	0%	1,598
	12	1,097	1,022	75	78%	1,082	64%	0%	725
TOTAL		**317,213**	**168,390**	**148,823**	**62%**	**260,732**	**33%**	**46%**	**3,194**
TOTAL		**495,519**	**325,470**	**170,049**	**62%**	**431,982**	**24%**	**31%**	**3,590**

Most of the Group's central governments, central banks and institutions counterparties are investment grade and based in developed countries, meaning that they have very good internal ratings and very low average Loss Given Default levels.

The majority of the Group's corporate commitments concerns counterparties of good or excellent quality, reflecting the large percentage of multinationals in BNP Paribas' customer base. The Group's commitments with non-investment grade borrowers are mainly structured transactions or transactions backed by high-quality assets, reflected in their average Loss Given Default 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 IRBA. This exposure represented EUR 184 billion of the gross credit risk on 31 December 2009, versus EUR 121 billion on 31 December 2008 and primarily concerns French Retail Banking (FRB), French customer loans subsidiaries in the Personal Finance business, and the scope of BNP Paribas Fortis and BGL BNP Paribas.

The increase between 31 December 2008 and 31 December 2009 was mainly due to the integration of BNP Paribas Fortis and BGL BNP Paribas, which represented EUR 56 billion as of 30 June 2009 (first-time consolidation).

	31 December 2009								
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
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**

In millions of euros									31 December 2008
	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	17,843	17,292	551	100%	17,820	14%	1%	1
	3	8,570	8,340	229	100%	8,558	15%	3%	1
	4	6,977	6,796	181	100%	6,968	15%	5%	1
	5	10,454	10,140	314	100%	10,440	15%	8%	5
	6	3,209	3,102	107	100%	3,204	16%	18%	4
	7	2,071	1,923	148	100%	2,068	16%	34%	7
	8	27	26	1	100%	27	16%	71%	0
	9	1,057	1,043	14	100%	1,055	16%	82%	19
	10	365	360	5	100%	365	17%	96%	11
	11	327	326	1	100%	327	30%	0%	101
TOTAL		**50,900**	**49,349**	**1,551**	**100%**	**50,832**	**15%**	**8%**	**150**
Revolving exposures	2	2,624	467	2,157	113%	3,973	41%	1%	1
	3	2,206	550	1,656	53%	2,472	45%	2%	1
	4	3,492	330	3,162	61%	2,702	44%	4%	2
	5	5,523	523	5,000	52%	3,564	39%	7%	5
	6	6,336	1,220	5,116	53%	4,270	38%	16%	17
	7	4,679	2,187	2,492	68%	4,034	44%	41%	55
	8	1,463	1,002	461	60%	1,340	43%	65%	37
	9	1,069	780	289	53%	1,009	44%	90%	47
	10	1,295	1,033	262	48%	1,190	45%	130%	152
	11	1,535	1,165	370	14%	1,214	74%	0%	914
TOTAL		**30,222**	**9,256**	**20,967**	**61%**	**25,768**	**43%**	**24%**	**1,231**
Other exposures	2	2,501	2,297	204	100%	2,514	30%	3%	0
	3	3,145	2,821	324	88%	3,126	27%	5%	1
	4	4,709	4,336	373	70%	4,618	28%	9%	2
	5	5,803	5,322	481	71%	5,697	26%	17%	6
	6	5,419	4,976	443	66%	5,327	27%	29%	14
	7	6,548	6,203	345	72%	6,545	19%	34%	43
	8	3,331	3,150	181	73%	3,340	19%	35%	45
	9	2,941	2,833	108	84%	2,991	25%	49%	90
	10	2,434	2,425	9	74%	2,432	20%	53%	186
	11	3,175	3,103	72	91%	3,165	63%	0%	2,066
TOTAL		**40,006**	**37,466**	**2,539**	**76%**	**39,755**	**27%**	**23%**	**2,453**
TOTAL		**121,128**	**96,072**	**25,056**	**65%**	**116,355**	**25%**	**17%**	**3,834**

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 reflects the guarantees put in place when the mortgages were granted.

Most of the revolving exposures and other exposures relate to customer loans subsidiaries that have a wide range of customers in terms of credit quality and a lower level of guarantees. The share of exposures in these segments has increased for ratings 5 to 7 in comparison with the breakdown on 31 December 2008, at the expense of the 2 and 3 ratings. This new breakdown primarily reflects the integration of the BNP Paribas Fortis and BGL BNP Paribas portfolios, which totalled EUR 56 billion as of 30 June 2009.

CREDIT RISK: STANDARDISED APPROACH

(See Note 4.d. to the Financial Statements, "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's business lines using the standardised approach. This exposure represented EUR 377 billion of the gross credit risk on 31 December, 2009, versus EUR 325 billion in December 2008.

In millions of euros	External rating (*)	31 December 2009			31 December 2008		
		Gross exposure (**)	Exposure at Default (EAD)	Risk-weighted exposure (RWA)	Gross exposure (**)	Exposure at Default (EAD)	Risk-weighted exposure (RWA)
Central governments and central banks	AAA to AA-	18,882	18,814	195	11,706	11,681	10
	A+ to A-	1,808	1,737	108	1,984	1,991	144
	BBB+ to BBB-	7,324	7,291	3,006	133	133	7
	BB+ to BB-	2,140	2,137	2,137	2,164	2,153	1,957
	B+ to B-	350	345	343	25	23	23
	CCC+ to D	0	0	0	22	22	33
	No external rating	855	803	810	644	617	577
TOTAL		**31,359**	**31,127**	**6,599**	**16,678**	**16,620**	**2,751**
Institutions	AAA to AA-	20,418	19,064	3,737	21,548	20,782	4,146
	A+ to A-	698	619	254	3,747	3,367	760
	BBB+ to BBB-	662	542	423	531	421	346
	BB+ to BB-	145	63	62	1,102	1,035	1,032
	B+ to B-	40	36	35	237	227	227
	CCC+ to D	7	5	7	0	0	0
	No external rating	6,691	5,969	3,017	6,663	6,496	6,131
TOTAL		**28,661**	**26,298**	**7,535**	**33,828**	**32,328**	**12,642**
Corporates	AAA to AA-	887	862	167	2,415	2,392	499
	A+ to A-	1,113	1,078	539	575	562	280
	BBB+ to BBB-	671	582	582	353	317	316
	BB+ to BB-	444	389	388	144	129	129
	B+ to B-	219	167	250	149	142	212
	CCC+ to D	78	77	115	10	10	16
	No external rating	145,929	113,419	106,205	126,787	102,828	99,852
TOTAL		**149,341**	**116,575**	**108,246**	**130,434**	**106,381**	**101,303**
Retail	No external rating	167,960	138,593	79,132	144,312	120,980	68,679
TOTAL		**167,960**	**138,593**	**79,132**	**144,312**	**120,980**	**68,679**
TOTAL		**377,321**	**312,593**	**201,512**	**325,252**	**276,309**	**185,375**

(*) *Source: Standard & Poor's.*
(**) *Balance sheet and off-balance sheet.*

The table above excludes counterparty risk, other non credit-obligation assets, and securitisation positions.

On 31 December 2009, 83% of the Group's total exposure to central governments, central banks, and institutions was investment grade, versus 79% on 31 December 2008.

The increase between 31 December 2008 and 31 December 2009 reflects the integration of entities belonging to BNP Paribas Fortis and BGL BNP Paribas, whose exposure to credit risk is calculated using the standardised approach, and which stood at EUR 43 billion on 30 June 2009 (date of first-time consolidation).

Group entities that use the standardised approach to calculate their capital requirement typically have a business model that is focused on individuals or SMEs, or are located in a region with an underdeveloped credit rating system (e.g. Turkey, Ukraine, or the Middle East). As a result, most companies 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, "Impairment procedures")

(See Note 4.d. to the Financial Statements, "Loans with past-due instalments, whether impaired or not, and related collateral or other securities")

➤ EXPOSURES IN DEFAULT BY GEOGRAPHIC BREAKDOWN

2009 saw the integration of BNP Paribas Fortis and BGL BNP Paribas, which have a major franchise in Belgium and Luxembourg. As a result, these two domestic markets stand out in 2009 analysis.

	31 December 2009			
		Exposure in default (*)		
In millions of euros	Gross exposure	Standardised approach	IRBA	Fair value adjustment
France	341,622	3,144	7,906	5,534
Italy	162,469	7,719	615	4,369
Belgium	151,445	201	3,756	2,294
Luxembourg	20,364	14	314	448
Other West European countries	237,294	2,074	4,582	3,457
Central & Eastern Europe, Mediterranean Basin & Turkey	90,022	3,184	1,286	2,144
North America	175,537	1,537	2,687	1,291
Latin America	27,214	351	719	770
GCC (**) - Africa	31,363	437	901	466
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 guarantees.*
(**) *Gulf Cooperation Council.*

➤ EXPOSURES IN DEFAULT BY GEOGRAPHIC BREAKDOWN OF 2008

	31 December 2009			
		Exposure in default (*)		
In millions of euros	Gross exposure	Standardised approach	IRBA	Fair value adjustment
France	341,622	3,144	7,906	5,534
Italy	162,469	7,719	615	4,369
EU 15 (excluding France and Italy)	381,884	1,987	8,182	6,031
Switzerland & other EEA countries	55,926	1,071	768	641
Other European Countries	17,175	1,350	776	804
North America	175,537	1,537	2,687	1,291
Latin America	27,214	351	719	770
Africa & the Middle East	75,503	1,502	1,113	1,333
Japan & Oceania	46,119	51	862	424
Other Asia	46,527	102	309	187
TOTAL	**1,329,976**	**18,814**	**23,937**	**21,384**

(*) *Gross exposure (balance sheet and off-balance sheet) before guarantees.*

In millions of euros	31 December 2008			
		Exposure in default [(*)]		
	Gross exposure	Standardised approach	IRBA	Fair value adjustment
France	295,381	1,894	5,389	4,217
Italy	141,255	5,664	32	3,101
EU 15 (excluding France and Italy)	161,284	944	1,206	999
Switzerland & other EEA countries	35,127	206	219	303
Other European Countries	17,698	224	205	190
North America	162,208	690	998	855
Latin America	22,477	166	469	274
Africa & the Middle East	61,709	991	365	787
Japan & Oceania	37,465	2	921	261
Other Asia	38,207	64	213	158
TOTAL	**972,810**	**10,846**	**10,016**	**11,146**

[(*)] *Gross exposure (balance sheet and off-balance sheet) before guarantees.*

The growth of the exposure in default between 31 December 2008 and 31 December 2009 was due to the exposure in default (EUR 8,9 billion) of BNP Paribas Fortis and BGL BNP Paribas as consolidated on 31 December 2009, and for the balance, to the worsened economic environment.

➤ 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, and does not include impairments of counterparty risk on market financial instruments.

In millions of euros	31 December 2009					
		Exposure in default [(*)]				
	Gross exposure	Standardised approach	IRBA	Fair value adjustment	Total portfolio provisions	Cost of risk
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)**

In millions of euros	31 December 2008					
		Exposure in default [(*)]				
	Gross exposure	Standardised approach	IRBA	Fair value adjustment	Total portfolio provisions	Cost of risk
Central governments and central banks	98,987	71	12	94		
Corporates	447,646	4,620	4,279	4,721		
Institutions	129,825	57	637	127		
Retail	265,440	6,096	5,037	6,160		
Securitisation positions	30,911	3	51	44		
TOTAL	**972,810**	**10,846**	**10,016**	**11,146**	**3,792**	**(3,973)**

[(*)] *Gross exposure (balance sheet and off-balance sheet) before guarantees.*

(See Note 2.f. to the Financial Statements, "Cost of risk")

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 on bonds), the Equity and Advisory business (stock lending and borrowing), and BNP Paribas Securities Services (BP2S) (both bonds and equity).

➤ EXPOSURES AT DEFAULT (EAD) BY CALCULATION APPROACH

	31 December 2009						
	Internal model (EEPE) (*)			NPV (**) + Add-On			
In millions of euros	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**

	31 December 2008						
	Internal model (EEPE) (*)			NPV (**) + Add-On			
In millions of euros	IRBA	Standardised	Sub-total	IRBA	Standardised	Sub-total	TOTAL
Derivatives	84,019	170	84,189		2,296	2,296	86,485
Securities financing transactions and deferred settlement transactions	20,388	0	20,388				20,388
TOTAL	**104,407**	**170**	**104,577**		**2,296**	**2,296**	**106,873**

(*) *Effective Expected Positive Exposure.*
(**) *Net Present Value.*

Most of the Exposures at Default (EAD) on counterparty risk are calculated using internal models as discussed in Note 4.d. to the Financial Statements. For the Group's exposure that is not calculated using internal models (around 2% of total exposures of historical scope of BNP Paribas, including Fortis scope since the end of 2009). Exposure at Default is calculated using the market value method (net present value + add-on).

The risk-weighted assets for counterparty risk are then calculated by multiplying the EAD by a risk weight that depends on the approach used (standardised approach or IRBA).

In 2009, exposure at default falls in spite of the integration of BNP Paribas Fortis and BGL BNP Paribas, due to the reduction of the risk profiles and to the improvement of market parameters.

SECURITISATION TRANSACTIONS

SECURITISATION

(See Note 4.d. to the Financial Statements, "Securitisation")

ACCOUNTING METHODS

(See Note 1. to the Financial Statements, "Summary of significant accounting policies applied by the Group")

SECURITISATION EXPOSURES

(See Note 4.d. to the Financial Statements, "Securitisation")

➤ SECURITISATION EXPOSURES ON TRANSACTIONS ORIGINATED BY BNP PARIBAS BY SECURITISATION TYPE

In millions of euros		Securitisation exposures originated by BNP Paribas	
Securitisation type	**Calculation approach**	**31 December 2009**	**31 December 2008**
Traditional	IRBA	14,066	424
	Standardised	4,701	4,442
TOTAL		**18,767**	**4,866**

➤ SECURITISATION EXPOSURES ON TRANSACTIONS ORIGINATED BY BNP PARIBAS BY UNDERLYING ASSET CATEGORY

In millions of euros	Securitisation exposures originated by BNP Paribas	
Asset category	**31 December 2009**	**31 December 2008**
Residential mortgages	16,584	4,442
Loans to corporates or SMEs	909	35
Consumer loans	0	389
Re-securitisation	956	
Other assets	318	
TOTAL	**18,767**	**4,866**

As of 31 December 2009, five securitisation transactions, all on residential mortgages, were efficient from a Basel II perspective: two originated by BNL (Vela Home 2 and Vela Home 3) and three by the Spanish subsidiary UCI (UCI 12, UCI 15 and UCI 16), giving total securitisation exposure of EUR 4.4 billion (unchanged compared to 31 December 2008).

At the same date, no consumer loan securitisation transactions were efficient from a Basel II perspective.

As of 31 December 2009, the Group had arranged securitisation transactions for EUR 0.4 billion in loans to corporates by the BNP Paribas Group, of which EUR 0.4 billion by Fixed Income (Matchpoint conduit) and EUR 33 million by Structured Finance in its business of managing CLOs for third parties.

EUR 0.8 billion of re-securitisation exposures are due to BNP Paribas Fortis integration. Furthermore, the securitisation exposures of the Royal Park Investment (RPI) special purpose vehicle (EUR 12.1 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 the Exposure at Default (EAD) by a risk weight that is 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 weight 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 IRBA 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 factor may also be applied in a small number of cases.

Securitisation positions held by the CIB Division, BNP Paribas Fortis and BGL BNP Paribas as of 31 December 2009 were calculated using IRBA.

For rated securitisation positions, the Group uses external ratings from the Standard & Poor's, Moody's, and Fitch rating agencies. It then matches these ratings with the credit quality levels set forth in French regulations according to a procedure outlined by the French banking supervisor.

In millions of euros	31 December 2009		31 December 2008	
Calculation approach	**Securitisation positions held or acquired (EAD)**	**Risk-weighted assets**	**Securitisation positions held or acquired (EAD)**	**Risk-weighted assets**
IRBA	46,817	22,753	25,499	7,928
Standardised	5,260	7,483	5,412	3,297
TOTAL	**52,077**	**30,236**	**30,911**	**11,225**

Risk-weighted assets corresponding to securitisation positions held or acquired by the Group amounted to EUR 30.2 billion on 31 December, 2009 (4.9% of BNP Paribas' total risk-weighted assets), versus 11.2 billion as of 31 December 2008 (i.e. 2.1%).

The change reflects on the one hand the integration of securitisation portfolios following BNP Paribas Fortis integration (risk-weighted assets of EUR 13.6 billion essentially in the IN portfolio) and, on the other hand, the deterioration in the external ratings of the Group's investor portfolios (EUR 2.9 billion at BancWest, EUR 1.4 billion at CIB and 1.1 billion at Investment Solutions).

➤ SECURITISATION POSITION QUALITY

As of 31 December 2009, 87% of the securitisation positions held or acquired by the Group were senior tranches, versus 77% on 31 December 2008, 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 2009**	**31 December 2008**
Senior tranche	45,343	23,792
Mezzanine tranche	6,193	6,949
First-loss tranche	541	170
TOTAL	**52,076**	**30,911**

➤ SECURITISATION POSITIONS BY APPROACH, CALCULATION METHOD, AND RISK WEIGHT

➤ *IRBA*

In millions of euros	Securitisation positions held or acquired (EAD)	
Calculation method	**31 December 2009**	**31 December 2008**
6% - 10%	20,842	4,605
12% - 18%	1,890	1,493
20% - 35%	2,753	2,612
50% - 75%	870	200
100%	386	271
250%	145	62
425%	155	71
650%	84	83
External ratings-based method	**27,125**	**9,397**
1250%	**2,065**	**371**
IAA [(1)]	**2,005**	**0**
Supervisory Formula Approach	**15,622**	**15,613**
Look-through approach	**0**	**118**
TOTAL	**46,817**	**25,499**

(1) *Internal Assessment Approach.*

Out of the EUR 27 billion of securitisation positions with an external rating:

- 77% by EAD are rated above A+ and therefore have a risk weight of less than 10% as of 31 December 2009, versus 49% on 31 December 2008;
- the vast majority (94% by EAD) were rated above BBB+ on 31 December 2009 (unchanged compared to 31 December 2008).

➤ *Standardised approach*

In millions of euros	Securitisation positions held or acquired (EAD)	
Calculation method	**31 December 2009**	**31 December 2008**
20%	3,508	4,797
50%	537	232
100%	246	154
350%	347	36
External ratings-based method	**4,638**	**5,219**
1250%	**614**	**185**
Look-through approach	**8**	**8**
TOTAL	**5,260**	**5,412**

Out of the EUR 4.6 billion of securitisation positions with an external rating, a large majority (76% by EAD, versus 92% as of 31 December 2008) are rated above AA- and therefore have a risk weight of 20%.

Customer securitisation programmes

(See the 2009 Review of Operations, Section 3.3., "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.

5.5 Market risk

MARKET RISK RELATED TO FINANCIAL INSTRUMENT TRANSACTIONS

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 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 2009 Market risk excl. foreign exchange risk	Foreign exchange risk	Total market risk	31 December 2008 Market risk excl. foreign exchange risk	Foreign exchange risk	Total market risk
Internal model	1,068	18	1,086	2,002	0	2,002
Standardised approach	310	497	807	64	312	376
TOTAL	**1,378**	**515**	**1,893**	**2,066**	**312**	**2,378**

MARKET RISKS RELATED TO THE TRADING BOOK

(See Note 4.e. to the Financial Statements, "Market Risk related to Financial Instruments")

RISK MANAGEMENT POLICY

(See Note 4.e. to the Financial Statements, "Measurement of market risk on trading activities")

➤ CAPITAL REQUIREMENT BY RISK FACTOR

Type of risk	31 December 2009	31 December 2008
Internal model	1,086	2,002
Standardised approach	807	376
Commodity risk	*32*	*0*
Interest rate risk	*278*	*64*
Equity position risk	*1*	*0*
Foreign exchange risk	*496*	*312*
Additional capital requirement for exceeding large exposure limits	0	0
TOTAL	**1,893**	**2,378**

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 financial instruments")

Market risk under extreme market conditions

(See Note 4.e. to the Financial Statements, "Market risk related to 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 carefully manage its risks, including the most complex ones.

The stress test results are presented to business line 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.

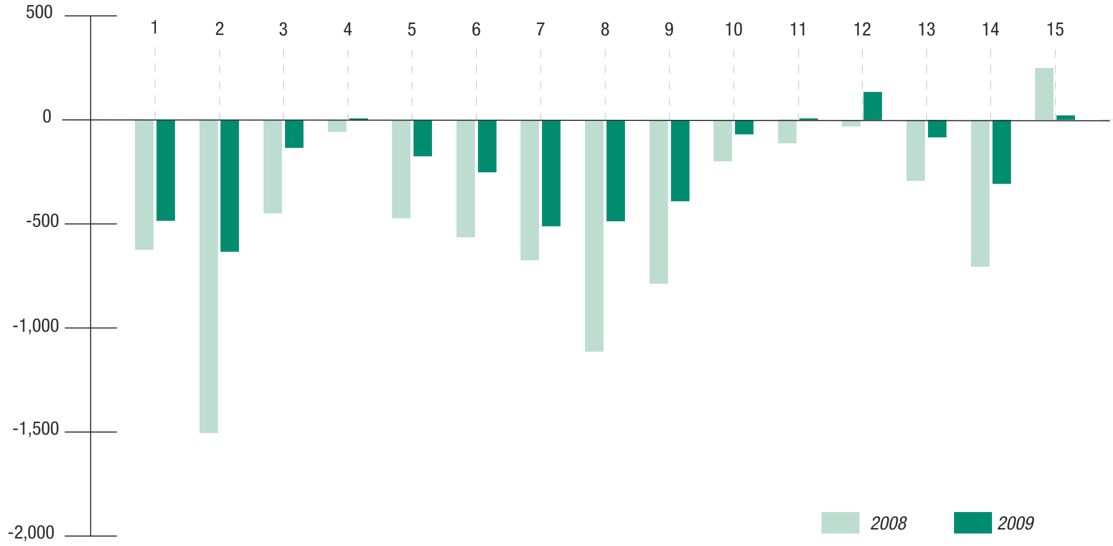
The fifteen stress test scenarios outlined by GRM correspond to crisis situations; i.e., major shocks affecting all market risk factors (interest rate, equity, credit, volatility, currency, etc.). These stress tests have revealed a limited level of potential losses, confirming the Group's strong resilience to market risks; none of these worst-case scenarios taken individually would have a serious adverse impact on the Bank's financial strength.

The fifteen scenarios capture a variety of different stresses as follows:

- scenario 1: Unexpected hike by central banks, driving 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 USD;
- scenario 5: Emerging Market crisis driven from Asia;
- scenario 6: Emerging Market 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 DECREASES IN 2008 AND 2009 REVENUES FROM MARKET ACTIVITIES, AS A RESULT OF EACH OF THE 15 STRESS SCENARIOS (in millions of euros)



As 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 Group has set to work on building a uniform set of stress-testing methodologies.

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 lists the Group's equity risk exposures by investment objective:

➤ BREAKDOWN OF RISK EXPOSURE BY INVESTMENT OBJECTIVE

In millions of euros	Exposure (*)	
	31 December 2009	31 December 2008
Strategic objective	4,389	4,627
Return on investment objective	4,396	3,496
Equity investments related to business	6,728	6,636
TOTAL	**15,513**	**14,759**

(*) *Fair value (balance sheet + off-balance sheet).*

On 31 December 2009 exposures amounted to EUR 15.5 billion, versus EUR 14.8 billion on 31 December 2008. Off-balance sheet items stood at EUR 4.2 billion on 31 December 2009, versus EUR 4.6 billion on 31 December 2008, and are guarantees given to UCITS.

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")

SCOPE AND APPROACH

The Group Compliance Department has outlined the Group's operational risk management approach.

This approach uses an operational risk model so as to ensure that the vast majority of operational risks are covered.

The corresponding capital requirement is calculated for each legal entity in the Group's 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.

The most significant entities in each division use the AMA. This includes most of FRB, CIB, and Investment Solutions.

Entities that are still in the process of adopting 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.

BNP Paribas Fortis and BGL BNP Paribas are also AMA approved institutions with a framework that is similar to that of BNP Paribas and a large number of entities using this method. 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 units 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, banks must develop an internal operational risk model based on internal loss data (potential and historic), external loss data, scenario analyses, environmental factors, and internal controls.

BNP Paribas' internal model meets the AMA criteria and includes the following features:

- it 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 preponderance for forecasts because forecast can be shaped to reflect severe risks;
- it 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 indicator and standardised) to calculate the capital requirements for entities in the Group's scope of consolidation that are not integrated in the internal model.

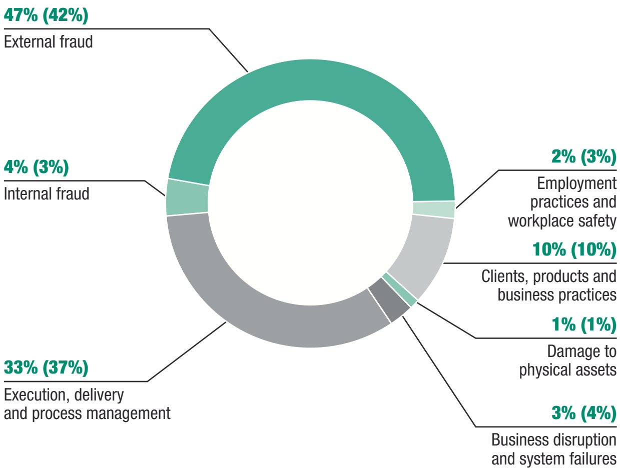
Basic indicator approach: The capital requirement is calculated by multiplying the entity's average revenues (the exposure indicator) over the past three years by an alpha parameter set by the regulator (15% risk weight).

Standardised approach: The capital requirement is calculated by multiplying the entity's average revenues 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.

OPERATIONAL RISK EXPOSURE

Basel II divides operational loss events into seven categories: (i) internal fraud; (ii) external fraud; (iii) employment practices and workplace safety (e.g. an anomaly in the recruitment process); (iv) clients, products and business practices (e.g. market manipulation, product defects, etc.); (v) damage to physical assets; (vi) business disruption and system failures; (vii) execution, delivery and process management (e.g. hedging management or valuation error).

➤ OPERATIONAL LOSSES: BREAKDOWN BY EVENT TYPE (AVERAGE 2006-2009) (*)



(*) *Percentages between brackets correspond to the average loss by type of event (2006-2008).*

External fraud is the main operational loss event for the BNP Paribas Group, accounting for 47% of the Group's operational losses on average from 2006 to 2009. The increase in the relative share of external fraud is due to a few significant incidents in capital markets following the recent financial turmoil and the deteriorating economic climate in the Retail Banking Division (payment and credit fraud). Most attempted fraud (over 95% in consumer credit) is foiled thanks to the Group's tightly-run anti-fraud system. BNP Paribas' exposure to fraud in financial markets was another contributor to the losses.

Execution and delivery errors are the second-biggest loss event for the BNP Paribas Group. This percentage increased as the cost of reversing positions became more expensive in a climate of market volatility.

Commercial practices, the third-biggest loss event, accounted for 10% of the Group's operational losses on average over the past four years. Whilst the financial crisis has contributed to an increase in commercial litigation, the implementation of a MiFID-compliant control plan has nonetheless played a mitigating role.

Business disruption and other system failures accounted for slightly more than 3% of the Group's operational losses from 2006 to 2009.

Internal fraud and its impact remain contained, representing slightly more than 4% of losses from 2006 to 2009. However, these relatively low losses should not mask the potential risk inherent to internal fraud. It is a major contributor to the Group's regulatory capital requirement and is a key focus of the operational risk management framework. The internal control enhancement initiative launched in corporate and investment banking in the aftermath of the massive internal fraud in the banking sector in early 2008, continued throughout 2009. In Retail Banking, anti-fraud programmes (training, procedures, tools and controls) have also been stepped up in the locations where this is needed and are a clear priority for management.

Employment practices and damage to physical assets are negligible in relative terms, accounting for just 2% of the Group's operational losses from 2006 to 2009.

5

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, "Insurance policies")

5.7 Appendix: Capital requirements of significant subsidiaries

The following tables give the capital requirements of significant subsidiaries (in terms of their percentage of the Group's total capital requirement) by type of risk, except for market risk on the trading book.

BNP PARIBAS FORTIS AND BGL BNP PARIBAS

In millions of euros	Risk-weighted assets (*) 31 December 2009
CREDIT AND COUNTERPARTY RISK	**123,713**
Credit risk	**115,047**
Credit risk - IRBA	**86,442**
Central governments and central banks	1,194
Corporates	52,127
Institutions	9,724
Retail	10,997
Mortgages	*4,287*
Revolving exposures	*58*
Other exposures	*6,652*
Securitisation positions	12,139
Other non credit-obligation assets	261
Credit risk – Standardised approach	**28,605**
Central governments and central banks	1,366
Corporates	15,538
Institutions	1,232
Retail	5,033
Mortgages	*893*
Revolving exposures	*318*
Other exposures	*3,822*
Other non credit-obligation assets	5,436
Counterparty risk	**8,666**
Counterparty risk – IRBA	**6,236**
Central governments and central banks	18
Corporates	3,022
Institutions	3,196
Counterparty risk – Standardised approach	**2,430**
Corporates	2,291
Institutions	129
Retail	10
EQUITY RISK	**6,234**
Simple weighting method (other exposures)	3,446
Private equity exposures in diversified portfolios	*1,099*
Listed equities	*807*
Other equity exposures	*1,540*
Standardised approach	2,788
MARKET RISK	**5,556**
Internal model	1,449
Standardised approach	4,107
OPERATIONAL RISK	**11,037**
Advanced Measurement Approach (AMA)	7,963
Basic indicator approach	3,074
TOTAL	**146,540**

(*) *Year-end.*

5

BNL

In millions of euros	Risk-weighted assets (*)	
	31 December 2009	31 December 2008
CREDIT AND COUNTERPARTY RISK	**60,912**	**59,639**
Credit risk	**60,238**	**59,101**
Credit risk – IRBA	**151**	**227**
Corporates	151	227
Credit risk – Standardised approach	**60,086**	**58,874**
Central governments and central banks	2	1
Corporates	40,588	39,373
Institutions	1,442	1,682
Retail	14,749	14,160
Mortgages	*6,620*	*6,865*
Other exposures	*8,129*	*7,295*
Securitisation positions	407	624
Other non credit-obligation assets	2,898	3,034
Counterparty risk	**674**	**538**
Counterparty risk – Standardised approach	**674**	**538**
Corporates	586	414
Institutions	88	124
EQUITY RISK	**704**	**544**
Internal model	704	544
Private equity exposures in diversified portfolios	*67*	*45*
Listed equities	*1*	*9*
Other equity exposures	*637*	*490*
MARKET RISK	**38**	**25**
Standardised approach	38	25
OPERATIONAL RISK	**4,491**	**4,516**
Standardised approach	4,223	4,256
Basic indicator approach	268	260
TOTAL	**66,145**	**64,724**

(*) *Year-end.*

Loans under the IRBA correspond to loans issued by other Group entities that have an intragroup guarantee from BNL Spa.

BANCWEST

In millions of euros	Risk-weighted assets (*) 31 December 2009	31 December 2008
CREDIT AND COUNTERPARTY RISK	**40,543**	**41,333**
Credit risk	**40,265**	**40,900**
Credit risk – Standardised approach	**40,265**	**40,900**
Corporates	20,699	22,813
Institutions	1,210	1,244
Retail	11,128	12,637
Mortgages	*5,394*	*6,109*
Revolving exposures	*460*	*494*
Other exposures	*5,274*	*6,034*
Securitisation positions	4,823	1,881
Other non credit-obligation assets	2,405	2,325
Counterparty risk	**278**	**433**
Counterparty risk – Standardised approach	**278**	**433**
Corporates	278	433
EQUITY RISK	**12**	**33**
Internal model	12	33
Listed equities	*7*	*8*
Other equity exposures	*5*	*25*
MARKET RISK	**36**	**17**
Standardised approach	36	17
OPERATIONAL RISK	**2,813**	**2,785**
Standardised approach	2,813	2,785
TOTAL	**43,405**	**44,168**

(*) *Year-end.*

PERSONAL FINANCE

In millions of euros	Risk-weighted assets (*)	
	31 December 2009	31 December 2008
CREDIT AND COUNTERPARTY RISK	**43,161**	**33,506**
Credit risk	**43,145**	**33,505**
Credit risk – IRBA	**9,485**	**9,413**
Corporates	11	61
Institutions	65	75
Retail	9,409	9,176
Revolving exposures	*5,521*	*5,106*
Other exposures	*3,889*	*4,070*
Securitisation positions	0	101
Credit risk – Standardised approach	**33,660**	**24,092**
Central governments and central banks	78	0
Corporates	245	147
Institutions	138	63
Retail	31,948	22,915
Mortgages	12,455	11,759
Revolving exposures	2,063	1,285
Other exposures	17,430	9,871
Securitisation positions	209	0
Other non credit-obligation assets	1,042	967
Counterparty risk	**16**	**1**
Counterparty risk – Standardised approach	**16**	**1**
Institutions	16	1
EQUITY RISK	**157**	**81**
Internal model	157	81
Other equity exposures	*157*	*81*
MARKET RISK	**49**	**64**
Standardised approach	49	64
OPERATIONAL RISK	**4,806**	**2,880**
Advanced Measurement Approach (AMA)	2,555	1,624
Standardised approach	770	642
Basic indicator approach	1,481	614
TOTAL	**48,173**	**36,531**

(*) *Year-end.*

BNP PARIBAS SUISSE SA

In millions of euros	Risk-weighted assets (*) 31 December 2009	31 December 2008
CREDIT AND COUNTERPARTY RISK	**9,566**	**10,849**
Credit risk	**9,557**	**10,845**
Credit risk - IRBA	**8,820**	**10,321**
Central governments and central banks	5	8
Corporates	7,943	9,170
Institutions	872	1,143
Credit risk - Standardised approach	**737**	**524**
Corporates	343	239
Institutions	0	20
Retail	185	83
Other exposures	*185*	*83*
Other non credit-obligation assets	209	182
Counterparty risk	**9**	**4**
Counterparty risk - Standardised approach	**9**	**4**
Corporates	9	4
EQUITY RISK	**1**	**2**
Internal model	1	2
Other equity exposures	*1*	*2*
OPERATIONAL RISK	**729**	**681**
Advanced Measurement Approach (AMA)	729	681
TOTAL	**10,296**	**11,532**

(*) *Year-end.*

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 2009

In millions of euros, at 31 December	Note	2009	2008
Interest income	2.a	23,509	41,897
Interest expense	2.a	(17,611)	(38,061)
Income on equities and other variable instruments	2.b	2,257	3,108
Commission income	2.c	4,481	4,624
Commission expense	2.c	(1,418)	(1,670)
Gains (losses) on trading account securities		4,325	(56)
Gains (losses) on securities available for sale		382	(1,107)
Other banking income		139	435
Other banking expenses		(203)	(200)
REVENUES		**15,861**	**8,970**
Salaries and employee benefit expenses	5.a	(5,551)	(4,180)
Other administrative expenses		(2,533)	(2,621)
Depreciation, amortisation, and provisions on tangible and intangible assets		(471)	(435)
GROSS OPERATING INCOME		**7,306**	**1,734**
Cost of risk	2.d	(2,379)	(2,023)
OPERATING INCOME		**4,927**	**(289)**
Net gain (loss) on disposals of long-term investments	2.e	(404)	(211)
Net addition to regulated provisions		26	14
INCOME BEFORE TAX		**4,549**	**(486)**
Corporate income tax	2.f	(540)	1,201
NET INCOME		**4,009**	**715**

BALANCE SHEET AT 31 DECEMBER 2009

In millions of euros	Note	31 December 2009	31 December 2008
ASSETS			
Cash and amounts due from central banks and post office banks		27,845	26,238
Treasury bills and money-market instruments	3.c	115,249	144,691
Due from credit institutions	3.a	355,813	400,032
Customer items	3.b	310,232	371,846
Bonds and other fixed-income securities	3.c	103,687	102,603
Equities and other variable-income securities	3.c	6,243	16,961
Investments in subsidiaries and equity securities held for long-term investment	3.c	5,522	5,494
Affiliates	3.c	51,605	43,351
Leasing receivables		47	52
Intangible assets	3.i	5,438	5,382
Tangible assets	3.i	2,200	2,248
Treasury shares	3.d	108	177
Other assets	3.g	182,349	307,662
Accrued income	3.h	70,915	91,125
TOTAL ASSETS		**1,237,253**	**1,517,862**
LIABILITIES			
Due to central banks and post office banks		5,094	680
Due to credit institutions	3.a	385,104	492,110
Customer items	3.b	290,599	306,589
Debt securities	3.f	155,940	166,263
Other liabilities	3.g	267,296	406,442
Accrued expenses	3.h	55,395	80,274
Provisions	3.j	2,891	2,693
Subordinated debt	3.k	24,389	28,310
TOTAL LIABILITIES		**1,186,708**	**1,483,361**
SHAREHOLDERS' EQUITY	6.b		
Share capital		2,371	1,824
Additional paid-in capital		21,331	8,819
Retained earnings		22,834	23,143
Net income		4,009	715
TOTAL SHAREHOLDERS' EQUITY		**50,545**	**34,501**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,237,253**	**1,517,862**

Off-Balance Sheet Items	Note	31 December 2009	31 December 2008
Commitments given			
Financing commitments	4.a	182,137	147,186
Guarantee commitments	4.b	122,932	123,788
Commitments given on securities		593	1,191
Commitments received			
Financing commitments	4.a	87,554	96,783
Guarantee commitments	4.b	146,344	155,922
Commitments received on securities		15	34

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 by 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, 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 corresponding to doubtful loans and loans classified as irrecoverable.

Doubtful loans are defined as loans where the bank considers that there is a risk of borrowers being unable to honour all or part of their commitments. This is the case of all loans on which one or more instalments are more than three months overdue (six months in the case of real estate loans and six months for 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 sound loans 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 substantially all 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 PELs) or at a rate reset every six months using an indexation formula set by law (in the case of CELs); 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 PELs) or at a rate contingent upon the savings phase (in the case of CELs).

BNP Paribas SA's future obligations in respect of each generation (in the case of PELs, a generation comprises all products with the same interest rate at inception; in the case of CELs, 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 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 in respect of 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 of standard CRC 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-term, as well as those held as a result of market-making activities. These securities are valued 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) and 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 of sold 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 development 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 "Equity securities available for sale in the medium-term" 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 to the profit and loss account in "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 in "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 by 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 taxes 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 a decision 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 employees render the associated service. 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 prorata 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 take account of 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 account of 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 in accounting 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 cost 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" in respect of defined-benefit plans comprises the current service cost (the rights vested in 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.

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.).

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 recorded 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 2009

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 in "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.

In millions of euros	2009		2008	
	Income	Expenses	Income	Expenses
Credit institutions	**7,362**	**(6,607)**	**17,756**	**(20,115)**
Demand accounts, loans, and borrowings	5,728	(4,753)	10,052	(11,301)
Securities under repurchase agreements	1,526	(1,854)	7,518	(8,814)
Subordinated loans	108		186	
Customer items	**9,543**	**(3,780)**	**16,743**	**(8,686)**
Demand accounts, loans, and term accounts	9,095	(3,223)	14,966	(6,822)
Securities given and received under repurchase agreements	410	(557)	1,734	(1,864)
Subordinated loans	38		43	
Finance leases	**23**	**(20)**	**22**	**(19)**
Debt securities	**789**	**(5,208)**	**1,077**	**(8,983)**
Bonds and other fixed-income securities	**5,792**		**6,299**	
Trading account securities	1,950		2,557	
Securities available for sale	3,092		3,217	
Debt securities held to maturity	477		255	
Industrial development securities related to France's Sustainable Development Savings Accounts	273		270	
Macro-hedging instruments		**(1,996)**		**(258)**
TOTAL INTEREST INCOME AND EXPENSES	**23,509**	**(17,611)**	**41,897**	**(38,061)**

2.b INCOME ON EQUITIES AND OTHER VARIABLE INCOME INSTRUMENTS

In millions of euros	2009	2008
Securities available for sale	98	21
Investments in subsidiaries and equity securities held for long-term investment	292	422
Affiliates	1,867	2,665
TOTAL INCOME ON EQUITIES AND OTHER VARIABLE INCOME INSTRUMENTS	**2,257**	**3,108**

2.c COMMISSIONS

In millions of euros	2009		2008	
	Income	Expenses	Income	Expenses
Commissions on banking and financing transactions	**2,290**	**(1,191)**	**2,287**	**(1,471)**
Customer items	1,722	(136)	1,570	(88)
Other	568	(1,055)	717	(1,383)
Commissions on financial services	**2,191**	**(227)**	**2,337**	**(199)**
TOTAL COMMISSION INCOME AND EXPENSES	**4,481**	**(1,418)**	**4,624**	**(1,670)**

2.d COST OF RISK AND PROVISION FOR CREDIT RISKS

Cost of risk represents the net amount of impairment losses recognised in respect of 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	2009	2008
Net additions and reversals to provisions	**(2,335)**	**(2,000)**
Customer items and credit institutions	(1,790)	(913)
Off-balance sheet commitments	(84)	117
Securities	(303)	(19)
Doubtful loans	(97)	138
Financial instruments for market activities	(61)	(1,323)
Irrecoverable loans not covered by provisions	**(91)**	**(72)**
Recoveries of loans written-off	**47**	**49**
COST OF RISK	**(2,379)**	**(2,023)**

In millions of euros	2009	2008
Balance at 1 January	**6,433**	**5,027**
Net additions and reversals to provisions	2,335	2,000
Write-offs during the period covered by provisions	(1,018)	(287)
Effect of movements in exchange rates and other	87	(307)
TOTAL PROVISION FOR CREDIT RISKS	**7,837**	**6,433**

The following table gives a breakdown of the provision for credit risk:

In millions of euros	2009	2008
Provisions deducted from assets	**7,092**	**5,838**
For amounts due from credit institutions	371	171
For amounts due from customers	5,699	4,310
For securities	427	106
For financial instruments for market activities	595	1,251
Provisions recognised as liabilities (Note 3.j)	**745**	**595**
For off-balance sheet commitments	578	517
For doubtful loans	167	78
TOTAL PROVISION FOR CREDIT RISKS	**7,837**	**6,433**

2.e NET GAIN (LOSS) ON DISPOSALS OF LONG-TERM INVESTMENTS

	2009		2008	
In millions of euros	Income	Expenses	Income	Expenses
Investments in subsidiaries and equity securities held for long-term investment	**647**	**(650)**	**421**	**(600)**
Divestments	229	(51)	358	(109)
Provisions	418	(599)	63	(491)
Affiliates	**464**	**(867)**	**205**	**(246)**
Divestments	399	(42)	44	(104)
Provisions	65	(825)	161	(142)
Operating assets	**4**	**(2)**	**19**	**(10)**
TOTAL	**1,115**	**(1,519)**	**645**	**(856)**
NET LOSS ON DISPOSALS OF LONG-TERM ASSETS		**(404)**		**(211)**

2.f CORPORATE INCOME TAX

In millions of euros	2009	2008
Current tax expense	**14**	**455**
Deferred tax expense	**(554)**	**746**
TOTAL CORPORATE INCOME TAX EXPENSE	**(540)**	**1,201**

Note 3 NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2009

3.a AMOUNTS DUE FROM AND DUE TO CREDIT INSTITUTIONS

In millions of euros	31 December 2009	31 December 2008
Loans and receivables	**235,048**	**207,570**
Demand accounts	9,471	13,652
Term accounts and loans	220,569	188,655
Subordinated loans	5,008	5,263
Securities received under repurchase agreements	**120,765**	**192,462**
LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	**355,813**	**400,032**
Of which accrued interest	*1,302*	*2,447*

In millions of euros	31 December 2009	31 December 2008
Deposits and borrowings	**247,709**	**247,653**
Demand deposits	19,044	9,651
Term accounts and borrowings	228,665	238,002
Securities given under repurchase agreements	**137,395**	**244,457**
DUE TO CREDIT INSTITUTIONS	**385,104**	**492,110**
Of which accrued interest	*1,076*	*2,374*

3.b CUSTOMER ITEMS

In millions of euros	31 December 2009	31 December 2008
Loans and receivables	**280,638**	**325,499**
Commercial and industrial loans	1,491	1,592
Demand accounts	9,564	11,935
Short-term loans	57,926	60,939
Mortgages	61,802	57,521
Equipment loans	48,231	48,923
Export loans	15,330	15,006
Other customer loans	84,835	127,717
Subordinated loans	1,459	1,866
Securities received under repurchase agreements	**29,594**	**46,347**
CUSTOMER ITEMS - ASSETS	**310,232**	**371,846**
Of which accrued interest	*654*	*1,207*
Of which loans eligible for refinancing by Banque de France	*139*	*9,157*
Of which doubtful loans before provisions	*4,378*	*1,906*
Of which irrecoverable loans before provisions	*4,501*	*3,752*
Of which restructured loans	*37*	*41*

The following table gives the loans and receivables due from customers by counterparty.

	31 December 2009			31 December 2008		
In millions of euros	Sound loans	Doubtful loans Net of provisions	Total	Sound loans	Doubtful loans Net of provisions	Total
Financial institutions	20,813	506	21,319	27,208	206	27,414
Companies	179,786	2,985	182,771	225,553	1,308	226,861
Entrepreneurs	10,945	191	11,136	12,494	235	12,729
Individuals	58,723	703	59,426	53,546	521	54,067
Other non-financial customers	5,976	10	5,986	4,415	13	4,428
TOTAL	**276,243**	**4,395**	**280,638**	**323,216**	**2,283**	**325,499**

In millions of euros	31 December 2009	31 December 2008
Deposits	**243,636**	**254,334**
Demand deposits	57,528	61,932
Term deposits	143,041	154,430
Regulated savings accounts	43,067	37,972
Of which demand regulated savings accounts	*30,997*	*25,695*
Securities given under repurchase agreements	**46,963**	**52,255**
CUSTOMER ITEMS - LIABILITIES	**290,599**	**306,589**
Of which accrued interest	*721*	*1,461*

3.c SECURITIES HELD BY BNP PARIBAS SA

In millions of euros	31 Decembe 2009		31 December 2008	
	Net carrying amount	Market value	Net carrying amount	Market value
Trading account securities	58,668	58,668	92,667	92,667
Securities available for sale	53,406	54,468	48,829	49,167
Of which provisions	*(451)*		*(618)*	
Debt securities held to maturity	3,175	3,396	3,195	3,304
TOTAL TREASURY BILLS AND MONEY-MARKET INSTRUMENTS	**115,249**	**116,532**	**144,691**	**145,138**
Of which receivables corresponding to loaned securities	*7,211*		*13,395*	
Of which goodwill	*727*		*399*	
Trading account securities	77,036	77,036	77,135	77,135
Securities available for sale	20,397	20,713	20,501	20,553
Of which provisions	*(791)*		*(819)*	
Debt securities held to maturity	6,254	7,047	4,967	4,981
Of which provisions	*(164)*			
TOTAL BONDS AND OTHER FIXED-INCOME SECURITIES	**103,687**	**104,796**	**102,603**	**102,669**
Of which unlisted securities	*13,417*	*14,194*	*13,672*	*13,722*
Of which accrued interest	*1,527*		*1,912*	
Of which receivables corresponding to loaned securities	*6,112*		*2,700*	
Of which goodwill	*(44)*		*(77)*	
Trading account securities	3,541	3,541	13,383	13,382
Securities available for sale	2,702	3,032	3,578	3,940
Of which provisions	*(303)*		*(577)*	
TOTAL EQUITIES AND OTHER VARIABLE-INCOME SECURITIES	**6,243**	**6,573**	**16,961**	**17,322**
Of which unlisted securities	*1,780*	*1,972*	*1,498*	*1,763*
Of which receivables corresponding to loaned securities	*2,056*		*9,114*	
Investments in subsidiaries	4,772	5,864	4,626	5,855
Of which provisions	*(320)*		*(379)*	
Equity securities held for long-term investment	750	780	868	807
Of which provisions	*(114)*		*(165)*	
TOTAL INVESTMENTS IN SUBSIDIARIES AND EQUITY SECURITIES HELD FOR LONG-TERM INVESTMENT	**5,522**	**6,644**	**5,494**	**6,662**
Of which unlisted securities	*1,704*	*2,770*	*1,863*	*3,517*
Affiliates	51,605	73,122	43,351	63,007
Of which provisions	*(1,341)*		*(559)*	
TOTAL AFFILIATES	**51,605**	**73,122**	**43,351**	**63,007**

BNP Paribas SA's equity investments and affiliates in credit institutions totalled EUR 2,064 million and EUR 26,484 million, respectively, at 31 December 2009, compared with EUR 1,856 million and EUR 18,824 million, respectively, at 31 December 2008.

3.d TREASURY SHARES

In millions of euros	31 December 2009 Gross value	31 December 2009 Carrying amount	31 December 2008 Carrying amount
Trading account securities	6	6	5
Securities available for sale	7	1	51
Investments in non-consolidated undertakings	101	101	121
TOTAL TREASURY SHARES	**114**	**108**	**177**

As of 31 December 2009, BNP Paribas SA held 93,037 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 1,590,691 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 147,007 treasury shares classified as trading account securities at 31 December 2009. This market-making agreement is consistent with the Code of Ethics recognised by the AMF.

The Fifth Resolution of the Shareholders' General Meeting of 13 May 2009, which replaced the Fifth Resolution of the Shareholders' General Meeting of 21 May 2008, authorised BNP Paribas to buy back shares representing up to 10% of the Bank's issued capital at a maximum purchase price of EUR 68. 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

In millions of euros	Gross value					Provisions					Carrying amount	
	01/01/2009	Purchases	Disposals and redemptions	Transfers and other movements	31/12/2009	01/01/2009	Allocations	Reversals	Other movements	31/12/2009	31 December 2009	31 December 2008
Debt securities held to maturity (Note 3.c)	8,173	557	(2,315)	3,183	9,598	10	185	(30)	(1)	164	9,429	8,162
Investments in subsidiaries and equity securities held for long-term investment (Note 3.c)	6,038	400	(567)	84	5,955	544	362	(489)	17	434	5,522	5,494
Affiliates (Note 3.c)	43,910	9,275	(154)	(85)	52,946	559	784	(63)	62	1,342	51,605	43,351
Treasury shares (Note 3.c)	121		(20)		101						101	121
TOTAL LONG-TERM INVESTMENTS	**58,242**	**10,232**	**(3,056)**	**3,182**	**68,600**	**1,113**	**1,331**	**(582)**	**78**	**1,940**	**66,657**	**57,128**

The crisis that shook the global financial markets in the second half of 2007 continued through 2008 and the first half of 2009, reaching an unprecedented scale in the fourth quarter of 2008. The effects of the crisis were particularly visible in the volume and duration of interbank financing transactions, the volume and conditions of syndicated leveraged loans, and the trading of structured instruments arising from securitisation transactions. The crisis also made liquidity scarce in numerous markets and market segments, and did away with almost all reliable market transactions or reference points for a large number of financial instruments.

These exceptional circumstances prompted the Bank to change its accounting treatment of financial instruments initially held for trading. While the Bank originally intended to sell these assets, they are now being held within investment security portfolios. Therefore EUR 7,164 million of these securities have been reclassified into the appropriate accounting category as set forth in CRC Regulation 2008-17 of 10 December 2008.

The following table summarises the reclassifications made in the fourth quarter of 2008 and the first half of 2009.

In millions of euros	Amount on the reclassification date		31 December 2009		31 December 2008	
	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 porfolio	**2,760**	**4,404**	**5,125**	**5,138**	**4,578**	**4,280**
Debt securities held to maturity	2,760	4,404	5,125	5,138	4,578	4,280

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	Year to 31 Dec. 2009 [(1)]	Year to 31 Dec. 2008 after the reclassification	Year to 31 Dec. 2009 up to the reclassification	Year to 31 Dec. 2008 up to the reclassification
Profit and loss items (before tax)	**151**	**31**	**(75)**	**(280)**
Related to the reclassified assets in 2009, as recorded	**55**		**(75)**	
In gains (losses) on trading book transactions			(75)	
In interest income	50			
In gains (losses) on disposals of long-term investments	5			
In cost of risk				
Related to the reclassified assets in 2008, as recorded	**96**	**31**		**(280)**
In gains (losses) on trading book transactions				(280)
In interest income	200	41		
In gains (losses) on disposals of long-term investments	5	(10)		
In cost of risk	(109)			
Profit or loss (before tax) from the reclassified assets if the reclassification had not taken place	**615**	**(289)**		
In gains (losses) on trading book transactions	432	(318)		
In interest income	183	29		
In cost of risk				

(1) *Profit and loss items related to the reclassified assets for the full year consist of assets reclassified in 2008, and those for the period following their reclassification consist of trading account securities reclassified in 2009.*

3.f DEBT SECURITIES

In millions of euros	31 December 2009	31 December 2008
Negotiable debt securities	149,602	152,360
Bond issues	5,361	11,290
Other debt securities	977	2,613
TOTAL DEBT SECURITIES	**155,940**	**166,263**
Of which Unamortised premiums	*566*	*544*

BOND ISSUES

The following table gives the contractual maturity schedule for bonds issued by BNP Paribas SA as of 31 December 2009:

In millions of euros	Outstandings at 31/12/2009	2010	2011	2012	2013	2014	2015 to 2019	After 2019
Bond issues	5,361	1,409	779	1,129	440	561	813	230

3.g OTHER ASSETS AND LIABILITIES

In millions of euros	31 December 2009	31 December 2008
Options purchased	157,817	272,387
Settlement accounts related to securities transactions	3,650	4,414
Industrial development securities related to France's Sustainable Development Savings Accounts	-	6,200
Deferred tax assets	1,488	1,859
Miscellaneous assets	19,394	22,802
TOTAL OTHER ASSETS	**182,349**	**307,662**
Options sold	156,463	266,923
Settlement accounts related to securities transactions	4,015	5,791
Liabilities related to securities transactions	82,707	97,708
Deferred tax liabilities	129	82
Miscellaneous liabilities (1)	23,982	35,938
TOTAL OTHER LIABILITIES	**267,296**	**406,442**

(1) *BNP Paribas SA's accounts payable in continental France totalled EUR 18.4 million at 31 December 2009; 95.5% of this liability is less than 60 days old.*

3.h ACCRUED INCOME AND EXPENSES

In millions of euros	31 December 2009	31 December 2008
Remeasurement of currency instruments and derivatives	53,005	63,750
Accrued income	7,447	10,668
Collection accounts	2,821	4,005
Other accrued income	7,642	12,702
TOTAL ACCRUED INCOME	**70,915**	**91,125**
Remeasurement of currency instruments and derivatives	42,261	51,540
Accrued expenses	9,973	11,095
Collection accounts	906	3,010
Other accrued expenses	2,255	14,629
TOTAL ACCRUED EXPENSES	**55,395**	**80,274**

3.i OPERATING ASSETS

In millions of euros	31 December 2009			31 December 2008
	Gross value	Dep., amort., and provisions	Carrying amount	Carrying amount
Software	1,522	(1,040)	482	454
Other intangible assets	4,985	(29)	4,956	4,928
TOTAL INTANGIBLE ASSETS	**6,507**	**(1,069)**	**5,438**	**5,382**
Land and buildings	2,067	(593)	1,474	1,380
Equipment, furniture, and fixtures	1,974	(1,468)	506	574
Other property, plant, and equipment	220		220	294
TOTAL TANGIBLE ASSETS	**4,261**	**(2,061)**	**2,200**	**2,248**

3.j PROVISIONS

In millions of euros	31 December 2008	Allocations	Reversals	Other movements	31 December 2008
Provision for employee benefit obligations	**736**	**151**	**(403)**	**(1)**	**483**
Provision for doubtful loans (Note 2.d)	**78**	**128**	**(39)**		**167**
Provision for off-balance sheet commitments (Note 2.d)	**517**	**159**	**(79)**	**(19)**	**578**
Other provisions					
For banking transactions	560	457	(83)	(102)	832
For non-banking transactions	802	223	(194)		831
TOTAL PROVISIONS	**2,693**	**1,118**	**(798)**	**(122)**	**2,891**

➤ PROVISIONS FOR RISKS ON REGULATED SAVINGS PRODUCTS

In millions of euros	31 December 2009	31 December 2008
Deposits collected under home savings accounts and plans	**14,003**	**14,366**
Of which for home savings plans	11,176	11,330
Aged more than 10 years	*3,385*	*3,929*
Aged between 4 to 10 years	*5,221*	*5,343*
Aged less than 4 years	*2,570*	*2,058*
Outstanding loans granted under home savings accounts and plans	**587**	**586**
Of which loans granted under home savings plans	159	161
Provisions for home savings and plans	**201**	**129**
Of which for home savings plans	165	91
Aged more than 10 years	*61*	*45*
Aged between 4 to 10 years	*59*	*33*
Aged less than 4 years	*45*	*13*

CHANGE IN PROVISIONS FOR REGULATED SAVINGS PRODUCTS

In millions of euros	2009	
	Provisions for home savings plans	Provisions for home savings accounts
Total provisions at start of period	**91**	**38**
Additions to provisions during the period	74	7
Provision reversals during the period		(9)
Total provisions at end of the period	**165**	**36**

3.k SUBORDINATED DEBT

In millions of euros	31 December 2009	31 December 2008
Redeemable subordinated debt	**14,009**	**14,970**
Undated subordinated debt	**9,985**	**12,858**
Undated Super Subordinated Notes	7,479	9,943
Undated Floating-Rate Subordinated Notes	2,282	2,644
Undated Participating Subordinated Notes	224	271
Related debt	**395**	**482**
TOTAL SUBORDINATED DEBT	**24,389**	**28,310**

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 public tender 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 2009:

In millions of euros	Outstandings at 31 December 2009	2010	2011	2012	2013	2014	2015 to 2019	After 2019
Redeemable subordinated debt	14,009	395	142	1,675	650	363	9,535	1,249

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 7,479 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 preferred shares in March 2009.

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 2009	31 December 2008
BNP Paribas SA	June 2005	USD	1,350 million	10 years	USD 3-month Libor + 1.68%	943	968
BNP Paribas SA	October 2005	EUR	1,000 million	6 years	4,875%	1,000	1,000
BNP Paribas SA	October 2005	USD	400 million	6 years	6,25%	279	287
BNP Paribas SA	April 2006	EUR	750 million	10 years	3-month Euribor + 1.69%	750	750
BNP Paribas SA	April 2006	GBP	450 million	10 years	GBP 3-month Libor + 1.13%	508	471
BNP Paribas SA	July 2006	EUR	150 million	20 years	3-month Euribor + 1.92%	150	150
BNP Paribas SA	July 2006	GBP	325 million	10 years	GBP 3-month Libor + 1.81%	367	340
BNP Paribas SA	April 2007	EUR	750 million	10 years	3-month Euribor + 1.72%	750	750
BNP Paribas SA	June 2007	USD	600 million	5 years	6,50%	419	430
BNP Paribas SA	June 2007	USD	1,100 million	30 years	USD 3-month Libor + 1.29%	768	788
BNP Paribas SA	October 2007	GBP	200 million	10 years	GBP 3-month Libor + 1.85%	226	209
BNP Paribas SA	June 2008	EUR	500 million	10 years	3-month Euribor + 3.750%	500	500
BNP Paribas SA	September 2008	EUR	650 million	5 years	3-month Euribor + 4.050%	650	650
BNP Paribas SA	September 2008	EUR	100 million	10 years	3-month Euribor + 3.925%	100	100
BNP Paribas SA	December 2008	EUR	2,550 million	5 years	3-month Euribor + 4.550%		2,550
BNP Paribas SA	December 2009	EUR	2.3 million	10 years	3-month Euribor + 3.750%	2	
BNP Paribas SA	December 2009	EUR	17 million	10 years	7,028%	17	
BNP Paribas SA	December 2009	USD	70 million	10 years	USD 3-month Libor + 3.750%	49	
BNP Paribas SA	December 2009	USD	0.5 million	10 years	7,384%	1	
TOTAL UNDATED SUPER SUBORDINATED NOTES						**7,479**	**9,943**

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 preferred 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	Interest rate	31 December 2009	31 December 2008
Paribas SA	September 1984	USD	24 million	3-month Libor + 3/8%		17
BNP SA	October 1985	EUR	305 million	TMO - 0.25%	254	305
Paribas SA	July 1986	USD	165 million	3-month Libor + 1/8%		118
BNP SA	September 1986	USD	500 million	6-month Libor + 0.75%	191	358
BNP Paribas SA	October 2000	USD	500 million	9.003%, then 3-month Libor + 3.26%	349	358
BNP Paribas SA	October 2001	EUR	500 million	6.625%, then 3-month Euribor + 2.6%	500	500
BNP Paribas SA	January 2002	EUR	660 million	6.342%, then 3-month Euribor + 2.33%	660	660
BNP Paribas SA	January 2003	EUR	328 million	5.868%, then 3-month Euribor + 2.48%	328	328
TOTAL UNDATED FLOATING-RATE SUBORDINATED NOTES					**2,282**	**2,644**

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 Shareholders' Meeting notes that there is no income available for distribution.

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 within the twelve months preceding the interest payment date the Ordinary Shareholders' General Meeting decides not to pay a dividend.

In December 2009, the TSDIs issued in September 1984, October 1985, July 1986, and September 1986 were sold or swapped for undated super subordinated notes through a public offer. This transaction gave rise to a net gain of EUR 104 million based on the book value of the TSDIs sold or swapped.

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	31 December 2009	31 December 2008
Credit institutions	**56,962**	**42,320**
Customers	**125,175**	**104,866**
Confirmed letters of credit	86,920	80,386
Other commitments given to customers	38,255	24,480
TOTAL FINANCING COMMITMENTS GIVEN	**182,137**	**147,186**
Credit institutions	**81,004**	**88,696**
Customers	**6,550**	**8,087**
TOTAL FINANCING COMMITMENTS RECEIVED	**87,554**	**96,783**

4.b GUARANTEE COMMITMENTS

In millions of euros	31 December 2009	31 December 2008
Credit institutions	**30,225**	**26,266**
Customers	**92,707**	**97,522**
TOTAL GUARANTEE COMMITMENTS GIVEN	**122,932**	**123,788**
Credit institutions	**52,128**	**58,216**
Customers	**94,216**	**97,706**
TOTAL GUARANTEE COMMITMENTS RECEIVED	**146,344**	**155,922**

The total amount of financial instruments pledged as guarantees by BNP Paribas SA to credit institutions and *Banque de France* was EUR 91,578 million at 31 December 2009, broken down as follows: EUR 47,044 million to *Banque de France* (against EUR 31 million last year); EUR 20,490 million to BNP Paribas Covered Bond (against EUR 16,397 million last year); EUR 4,501 million to *Caisse de Refinancement de l'Habitat* (against EUR 5,142 million last year); and EUR 14,983 million to *Société de Financement de l'Économie Française* (against EUR 3,384 million last year).

Note 5 SALARIES AND EMPLOYEE BENEFITS

5.a SALARIES AND EMPLOYEE BENEFIT EXPENSES

In millions of euros	2009	2008
Salaries	**(3,625)**	**(2,794)**
Tax and social security charges	**(1,736)**	**(1,293)**
Employee profit-sharing and incentive schemes	**(190)**	**(93)**
TOTAL SALARIES AND EMPLOYEE BENEFIT EXPENSES	**(5,551)**	**(4,180)**

The following table gives the breakdown of BNP Paribas SA employees.

Headcount	31 December 2009	31 December 2008
Employees in Metropolitan France	**37,946**	**38,128**
Of which managers	*19,653*	*19,115*
Employees outside Metropolitan France	**8,855**	**9,315**
TOTAL BNP PARIBAS SA EMPLOYEES	**46,801**	**47,443**

5.b EMPLOYEE BENEFIT OBLIGATIONS

Post-employment benefits under defined-contribution plans

In France, the 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 on 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 2009 was EUR 211 million, vs. EUR 209 million for the year to 31 December 2008.

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 account of 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 268 million at 31 December 2009 (against EUR 527 million at 31 December 2008), comprised of EUR 194 million for French plans and EUR 74 million for other plans.

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 84% bonds, 8% equities, and 8% 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). At 31 December 2009, 85% 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, 50% bonds, and 12% 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 6 million at 31 December 2009, the same as the prior year.

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 where the plan is the subject of an agreement or a draft bilateral agreement. Plans currently in effect in France concern BNP Paribas in metropolitan France.

BNP Paribas SA's provisions for voluntary redundancy and early retirement plans amounted to EUR 5 million at 31 December 2009, vs. EUR 20 million at 31 December 2008.

Note 6 ADDITIONAL INFORMATION

6.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

Resolutions of the Shareholders' General Meeting valid for 2009

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 2009.

Shareholders' General Meeting at which the authorisation was granted to the Board of Directors		Use of authorisation in 2009
Shareholders' General Meeting of 21 May 2008 (13th 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.*	The issue of 107,650,488 new ordinary shares with a par value of EUR 2 was recorded on 26 October 2009.
Shareholders' General Meeting of 21 May 2008 (14th 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.*	This authorisation was not used during the year.
Shareholders' General Meeting of 21 May 2008 (15th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, in consideration for securities tendered to public exchange offers. *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 250 million (representing 125 million shares).* *This authorisation was granted for a period of 26 months.*	This authorisation was not used during the year.
Shareholders' General Meeting of 21 May 2008 (16th 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 maximum size 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.*	The issue of 88,235,294 new ordinary shares with a par value of EUR 2 in connection with the Fortis merger (First Contribution) was recorded on 13 May 2009.
Shareholders' General Meeting of 21 May 2008 (17th 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 14th to 16th resolutions of the Shareholders' General Meeting of 21 May 2008 may not exceed EUR 350 million for shares immediately and/or in the future and EUR 7 billion for debt instruments.*	

Shareholders' General Meeting at which the authorisation was granted to the Board of Directors		Use of authorisation in 2009
Shareholders' General Meeting of 21 May 2008 (19th resolution)	Blanket limit on authorisations to issue shares with pre-emptive rights for existing shareholders maintained or waived. *The maximum par value of all issues with pre-emptive rights for existing shareholders maintained or waived may not exceed EUR 1 billion for capital increases to be carried out immediately and/or in the future by virtue of authorisations granted under the 13th to 16th resolutions of the Shareholders' General Meeting of 21 May 2008, and secondly, the maximum par value of debt instruments may not exceed EUR 10 billion by virtue of the authorisations granted under the 13th to 16th resolutions of the Shareholders' General Meeting of 21 May 2008.*	
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.*	638,255 free ordinary shares awarded at the Board meeting of 6 March 2009.
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.*	2,376,600 stock subscription options granted at the Board meeting of 27 March 2009.
Shareholders' General Meeting of 27 March 2009 (2nd resolution)	Authorisation granted to the Board of Directors to increase the share capital through the issue of non-voting shares subscribed by Société de Prise de Participation de l'Etat (SPPE). *BNP Paribas' share capital was increased by EUR 374,449,338 through the issue of 187,224,669 so-called "class B" non-voting shares. This issue gave rise to EUR 4,725,550,645.56 in additional paid-in capital.*	The issue of 187,224,669 non-voting shares with a par value of EUR 2 was recorded on 31 March 2009.
	After the repurchase of these non-voting shares from Société de Prise de Participation de l'Etat (SPPE) on 28 October 2009, BNP Paribas SA's share capital was reduced on 26 November 2009 through the cancellation of 187,224,669 class B non-voting shares with a par value of EUR 2, by virtue of a Board of Directors' decision on 4 November 2009 and in accordance with the powers granted to the Board by Article 6 of the Articles of Association.	Cancellation of all non-voting shares after their repurchase, recorded on 26 November 2009.
Shareholders' General Meeting of 27 March 2009 (3rd resolution)	Authorisation was given 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 36 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 nullifies as of 27 March 2009 the authorisation granted by the 20th resolution of the Shareholders' General Meeting of 21 May 2008.*	The issue of 9,000,000 new shares with a par value of EUR 2 was recorded on 10 July 2009.
Shareholders' General Meeting of 27 March 2009 (4th 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 given for a period of 26 months and nullifies with effect from 27 March 2009, the authorisation granted by the 18th resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the year.

Shareholders' General Meeting at which the authorisation was granted to the Board of Directors		Use of authorisation in 2009
Shareholders' General Meeting of 13 May 2009 (3rd resolution)	Decision by the Shareholders' General Meeting of proposing to the shareholders payment of a dividend in cash or in new ordinary shares. *The dividend payment in new ordinary shares would entailed an increase in the Company's share capital by EUR 42,840,508, representing 21,420,254 ordinary shares. This issue gave rise to EUR 706,225,774.38 in additional paid-in capital.*	The issue of 21,420,254 new ordinary shares with a par value of EUR 2 was recorded on 16 June 2009.
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 would 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, which was granted for a period of 18 months, replaces that given by the 5th resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the year.
Shareholders' General Meeting of 13 May 2009 (11th resolution)	Contribution-in-kind for shares in Fortis Bank SA/NV. *BNP Paribas ordinary shares were issued for use in a contribution-in-kind transaction for shares in Fortis Bank SA/NV.*	The issue of 32,982,760 new ordinary shares with a par value of EUR 2 in connection with the Fortis merger (Second Contribution) was recorded on 13 May 2009.
Shareholders' General Meeting of 13 May 2009 (12th resolution)	Contribution-in-kind for shares in BGL SA. *BNP Paribas ordinary shares were issued for use in a contribution-in-kind transaction for shares in BGL SA.*	The issue of 11,717,549 new ordinary shares with a par value of EUR 2 in connection with the Fortis merger (Third Contribution) was recorded on 13 May 2009.
Shareholders' General Meeting of 13 May 2009 (13th resolution)	Authorisation to issue ordinary shares and share equivalents in consideration for securities tendered to contributions of unlisted shares (up to a maximum of 10% of the capital). *The maximum blanket limit on the par value of the capital increases that may be carried out on one or more occasions by virtue of this authorisation stands at 10% of the number of shares comprising the share capital of BNP Paribas.* *This authorisation was given for a period of 26 months and nullifies the authorisation granted by the 16th resolution of the Shareholders' General Meeting of 21 May 2008.*	The issue of 500,000 new ordinary shares with a par value of EUR 2 in connection with the Fortis merger (Fourth Contribution) was recorded on 13 May 2009.
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 replaces that given by the 23rd resolution of the Shareholders' General Meeting of 21 May 2008*	The cancellation of 219,294 new ordinary shares with a par value of EUR 2 was recorded on 3 August 2009.

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 consists 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 on 12 May 2009 this First Contribution by using the authorisation granted to it by the Shareholders' General Meeting of 21 May 2008 under its 16th resolution. The shares issued in consideration for this contribution are 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, which consists 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 on 13 May 2009 this Fourth Contribution, formally recorded its definitive completion and that of the corresponding issue of shares, by 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 autorisation by Shareholders' Meeting	Date of decision by Board of Directors
NUMBER OF SHARES OUTSTANDING AT 31 DECEMBER 2007	**905,260,308**	**2**		
Increase in share capital by exercise of stock subscription options	1,115,091	2	(1)	(1)
Increase in share capital by exercise of stock subscription options	360,269	2	(1)	(1)
Capital increase reserved for members of the Company Savings Plan	5,360,439	2	23 May 2006	13 May 2008
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	5 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	3 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		4 November 2009
NUMBER OF SHARES OUTSTANDING AT 31 DECEMBER 2009	**1,185,281,764**	**2**		

(1) *Various resolutions voted in 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 issue of shares related to the acquisition of BNP Paribas Fortis and BGL BNP Paribas.*

6.b STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 31 DECEMBER 2007 TO 31 DECEMBER 2009

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 2007	**1,811**	**8,477**	**26,168**	**36,456**
Dividend payout for 2007			(3,016)	(3,016)
Capital increases	13	342		355
Other changes			(9)	(9)
Net income for 2008			715	715
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**

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	31 December 2009	31 December 2008
Currency derivatives	1,610,990	1,713,225
Interest rate derivatives	35,304,751	30,529,952
Equity derivatives	1,655,137	2,561,772
Credit derivatives	1,606,945	1,788,210
Commodity derivatives	111,590	231,151
Other derivatives	3	-
TOTAL FORWARD FINANCIAL INSTRUMENTS IN THE TRADING PORTFOLIO	**40,289,416**	**36,824,310**

Financial instruments traded on organised markets accounted for 41% of the Bank's derivatives transactions at 31 December 2009 (vs. 34% at 31 December 2008).

Hedging strategy

The total notional amount of derivatives used for hedging purposes stood at EUR 401,940 million at 31 December 2009, compared with EUR 396,202 million at 31 December 2008.

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

The market value of the Bank's net position on firm transactions was approximately EUR 4,800 million at 31 December 2009, compared with EUR 2,300 million at 31 December 2008. The market value of the Bank's net long position on options was approximately EUR 850 million at 31 December 2009, compared with EUR 4,150 million at 31 December 2008.

6.d SEGMENT INFORMATION

The following table gives a regional breakdown of BNP Paribas SA's interbank transactions and customer items recorded on the balance sheet.

In millions of euros	Interbank transactions		Customer items		Total by region	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008
France	334,972	401,891	206,996	216,795	**541,968**	**618,686**
Other countries in the European Economic Area	96,731	116,868	52,685	83,659	**149,416**	**200,527**
Countries in the Americas and Asia	65,105	49,704	45,328	65,141	**110,433**	**114,845**
Other countries	2,099	2,498	5,270	6,303	**7,369**	**8,801**
TOTAL USES OF FUNDS	**498,907**	**570,961**	**310,279**	**371,898**	**809,186**	**942,859**
France	274,765	362,861	158,639	159,683	**433,404**	**522,544**
Other countries in the European Economic Area	62,352	71,095	78,611	92,909	**140,963**	**164,004**
Countries in the Americas and Asia	47,924	55,066	49,620	50,792	**97,544**	**105,858**
Other countries	5,157	3,768	3,729	3,205	**8,886**	**6,973**
TOTAL SOURCES OF FUNDS	**390,198**	**492,790**	**290,599**	**306,589**	**680,797**	**799,379**

88% of BNP Paribas SA's revenues in 2009 came from counterparties in the European Economic Area, compared with 76% in 2008.

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							
Treasury bills and money-market instruments		25,599	21,137	27,744	41,220	(451)	**115,249**
Due from credit institutions	57,099	187,874	34,873	52,900	23,438	(371)	**355,813**
Customer items	14,121	115,081	25,226	93,389	68,114	(5,699)	**310,232**
Bonds and other fixed-income securities		29,463	23,290	20,005	31,884	(955)	**103,687**
Sources of funds							
Due to credit institutions	63,100	218,154	57,193	32,234	14,423		**385,104**
Customer items	107,984	137,016	17,234	24,139	4,226		**290,599**
Debt securities other than bonds and other debt securities (Note 3.f)		81,248	28,597	28,203	11,554		**149,602**

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	100.00	SDN BHD (private limited company)		Asset management
Costa Rica				
Corporacion Franco Americana de Finanzas (Costa Rica) SA	100.00	Sociedad anonima (public limited company)		In liquidation
Panama				
Advisory Holding SA	100.00	Sociedad anonima (public limited company)		Financial services
Anuris Investment SA	100.00	Sociedad anonima (public limited company)		Financing
BNP Paribas - Panama branch	100.00	Sucursal (branch)	Banking license	Commercial bank
BNP Paribas Panama SA	99.68	Sociedad anonima (public limited company)		In liquidation
BNP Paribas Panama SA	100.00	Sociedad anonima (public limited company)		Financial services
BNP Paribas Wealth Management - Panama branch	100.00	Sucursal (branch)	Banking license	Private banking
Candeo SA	100.00	Sociedad anonima (public limited company)		Asset management
Corporacion Franco Americana de Finanzas, Panama, SA	100.00	Sociedad anonima (public limited company)		Property management
Edificio Omanco SA	100.00	Sociedad anonima (public limited company)		Property management
Eresso Investment Inc.	100.00	Sociedad anonima (public limited company)		Financing
Estaci SA	100.00	Sociedad anonima (public limited company)		Property management
Hazel Overseas Inc.	100.00	Sociedad anonima (public limited company)		Financing
Lansford Corporation	100.00	Sociedad anonima (public limited company)		Financing
Mayfair Group Inc.	100.00	Sociedad anonima (public limited company)		Asset management
Roxy Overseas Asset SA	100.00	Sociedad anonima (public limited company)		Financing
Sitka International Inc.	100.00	Sociedad anonima (public limited company)		Financing
Ulan Corporation SA	100.00	Sociedad anonima (public limited company)		Financing
Yorbay Business SA	100.00	Sociedad anonima (public limited company)		Asset management
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

6

6.2 Appropriation of income and dividend distribution for the year ended 31 December 2009

The Board of Directors will propose the following income and dividend distribution for the 2009 financial year at the Annual General Meeting on 12 May 2010.

In millions of euros	
Net income	4,009
Unappropriated retained earnings	13,596
TOTAL INCOME TO BE APPROPRIATED	**17,605**
Special investment reserve	25
Dividend	1,778
Retained earnings	15,802
TOTAL APPROPRIATED INCOME	**17,605**

The total proposed dividend to be paid to BNP Paribas shareholders is EUR 1,778 million, which corresponds to EUR 1.50 per share (with a par value of EUR 2.00) based on the number of shares in issue at 31 January 2010.

6.3 BNP Paribas SA five-year financial summary

	2005	2006	2007	2008	2009
Share capital at year-end					
■ Share capital *(in euros)*	1,676,495,744	1,860,934,954	1,810,520,616	1,824,192,214	2,370,563 528
■ Number of common shares in issue	838,247,872	930,467,477	905,260,308	912,096,107	1,185,281,764
■ 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	29,994	37,957	47,028	48,642	33,104
■ Earnings before taxes, depreciation, amortisation, and provisions	3,556	5,024	5,257	3,400	7,581
■ Income tax expense	299	(45)	285	1,201	(540)
■ Earnings after taxes, depreciation, amortisation, and provisions	3,423	5,375	4,532	715	4,009
■ Total dividend payout [(1)]	2,183	2,892	3,034	912	1,778
Earnings per share					
■ Earnings after taxes but before depreciation, amortisation, and provisions	4.62	5.36	6.12	5.04	5.94
■ Earnings after taxes, depreciation, amortisation, and provisions	4.08	5.76	5.00	0.78	3.38
■ Dividend per share [(1)]	2.60	3.10	3.35	1.00	1.50
Employee data					
■ Number of employees at year-end	45,356	46,152	47,466	47,443	46,801
■ Total payroll expense *(in millions of euros)*	3,074	3,376	3,554	3,112	3,812
■ Total social security and employee benefit charges *(in millions of euros)*	1,222	1,474	1,106	1,053	1,750

[(1)] *Subject to the approval from the Shareholders' General Meeting of 12 May 2010.*

6.4 Subsidiaries and associated companies

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	14	(4)	100.00%
AUSTIN FINANCE	EUR	799	253	1	92.00%
BANCA NAZIONALE DEL LAVORO SPA	EUR	2,077	2,824	260	100.00%
BANCWEST CORPORATION	USD	1	9,720	(136)	98.74%
BANQUE DE BRETAGNE	EUR	53	48	16	100.00%
BNL INTERNATIONAL INVESTMENT SA	EUR	110	334	(2)	100.00%
BNP INTERCONTINENTALE	EUR	31	8	0	100.00%
BNP PARIBAS ASSURANCE	EUR	881	3,036	278	100.00%
BNP PARIBAS BDDI PARTICIPATIONS	EUR	46	61	45	100.00%
BNP PARIBAS BRASIL SA	BRL	234	855	276	84.10%
BNP PARIBAS CANADA	CAD	346	235	29	100.00%
BNP PARIBAS CHINA LIMITED	USD	520	127	11	100.00%
BNP PARIBAS COMMODITY FUTURES LTD	USD	75	88	23	100.00%
BNP PARIBAS DEVELOPPEMENT SA	EUR	76	225	13	100.00%
BNP PARIBAS EGYPT (ex BNP PARIBAS LE CAIRE)	EGP	1,700	127	164	95.19%
BNP PARIBAS EL DJAZAIR	DZD	10,000	1,710	3,818	84.17%
BNP PARIBAS EQUITIES FRANCE	EUR	6	21	2	99.96%
BNP PARIBAS ESPANA SA	EUR	52	33	4	99.59%
BNP PARIBAS FACTOR	EUR	3	21	10	100.00%
BNP PARIBAS FACTOR PORTUGAL	EUR	13	66	4	64.26%
BNP PARIBAS HOME LOAN COVERED BONDS	EUR	175	3	0	100.00%
BNP PARIBAS INTERNATIONAL BV	EUR	14	1,221	248	72.70%
BNP PARIBAS INVESTMENT PARTNERS	EUR	15	415	274	100.00%
BNP PARIBAS IRELAND	EUR	902	344	57	100.00%
BNP PARIBAS LEASE GROUP	EUR	285	703	69	97.51%
BNP PARIBAS LEASE GROUP SPA	EUR	164	100	2	100.00%
BNP PARIBAS PERSONAL FINANCE	EUR	453	4,705	258	98.94%
BNP PARIBAS PUBLIC SECTOR	EUR	24	0	9	100.00%
BNP PARIBAS REAL ESTATE (ex BNP PARIBAS IMMOBILIER)	EUR	257	169	31	100.00%
BNP PARIBAS REUNION	EUR	25	26	5	100.00%
BNP PARIBAS SECURITIES ASIA LTD	HKD	1,578	583	(180)	100.00%
BNP PARIBAS SECURITIES JAPAN LTD	JPY	80,800	35,630	(6,870)	100.00%
BNP PARIBAS SECURITIES KOREA COMPANY LTD	KRW	250,000	(7,046)	1,460	100.00%
BNP PARIBAS SECURITIES SERVICES	EUR	165	431	71	90.44%
BNP PARIBAS SERVICES HONG KONG LTD	USD	336	(97)	0	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 SUISSE SA	CHF	320	2,528	357	53.15%
BNP PARIBAS U.K. HOLDINGS LTD	GBP	1,227	14	41	100.00%
BNP PARIBAS VOSTOK LLC	RUB	1,890	365	(155)	100.00%
BNP PARIBAS WEALTH MANAGEMENT	EUR	103	246	32	100.00%
BNP PARIBAS ZAO	EUR	1,563	2,351	1,013	100.00%
BNP PUK HOLDING LTD	GBP	257	(91)	112	100.00%
BNPP ANDES SA**	USD	50	0	0	100.00%
COBEMA	EUR	439	1,515	109	99.20%
COMPAGNIE D'INVESTISSEMENTS DE PARIS	EUR	395	333	45	100.00%
COMPAGNIE FINANCIERE OTTOMANE	EUR	9	279	(4)	93.35%
CORTAL CONSORS FRANCE	EUR	58	300	4	94.21%
DEALREMOTE LIMITED*	GBP	90	(59)	1	100.00%
FIDEX HOLDINGS LTD	EUR	300	(10)	10	100.00%
FINANCIERE BNP PARIBAS	EUR	227	239	27	100.00%
FINANCIERE DES ITALIENS	EUR	412	24	2	100.00%
FORTIS BANQUE SA	EUR	9,375	6,071	(478)	74.93%
GESTION ET LOCATION HOLDING	EUR	266	912	(8)	99.24%
GRENACHE & CIE SNC	EUR	796	603	62	100.00%
HAREWOOD HOLDINGS LTD	GBP	100	(37)	89	100.00%
OMNIUM GESTION DEVELOPPEMENT IMMOBILIER	EUR	459	51	45	100.00%
OPTICHAMPS	EUR	410	33	7	100.00%
PARIBAS DERIVES GARANTIS SNC	EUR	42	(1)	1	100.00%
PARIBAS NORTH AMERICA	USD	2,839	306	904	100.00%
PARIBAS PARTICIPATION LIMITEE	CAD	0	185	1	100.00%
PARTICIPATIONS OPERA	EUR	410	25	3	100.00%
PARVEST ABS	EUR	100	(59)	0	80.74%
PETITS CHAMPS PARTICIPACOES E SERVICOS SA	BRL	102	(24)	8	100.00%
PT BK BNP PARIBAS INDONESIA	IDR	726,320	164,796	173,930	99.00%
RIBERA DEL LOIRA ARBITRAGE S L	EUR	20	0	5	100.00%
ROYALE NEUVE I	GBP	0	528	5	100.00%
SAGIP	EUR	218	44	0	100.00%
SAS PARILEASE	EUR	54	265	2	100.00%
SOCIETE ORBAISIENNE DE PARTICIPATIONS	EUR	311	(419)	4	100.00%
TAITBOUT PARTICIPATION 3	EUR	792	37	0	100.00%
TEB MALI YATIRIMLAR	TRY	500	1,223	158	50.00%
UCB ENTREPRISES	EUR	97	103	2	100.00%
UKRSIBBANK	UAH	5,280	(212)	(2,810)	81.42%
VERNER INVESTISSEMENTS	EUR	15	337	66	50.00%

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 %
2. Associated companies (10% to 50%-owned)					
B.N.L VITA SPA	EUR	301	161	35	49.00%
BANQUE DE NANKIN	CNY	1,837	8,878	1,435	12.61%
BANQUE DU SAHARA LSC	LYD	252	340	20	19.00%
BGL BNP PARIBAS	EUR	713	5,500	97	15.96%
BNP PARIBAS LUXEMBOURG SA	EUR	105	1,703	389	24.66%
BNP PARIBAS PERSONAL FINANCE SPA	EUR	95	43	17	49.00%
CREDIT LOGEMENT (*)	EUR	1,254	58	85	16.50%
ERBE	EUR	120	2,604	(66)	47.01%
GEOJIT BNP PARIBAS FINANCIAL SERVICES LTD	INR	224	2,531	470	34.16%
GESTION OBLIGATAIRE DIVERSIFIEE	EUR	169	1	2	28.73%
PARGESA HOLDING SA (*)	CHF	1,699	464	293	15.00%

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	20,424	32,522	3,107	1,985
■ Net value	19,709	31,896	3,062	1,710
Loans and advances given by BNP Paribas SA	104,866	24,046	1,688	867
Guarantees and endorsements given by BNP Paribas SA	26,560	19,473	4,501	45
Dividends received	1,011	856	87	48

(*) *At 31 December 2008.*
(**) *At 30 October 2009.*

6.5 Details of equity interests acquired by BNP Paribas SA in 2009 whose value exceeds 5% of the share capital of a French company

Change in interest to more than 5% of capital		
Not listed	SAS	P1G - Pour un Geste
Change in interest to more than 10 % of capital		
Not listed	SAS	JAMG Holding
Change in interest to more than 20 % of capital		
None		
Change in interest to more than 33.33 % of capital		
None		
Change in interest to more than 66.66 % of capital		
Not listed	SAS	Pétale Participation 7

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 2009, on:

- the audit of the accompanying financial statements of BNP Paribas;
- the justification of our assessments;
- 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 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 2009 and of the results of its operations for the year then ended in accordance with French accounting principles.

II – Justification of our assessments

Accounting estimates

The deterioration in market conditions and the economic environment continues to have wide-ranging ramifications for credit institutions, notably in terms of business activity, results and risks, as described in note 3.e to the financial statements. This situation has created specific conditions this year for the preparation of the financial statements, especially as regards accounting estimates. In this context, and in accordance with the requirements 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, 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, 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.

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 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 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 standard applicable 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 the 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 the 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, 8 March 2010

To the Shareholders, The Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
Pascal Colin	Gérard Hautefeuille	Guillaume Potel

7 SOCIAL AND ENVIRONMENTAL INFORMATION

7.1 Human resources development

GROUP VALUES UNDERPINNING HR MANAGEMENT

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 were reasserted in 2006 as follows:

- bringing together a global, multicultural Group;
- forging a strong, unique identity; and
- enlisting employee support for the corporate mission by giving that mission lasting sense.

A UNIFYING APPROACH

BNP Paribas is a global group on the move. As such, it 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 bind the diverse group of men and women 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 throughout the world. 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

To serve as a common rallying point, corporate values must be universally accepted and exemplified on a daily basis. Accordingly, the Group's top managers have spelt out the meaning and direction of the individual and collective behaviour that these values 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.

The same spirit presided over the work of defining the management principles and attitudes that are expected to govern the behaviour of all team leaders. These principles have been translated into the new format for annual performance evaluations. A uniform evaluation process is now used throughout the Group, across all business lines, territories and levels of responsibility.

HUMAN RESOURCES POLICY FRAMEWORK

AN INTEGRATED SYSTEM

The human resources (HR) responsibilities charter was updated in 2009 as part of an overall review of the work and organisation of the Group's Human Resources Function.

This policy framework provides a structure for the ongoing Human Resources controls: risk mapping, procedures, key controls and reporting.

In parallel, the list of procedures is updated and extended on a regular basis to include new organisations and changes in processing procedures and applicable regulations.

A scorecard of thirty major operational risks has been compiled for the Group. Among these operational risks, combating human resources discrimination has been deemed a critical risk factor by BNP Paribas.

The merger with Fortis Bank has provided an opportunity to redefine the principles of the human resources policy framework. This initiative is being pursued through a collaborative approach involving human resources teams and the executive management teams of each business line.

THE DELEGATIONS

Recognising the diverse businesses and cultures brought under one roof when BNP Paribas was formed, the Group elected to adopt an integrated Human Resources organisation. Developing cohesive career management and compensation practices have been a critical factor contributing to the success of the Group's internal and external growth efforts.

Subsequently, the Group Human Resources organisation simplified decision-making processes and empowered local management by extending the responsibilities of the various core businesses, subsidiaries and countries, as well as reinforcing the role and purview of Group-level operational leadership in the management of key positions.

Group Human Resources is responsible for supervising career management for executives and upper-level managers in key posts under its oversight, and it takes the lead in managing career paths for high-potential employees.

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.

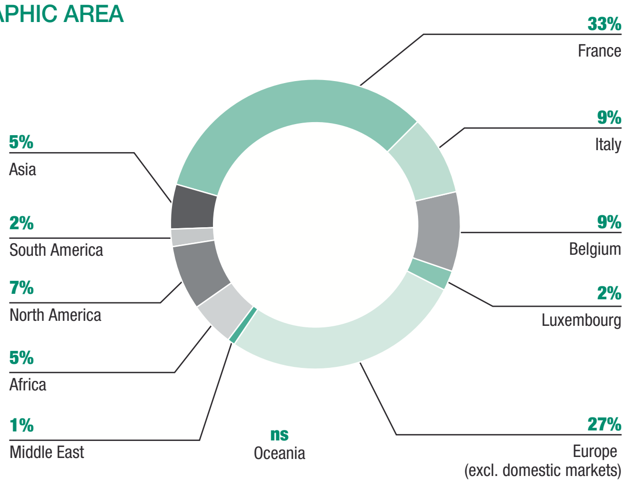
In 2009, 45 countries were identified as representing the greatest risk in terms of human rights by authoritative organisations [1] in this field. BNP Paribas is present in nine of these countries, employing staff accounting for 3.3% of its total global headcount. In the most risk-exposed countries, where regulations tend to be less stringent, local human resources departments apply Group rules to all employee management procedures.

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 HR managers and heads of Human Resources working in at-risk countries.

WORKFORCE [2] EVOLUTION

At end-December 2009, the Group had 201,740 net permanent paid (NPP) employees, representing an increase of 28,552 NPP employees compared with 2008. This increase was primarily attributable to the acquisition of Fortis Bank and BGL which consolidated the Group's presence in Europe. The Group's worldwide workforce breaks down as follows:

➤ BREAKDOWN BY GEOGRAPHIC AREA



	2006	2007	2008	2009
France	57,123	64,080	64,217	64,635
Europe (excl. France)	53,461	62,473	68,542	95,201
North America	14,810	15,046	15,222	14,984
Asia	5,571	8,833	9,494	10,143
Africa	6,201	6,692	8,883	9,205
Latin America	2,924	3,287	3,957	4,801
Middle East	1,308	1,700	2,194	2,096
Oceania	513	576	679	675
TOTAL	**141,911**	**162,687**	**173,188**	**201,740**

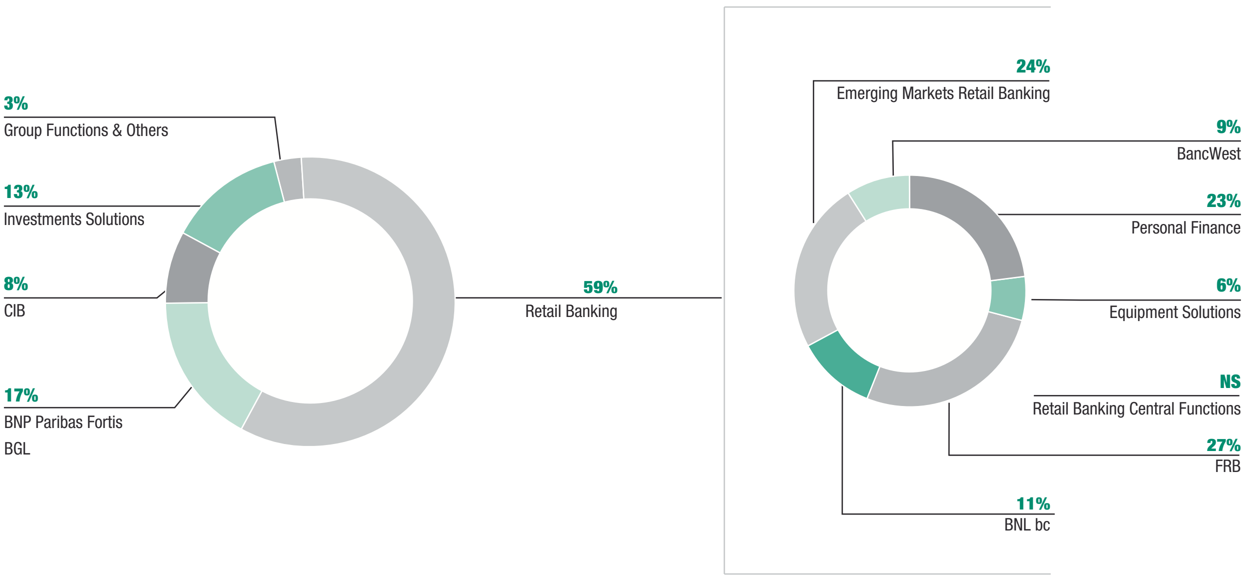
(1) *Amnesty International, Freedom House and Eiris.*

(2) *For human resources development data, the scope of this analysis is the total NPP workforce managed by BNP Paribas as opposed to the consolidated workforce, which is limited to staff working for fully or proportionately consolidated entities calculated pro rata to the consolidation percentage of each subsidiary:*

	2002	2003	2004	2005	2006	2007	2008	2009
Consolidated workforce	*87,685*	*89,071*	*94,892*	*101,917*	*132,507*	*145,477*	*154,069*	*182,459*
Total workforce	*92,488*	*93,508*	*99,433*	*109,780*	*141,911*	*162,687*	*173,188*	*201,740*

The Group's workforce in France remained stable in 2009 and now represents less than one-third of the global workforce. The integration of Fortis Bank and BGL was chiefly attributable for the increase in the Group's headcount in Europe. In Eastern Europe, the Group's workforce was reduced significantly due to the extent of the economic crisis affecting the region's local markets.

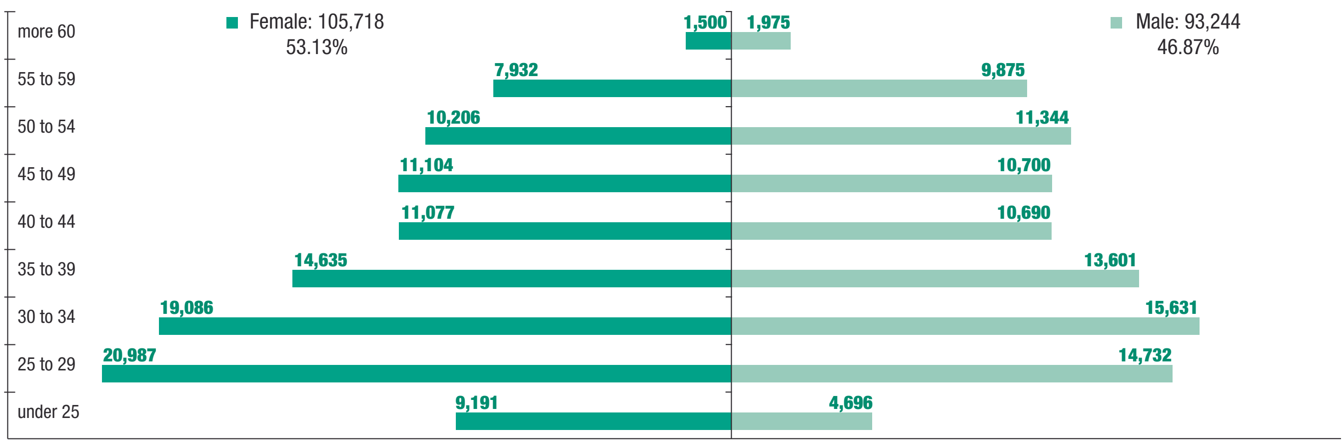
➤ TOTAL WORKFORCE BY BUSINESS LINE



AGE PYRAMID

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 [1].

➤ GROUP AGE PYRAMID – PHYSICAL HEADCOUNT - DECEMBER 2009



KEY CHALLENGES OF HUMAN RESOURCES MANAGEMENT

Amid the crisis that has struck the financial services industry, BNP Paribas stands out as one of the most robust and profitable banking groups. This is in no small part a result of the personal commitment of each employee, day after day, in the service of the Group's goals. The diversity of BNP Paribas—in its business lines with their particular histories, in its languages, cultures, etc. represents an ongoing challenge, as does employees' adherence to Group values and strategy: as an enterprise, the Group must be attentive to each person's expectations and must know how to be responsive to them by adapting its human resources policies and managerial practices.

(1) *Statistical data at December 2009 (excl. TEB, Fundquest and Sahara Bank JSC).*

In an extremely turbulent operating environment, the key human resources management challenges for the Group revolve around keeping pace with development and change, valuing and motivating staff and retaining their loyalty, promoting diversity, and listening to employees' concerns.

KEEPING PACE WITH DEVELOPMENT AND CHANGE

As a direct consequence of the major external growth initiatives, the Group's total workforce (Net Permanent Paid) has risen from 99,433 to 201,740 in the last five years. Staff numbers outside France have increased from 45,070 to 137,105 over the same period.

These developments pose two key challenges for human resources management:

- anticipate 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;
- develop the managerial resources needed not only to take the helm as key positions become available through natural attrition, but also to steer the Group's development and external growth plans.

The increasingly high levels of expertise required in the business lines and the Group's changing demographics make identifying and retaining talent a critical component of human resources management. This element presupposes a committed policy of adapting the job to the resource, taking into account the entire population of the Group without discrimination on the basis of age, sex or nationality.

Completing the integration of BNP Paribas Fortis will remain a key challenge for the coming years. Thanks to the unstinting efforts of more than 4,000 employees, an Industrial Master Plan was developed in less than 150 days. In its four domestic markets (France, Italy, Belgium and Luxembourg), BNP Paribas is uniquely positioned to offer carefully tailored solutions for customers in Europe. The industrial master plan was presented to investors and is being rolled out progressively over the 2009-2011 period.

Adapting quantitatively and qualitatively the workforce

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, a dedicated staff unit coordinates workforce planning policy across divisions, business lines and support functions.

The workforce adaptation plan developed for the CIB business lines that were the worst affected by the economic crisis in France was initiated and completed in 2009. It concerned 200 people.

In managing the integration of BNP Paribas Fortis' operations within 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; 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 will be used. Thus, in Belgium, 1,250 jobs will be created through the consolidation of the Group's commercial position and the establishment of several international competency centres in the country.

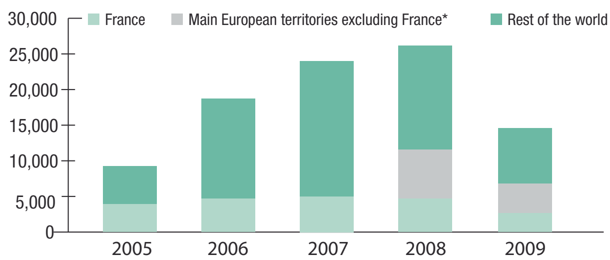
Furthermore, natural employee attribution in Belgium and the other countries concerned by the merger (e.g. the other domestic markets of the Group, namely, France, Italy and Luxembourg) will provide possibilities for the redeployment of staff members whose positions are affected by the reorganisations planned 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 prioritising internal mobility ahead of external recruitment wherever possible.

At BNL, the implementation of the workforce reduction plan progressed in consultation with local labour representatives.

In view of the demonstrated effectiveness of the workforce planning tools used in France over the past two decades, the Group intends to extend these tools to Italy and Belgium where they will be used on a Europe-wide scale.

Ensuring recruitment that meets the specific needs of each business

In a turbulent economic and financial environment, recruitment remained at a high level in 2009. During the year, a total of 14,549 permanent hirings were made by the Group while 2,691 permanent hirings were made in France.



(*) *United Kingdom, Italy, Russia, Turkey, Ukraine.*

The distribution of hirings in France by age profile was stable in terms of relative shares, with recent graduates accounting for 50%. There were 1,234 hirings on work-study contracts, including 764 in professional internships and 470 in apprenticeships, comparable to the levels in 2008. At 31 December 2009, 1,539 young people were employed under work-study contracts in France. The number of trainees taken on under the VIE *(Volontariat International en Entreprise)* programme was stable, with 190 volunteers sent on missions in 2009, compared with 205 in 2008. The number of work placements for master's students amounted to approximately 1,200.

Close links with schools and universities

The Group maintained and reinforced its policy of developing close ties with third-level institutions in France and Belgium and implemented a wide range of innovative approaches aimed at young people.

Speed recruiting events

In France, the Group introduced a novel hiring initiative in October 2009 which focuses on recruitment for the retail banking network. The speed recruiting format was introduced in 2009 and was tested at five job fairs in France. As another aspect of this original approach, Recruitment managers joined forces with the representatives from the Mozaik HR association to coach candidates from disadvantaged neighbourhoods prior to the interview sessions.

Ace Manager: Successful first edition and launch of "the second set"

The first version of this online banking adventure contest attracted a total of 4,364 students, from 106 countries on all five continents who competed in 1,091 four-person teams. The operation showcased the BNP Paribas employer brand to over 700,000 students worldwide as part of the campus tours and promotional events organised to highlight the contest. During the operation, the Ace Manager website received more than 200,000 visitors. Round two of the operation called "Ace Manager - The Second Set" was organised for business school and university students in 26 countries. Ace Manager has been devised in collaboration with BNP Paribas bankers to give students an understanding of the Group's three core businesses: Retail Banking, Corporate and Investment Banking and Investment Solutions. Ace Manager is part of the Group's strategy for boosting its brand awareness as one of the leading employers of graduates worldwide.

These initiatives helped to maintain or raise the Group's attractiveness score among strategic target populations.

An attractive employer brand

For the fourth consecutive year, BNP Paribas received a top ranking from final-year business school students in the 2009 edition of the TNS Sofres survey on the best places to work. The Bank was rated in seventh place by engineering students. TNS Sofres polled 269 students from 21 business schools in France. Polls were conducted in the form of one-on-one interviews. Results demonstrate that despite the economic crisis and the recent damage to the reputation of the banking sector, BNP Paribas remains the most attractive employer for university students. The Group was the top company spontaneously named by respondents when asked about the company in which they would most like to work. This preference is attributable to the Group's global presence and the opportunities offered for international careers as well as by the superior working conditions, attractive compensation and extensive training offered by BNP Paribas.

Work-Study training for students: a priority

In 2009, BNP Paribas's work-study programme was extended to a further 1,000 students, bringing the total number of work-study positions in the organisation to 1,539. 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 Company has a pool of talented, young, newly-hired graduates with knowledge of the Company's businesses and culture, and whose long-term potential has been assessed by the Company. 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.

Combating discrimination

In 2008, three policy documents were developed and circulated within the Group: a Code of Ethics for all Group employees with a role in the recruitment process, together with a methodology for individual hiring interviews and a scorecard to formulate and document decisions taken after interviews with candidates. During the year under review, a handbook on the employee recruitment procedure and ethics code was developed in English for circulation throughout the Group.

In 2009, guidelines on non-discrimination were issued to managers responsible for hiring decisions within Group entities. These guidelines aim to ensure that the recruitment process is managed in an objective, transparent and respectful manner. A series of awareness raising events were organised for managers in each business line and a recruitment portal was developed online for employees.

In France, the Group decided to participate in the French government's testing of recruitment via anonymous CVs and carried out studies to examine how to incorporate the approach into their recruitment process.

An ongoing control framework has been developed to verify that hiring decisions are based on skills assessments that are characterised as objective, factual and professional. This framework is designed to ensure the traceability, quality and compliance of the hiring process.

Developing skills of employees and teams

Training, a tool for business effectiveness

Given the rapid pace of transformation in businesses, work organisation and the labour market, training and skills development plays a critical role in:

- enhancing employees' performance levels;
- increasing their employability within the organisation;
- recognising employees and developing loyalty;
- transmitting the corporate culture and strategic vision of the Group.

Training is designed to provide employees with opportunities for learning so that they can achieve their career goals and prepare for future changes. Training also provides a means to become better acquainted with the Group and its corporate culture, its environment, and regulations governing banking activities. Lastly, training initiatives foster knowledge transfer between employees as a means of sharing skills.

To be effective, training initiatives must be closely coordinated and structured as a long-term training programme.

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.

In support of this training policy, BNP Paribas's training centre provides a venue for bringing together employees from across the Group.

Louveciennes training centre

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 2009 more than 22,000 employees attended the centre to participate in integration seminars, business-specific courses, cross-functional training programmes and major Group events.

The centre's facilities have been upgraded to ensure that they are environmentally friendly and that they comply with sustainable development objectives.

Enhancing employees' performance levels

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 combine classroom training with e-learning, and the training approach is supplemented by testing to ensure that knowledge is transferred.

Effective performance also requires acquisition of more cross-cutting skills. In France, the key thrusts for training initiatives include:

- proficiency in English – existing initiatives were overhauled in 2009 to ensure a closer linkage between requirements identified during testing and training content;
- professional development - training courses in project commissioning, project management, personal effectiveness and operational management are provided by the Group training centre in Louveciennes. Training also focuses on bringing together employees from a variety of horizons. In 2009, more than 1,800 employees attended a professional development training course at the Louveciennes centre. To facilitate access to training, a dedicated training catalogue has been developed to assist staff in finding the training offering that best meets their needs.

Enhancing employees' employability with in the Group

To confront the massive changes for banking sector business functions, the Group has focused on enhancing employees' cross-business mobility.

To this end, the support framework for employee mobility devised in 2008 was rolled out at Group level with the following objectives:

- realising the value for the Group to be gained from mobility in a context of ongoing and substantial changes within BNP Paribas;
- preparing employees for future mobility;
- supporting business reorganisations that involve employee mobility;
- fostering sharing and knowledge of the Group.

In 2009 a total of 14 sessions were organised for 145 people in order to support employees through major organisational changes.

BNP Paribas further facilitated access to training in 2009 by providing upskilling courses for eligible employees in France. A total of 2,500 training sessions were organised during the year, resulting in the provision of 57,500 training hours.

Induction and orientation for employees

Induction training enables new employees to learn about BNP Paribas and understand the role of their business units within the wider organisation. These programmes provide an occasion for newly hired employees to develop a professional network. They help to create a sense of community by offering shared terms of reference as regards values, business principles and methodologies. Integration training also involves various other components for employees such as initial meetings with managers and fellow team members, discovering their workstations, and learning about the environment in which they will operate.

In 2009, the induction programme for new employees was structured into three key elements:

- first steps: New hires are received by their managers and by Human Resources representatives. A specific training tool has been developed which couples new technologies and knowledge of the Group in a "serious game". The so-called "Starbank" game teaches about banking activities as it is being played and can be used by BNP Paribas entities throughout the world;
- professionalism: This involves preparing staff to take up their functions and familiarising them with the Group's management principles;
- perspectives: Introducing employees to the wider Group and to their peers within the organisation. This final phase generally includes an induction seminar which provides participants with a strategic overview of the Group.

The induction programme also ensures that newly hired employees are introduced to the organisation in a manner that is consistent with their level of seniority and business function while ensuring compliance with the Group's principles. It is particularly suitable for graduate recruits as it marks the transition from university into employment.

Transmitting the corporate culture and strategic vision of the Group

The Group's cohesive risk management culture is a key advantage and competitive strength. The rapid growth experienced by the Group in the last five years and the ongoing economic crisis have highlighted the need to reinforce, promote and proliferate BNP Paribas' risk management culture throughout the Group while tailoring this approach to suit the specific environment of each business line.

The "Risk Academy"

To provide a pragmatic and flexible response to this need, the Group's Risk Management and Human Resources Departments launched a joint project, known as the "Risk Academy", which is supported by the Group Executive Committee. The project has three goals:

- consolidating and disseminating the Group's risk management approach and capabilities;
- providing a coherent view of the Group's training offering in the area of risk management to all employees;
- developing a community of practitioners.

VALUING, MOTIVATING AND INSPIRING LOYALTY

Inspiring loyalty through competitive remuneration

Remuneration

Work performed, skills and level of responsibility are remunerated by base pay which is commensurate with employees' experience and the market norm for each business. Levels of variable pay are determined by individual and collective performance over the year. Variable remuneration takes different forms in the various business lines.

Variable pay for investment banking staff conforms to the criteria of the G20 agreement as promulgated by the order issued by the French economy and finance ministry on 3 November 2009 and the professional standards of the French Banking Federation of 5 November 2009. These principles are as follows:

- deferring payment of at least one-half of annual variable pay over a three-year period;
- implementing clawback arrangements with performance conditions for deferred payments;
- indexing the total amount of deferred payments to the performance of the BNP Paribas share, in order to align the interests of beneficiaries and shareholders.

New practices with respect to the variable compensation of market professionals

The financial crisis highlighted the need for wide-reaching change to how bonuses are paid to traders. Although it is one of the banks to best withstand the crisis, BNP Paribas decided to be a driving force behind this change. The bonus payment policy and rules introduced fully comply with the G20's new international standards and reflects the willingness to exercise restraint. In this new environment, the Group intends to promote the need for consistency between the actions of the employees in question and the company's long-term objectives, in particular with regard to risks.

The bonus pool is determined after taking into account all the charges affecting CIB's market businesses, notably liquidity costs, cost of risk, allocated equity remuneration, exceptional taxes.

The method used to determine individual bonuses includes a quantitative and qualitative performance review of each employee. The evaluation of personal conduct, especially team spirit, and the observance of rules of ethics and compliance are explicitly a part of this process.

Deferred bonuses will be subject to performance requirements over a number of years and pegged to BNP Paribas's share price, in keeping with the Group's determination to promote sustainable practices.

More generally, the Group's remuneration policy is founded upon principles of fairness and transparency which are supported by:

- a uniform process for annual variable pay applying to worldwide operations;
- a strict delegation system which operates in accordance with directives set at Group level;
- reinforced oversight performed by Remuneration Committees and, in market activities, by Compliance, Risk and Finance Committees.

An extensive range of benefits

Employee share ownership

The Group has always encouraged employee share ownership through an annual share issue reserved for employees. Since the formation of the BNP Paribas Group in 2000, the worldwide employee share ownership plan has offered employees the opportunity to become shareholders of their company for a minimum period of five years. They are entitled to a discount on the shares they purchase and to top-up payments from the company. To date, nine share issues have been offered to Group employees.

Employee savings and Pension plans

Employee savings plans enable employees to build up their savings, in particular with a view to retirement, while at the same time ensuring optimal local tax treatment and social security benefits. In recognition of the demographic trends prevailing in a wide variety of nations, the Group has prioritised the issue of provision for retirement. In France, several thousand employees subscribe to the Group retirement savings plan (PERCO). Their savings become available on retirement, in the form of an annuity or a lump-sum payment. Top-up payments into PERCO amounted to EUR 3 million in 2009.

Employee savings plans

BNP Paribas organises employee savings schemes, which are eligible for top-up payments by the Company and which provide a tax-efficient savings vehicle for staff. Employees can choose the investment vehicles that suit their objectives: funds invested in BNP Paribas shares, in diversified equities, in bonds, or simply a blocked cash account. In 2009, the range of investment vehicles proposed under the Group's employee savings scheme was extended to include solidarity and socially responsible savings plans.

Other company benefits

The Group has a longstanding benefits policy which provides 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.

A flexible, customised contingency plan in France

BNP Paribas' personal contingency 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.

Incentive and mandatory profit-sharing plans in France

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, similar profit-sharing plans in many other territories.

Profit-sharing and incentive plans -- BNP Paribas SA (amounts in euros)							
Amount payable in respect of the year listed	2003	2004	2005	2006	2007	2008	2009
Total gross amount	116,769,620	148,701,874	186,076,788	227,719,000	232,530,560	84,879,969	181,349,984
Minimum amount per employee	2,328	2,945	3,772	4,696	4,728	1,738	3,782
Maximum amount per employee	7,831	10,020	10,689	12,732	12,800	4,641	10,128

Information on the total compensation package

In 2009, more than 47,500 employees in France received a new document at home. Dubbed "ItinéREM", the document provides a detailed breakdown of the monetary and non-monetary components of the employee's compensation package in 2008. It provides an easy-to-grasp summary of the employee's personal situation, combining data which had previously only been available from a variety of sources. "ItinéREM" will continue to be distributed to employees each year and the number of staff members concerned by the initiative will be increased.

Dynamic career and mobility management

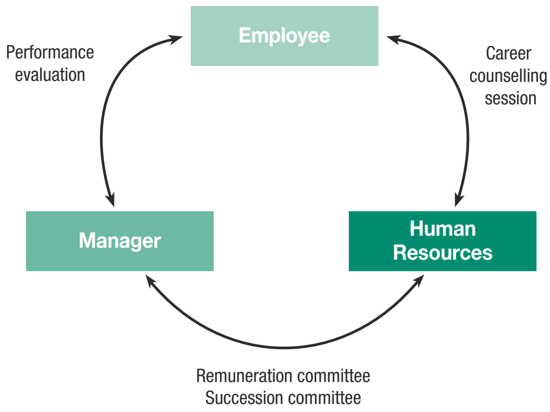
Career development efforts in 2009 focused on improving career management processes in several areas such as expanding the scope for identifying high-potential executives, incorporating evaluations of managerial performance into the identification process, and ensuring effective succession planning.

Career management to prepare and support employee advancement

BNP Paribas' career management policy is designed to enable employees to progress continuously within a coherent and structured framework. The Group invests in various continuous training programmes which are tailored to individual profiles and aspirations.

Career management is based first and foremost on the relationship between the employee and his or her manager. Human Resources managers' role is to monitor this relationship and to follow up on each individual's career advancement.

CAREER MANAGEMENT



A robust succession planning process

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 regurlarly, at all levels, to identify promising executives who show the potential to take up key posts within the organisation. Executive roles within the Group provide a springboard for talented individuals while promoting their integration within the Group and providing opportunities to develop leadership skills.

Specific training programmes (PRISM and NEXTEP) have been developed for high-potential executives within the Group and are provided by the Louveciennes training centre.

Executive development seminars: PRISM and NEXTEP

The objectives for the PRISM and NEXTEP programmes are closely aligned with those of the Group's career management process. They focus on creating and nurturing a community of senior executives in key positions (PRISM) and ensuring success in high-profile career promotions (NEXTEP). The aim is to ensure a linkage between training and career management policies and that conditions are in place to provide senior executives with the skills they need to drive the Group's expansion. In 2009, 127 people took part in four Prism sessions which were focused on individuals taking up "manager of managers" positions within the organisation. In addition, NEXTEP seminars were organised for executives taking up positions of increased responsibility within the Group.

Anta Diagne Diack, named "Best Female Manager" in Senegal

Mrs. Anta Diagne Diack, Deputy CEO of BICIS, BNP Paribas's subsidiary in Senegal, was voted the "Best Female Manager 2008" by the jury of the fifth Cauris d'Or, an annual business awards ceremony organised by the Senegalese employers' federation, MEDS. A gala award ceremony was held to present the prize on 9 May 2009. Mrs. Diack expressed her gratitude on receiving this honour: "This award is symbolic. Through its decision, the panel has chosen to reward a female manager and to encourage her to pursue her efforts in her professional and personal life. Above and beyond the personal recognition, I am especially delighted about the positive impact that this may have on BICIS and BNP Paribas who gave me the opportunity to succeed in such a challenge."

Transmitting the culture and strategic vision of the Group: Talent Development Programme

BNP Paribas has developed a Talent Development Programme which is designed to provide high-potential employees with international experience. The programme is devised in a collaborative way, created with the help of Human Resources and managers from the various divisions and territories. Its purpose is to ensure effective executive succession planning and to keep pace with the Group's growth.

The Talent Development Programme comprises three training cycles: Leadership for Development, established in 2005 in partnership with Collège de l'École Polytechnique, is intended for experienced high-potential managers and designed to enhance leadership abilities. Training is provided in two sessions and was extended to 105 participants in 2009. In addition, the two training programmes developed for high-potential junior managers and first deployed in 2008 were repeated in 2009: The "Go to Lead" module was provided to 117 employees and is designed to strengthen their ability to collaborate in multi-disciplinary and multi-cultural environments. The "Share to Lead" module for high-potential junior managers was completed by 113 participants and provides them with insights on team leadership while helping them to identify their potential for improvement.

A dynamic mobility policy

Career mobility is not only a source of competitive advantage for BNP Paribas. It is also the preferred means of adapting human resources to organisational change. Mobility enables employees to enrich their professional experience and move ahead in their careers. Various forms of career mobility are used to develop employees' potential in new business lines and enable them to develop new capabilities:

- *functional mobility.* Mobility does not automatically involve a change of position; it may also encompass professional development through the enrichment of skills, abilities and knowledge;
- *geographical mobility.* This involves moving employees to new cities or, in the case of international mobility, to another country;
- *inter-company mobility.* Moving employees from one Group entity to another.

Although the diversity of the Group's businesses provides enormous scope for career mobility, mobility decisions must take account of employees' individual aspirations while ensuring that optimal use is made of their existing skills. Thus, the Group's performance evaluation framework encourages dialogue between employees and managers as a key prerequisite for career management. More generally, the size, scale and breadth of the Group's worldwide operations provide ample opportunities for career mobility. Despite the impact of the economic crisis, mobility opportunities were provided for several thousand employees in 2009.

A support framework has been developed for expatriate managers in order to facilitate cross-border mobility. This comprises intercultural awareness training, support for spouses seeking employment, administrative assistance, etc. In addition, an internal job vacancy postings service ("e-Jobs") is also being deployed at Group level. The number of job openings posted on e-Jobs currently stands at around one thousand across France, Italy and Spain.

In other countries, particularly in Belgium, France and Italy, the Group has put in place dedicated structures (staff, training, information, etc.) to promote career mobility.

PROMOTING DIVERSITY IN ALL ITS FORMS

The Group has expanded rapidly into new business lines and operating territories in recent years. The Group's operating structure reflects this evolution and shows a balance across business lines and geographic areas.

BNP Paribas and its commitment to diversity: "The Spirit of Diversity"

With over 200,000 employees of more than 160 nationalities across more than 80 countries, BNP Paribas views employee diversity both as a major strength for "the bank for a changing world" and a source of performance enhancement. The Group has a duty to be a standard setter for corporate social responsibility. BNP Paribas also believes that mixing people from different backgrounds not only helps to spur creativity and efficiency, but also ensures that its organisation mirrors the societies in which it operates.

To fulfil its corporate mission statement as "the bank for a changing world", BNP Paribas has made a key investment in promoting diversity. The Group's Diversity policy is coordinated by the Group's executive management and the Executive Committee. Its overarching purpose is to ensure non-discrimination. The Diversity policy provides a common framework for the Group. Each country has developed an individual diversity policy which is designed to cater to its specific legal, cultural and social context.

Diversity: a patchwork of local initiatives throughout the world

Diversity initiatives are being pursued by Group entities in a variety of countries. In the United States, BNP Paribas's subsidiaries in New York have established a Diversity Council which organises high-profile initiatives such as Diversity Day on 28 October 2009. In Bahrain, gender equality is a key element in diversity initiatives and training efforts. In the United Kingdom, a Women's Internal Network has been established in London and mirrors the launch of Mixcity in France. In Belgium, Fortis Bank took steps to develop a diversity policy as part of its integration into the BNP Paribas Group. A series of audits have been performed and working groups established.

BNP Paribas published its first Diversity Report in November 2009. The report is designed to measure the results of initiatives underway within the Group since 2004. Specific indicators have been developed for each cross-cutting component of the Group's Diversity Policy. These include: diversity of backgrounds, gender equality, employment opportunities and integration of disabled persons and age diversity.

Group initiatives in the area of diversity are publicised on the corporate website: www.bnpparibas.com/diversity/; as well as through BNP Paribas's corporate blog: www.forachangingworld.com.

A diversity award in France

In 2009, BNP Paribas became the first and only French bank to be awarded the French government's "Label Diversité". This certificate recognises the initiatives pursued by the Bank since the signature of its Diversity Charter in 2004 and rewards BNP Paribas for its exemplary practices in terms of diversity in France. The "Spirit of Diversity" policy covers 18 forms of discrimination which are prohibited by law: origin, gender, age, marital status, pregnancy, physical appearance, surname, health status, disability, genetic characteristics, lifestyle, sexual orientation, political beliefs, membership of a trade union and belonging or non-belonging, whether actual or assumed, to an ethnic group, nation, race or religion. The award was conferred on the recommendation of a committee of representatives from government, trade unions, employer representative bodies and France's national association of human resources directors (ANDRH). It recompenses the Group's determination to play a key role in fostering social insertion, equal opportunity, social bonds and non-discrimination.

Diversity of backgrounds

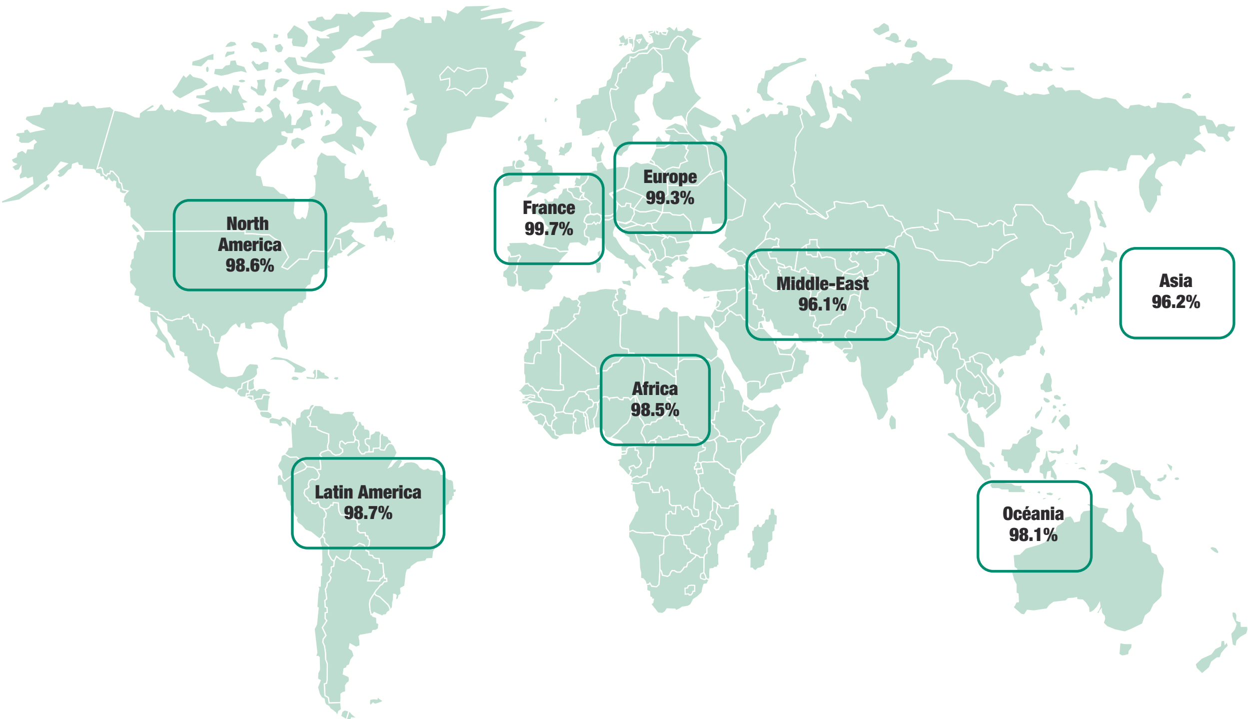
International teams

As BNP Paribas has grown and expanded internationally, the Group's worldwide workforce has increased over successive years since 2000, exceeding 200,000 employees at end-2009. In the last nine years, the percentage of employees outside France has risen from 40.8% to 67%. To accompany its rapid international expansion, BNP Paribas strives to include more international managers in its executive teams, as demonstrated by its appointment of a non-French national to the Executive Committee. The proportion of non-French nationals has increased significantly thus creating ever more international teams.

The Group's expatriation policy has been devised to foster an international corporate culture and to facilitate the formation of international teams: expatriation kit, support programme for spouses of expatriates, intercultural awareness training. In the United States, a new training programme has been designed for employees transferred from other countries. The programme helps employees to understand cultural differences that can impact on their working methods, management styles and teamwork approaches.

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 [(1)] with access to positions of higher responsibility within the subsidiaries and branches while enabling them to pursue careers within the Group.

Percentage of local staff employed by geographic area



(1) *Staff members who are not employed under expatriate agreements.*

In 2008, the Group pilot tested a new training course for Human Resources managers entitled “Managing diversity as a component of performance”. The training course was trialled across a variety of business lines and functions. In 2009, this training course was extended to managers outside the Human Resources Function. In France, a total of 1,200 managers had undergone the course by end-2009.

Outreach to visible minorities in France

BNP Paribas organises a range of outreach events for visible minorities in France. These actions are designed to enable the Group to diversify its candidate pool and to ensure that minority candidates are not dissuaded from applying to join the organisation. To promote equal opportunity, the Group participates in job fairs organised for visible minorities and in employment diversity forums in underprivileged areas. These include IMS, Africagora, AFIJ, the “Zéro Discrimination” initiative in Lyon, and the “Nos quartiers ont du talent” project with the French employers' federation (MEDEF), etc. As in 2008, the Group participated in the equal opportunity employment roadshow (“Train pour l'emploi”) organised in March 2009. This event enabled the ten companies taking part to meet job seekers who were pre-screened by public sector employment services, youth employment services and associations involved in promoting equal opportunities.

Please refer to section “Ensuring recruitment that meets the specific needs of each business” for more information on initiatives to promote non-discrimination and professional insertion.

BNP Paribas stepped up its actions to promote diversity in the workforce in 2009. During the year, the Group marked the tenth anniversary of its presence in the Seine-Saint-Denis district with an inauguration ceremony for the Grands Moulins de Pantin office complex.

Initiatives in favour of visible minorities are coordinated in partnership with non-profit associations working in the area of professional insertion. Please refer to the Corporate Social Responsability Report under “A partner in society” for more information on these partnerships.

Gender equality in the workplace

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.

Objective 2012: 20% of women in senior management positions within the Group

Diversity management is a key component of organisational efficiency. In this area, the Group Chief Executive Officer has set an ambitious goal. By 2012, women will occupy 20% of the key management positions within the Group. This will entail a concerted effort to promote at least 100 additional women to senior management positions.

2009 Prize for “Best Diversity Report”

Each year, France's “International Conference on Diversity” awards a prize for the CAC-40 listed company with the most comprehensive section on diversity in their corporate social responsibility report. In 2009, the French association “Défis de la Diversité” worked alongside the prospective research centre of Groupe Alpha to analyse corporate social and environmental responsibility reports over the last 5 years using 33 different indicators. BNP Paribas's 2008 annual report fully satisfied the award jury's selection criterion of “high quality of information provided to stakeholders on diversity management”. The jury, which comprised practitioners and academics specialised in the field of CSR and diversity management, awarded its first prize to BNP Paribas for the “Best diversity report” under the “gender equality” category.

Company agreements in France

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 effectiveness as determined by performance evaluations. A budget of EUR 3 million was set aside to reduce salary differentials in 2008 and 2009. The initiative will be repeated in 2010.

In France, the percentage of women promoted into management positions (as defined in the banking industry collective agreement) or executive management positions (for subsidiaries not governed by that agreement) stood at 38% in 2009, versus 32% a year earlier, and 28.5% in 2007. At BNP Paribas SA, the proportion of women executives has been rising steadily in recent years; it was 38.8% in 2005, 40.3% in 2006, 41.4% in 2007, 43.1% in 2008 and 44% in 2009. See *NRE appendix – Social chapter* for more information. By 2007, BNP Paribas had already exceeded the 2010 target set within the banking industry for the feminisation of managerial employment. As of end-2009, BNP Paribas had achieved its 44% goal, one year ahead of schedule.

The Group's operations in Italy have also taken steps in this area. Thus, women accounted for 37.9% of the workforce in 2009, versus 31.3% a year earlier. Women accounted for 26.6% of managerial positions and 10.7% of executive management teams.

BNP Paribas, the leading CAC 40 listed company for its level of representation of women on its Board of Directors

A survey conducted by ORSE, the French observatory on corporate social responsibility, the French Institute of Company Directors, and the European Professional Women's Network – Paris, found that women accounted for 28.5% of the members of the Board of Directors of BNP Paribas, making it a leader among its peers. Only four CAC 40 companies had boards with more than 20% women directors.

Gender equality networks

In France, the MixCity network was formally incorporated as a non-profit association—BNP Paribas MixCity. 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. Membership is open to all female executives with an employment status equivalent to that of the French "cadre". The association's purpose is to provide a forum for exchange between members and the Group's executive management bodies as well as with other women's groups in France and internationally. Its objective is to propose new rules of the game and to develop new possibilities for the advancement of women and to assist women in their day-to-day management roles by promoting measures which facilitate work-life balance. A wide range of activities are proposed: breakfast and lunch meetings, awareness-raising workshops, training sessions and meetings with motivational speakers who have specific experience to share (www.association-bnpparibas-mixcity.com).

As from 2008, the MixCity initiative was spread to other countries, starting in Luxembourg. In 2009, in the United Kingdom, a Women's Internal Network was established in London while in the Gulf Region, a similar initiative was organised in Bahrain. Other networks are in the process of being formed in Belgium and Spain.

In London, the women's networking group is coordinated by a steering committee of 25 women executives. The group has initially concentrated on mentoring efforts and on actions to increase the number of women applying for positions in investment banking.

Parenthood: pilot initiatives in France

The Group has adopted a range of family-friendly initiatives and developed partnerships aimed at assisting employees who are or about to become parents:

- the eleven-day paternity leave available to employees of BNP Paribas SA comes with full pay in order to encourage fathers to fulfil their parenting role;
- Child-care centers and concierge services are provided at BNP Paribas Securities Services and BNP Paribas Assurance. BNP Paribas Assurance provides around thirty places in its child-care centers. Both subsidiaries have established partnerships in France to provide children's leisure activities on Wednesdays and during the school holidays;
- the MixCity women's network produced two brochures for employees: "Group agreement on gender equality in the workplace" and "Maternity or adoption";
- the Group has formed a partnership with FEPEM, an association of in-home employers in the Paris region, to advise Group employees in France on the formalities of day-care: filing requirements for the hiring of care providers, collective agreements covering in-home workers, family allowance benefits, entitlements to reduced rates of social security contributions and income tax, etc.;
- the Group contributed to the publication of a guide on promoting parental responsibility among male employees by ORSE (observatory on corporate social responsibility) issued in November 2008. The guide was distributed to employees in France.

These initiatives were very favourably received both by male and female employees.

In 2009, the Group became a corporate member of the French "Parenthood Observatory", an organisation which seeks to promote work-life balance for parents.

Equality for employees in married and civil partnership couples

Since 1 January 2009, as part of BNP Paribas SA's commitments to promoting diversity and parenthood, the Bank has extended the same parental leave rights to employees in civil partnership couples as those in marriages. This non-discrimination measure follows on from the signature by BNP Paribas of a "Parenthood Charter" in 2008.

France's High Council for the Family

The High Council for the Family was established by a decision of the French Council of Ministers on 29 October 2008 and is chaired by the Prime Minister. Its purpose is to coordinate family-friendly policies and to monitor changes in social, economic and demographic patterns. The 52 Council members are drawn from family organisations, employee representative bodies, regional authorities, social security funds and national government. Seven expert members are appointed up a recommendation by the French Minister with responsibility for family affairs. On 30 July 2009, the Director of Human Resources of BNP Paribas Personal Finance was appointed as an expert member by the Minister with responsibility for family affairs and will participate in the deliberations of the Council.

Employment and integration of persons with disabilities in France

Integration of persons with disabilities is a key aspect of the Group's commitment to social responsibility. To this end, the Group strives to retain disabled employees and to be more effective in hiring disabled professionals.

Implementation of the 2008 agreement on employment of persons with disabilities

Year two of the implementation of the agreement on the employment of persons with disabilities for the 2008-2012 period saw the approval of an action plan for the recruitment of disabled employees and a target of hiring at least 170 disabled employees by the end of 2011. The plan is being implemented in partnership with Agefiph, the French agency responsible for collecting employer social security contributions. It will focus initially on disabled persons who have had uncommon career paths and varied professional experience outside the banking industry. The plan includes measures to facilitate the integration of disabled employees and provide training which is appropriate to their careers. As from 1 July 2009, the Group's Human Resources Department has borne the cost of payroll expenses for disabled employees who are newly hired under permanent and fixed-term contracts for the first twelve months of their employment. This initiative is designed to encourage operational entities to take part in the scheme.

In Italy, BNL has introduced measures to provide increased support for employees with disabilities, particularly in the areas of career planning, workplace ergonomics and information. In 2009, 52 persons with disabilities were hired by BNL, bringing the total number of disabled professionals employed by the Italian subsidiary to 509.

Under the aegis of "Projet Handicap", ongoing efforts are being pursued to raise the awareness of non-disabled employees, to improve conditions for the inclusion and retention of disabled employees in the workforce. The project team coordinates the work of a variety of participants and seeks to develop new partnerships. The retention of disabled employees is optimised through physical and organisational accommodations and by providing secure transitions between jobs. Procurement of services from the sheltered employment sector will be increased. A commission meeting to monitor implementation of the agreement will be held each year in spring.

For more than twenty years, BNP Paribas has been working on behalf of persons with disabilities by supporting an employment rehabilitation centre (ESAT) that it formed, "Institut des Cent Arpents".

Outreach efforts for people with disabilities

Awareness-raising workshops: "Projet Handicap" organised a series of roving workshops to raise awareness about the capabilities of staff with visual and hearing disabilities as well as disability-friendly technologies. These workshops were organised over several months at a variety of office locations and gave participants an opportunity to meet with employees in their workplaces.

Promoting the recruitment of disabled persons: In spring 2009, BNP Paribas launched a communications initiative targeting disabled persons. The campaign used print media and online advertising to highlight the Group's commitment to providing disabled professionals with positions that match their skills. The Group is committed to promoting the recruitment of disabled persons on permanent contracts and work-study contracts as well as improving workplace ergonomics to permit the retention of existing employees.

Open day for disabled persons: In November 2009, BNP Paribas held an "open house" at its Marché Saint-Honoré office building in central Paris for the third consecutive year. The event was held to coincide with France's thirteenth annual "National week for the employment of disabled persons". It provided participants with an introduction to the Group's business lines and enabled them to submit their CVs. The event was attended by employees representing each of BNP Paribas's divisions—Retail Banking, Investment Solutions, Corporate and Investment Banking, Group functions and subsidiaries.

Age diversity

As part of its diversity and gender equality drive, BNP Paribas follows an employment policy designed to help extend employees' working lives. At BNP Paribas SA, measures that allowed employees to leave on early retirement were restricted in 2004 and eliminated altogether in 2006. The proportion of employees aged 55 and over stood at 20.5% of the workforce at end-2009 versus 10% at end-2003.

With the lengthening of working lives, BNP Paribas seeks to provide career prospects for employees aged 45 and over by facilitating further development of their skills and responsibilities. Under the sectoral agreement of 9 July 2008 on age discrimination and the employment of seniors, the enterprise is committed to a gradually increasing average age of retirement, rising from 55 years to a target of 60 years by 31 December 2012. The enterprise is also committed to doing more to manage the latter part of employees' careers and to producing an annual report on the employment of seniors.

The enterprise commits to the principles of equal access to professional training and individual right to training regardless of age.

The "Managing Diversity as a Performance Lever" seminar launched in 2008 is designed to draw managers' attention to the issue of age diversity and remind them that all forms of age discrimination are prohibited.

By the end of 2009, all Group entities in France had defined their employment policies for seniors. These will be implemented as from 2010 over a three-year period. Policies set overall objectives for the proportion of senior employees within the workforce while identifying measures to promote the employment of seniors. The employment policy for seniors is a key component of the Group's overall efforts in the areas of non-discrimination and equality of opportunity.

LISTENING TO EMPLOYEES

Global People Survey

Global People Survey: Tracing the road ahead

In 2008 the BNP Paribas launched an annual "Global People Survey" in 10 languages for a population of 25,000 employees around the world.

In 2009, the survey process was greatly expanded and was conducted online for the first time. The questionnaire was developed in 17 languages and included 80 questions in 15 different themes. It also included an open-ended question asking employees to comment on the direction for change within the organisation. The new edition of the survey provided an opportunity to gauge the level of commitment of the Group's worldwide employees along with their opinions about their day-to-day work, their image of the Bank and of its management teams and BNP Paribas's corporate social and environmental responsibility efforts.

"By asking us to participate in this survey, BNP Paribas has demonstrated that it is committed to achieving improvements. It gives me the feeling of working for a company that is attentive to its employees." (Verbatim response by a survey participant.)

The second edition of the Global People Survey was conducted with the assistance of Towers Watson which analysed and processed the survey results in a manner which ensured strict anonymity and confidentiality.

The June 2009 edition of the survey was extended to a sample base of 163,000 employees in 75 countries and included employees from BNP Paribas Fortis. This larger sample base provided more representative survey results. The survey was one of the first corporate projects organised in collaboration with BNP Paribas Fortis. The overall survey response rate for 2009 was 51%, giving 83,000 completed questionnaires.

The results provided data for each business area, division, function and country. Survey results were further broken down by age, seniority, etc. to provide an invaluable information source which enables comparisons between Group entities and facilitates sharing of good practices. The changes in survey responses from year to year helped to highlight areas of action for Group entities.

The open-ended question concerning the direction for change within the organisation elicited 32,152 responses (52% of respondents). In addition to expressing satisfaction at being able to participate in a worldwide survey, employees also expressed a wide range of expectations which were carefully analysed in order to plan the direction for future initiatives. The numerous suggestions helped to enrich the content of action plans for Group entities.

Despite the turbulent economic climate, the survey results demonstrated the extent of employees' commitment to the organisation and their confidence in the strategic choices of its executive management. Employees consider that the Group is well positioned to meet future challenges.

In relation to BNP Paribas's commitment to corporate social and environmental responsibility, employee perceptions were even more favourable compared to 2008 and their comments provided a variety of suggestions for locally-based initiatives.

The Group's Corporate Social and Environmental Responsibility policy was cited as the second-most motivating factor for employees, next to Leadership. The emphasis placed on the Group's commitment to CSR was consistent across the entire Group irrespective of the business line or function in which employees operate, age, hierarchical level, employment status (managerial or line positions) and regardless of whether staff belong to special population groups, including BNP Paribas Fortis.

In the current economic crisis, the survey results underline the contrast between employees' perceptions of the Group's responsibility and the negative treatment of the banking industry in the French media.

European Works Council

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. Its composition was reviewed in 2006 following the integration of the Italian subsidiary BNL and now has 25 members representing 16 countries. The Council is chaired by the Chief Executive Officer of BNP Paribas. The Council took on a new dimension in 2009 following the integration of BNP Paribas Fortis's banking operations in Belgium and Luxembourg.

In the wake of this major change, negotiations concerning the structure and operating procedures of the Works Council were opened in late 2009 and were ongoing in early 2010. To address the challenges raised by the Works Council's wider remit, an extraordinary meeting of the Works Council was held in December 2009 in Brussels.

Innovative spirit

A key challenge

The growing impact of information technology, which accounts for 15% to 20% of banking groups' operating expenses, coupled with the high level of expertise in financial services and the importance that banking clients accord to new services, mean that banking is one of the most innovative sectors of the economy.

Given the intense competition within the banking sector and the fact that patent protection is unavailable, the bar for what constitutes basic banking services is constantly being raised. As a result, ongoing innovation is required to create value-added products *(product innovation)* and to ensure cost-effective production of those that have become standardised *(process innovation).*

Financial innovation is thus encouraged, and its benefits are passed on to customers, whether those benefits relate to risk hedging, investment returns, simplified transaction processing or lower unit transaction costs.

Supporting employee initiatives

In February 2009, BNP Paribas launched *forachangingworld.com*, a thematic website publicising the general interest initiatives engaged or supported by the Bank throughout the world. Devised as a two-way communications tool aimed at consumers and published in English and French, this corporate citizenship blog showcases BNP Paribas's commitments and staff initiatives in the areas of patronage, microcredit and mentoring for schoolchildren as well as sponsorship for medical research and cultural activities as well as the regeneration of underprivileged neighbourhoods. The *forachangingworld.com* blog enables the Group to sound out readers' ideas and opinions as well as to direct the policies and actions of the Group and its employees.

Innovation Awards

The annual Innovation Awards recognise innovation in all its forms. Nine prize categories have been created, including one for sustainable development. Two trophies are awarded in each category. The trophy for business innovation recompenses initiatives taken by employees or teams who are responsible for innovation in their fields of activity. The "Innov@ction" trophy is awarded to suggestions made by employees, individually or as a team, for improving products, services or processes and enhancing customer satisfaction.

By organising the prize awards, BNP Paribas hopes to share its innovative initiatives and to publicise the successes of the award winners. Descriptions of the winning projects can be consulted by employees on the Group's intranet.

Internal communications: Contributing to social responsibility

Internal communications efforts had to respond to an unprecedented range of challenges in 2009, including a systematically negative treatment of the banking industry in the French media. Throughout the turmoil of the financial crisis, BNP Paribas took all available opportunities to keep its staff informed by circulating memos and informative brochures outlining the Group's strategy.

In 2009, a series of communication activities were targeted at employees using a variety of media: "Ambition", the Group's in-house magazine is published in English, French, Italian, Dutch and Russian and serves as a source of news about BNP Paribas as well as insights into its strategy. "Starlight", the in-house video channel, is devoted to BNP Paribas innovations. Programming is presented in a six-minute newsflash format. Clips can be viewed each month on the Group's intranet sites in French, English and Italian. Since 2009, a newsflash in Dutch has also been introduced. A weekly newsletter, "Group Flash" is circulated to staff in 15 territories and provides a round-up of key news issues each week. Similarly, an annual review is also published while the Group's business-to-employee intranet was overhauled in 2008. The intranet website recorded 104 million page views in 2009. Finally, a dedicated electronic newsletter covering Corporate Social and Environmental Responsibility issues is published on the Group's intranet each month.

A reference guide on best practice in CSR

BNP Paribas Wealth Management (International private banking) has developed a best practice guide for employees to showcase its initiatives in the field of corporate social and environmental responsibility. This informative guide educates staff about ways in which they can contribute to the company's sustainability drive. The guide is designed to be both practical and fun. It is presented in a quiz format which gives staff all of the relevant information they need to understand BNP Paribas Wealth Management's sustainability initiatives.

Protecting employee health

The Group's occupational health policy goes beyond simply complying with changing legislative requirements. The major components of the policy are risk mitigation and support for employees who are at-risk or who have become unfit for work.

Preventing occupational hazards

Prevention begins with an assessment of occupational hazards: violence in bank branches, musculoskeletal disorders, air conditioning and ventilation malfunctions. A multidisciplinary team set up in 2006 pools the skills and knowledge of its members to prevent these risks and deal with pathologies stemming from multiple factors. This approach to working conditions offers greater opportunity for prevention and fosters concerted action.

In 2009, particular emphasis was placed on the following areas:

- the approach to hazard evaluation and prevention (mandatory document required by the French ministerial order of 5 November 2001);
- the quality of ventilation and air conditioning;
- lighting, office floor plate ergonomics and new technologies (e.g. Wifi);
- ergonomics of staff workstations for employees working in Welcome&Services retail banking branches;
- ergonomic enhancements for call centres in Lille and Paris.

A formal psychological support programme

This dedicated assistance unit was created in France in 2008 as part of BNP Paribas's effort to provide support for victims, and members of the public suffering from trauma as well as staff members, service providers and clients in the wake of hold-ups, violence, hostage-taking, workplace suicides, attacks, terrorism, landslides, fires, explosions and other natural disasters. A 24-hour hotline is available seven days a week and provides psychological assistance to individuals throughout France and French overseas territories on behalf of BNP Paribas and its subsidiaries. The service is available for all employees and service providers working in the Group's premises in France.

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 leaves of absence in the wake of attacks and in requests for transfer to another position subsequent to an attack. In 2009, 46 employees received medical assistance after an attack. Five of them were referred to specialists for psychological help.

On behalf of the French Retail Banking Division, 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. In the area of prevention, for example, behaviour training is provided which combines role-playing games and experiencing sharing exercises. Staff learn how to identify factors that lead to aggressiveness, apply techniques for handling confrontational situations and cope with feelings of anger and humiliation. In 2009, close to 2,300 persons participated in incivility awareness training. Assistance and support for employees are provided by management. Psychological and medical assistance is provided by the occupational health department. In cases where death threats are made, an emergency psychological support team is mobilised. Similarly, administrative and legal assistance is provided for employees having to notify social security or policy authorities of workplace accidents or civil and criminal complaints.

Specific initiatives are pursued to mitigate other occupational hazards: information campaigns, training, design ergonomics, remedial ergonomics and alert procedures. In 2009, the Group stepped up its efforts in the area of workplace ergonomics: 13 plan studies, 122 premises inspections and 8 studies were conducted. The high degree of vigilance exercised jointly by the occupational health department, management teams, facilities management functions, the work of the ergonomics unit and works committees has contributed to the very low rate of musculoskeletal problems reported in BNP Paribas SA.

Public health issues

BNP Paribas SA's occupational health department has been working for many years to promote employee health. In the course of annual medical check-ups, occupational physicians provide personalised care in all areas of public health. Awareness campaigns, brochures and specific programmes are designed to address key health risks, including cardiovascular disease, cancer, obesity and smoking.

A medical observatory to monitor stress and mental health issues

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. In 2009, close to 7,000 persons completed this questionnaire. The medical observatory of stress and mental health issues was extended to BNP Paribas Personal Finance and BNPP Assurances in 2009.

A variety of additional public health initiatives were pursued in 2009.

A working group comprised by operational human resources managers from all Group divisions and functions was set up to engage in contingency planning for pandemic preparation and to define appropriate sanitary and organisational responses. The plan developed covers purchasing of hygienic masks, compiling a database of hygiene products, measures to raise awareness about personal hygiene (hand washing) and the display of posters in washrooms. More than 3,960 influenza vaccinations were administered in 2009. In addition, a business continuity plan was developed to deal with an outbreak of the H1N1 virus.

The cardiovascular disease prevention programme, "PCV Métra", continues to screen for risk factors such as high cholesterol, hypertension, smoking and stress. Medical evaluations at Broussais Hospital of employees found to be at risk and screening for coronary impairments with a view to early treatment have resulted in 226 blood tests and five one-day hospital admissions.

635 people took part in a programme to help employees and their family members in the Paris region stop smoking through the Allen Carr method; 47% of those who responded to the satisfaction survey stopped smoking in 2008. In other parts of France, 73 people participated in sessions held in Arras, Dijon, Orleans, Chartres and Marseille. A free-of-charge follow-up session was organised by the Allen Carr Foundation on 6 November 2009. This session was organised for staff who had resumed smoking after having been cigarette free.

Each occupational health office is now equipped with a tonometer to screen for glaucoma. Screening tests for diabetes are also offered.

Training employees in life-saving techniques

In 2009, the Group overhauled its crisis communications programme for workplace emergencies. Each employee of BNP Paribas SA received a guide outlining the life-saving techniques to be applied in crisis situations. A dedicated emergencies section of the Group's intranet was also created. The section includes an interactive graphical sequence which educates staff about their role and responsibilities.

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.

In some cases, employees can meet with the occupational physician before resuming work, either because they request it or because their general practitioner or the reviewing physician recommends it. In such instances the occupational physician helps the employee to prepare for a return to work, taking into consideration any after-effects or residual handicap the employee may be suffering.

The Group's entities outside France focus efforts on the mitigation of occupational hazards and improving access to care for employees through partnerships with local health authorities. In Ukraine, employees of UkrSibbank who were exposed to radiation following 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.

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).

Developing harmonious labour relations across the countries in which the Group operates that are consistent with the Group's values

France

In 2009, the Labour Rights Commission, BNP Paribas SA's labour information and negotiation body, met on 37 occasions and negotiated the signature of 14 company-wide agreements. Some of these agreements were designed to improve or continue employee benefit plans and management-employee dialogue, while others strengthen employee representation on various bodies.

The ongoing financial crisis had a major impact on labour relations in France. Trade unions stepped up their campaigns on the themes of preserving jobs and purchasing power, reducing salary differentials and combating social inequality.

Despite the deteriorating economic climate, BNP Paribas succeeded in maintaining positive labour relations. BLabour protests organised at national level had no impact on the continuity of operations. Mandatory negotiations in connection with the annual wage bargaining round led to an agreement signed with three labour unions. For more information, please refer to the *NRE appendix – Social chapter – item 20: Employee relations and collective bargaining*.

The other major development of the year was the ongoing reforms to employee representative bodies. In the wake of the negotiations concluded in 2008, 100 works councils at national and local level were combined into ten regional works councils. In addition, a significant number of meetings were held with social partners to discuss the integration of BNP Paribas Fortis.

Finally, several meetings of the Labour Rights Commission were convened to discuss employer subsidies for commuting in accordance with the terms of the French law on social security financing for 2009 as well as employee savings, the presentation of the total individual compensation report, the results of the agreement on the employment of persons with disabilities.

Italy

In 2009, wide-ranging negotiations and consultative meetings were engaged with labour representative bodies to examine restructuring proposals for a number of BNP Paribas entities in Italy. Thanks to the synergies achieved with BNL, these negotiations enabled the planned reorganisations to be implemented without need for workforce reductions.

The negotiations also gave rise to the signature of a framework agreement on security measures for bank branches and on classifications, staffing, company benefits and training.

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 order to prepare formal meetings of representative bodies.

This transparent approach helped to lead to the decision taken by Fortis's employee representative bodies in the first half of 2009 to support BNP Paribas's acquisition of Fortis Bank and, in the second half, to back the ratification of the Group's industrial master plan by the works council of BNP Paribas Fortis.

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 operations to BNP Paribas Fortis.

Luxembourg

In Luxembourg, the key area of focus for dialogue with employee representatives during 2009 was the industrial master plan for the integration of BGL within BNP Paribas. This plan was presented to employee representatives and approved on 25 November 2009.

In addition, agreements were also signed with the Luxembourg Ministry of Labour covering the secondment of BGL employees to BNP Paribas Luxembourg as well as agreements with the four largest trade union bodies in the financial services sector covering the extension of the provisions of the 2009 collective bargaining agreement for bank employees for the 2010 financial year.

7.2 NRE Appendices – Social chapter

NRE indicator – 2009 year	Scope for 2009
1. Remuneration and benefits paid to each corporate officer during the financial year	
See the section of the Registration Document and CSR Report under *Corporate governance – Remuneration*.	Group
2. Remuneration 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 the section of the Registration Document and CSR Report under *Corporate governance – Remuneration*.	Group
3. List of all directorships and positions held during the financial year in any company by each of the corporate officers	
See the section of the Registration Document and CSR Report under *Corporate officers, module 1*.	Group
4. Total number of employees including employees on fixed-term contracts	
See the section of the Registration Document and CSR Report under *Human resource development – Workforce evolution.*	
The number of Net Permanent Paid (NPP) employees managed by the Group at 31 December 2009 was 201,740, up 28,552 NPP from the prior year. NPP figures are measured pro rata to working hours. The NPP workforce measures count active employees and employees on paid absences who are on contracts (permanent or fixed-term) of six months or longer. Interns, apprentices, VIE volunteers, subcontractors and temporary staff are not counted.	Group
In France, the workforce managed by the Group was 64,635 NPP. For BNP Paribas SA, the figure stands at 37,833 NPP, including 172 employees hired under fixed-term contracts with a duration of more than six months.	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; As from 2008, this indicator was based on the total workforce (including employees on unpaid absences and young people employed under work-study contracts)	SA Mainland

NRE indicator – 2009 year	Scope for 2009
5. Number of new permanent and fixed-term contract employees	
In the year to 31 December 2009, the total number of persons hired under permanent contracts worldwide was 14,549, of which 55% were women.	Group
The Group hired 2,691 employees on permanent contracts in France in 2009. See the Registration Document and CSR Report under *Recruitment processes that meet the specific needs of each business line.*	France
6. Recruitment difficulties, if any	
The attractiveness of the BNP Paribas Group as an employer remains very high, with 170,000 unsolicited job applications received in 2009. In 2009 new hires continued to be evenly split between young graduates (50%) and employees with previous work experience (50%). See the Registration Document and CSR Report under *Recruitment processes that meet the specific needs of each business line*.	Group
7. Number of and reasons for dismissals	
In 2009 the total number of employees dismissed by BNP Paribas SA in mainland France amounted to 278 FTE. The main reasons for dismissals remain professional incompetence and misdeeds.	SA Mainland
8. Overtime hours	
In 2009 BNP Paribas SA in mainland France paid 82,704 hours of overtime.	SA Mainland
9. Temporary staff	
External workforce: The monthly average number of temporary staff in France was 701 NPP.	France
For BNP Paribas SA in mainland France, this number was 272 NPP. The average contract length was 21 days. The agreements between BNP Paribas and temporary staffing agencies and service providers include very strict clauses on compliance with labour laws and prevention of selling at a loss, which is prohibited under French law.	SA Mainland
10. If applicable, information relating to headcount adjustments, redeployment and career support advice	
See the section of the Registration Document and CSR Report under *Adapting quantitatively and qualitatively the workforce.*	SA Mainland
11. Working hours	
Extensive possibilities for requesting part-time work arrangements are available to employees. A total of 10.8% 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 2009, 16,418 employees were using 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*.	SA Mainland
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 205 in 2009.	SA Mainland
13. Working week for part-time employees	
Of the employees who have chosen to work part time, 93.6% are women. The most common arrangements are to work at 50%, 60%, or 80% of full time. 70% of part-time employees have opted to work at 80% of full time.	SA Mainland
14. Absenteeism and reasons for absenteeism	
As from 2009, absenteeism rates are calculated using a base headcount of over 60,000 NPP employees in France. Prior to 2009, the absenteeism rate was calculated exclusively for BNP Paribas SA in mainland France. In 2009 the absenteeism rate for the Group in France was 9.2%. Maternity leave accounted for 2.1 percentage points of this rate.	France
In 2008 the absenteeism rate at BNP Paribas SA in mainland France was 9%. Maternity leave accounted for 1.7 percentage points of this rate. Since 2008, absenteeism rates have included unpaid absences, such as long-term leave without pay and leave to start a business. Unpaid absences accounted for 4% of total absences within BNP Paribas SA. After maternity leave and leave to start a business, the main cause of absenteeism continues to be illnesses that result in long-term absences. See the *Social Audit.*	SA Mainland

NRE indicator – 2009 year	Scope for 2009
15. Remuneration	
The average monthly remuneration of BNP Paribas SA employees in mainland France was EUR 3,255 in 2009. ■ 91.1% of employees received variable pay in the form of a bonus (90.7% of women and 91.7% of men). ■ 40.9% were awarded an increase in base pay. ■ 12.7% received promotion. See the Registration Document and CSR Report under *Creating loyalty through competitive remuneration.*	SA Mainland
16. Changes in remuneration	
The annual wage bargaining round in 2009 for pay in 2010 led to an agreement signed by three of the five labour unions. These three bodies represented 70% of the votes cast at the last election for employee representatives. The agreement has several components: ■ a long-term measure: an across-the-board 1% wage increase, but with a floor provision of EUR 320 as from 1 January 2010; ■ an exceptional bonus of EUR 1,200 pro-rated according to working hours. ■ In addition, as in previous years, the agreement earmarks EUR 1 million to closing wage discrepancies between men and women. This is the third consecutive year that this measure has been enforced.	SA Mainland
17. Payroll expenses	
The Group's social security charges for 2009 totalled EUR 3,529 million, up from last year due primarily to the integration of BNP Paribas Fortis.	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 the Registration Document and CSR Report under *Creating loyalty through competitive remuneration*.	
In 2009, profit-sharing and incentive amounts accruing to employees of BNP Paribas SA in respect of 2008 earnings amounted to EUR 84.9 million, or a minimum of EUR 1,738 and a maximum of EUR 4,641 per employee (on a full-time employee basis).	SA Mainland
The geographic breakdown of staff outside France that took up the 2009 employee share issue was as follows: ■ Europe: 58.7% ■ Asia: 24.6% ■ North America: 7.0% ■ Latin America: 4.2% ■ Africa: 3.9% ■ Middle East: 1.6%	Group

NRE indicator – 2009 year	Scope for 2009
19. Gender equality in the workplace	
See the Registration Document and CSR Report under *Promoting diversity in all its forms.*	
53.1% of BNP Paribas employees worldwide are women (based on physical headcount).	Group
The physical headcount of the Group in France comprises 43% of men and 57% of women.	Group in France
BNP Paribas SA's physical staff in mainland France is composed of 16,916 men and 21,975 women. The enterprise agreement of 9 April 2004 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 equality of opportunity and treatment between men and women at all stages of professional life. 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 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.	SA Mainland
In 2009, at BNP Paribas in France, 38% 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 32% in 2008 and 28.5% in 2007.	Group in France
20. Employee relations and collective bargaining	
See the Registration Document and *CSR Report under Developing harmonius labour relations.*	
As in previous years, there was constructive dialogue with employee representatives within BNP Paribas SA in 2009. The Commission on Employment Law, BNP Paribas SA's labour negotiation body, met on 37 occasions, and 14 new agreements were signed with trade unions.	SA Mainland
21. Health and safety	
See the Registration Document and CSR Report under *Protecting employee health*.	

■ *Medical assistance to employees who were victims of attacks*
In 2009, 46 employees received medical assistance after an attack. Five of them were referred to specialists for psychological help.
■ *Training for medical staff and refresher courses for first-aid workers*
Initiatives aimed at providing refresher courses for first-aid workers were maintained: 144 employees were trained and 276 went through courses to refresh their skills.
■ *Vaccinations*
Continued large-scale vaccination campaign with 3,960 flu shots administered.
■ *Preventive clinical activities*
  ■ *Cardiovascular:* 226 evaluations of cardiovascular health, five of which required a day in hospital,
  ■ *Screening for glaucoma and diabetes,*
  ■ *Ergonomics of workstations:* 13 plan studies, 122 premises inspections and 8 studies were conducted in 2009.
■ 739 people participated in the blood donation drive.
	SA Mainland

22. Training	
See the Registration Document and CSR *Report under Developing skills of employees and teams.*	
For BNP Paribas SA in mainland France, the number of employees enrolled in courses of study leading to a diploma were 268 for the Brevet Professionnel diploma in banking, 478 for the BTS diploma in banking and *226* for the *Institut Technique de Banque* diploma. In 2009, 10,642 employees of BNP Paris SA in mainland France applied for training under the DIF (Individual right to training) scheme.	SA Mainland

NRE indicator – 2009 year	Scope for 2009
23. Employment and integration of persons with disabilities	
See the Registration Document and CSR Report under *Promoting diversity in all its forms*.	
In 2009, the number of employees with disabilities at BNP Paribas SA was 850 versus 754 in 2008 and 730 in 2007. The number of beneficiary (handicap-equivalent) units (BU) was 1,006 versus 986 in 2008.	SA Mainland
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.	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 association 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 budget for such activities in 2009 amounted to EUR 94.6 million.	SA Mainland
25. Relations with the community, including associations to combat social exclusion, educational institutions, environmental and consumer associations, and local residents	
See the CSR Report under A *partner in society*.	
Over the years, BNP Paribas SA's local banking network in France has been involved in more than 1,400 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 around 400 partnerships which are 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 and reconducted in 2008 for 3 more years, 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 four years, the project has financed the opening of eight lending centres throughout France. In 2009, 754 micro-loans were granted by these branches, financing almost 520 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 to 104 ongoing and new community projects. Projects focus mainly on education, professional inclusion, social inclusion through culture and sport, and training initiatives. **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 Mediator 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 specific mediation procedure for small business owners and appointed a Mediator for Entrepreneurs. **Links with educational institutions:** ■ the Group's very active 'campus management' policy, with over fifty events organised at educational institutions in 2009, maintained a substantial flow of applicants for pre-recruitment (internships, VIE, work-study) from nearly 63,000 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 950,000 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 – 2009 year	Scope for 2009
26. Contribution to regional development and employment	
In response to the economic and financial crisis, the Group launched a large-scale project in September 2009 which is designed to increase lending for investment purposes. The project will run for 15 months. Its objective is to increase financing for investment by SMEs, tradespeople and shop owners. The Bank is committed to distributing at least EUR 1 billion in new investment loans each quarter until the end of 2010. A total of EUR 5 billion will be made available over the 15-month period. Through the timeframe of the project, BNP Paribas will provide support for around 40,000 investment projects. In France, the Group seeks to promote economic development in the areas where it operates by providing business customers with financing to drive the growth of their businesses. BNP Paribas plays a major role in financing entrepreneurs and start-ups, which are the mainstay of the French economy. The latest barometer of corporate customer satisfaction measures perceived progress in the quality of follow-up and assistance provided by the business centres. Regional access to centres of expertise (*Trade Centres*; dealing rooms) is also very well received.	France
Outside France, BNP Paribas also contributes to the financing and development of communities through its local banking network. In Belgium, BNP Paribas launched a project to provide EUR 1 billion in investment loans to Belgian business owners in 2009. The Group takes steps to ensure that local employees are promoted to positions of responsibility. The number of expatriate positions is intentionally restricted.	Group
27. Outsourcing and the Bank's policy with subcontractors: steps to ensure that subcontractors comply with International Labour Organization (ILO) standards	
Since 2002, all contracts negotiated and signed by the Group's purchasing department contain contractual provisions relating to corporate and social responsibility. In terms of corporate responsibility, clauses require compliance with fundamental International Labour Organization (ILO) standards or with principles of labour law in the country where the agreement is signed, where those principles are stricter than ILO standards. To promote transparency, the purchasing department has set up a dedicated suppliers' portal on the Group's website, which makes specific reference to sustainable development and compliance with ILO standard. For more information, go to: *http://fournisseur.bnpparibas.com/deven.htm* CRBF Regulation 97-02 clauses are systematically included in subcontracting agreements signed by ITP's purchasing department. Going against the grain of the widespread trend toward outsourcing of information technology functions, BNP Paribas has opted for a novel solution by forming a joint venture with IBM France to administrate the Group's IT systems. This strategic alliance enables the Group to control and contain IT costs while preserving a centre of excellence with leading-edge technology in France. Through this unique partnership, BNP Paribas has retained control of its technological capabilities while ensuring a seamless transition for IT systems administration employees, since all were able to retain the individual and collective benefits associated with their positions.	Group
28. Steps taken by the Bank to ensure that subsidiaries comply with ILO standards	
The purchasing department performs, gathers and audits all the major outsourcing agreements entered into locally by Group entities worldwide. The findings of these audits are used to formulate recommendations for entities regarding necessary updates. In 2009, the purchasing department launched a Purchasing Standards Guide which was distributed to all of the Group's purchasing staff. The guide summarises the rules and mandatory standards to be adhered to by the purchasing function in order to ensure compliance with CSR objectives. Subsidiaries and entities are responsible for ensuring that these directives are properly followed. 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 business line 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 - 2009 year	Scope for 2009
1. Water consumption	
Water consumption statistics are now compiled for 63% of the worldwide NPP employee headcount (see the definition of NPP in section 4 of the NRE Social appendix). For this scope, water consumption per NPP employee was 15 cu.m. Actual water consumption levels vary substantially from country to country, reflecting conditions in each geographical area and variations in water systems.	Group - 63% of worldwide NPP headcount
2. Raw material consumption	
For a financial services group, paper is the main raw material consumed. Overall paper use for a scope equivalent to 65% of Group worldwide employee headcount, including paper rolls used at printing centres, envelopes and paper purchased by printers for BNP Paribas print jobs, amounts to 197 kg per NPP.	Group - 65% of worldwide NPP headcount
In France, across the entire branch network, the measures taken to reduce paper consumption include: ■ optimising printing: reduced pagination, eliminating printing of multiple standard copies, printing on both sides of the page; ■ increased use of telemarketing and use of the Internet in place of hardcopy mailings; ■ lengthening statement periods for certain printed statements; ■ offering customers the possibility to receive notices and statements in electronic form; ■ eliminating unnecessary paper documents. Efforts to optimise and pool printing activities were initiated in 2008 and continued in 2009.	France Retail Banking network
For a scope equivalent to 55% of the Group's total NPP headcount, consumption of products labelled as environmentally friendly in the catalogue of listed suppliers accounts for about 13% of the Group's purchases of office supplies.	Group - 55% of worldwide NPP headcount
3. Energy consumption	
Electricity usage statistics are now compiled for a scope representing 70% of the Group's worldwide NPP headcount. Average electricity consumption for this scope is 189 kWh per sq.m.	Group - 70% of worldwide NPP headcount
4. Measures taken to improve energy efficiency	
See the Registration Document and CSR Report under *Impact on the natural environment*	
The Information, Technology and Processes (ITP) organisation, which coordinates facilities management, purchasing and information systems, is responsible for defining and implementing a cohesive environmental management policy throughout the Group and monitoring its deployment in the field.	France
As part of the ISO 14001 certification programme for the 1,295 branches in France operating under the "Welcome&Services" concept, an environmental assessment identified energy consumption as a significant environmental impact. A target of a 15% reduction in the branches' energy consumption was set for 2011. Two approaches have been defined to meet this objective. The first consists of upgrading installed facilities and enhancing their control settings by analysing applicable technical specifications prior to performing refurbishment work: optimising lighting; replacing electrically heated air curtains with curtains of warm air supplied by the heat pump; standardising the power ratings of air conditioning installations based on geographic location; analysing the lifecycles of building façade signage; adjusting exterior illumination of branch façades by time of day and switching off lighting at night. The second approach focuses on improving the energy efficiency of the branches through automated lighting controls, heating and air conditioning systems in line with ambient temperatures inside and out.	Retail Banking
At office locations in France, energy management systems have been implemented across the entire real estate portfolio in a two-phase process. Phase one involves the mapping of energy use at sites : property surveys, gathering historical consumption data and real estate statistical data. Phase two consists of performing an energy-efficiency assessment which is followed by an energy use audit to monitor the results of recommended actions.	Office locations in the Paris region
A software-based solution, NightWatchMan, enables IT administrators to switch on and off computer workstations at remote sites at designated times of the day. Workstations are shut down in the evening after daily updates and turned back on in the morning before employees arrive for work. The objective is threefold: to achieve energy savings, reduce the environmental footprint, and cut costs in a manner which is invisible for employees. This international initiative is being rolled out to all of the Group's financial centres.	Group

NRE indicator - 2009 year	Scope for 2009
5. Use of renewable energy sources	
Outside France, subsidiaries have pioneered local initiatives to purchase green electricity. This is the case of Bank of the West in the United States, BNP Paribas Fortis in Belgium and BGL BNP Paribas in Luxembourg. In Italy, BNL opened a new bank branch which is energy self-sufficient using solar power. The branch, which is located in the city of Alessandria, is fitted with photovoltaic panels that generate clean energy. This ensures that the branch generates sufficient energy to cover its entire energy consumption. The first energy self-sufficient bank branch using photovoltaic solar power was inaugurated in Rome in 2008. Data gathered on electricity purchasing in Europe is used to analyse energy purchasing strategies and evaluate opportunities for greater use of renewable energies. Owing to the wide variation in power sources marketed as "green energy" as well as the price premium associated with such sources, the Group has not set a global target for green power consumption at this time. For the moment, the key priority is to reduce consumption of electricity which has an immediate impact on the environment.	Group
6. Land use	
For real estate development projects, 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. In addition to these initiatives, the Group applies environmental housing certification provisions to a large number of BNP Paribas Real Estate's development projects. These entail containing pollution nuisances with a view to meeting the objectives required in terms of health, ecological balance and comfort of use.	France
7. Emissions into air, water and soil	
Discharges into water and soil are not taken into account as they are non-material. Robust indicators are used within the Group to calculate CO_2 emissions. Data is collected for a scope equivalent to 64% of the Group's worldwide NPP headcount and relates to electricity consumption and work-related travel by car, train and air. Based on this data, emissions of CO_2 equivalent are estimated at 2.34 tonnes per NPP employee. Actual consumption levels vary substantially from country to country, reflecting conditions in each geographical area as well as variations in the energy use mix and in the nature of the Group's operations. As an example, the Group estimates emissions of CO_2 equivalent per NPP employee as follows: ■ United States: 5.40 tonnes of CO_2 equiv. per NPP; ■ France: 1.47 tonnes of CO_2 equiv. per NPP; ■ Italy: 4.16 tonnes of CO_2 equiv. per NPP; ■ Luxembourg: 2.22 tonnes of CO_2 equiv. per NPP; ■ United Kingdom: 7.02 tonnes of CO_2 equiv. per NPP; ■ Switzerland: 1.47 tonnes of CO_2 equiv. per NPP. Calculation methods take into account emissions generated by the production, transmission and consumption of energy. For electricity, the primary energy source used by the producer is taken into consideration. For air travel, criteria used include fuel consumption, average load factors, the distinction between short and long-haul flights, and the class in the passenger cabin occupied by travellers. For car travel, the methodology assesses emissions based on kilometres travelled, rated horsepower of the vehicle and type of fuel. Exceptionally, the 2009 assessment of CO_2 emissions worldwide was performed using the Bilan Carbone™ (V6.0) method in collaboration with a consultancy licensed by the French Environment and Energy Management Agency (ADEME) for the scope prior to the Fortis merger, and using the Greenhouse Gas Protocol method for the scope of the former Fortis Bank.	Group - 64% of worldwide NPP headcount
In France, emissions from commuting are estimated using three concentric circles, one for employees living in the city, a second for those living in the inner suburbs or just outside a regional city, and a third for those living in the outer suburbs or a rural area. Emissions generated by these trips are then estimated based on the form of transport used. The detailed study carried out in 2009 in the Paris region in conjunction with the enterprise transport plan provided an opportunity to refine and improve the estimate by examining the commuting patterns of a sample population of 22,000 people. The estimate of CO_2 equivalent emissions generated in France including emissions from commuting is estimated at 2.39 tonnes of CO_2 equivalent per NPP versus 2.59 tonnes of CO_2 equivalent in 2008.	France
The statistical margin of error of these estimates which reflects the uncertainties linked to data conversion and the reliability of data gathering in each country is 20%.	

NRE indicator - 2009 year	Scope for 2009
8. Noise and odour pollution	
No complaints relating to noise or odour issues were filed against the Group in 2009. 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.	Group
9. Waste processing	
For the process of collecting toners and ink cartridges, data collection has increased in scope and been made more reliable. Statistics are now compiled for a scope representing 68% of the Group's worldwide NPP headcount. Within this scope, 64% of toner and ink cartridges were collected for elimination, representing a total of 154,159 units.	Group - 68% of worldwide NPP headcount
In France, used toner and ink cartridges continue to be collected by Conibi, the industrial association of toner cartridge producers. The quantity of cartridges collected amounted to 93,665, representing 64% of the purchased total. In France, programmes for the collection of paper and paperboard for recycling are also being expanded. In 2009, all of the wastepaper and paperboard waste collected in head office buildings was sent for recycling.	France
At offices in the Paris region, the Corbeille Bleue company collects and sorts office waste bins. Paper waste is used for district heating or recycled to make packaging cartons and paper pulp. The Group's Paris office buildings are now equipped with dual bins, for paper and all other waste, and a clause requiring separate collection has been included in cleaning company contracts.	France Paris region head office buildings
Outside France, waste paper collection is not being measured for a significant scope. Regarding the recycling of lighting fixtures, aluminium sockets and the glass from fluorescent light bulbs used in most offices are recycled and the gas is reprocessed.	Group
In France, collection procedures for Waste Electrical and Electronic Equipment (WEEE) at BNP Paribas SA are specifically designed to facilitate the measurement of waste flows.	France
10. Measures taken to avoid disruption to the biological balance	
As a financial institution, the Group's direct impact on biodiversity is very limited. The key thrusts of the Group's efforts to avoid disruption to the biological balance focus on reducing emissions of greenhouse gases. As part of its CO_2 survey, the Group identifies processes that could harm the environment — e.g. the use of refrigerants at its Paris head office buildings — in order to reduce their use. Test materials for detecting the presence of asbestos in buildings are used in connection with the asbestos abatement plan. Surveys of materials are carried out before launching any renovation work in France. Surveys complement the preliminary technical recommendations defined for BNP Paribas sites and are disseminated to engineers. Air quality and water quality are measured on a regular basis. The Group's project finance business has adopted the Equator Principles, which also help ensure that these projects are respectful of the environment.	Group
State-of-the-art air conditioning systems have been installed: an adiabatic air-cooled chiller, which combines the closed-tower technique down to 27°C with misting in humidification spaces thereafter, has been installed at the Group's site in Levallois-Perret, and a magnetic-lift centrifugal chiller has been installed in the rue Bergère building in Paris which was inaugurated in 2009.	France

NRE indicator - 2009 year	Scope for 2009
11. Measures taken to ensure compliance with legal requirements	
BNP Paribas continuously strives to meet the highest standards of ethical behaviour, compliance, risk management and internal control. Within a changing banking environment characterised by increasing regulatory requirements, the global Group Compliance (CG) Function, whose director is a member of the Executive Committee, has a broad remit to coordinate internal control systems across the Group. Group Compliance circulates Group-level directives regarding continuous internal control and monitors the functioning of the internal control framework in the Group's entities. Guidelines have been drawn up to ensure that buildings are managed in accordance with technical regulations applicable in France. Outside France, property management guidelines are drafted based on the most stringent regulations of countries in which BNP Paribas operates. These guidelines apply at all overseas sites. Before a company acquisition is made, a property audit of all new head office buildings is conducted. Group Legal Affairs monitors changes in environmental laws and regulations. Clauses covering the corporate and environmental responsibility of suppliers are systematically included in service agreements. 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 operating territories. All new inspectors receive training in this new methodology. In 2009, a redeployment plan was implemented for the Group's CSR organisation, which reports to the Managing Director. The plan was approved by the Executive Committee.	Group
12. Steps taken towards environmental evaluation and certification	
By the end of 2009, BNP Paribas had obtained six ISO 14001 certifications. Three new certifications were obtained during the year and a fourth was renewed. Two certifications were achieved in France: the first by the BNP Paribas retail banking network for the Welcome&Services programme and the second by BNP Paribas Factor. Two certifications were obtained in the United Kingdom by BNP Paribas Real Estate and Arval. One certification was obtained in Italy by Arval and a fourth in Turkey by TEB. With a large number of certification projects underway, ISO 14001 is now a key element in the Group's environmental policy. This environmental policy and ISO 14001 certification of the Accueil&Services programme applies to 1,295 branches in France by end-2009. This policy reduces the environmental footprint of the Bank's operations by reducing paper consumption, promoting waste management and energy efficiency, and raising customer and staff awareness about environmental issues. BNP Paribas is the first retail banking network in France to receive certification for a very substantial number of its operating locations. BNP Paribas is included as a component in leading SRI benchmark indices: DJSI WORLD, DJSI STOXX, Aspi Eurozone, Ethibel, FTSE4Good Global 100 Index and FTSE4Good Europe 50 Index. Although the Group's inclusion in these indices represents neither an evaluation nor a certification, it nevertheless provides a positive indication of BNP Paribas' compliance with the requirements for corporate social and environmental responsibility.	Group
BNP Paribas Real Estate Property Management, a subsidiary of BNP Paribas Real Estate, has devised an international code of practice, Ecoproperty Management©, with the objective of helping to combat global warming by reducing CO_2 emissions from buildings over the course of their service lives. Solutions are offered for existing buildings where there may be difficulties in reducing consumption due to design constraints. The Grands Moulins de Pantin renovation project has obtained HQE certification for the planning phase: it is one of the very first renovations to be so certified. The renovation of the 30,000 sq.m. Haussmann-style building on rue Bergère in Paris has also been awarded certification for its planning and design phases. Work on both buildings was completed in 2009 and staff teams have taken occupancy of the properties.	France

NRE indicator - 2009 year	Scope for 2009
13. Expenditures incurred to prevent environmental consequences of business activity	
The Group's operations, which involve banking and financial services, have limited direct consequences on the environment. Since 2004, the Group has focused on ten principles for fulfilling its environmental responsibilities and taking preventive action. The cost of these cross-cutting measures has not yet been specifically calculated.	Group
In the area of real estate, the criteria applied to guide decisions to acquire or let property include proximity to existing sites and to public transport. To cut costs and improve efficiency, BNP Paribas is expanding its use of videoconferencing systems. Staff are required to consider the option of videoconferencing rather than travel when scheduling meetings. Efforts to deploy videoconferencing equipment at the Group's main sites were continued in 2009. The Group's travel policy encourages employees to use public transport to commute to work and favours rail over air travel. Furthermore, some Group entities provide top-up subsidies for employees who use public transport.	France
Employees have responded favourably to incentives provided to encourage use of public transport for commuting purposes. In the Paris region, 80% of employees use public transport, a level well above the average, notably insofar as managers account for 67% of the total employee population in the Paris region.	Paris region
For the replacement of the fleet of 2,600 company cars used by the retail banking network in France, the Group selected vehicles offering the best ratings in terms of CO_2 emissions while 99% of the new vehicles purchased were equipped with diesel engines. Vehicles with CO_2 emissions of between 100 and 120 g/km are given precedence in purchasing decisions while an "eco" segment has also been created for vehicles with CO_2 emissions of less than 100 g/km. Onboard GPS units, which reduce energy consumption, and diesel particulate filters are widely used. The first wave of training in energy-efficient driving techniques was launched in 2009 with the objective of achieving a 10%-15% reduction in fuel consumption in year one and 5%-8% in subsequent years.	France
14. Internal department for environmental management	
The Information, Technology and Processes (ITP) organisation, formed in 2007, is in charge of assessing the Group's environmental impacts and taking steps to reduce them. This function is responsible for providing BNP Paribas entities with support services in the areas of processes, IT, real estate, purchasing, occupational safety and individual support services, to help improve the Group's operational efficiency. Following adoption of the Equator Principles in 2008, a dedicated team has been formed within CIB to draft and disseminate specific procedures for all transactions concerned by the Equator Principles and to provide training for project finance teams. At Group level, the Corporate Social and Environmental Responsibility delegation, which reports to the Group's Managing Director in charge of compliance, ensures that the appropriate measures are implemented consistently and effectively. See the CSR Report under *Impact on the natural environment*	Group
15. Environmental training and information programmes for employees	
All of the Group's internal communications channels — its website, the Ambitions in-house newsletter, the monthly Sustainable development newsletter, as well as conventions and other company events — are used to promote social and environmental responsibility. The Group has developed a corporate blog www.forachangingworld.com to communicate with its stakeholders, including employees, about the Group's commitments to public interest causes. In 2009, a series of communication activities were conducted with the objective of informing, raising awareness and training employees. Examples include: ■ Arval provides energy-efficient driving training to employees in France and abroad who so request. To mark "sustainable development week" in France, Arval employees pilot tested the energy-efficient driving training e-module developed for customers. The objectives for this training course are to educate customers about safe and environmentally friendly driving techniques. The approach pioneered by Arval also assists companies in reducing the environmental footprint and cost of their vehicle fleets while ensuring the safety of motorists through regular vehicle maintenance and optimal driving techniques. ■ Klépierre informs employees in Europe about its sustainable development policy and has developed an e-learning module on the subject. It organised its first sustainable development training session in early April 2009 to coincide with "sustainable development week" in France. The aim for this initiative is to raise employee awareness about sustainability issues and to empower employees to become champions for sustainability in their day-to-day roles. The e-learning modules provide employees with an overview of corporate sustainability issues and educate staff about ways in which they can incorporate sustainable behaviours into their personal and professional life. Modules include a quizz, lively graphic presentations and expert analyses. This pioneering training initiative was developed in eight languages and has been extended to more than 1,000 Klépierre employees. By adopting an e-learning format, training can be extended to the widest possible range of employees while enabling staff to access training from their computer.	Group

NRE indicator - 2009 year	Scope for 2009
16. Resources dedicated to mitigation of environmental risks	
BNP Paribas has a 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. As a financial institution, BNP Paribas plays a role in facilitating the operation of carbon trading markets and fostering their development. In November 2009, BNP Paribas and the Russian oil company TNK-BP signed two milestone agreements on climate change. The first agreement is for the purchase of carbon credits generated by the Samotlorneftegas project. The second agreement is for the development of two new CO_2 emission reduction projects. BNP Paribas is a member of the French association *Entreprises pour l'Environnement* (EpE – companies for the environment) and participates in its working groups. BNP Paribas' Innovation and Technology Centre (CIT) within ITP has launched the "Greening IT" programme to reduce the carbon footprint of its IT facilities. CIT designs and carries out assessments for projects that leverage technological advances in the field of renewable energies and other areas.	Group
17. Structure to deal with pollution incidents extending beyond the Company	
Any crisis situation is managed by an ad hoc committee composed of the Group's top executives. This committee is responsible for ensuring appropriate measures are taken and informing the concerned operating entities. As required by the scale of the incident, information may be passed on to the entire Group, and there may be a call for mutual 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.	Group
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.	Group
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.	Group
20. Environmental objectives set for foreign subsidiaries	
BNP Paribas' guiding principles, notably the Global Compact and the ten principles in the Group's environmental responsibility charter, apply to all employees regardless of the business entity or country in which they are employed. The businesses are responsible for implementing the Group's guiding principles throughout their reporting organisations, including subsidiaries, in all territories. The General Inspection and Sustainable Development units have designed an audit methodology for corporate social and environmental responsibility to measure the Group's compliance with its environmental guidelines. General Inspection auditors have full access to information and can perform any type of audit with complete independence in any of the consolidated subsidiaries. Audit findings and results of inspection missions are presented in an annual report which is sent to the Commission Bancaire in accordance with its requirements.	Group

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8 GENERAL INFORMATION

8.1 Documents on display

This document is available on the BNP Paribas website at *www.invest.bnpparibas.com* or on the *Autorité des Marchés Financiers* (AMF) website at *www.amf-france.org*.

Any person wishing to receive additional information concerning the BNP Paribas Group, can request documents, without commitment, as follows:

- by mail: BNP Paribas – Group Finance and Development
  Group Investor Relations and Financial Information
  3, rue d'Antin, CAA01B1
  75002 Paris
- by telephone: +33 (0)1 40 14 63 58

The regulated information is available on the website in French at *www.invest.bnpparibas.com/fr/information-reglementee/*.

8.2 Material contracts

To date, BNP Paribas has not entered into any major contract - other than those signed in 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.

8.5 Investments

Investments individually valued at over EUR 500 million are considered material at the level of the Group, and consist of the following since 1 January 2007.

Country	Announced on	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 Oct. 2008	Acquisition of 74.93% of Fortis Bank's shares and voting rights (Fortis Bank owns 50% + one share of BGL), and a 15.96% direct stake (shares and voting rights) in BGL SA	Issue of 133,435,603 BNP Paribas shares (for EUR6,265m 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)	EUR1,375m (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.c, "Business combinations," to the financial statements.

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 21 January 2010.

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 May 26, 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)*, 16, boulevard des Italiens.

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 Établissements 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 2,370,563,528 euros divided into 1,185,281,764 fully paid-up shares with a par value of 2 euros each.

The shares are classified into two categories:

- 1,185,281,764 ordinary shares, known as "A" category shares (the "A Shares");
- 0 non-voting share(s), deprived of pre-emptive subscription right(s), known as "B" category share(s) (the "B Share(s)"), the characteristics of which are described in these Articles of Association.

The B Shares were subscribed by the *Société de Prise de Participation de l'État*, a French Public Limited Company *(société anonyme)* with a capital of 1,000,000 euros and registered office located in PARIS *(12th arrondissement)*, 139, rue de Bercy, registered under number 507 542 652 RCS Paris (the "SPPE "), which is entitled to transfer them freely to the French state or to an entity exclusively held, directly or indirectly, by the French state. Subsequent transfers between the French state and an entity exclusively held directly or indirectly by the French state or between entities held exclusively, directly or indirectly by the French state can be carried out freely (the French State, the SPPE, the entities held exclusively, directly or indirectly, by the French State are referred to hereinafter as "the State").

With the exception of the transfers referred to in the previous paragraph, any project of the State to transfer the B Shares it owns shall encompass all of the B Shares and be notified to the Company by registered letter with return receipt. The notice shall indicate, such as it is (they are) planned, the name(s) of the assignee(s) or the procedures for appointing said assignees.

Within one month followng receipt of the notice stipulated in the preceding paragraph, the Company may send to the State the Repurchase Notice referred to in Article 6 below in order to repurchase, as rapidly as possible, all or a part of the B Shares on the conditions set forth in said article, its being understood that no State approval will be required. The aforementioned one-month period will be extended, as the case may be, until the prior approval of the Secretariat General of the Banking Commission *(Commission Bancaire)* is granted.

The State will be entitled to six months beginning either on the date of the partial repurchase of the B Shares by the Company or, if they are not repurchased, the lapsing of the period granted to the Company for sending the Repurchase Notice, to carry out the transfer initially planned, its being specified that this transfer shall encompass all of the B Shares which have not been repurchased by the Company. The State undertakes to inform the Company as rapidly as possible in the event of the notified transfer plan becomes lapsed.

In these Articles of Association:

- the A Shares and the B Shares will be collectively referred to as the "Shares"
- the holders of A Shares will be referred to as "A Shareholders";
- the holders of B Shares will be referred to as "B Shareholders";
- the A Shareholders and the B Shareholders will be collectively referred to as the "Shareholders".

Article 5

Any reduction of the capital motivated by losses will be carried out between the Shareholders in proportion to their holding in the share capital.

In the event of the free allotment of Shares in the framework of a capital increase by incorporating reserves, profits or premiums (other than those carried out in accordance with articles L.225-197-1 and the following of the French Commercial Code *(Code de Commerce)*, or any similar scheme), the B Shareholders will receive B Shares, in the same proportions as the A Shareholders and in proportion to their holding in the capital.

In the event of free allotments to the A Shareholders of financial securities other than A Shares, the B Shareholders will receive, at their discretion, in the same proportions as the A Shareholders and in proportion to their holding in the capital either (i) the same financial securities, its being specified that in the event of the allotment of financial securities giving immediate or future access to the capital, these securities will carry entitlement to B Shares or (ii) a cash payment equal to the value of the financial securities determined by an expert appointed by the B Shareholders and the Company or by provisional order of the President of the Commercial Court of Paris.

Except in the case of an immediate or future capital increase in A Shares, with or without pre-emptive subscripton right, regardless of the terms and conditions thereof, the Company will, in the event that other modifications of the capital are made, take the necessary measures for protecting the interests of the B Shareholders without prejudice to the provisions of the French Commercial Code *(Code de Commerce)* governing the protection of non-voting shareholders' rights.

In the event of division or increase of the A Shares par value, the characteristics of the B Shares will automatically be adjusted to take account of these changes, as the B Share par value must always be equal to that of an A Share.

Article 6

1/ In the event that the B Shares are held entirely by the State, the Company may, at any time, repurchase all or a part of the B Shares for the Repurchase Price (such as defined below).

However, if the Current Amount per B Share (such as defined below), plus the sum distributed to the holders of outstanding B Shares in premiums of any nature whatsoever constituting reimbursement of a contribution corresponding to the number of outstanding B Shares, without taking account of the Multiplier Ratio *(Coefficient Multiplicateur)* (such as defined in Article 23 below), is below the Unit Issue Price, the repurchase can take place only with the approval of the State.

The Unit Issue Price is defined as the sum of the issue prices for each issuing of B Shares divided by the total number of B Shares issued (its being specified that the issue price of the B Shares initially issued amounts to 27.24 euros per B Share and that the issue price of any B Share which might be issued on the occasion of an allotment of free shares will be considered as equal to zero euro per B Share).

The Repurchase Price corresponds, for each B Share:

(A) For the period from the issue date to June 30, 2013 (inclusive), to the higher of the two following amounts:

  (i) 100% of the Current Amount per B Share, plus the amount (x) owed on the repurchase date and equal to the product of the Current Amount per B Share and the Fixed Rate (such as defined below), calculated over the Calculation Period (such as defined below), on a 365-day basis (or 366-day basis for leap years),

  (ii) the arithmetic mean of the daily Volume Weighted Average Price – VWAP *(cours de bourse moyens pondérés par les volumes quotidiens)* of the A Share on Euronext Paris for the period of thirty stock market days preceding the repurchase date.

If the Repurchase Price paid:

- is determined according to (i) above, the Company will also pay, on the date of the annual general Shareholders' Meeting following the repurchase, an amount (y) equal to the difference (if it is positive) between:

  (a) the product of the Current Amount per B Share and the Payment Rate (such as defined in Article 23 of the Articles of Association), calculated over the Calculation Period, on a 365-day basis (or 366-day basis for leap years); and

  (b) the amount (x) calculated above.

- is equal to (ii) above and if the sum of amounts (i) + (y) exceeds (ii), the Company will also pay, on the date of the annual general Shareholders' Meeting following the repurchase, an amount equal to (i) + (y) – (ii).

(B) From July 1st, 2013 onwards, to the higher of the two following amounts:

  (i) 110% of the Current Amount per B Share, plus the amount (x) calculated above,

  (ii) the arithmetic mean of the daily Volume Weighted Average Price – VWAP *(cours de bourse moyens pondérés par les volumes quotidiens)* of the A Share on Euronext Paris for the period of thirty stock market days preceding the repurchase date.

If the Repurchase Price paid:

- is determined according to (i) above, the Company will also pay, on the date of the annual general Shareholders' Meeting following the repurchase, an amount (y) equal to the difference (if it is positive) between:

  (a) the product of the Current Amount per B Share and the Payment Rate (such as defined in Article 23 of the Articles of Association), calculated over the Calculation Period, on a 365-day basis (or 366-day basis for leap years); and

  (b) the amount (x) calculated above.

- is equal to (ii) above and if the sum of amounts (i) + (y) exceeds (ii), the Company will also pay, on the date of the annual general Shareholders' Meeting following the repurchase, an amount equal to (i) + (y) – (ii).

The Calculation Period means:

- for any repurchase occurring between the issue date of the B Shares and December 31, 2009, the number of days which lapses between the issue date of the B Shares (inclusive) and the repurchase date (exclusive);
- for any repurchase occurring between January 1st, 2010 and December 31, 2010, the number of days which lapses between:
  - on the one hand,
    - the issue date of the B Shares (inclusive) if (i) the general Shareholders' Meeting voting on the allocation of the results of the year 2009 has not yet been held, or (ii) if once this general Shareholders' Meeting has been held, a B Dividend (such as defined in Article 23) has been voted but has not yet been paid on the repurchase date, or
    - January 1st, 2010 (inclusive) if (i) the B Dividend for financial year 2009 has been voted and paid on repurchase date, or (ii) no B Dividend has been voted at the time of the general Shareholders' Meeting voting on the allocation of the results for financial year 2009; and
  - on the other hand, the repurchase date (exclusive);
- for any repurchase occurring during a given financial year n after December 31, 2010, the number of days which lapse between:
  - on the one hand;
    - January 1st (inclusive) of the financial year n-1 if (i) the general Shareholders'Meeting voting on the allocation of the results for financial year n-1 has not yet been held, or (ii) if once this general Shareholders' Meeting has been held, the B Dividend has been voted for this financial year but has not yet been paid on the repurchase date, or
    - January 1st (inclusive) of the financial year n if (i) the B Dividend for financial year n-1 has been voted and paid on the repurchase date, or (ii) no B Dividend has been voted at the time the general Shareholders' Meeting voting on the allocation of results for financial year n-1;
  - on the other hand, the repurchase date (exclusive).

In all events, the Repurchase Price shall not exceed a percentage of the Unit Issue Price, which is set at:

- 103% in the case of repurchase between the issue date and June 30, 2010;
- 105% in the case of repurchase between July 1st, 2010 and June 30, 2011;
- 110% in the case of repurchase between July 1st, 2011 and June 30, 2012;

- 115% in the case of repurchase between July 1st, 2012 and June 30, 2013;
- 120% in the case of repurchase between July 1st, 2013 and June 30, 2014;
- 125% in the case of repurchase between July 1st, 2014 and June 30, 2015;
- 130% in the case of repurchase between July 1st, 2015 and June 30, 2017;
- 140% in the case of repurchase between July 1st, 2017 and June 30, 2019;
- 150% in the case of repurchase between July 1st, 2019 and June 30, 2022;
- 160% in the case of repurchase as of July 1st 2022.

2/ In the event that the B Shares were no longer held by the State, the Company may repurchase all or a part of the B Shares beginning in the tenth financial year following the year during which they have been issued, on the condition that:

(i) the Current Amount is equal to the product of the Unit Issue Price multiplied by the number of outstanding B Shares, minus any distributions to the holders of said B Shares of premiums of any nature whatsoever constituting a reimbursement of a contribution, without taking account of the Multiplier Ratio *(Coefficient Multiplicateur)*; and

(ii) a B Dividend has been distributed during the two years preceding the repurchase.

The Repurchase Price for each B Share will then be equal to:

(i) the Current Amount per B Share

(ii) plus an amount equal to the product of the Current Amount per B Share and the Fixed Rate, calculated over the Calculation Period, on a 365-day basis (or 366-day basis for leap years).

3/ Whoever the holder of the B Shares may be, in the event that these Shares were no longer eligible without limit in the Company's Core Tier one Capital pursuant to the standards in force following an evolution in the French law, the regulations or their interpretation by the Secretariat General of the Banking Commission *(Commission Bancaire)*, the Company may at any time repurchase all or a part of the B Shares at the Repurchase Price calculated, depending on the case, pursuant to paragraph 1 or 2 above.

4/ The B Shareholders will be informed of the implementation of the repurchase by the sending of a registered letter at least thirty calendar days prior to the repurchase date (the "Repurchase Notice"). In the event that the B Shares were no longer held by the State, the Repurchase Notice may be replaced by a publication, within the same deadline, in the French legal announcements journal *(Bulletin des Annonces Légales Obligatoires - BALO)*.

Any repurchase of the B Shares is subject to the prior authorisation of the Secretariat General of the Banking Commission *(Commission Bancaire)* (or of any authority replacing it).

Any repurchase of the B Shares are decided by the Board of directors with the right to redelegate authority under legal conditions.

The B Shares repurchased pursuant to paragraphs 1, 2 and/or 3 of this Article are cancelled. While awaiting their cancellation, they will have the same characteristics as the B Shares which have not been repurchased. The Board of directors ascertains the number of shares repurchased and cancelled and amends correlatively the Articles of Association.

For the purposes of the present Articles of Association:

The Fixed Rate is equal to the average of the 5-year Constant Maturity Rate (taux à l échéance constante) for the twenty stock market days preceding the date of the decision to issue the B Shares plus 465 basis points, i.e. 7.40%.

The Current Amount means the Unit Issue Price multiplied by the number of outstanding B Shares (i) minus the Current Amount Reduction Part *(Part de Réduction du Montant Actuel)*, (ii) plus the Current Amount Reconstitution Part *(Part de Reconstitution du Montant Actuel)*, (iii) minus the amounts and/or the value of the assets transferred to the holders of outstanding B Shares for any capital reduction which is not motivated by losses and (iv) minus any distribution to the holders of outstanding B Shares of premiums of any nature whatsoever constituting a reimbursement of a contribution, without taking account of the Multiplier Ratio *(Coefficient Multiplicateur)*.

The Current Amount per B Share corresponds to the Current Amount divided by the number of outstanding B Shares.

The Current Amount Reduction Part *(Part de Réduction du Montant Actuel)* is equal to any consolidated net loss attributable to equity holders such as it is expressed in the Company's certified annual consolidated financial statements, beyond the Deductible *(Franchise)*, multiplied by the Part of the B Shares in the Notional Capital on the balance sheet date of said financial statements. The Current Amount Reduction Part *(Part de Réduction du Montant Actuel)* will be considered as intervening on the date of the certification of the consolidated financial statements reflecting this loss.

The Current Amount Reconstitution Part *(Part de Reconstitution du Montant Actuel)* is equal to any consolidated net profit attributable to equity holders, such as expressed in the Company's certified annual consolidated financial statements, multiplied by the Part of the B Shares in the Notional Capital on the balance sheet date of said financial statements. The Current Amount Reconstitution Part *(Part de Reconstitution du Montant Actuel)* will be considered as intervening on the date of the certification of the consolidated financial statements reflecting a consolidated net profit attributable to equity holders subsequent to the occurrence of a reduction in the Current Amount.

In the case of successive occurrences of reductions in the Current Amount, the cumulative total of the reductions deducted and the cumulative total of the reconstitutions made will be taken into account.

In the event that the State was no longer the holder of the B Shares, for the purposes of calculating the B Dividend, the Current Amount Reconstitution Part *(Part de Reconstitution du Montant Actuel)* will be taken into account as indicated above only as of the time that the B Dividend has been paid during the last two financial years.

In all events, the Current Amount shall never exceed the product of the Unit Issue Price by the number of outstanding B Shares, minus the sum of any distribution to the holders of outstanding B Shares of premiums of any nature whatsoever constituting a reimbursement of a contribution, without taking account of the Multiplier Ratio *(Coefficient Multiplicateur)*.

The Deductible *(Franchise)* means all the consolidated reserves attributable to equity holders, excluding consolidated capital instruments to which the B Shares are subordinated and excluding the legal reserve all sums carried forward attributable to equity holders and, as the case may be, any other consolidated equity capital item attributable to equity holders other than the capital and the premiums of any nature whatsoever of which the reimbursement might constitute a reimbursement of a contribution.

The Notional Capital, calculated on a given date, means the share capital in the certified parent company annual financial statements composed of A Shares and B Shares plus the amount of the premiums of any nature whatsoever of which the reimbursement might constitute the reimbursement of a contribution and of the legal reserve.

The Notional Capital of the B Shares means, on a given date:

(i) the product of the number of B Shares initially issued and of their issue price, i.e. 5,099,999,983.56 euros,

(ii) plus, for each issue by incorporating reserves in non-voting shares of the same B category carried out since the issuing of the B Shares, the increase of the share capital and the corresponding premiums.

(iii) plus a portion of any increase in the legal reserve (accumulated since the issuing of the B Shares) in proportion to the part of the B Shares in the share capital,

(iv) minus the deduction from the share capital, the premiums and the legal reserve of a capital reduction motivated by losses, calculated as the sum (i) of the reductions of the share capital pertaining to the B Shares and (ii) of the product of the Part of the B Shares in the Notional Capital existing prior to the capital reduction considered by the reduction of the amount of the premiums of any nature whatsoever constituting the reimbursement of a contribution and/or of the legal reserve on the occasion of the capital reduction considered,

(v) minus, in the event of a capital reduction which is not motivated by losses either (i) in the framework of a cancellation of B Shares, an amount equal to the product of the Unit Issue Price and the number of cancelled B Shares, or (ii) in the case of a reduction of the par value, the amount paid in this manner to the B Shareholders,

(vi) minus the amount and/or the value of the assets remitted to the holders of B Shares in the framework of any distribution of premiums of any nature whatsoever constituting a reimbursement of a contribution without taking account of the Multiplier Ratio *(Coefficient Multiplicateur)*.

The Part of the B Shares in the Notional Capital means the ratio between the Notional Capital of the B Shares and the Notional Capital.

Article 7

The fully paid-up A Shares shall be held in registered or bearer form, at the shareholders discretion, subject to the French legal and regulatory provisions in force. The B Shares must be held in registered form.

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 8

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 9

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 A 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 10

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 11

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 12

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 or any other telecommunication 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.

Article 13

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 14

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 15

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' 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 16

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 17

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 18

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 19

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 20

1/ General Shareholders' Meetings shall be composed of the Shareholders. However, only the A Shareholders are entitled to vote during ordinary and extraordinary general Shareholders' Meetings.

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 designating a proxy, or for the A Shareholders, by returning a postal vote.

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 A 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 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 A 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 or all telecommunications and remote transmission means, including internet, under the conditions provided for by the regulations applicable 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)*.

2/ The B Shareholders convene in special Meetings.

The special Meetings are convened and vote in accordance with the provisions of the French Commercial Code *(Code de Commerce)*.

The provisions of 1/above concerning participation and voting by videoconference or by all telecommunications and remote transmission means apply to special Meetings.

SECTION VI

STATUTORY AUDITORS

Article 21

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 22

The Company's financial year shall start on January 1st and end on December 31.

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 23

Net income is composed of income for the year minus costs, depreciation, amortisations 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.

All distributions of sums to the Shareholders are made, on the condition that they permit the payment:

(i) of the entire amount of B Dividend (such as defined below) to the B Shareholders, and

(ii) of a dividend to the A Shareholders,

according to the procedures described below.

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.

Subject to the decision of the ordinary general Shareholders' Meeting to vote the B Dividend as well as a dividend to the A Shareholders and the absence of Prudential Event, the dividend per B Share (the "B Dividend") will be determined by multiplying the Current Amount per B Share by the higher of the following rates, which shall in no event exceed twice the Fixed Rate:

(i) The Fixed Rate plus 25 basis points for financial year 2009 then 25 additional basis points for each following financial year until financial year 2014, so that the Fixed Rate will be increased by 150 basis points for financial year 2014 and the following, its being specified that for the first financial year for which Dividend B will be owed, which is financial year 2009, this rate will be applied over the period between the issue date of the B Shares (inclusive) and December 31, 2009 (exclusive), on a 365-day basis;

(ii) a percentage of a rate (the "Payment Rate") which is equal to the dividend paid on each A Share divided by the Unit Issue Price of the B Shares, which percentage has been set at 105% for the dividend paid for financial year 2009: 110% for the one paid for financial year 2010: 115% for the one paid for financial years 2011 to 2017; 125% for the one paid for the financial years of 2018 and the following financial years. It is specified that for financial year 2009, the Payment Rate will be applied to the period between the issue date of the B Shares (inclusive) and December 31, 2009 (exclusive), on a 365-day basis.

In the event that the French state no longer held the B Shares, the rates referred to in (i) and (ii) will be frozen at the level reached at the time said B Shares are transferred by the State.

The Situations in which (i) the solvency ratio of the Company's consolidated basis is below the minimum percentage required by the banking regulations in force, or (ii) the Company has received written notice from the Secretariat General of the Banking Commission *(Commission Bancaire)* informing it that its financial situation will lead in the near future to a drop below the minimum percentage referred to in (i), constitute a Prudential Event.

Like the dividend of the A Shares, the B Dividend is not cumulative. Thus, in the event that, for any reason whatsoever, the B Dividend were not owed for a given financial year, it would not be carried forward to subsequent financial years.

The B Dividend will be paid to the B Shareholders in a single installment on the date of the payment of the dividend to the A Shareholders, its being specified that any payment of an interim dividend to the A Shareholders will also call for the payment of an interim dividend of the same amount to the B Shareholders.

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 A Shareholders an option for the payment, in whole or in part, of dividends or interim dividends through the issuance of new A Shares in the Company.

Any decision by the Company leading to a change in the rules for distributing its profits will be subject to the prior approval of the special Meeting of the B Shareholers mentioned in Article 20 above.

The Company may make exceptional distributions of reserves or of premiums in the form of an exceptional dividend payment, subject to:

(i) the existence of sufficient distributable sums to permit the payment of the entire amount of the Exceptional B Dividend (such as defined below), and

(ii) the absence of Prudential Event.

The Exceptional B dividend per B Share will be equal to a percentage of the exceptional amount distributed on each A Share, equal to 105% in the case of a distribution during financial year 2009; 110% for financial year 2010; 115% for financial years 2011 to 2017; 125% for financial year 2018 and the following financial years (this variable percentage is defined as the "Multiplier Ratio" - *"Coefficient Multiplicateur"*).

For the B Shares which are no longer held by the State, the percentage referred to in the preceding paragraph will be frozen on the level reached at the time that the said B Shares are transferred by the State.

SECTION VIII

DISSOLUTION

Article 24

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 25

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	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' 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.

Our responsibility does not include identifying any undisclosed agreements or 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. 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 are appropriate and should be approved.

1. Absence of notification of agreement or commitment

We have not been informed of any agreement or commitment entered into during the year that is subject to the provisions of Article L. 225-38 of the French Commercial Code.

2. Agreements and commitments entered into in prior years which remained in force during the year

In accordance with the French Commercial Code, we were informed of the following agreement entered into in a prior year, which remained in force during the year.

- Agreement setting out the relationship with AXA, approved by the Board of Directors on 23 November 2005

This agreement, signed on 15 December 2005, sets forth the minimum and stable cross-holdings between the two groups:

- AXA initially undertook not to reduce its interest in BNP Paribas to below 43,412,598 shares, and BNP Paribas initially undertook not to reduce its interest in AXA to below 61,587,465 shares
- these figures will then be adjusted to take account of securities transactions, in particular bonus share grants, stock splits or reverse stock splits, and capital increases carried out by either BNP Paribas or AXA.

In addition, each party has a call option on the other's shareholding, exercisable in the event of a hostile takeover of BNP Paribas or AXA by a third party.

The agreement is for an initial term of five years, and is automatically renewable for two years and then for a further period of one year.

The agreement was announced by the French financial markets authority *(Autorité des Marchés Financiers)* on 21 December 2005.

We planned and performed the procedures that we deemed necessary in accordance with French professional standards in relation to this assignment. These procedures involved verifying the consistency of the information provided to us with the underlying documents.

Neuilly-sur-Seine and Courbevoie, 8 March 2010

The Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
Pascal Colin	Gérard Hautefeuille	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 Gérard Hautefeuille.

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

Baudoin 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 373) 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 consolidated financial statements for the year ended 31 December 2008 presented in this 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 2010

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.

In order to assist readers of the full-year financial report, the following table cross-references the information required by Article L.451-1-2 of the French Monetary and Financial Code.

FULL-YEAR FINANCIAL REPORT	Page
Statement by the person responsible for the Registration Document	370
Management report	
■ Review of the parent company's and consolidated group's profit or loss, financial position, risks, and share issue authorisations (Articles L.225-100 and L.225-100-2 of the French Commercial Code)	76-100; 133-172; 200-208; 248-280; 305-308
■ 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 L.225-211, paragraph 2, of the French Commercial Code)	204-205
Financial statements	
■ Full-year financial statements	282-311
■ Statutory Auditors' report on the full-year financial statements	318-319
■ Consolidated financial statements	106-243
■ Statutory Auditors' report on the consolidated financial statements	244-246

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 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; and
- the consolidated financial statements for the year ended 31 December 2007 and the Statutory Auditors' report on the consolidated financial statements for the same period, presented respectively on pages 107–220 and 221-222 of Registration Document No. D08-0108 filed with the AMF on 13 March 2008.

The chapters of Registration Documents D09-0114 and D08-0108 not referred to above are either not significant for investors or are covered in another section of this Registration Document.

Designed & published by Labrador +33 (0)1 53 06 30 80

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